INNOVATIVE RESPONSIBLE COMMITTED

FINANCIAL REPORT **2019**

BOUYGUES CONSTRUCTION

Shared **innovation**

CONTENTS

30

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

92

AUDITORS’ REPORT

95

PARENT COMPANY FINANCIAL STATEMENTS

Bouygues Construction is a world leader in construction. With operations in over 60 countries, it designs, builds, renovates, operates and deconstructs building, infrastructure and industrial projects.

BOUYGUES CONSTRUCTION: SHARED INNOVATION

HIGHLIGHTS

MAJOR CONTRACT GAINS

- Two road tunnels in the Kowloon peninsula (Hong Kong)
- Issy Cœur de Ville eco-neighbourhood in Issy-les-Moulineaux (France)
- New student halls of residence for the University of Brighton in the UK
- Extension of Port-la-Nouvelle harbour (France)

KEY FIGURES

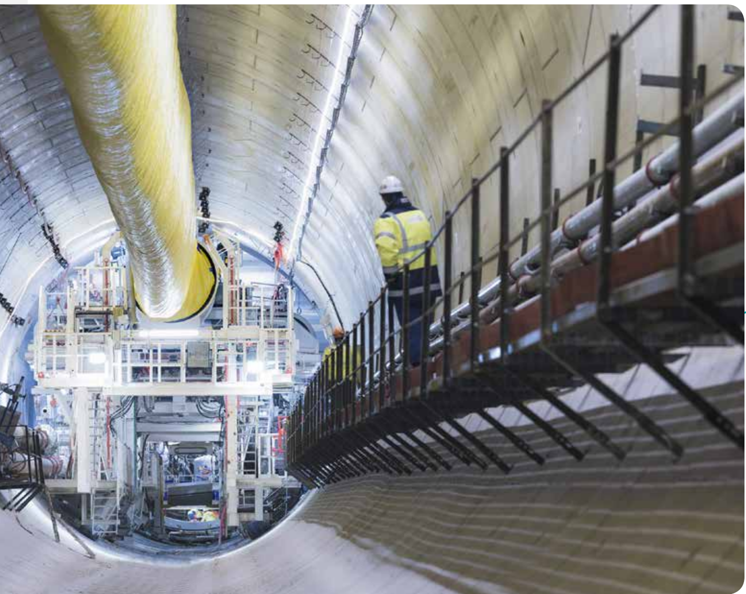
AT 31 DECEMBER 2019

PROJECTS HANDED OVER

- Liantang tunnel in Hong Kong
- The Ocean Cay project in the Bahamas
- New confinement shelter over the damaged reactor at Chernobyl (Ukraine)
- 17e Ciel property development in Paris (France)
- Sewage tunnels in Doha (Qatar)

PROJECTS UNDER CONSTRUCTION

- Grand Paris rapid transport link, line 15, packages T2A and T3A (France)
- Monaco offshore extension project
- Melbourne metro, NorthConnex and WestConnex tunnels in Sydney (Australia)
- Hinkley Point EPR power plant (UK)
- Tuen Mun-Chek Lap Kok tunnel (Hong Kong)



Headcount

58,149

Sales

€13,355m

(+8% vs 2018)

Current operating margin

2.8%

(-0.3 of a point vs 2018)

Net profit attributable to the Group

€325m

(€296m in 2018)

Backlog

€21.6bn

(-3% vs 2018)

MANAGEMENT REPORT

PROFILE

Bouygues Construction is a world leader in construction. **With operations in over 60 countries, it designs, builds, renovates, operates and deconstructs building, infrastructure and industrial projects.**

Bouygues Construction is acknowledged as a benchmark player in sustainable construction through the construction of many eco-neighbourhoods, low-carbon (timber-frame) buildings and structures certified against the best world eco-standards, as well as through the rehabilitation of sites in order to reach positive-energy status[1]. It also develops circular economy business models, from the design phase of projects to the recycling of their waste.

Bouygues Construction is increasingly involved in high value-added large-scale structures and in more encompassing projects ranging from neighbourhoods to connected communities.

GROWTH STRATEGIES AND OPPORTUNITIES

Bouygues Construction's strategy is based around three priorities:

- **to be a global player in places where it has a long-term presence,** such as Australia, Canada, France, the UK, Hong Kong and Switzerland, by drawing on its innovative products and services;
- **to develop exceptional projects with local partners, and;**
- **to refocus its activities towards industry and energy and services**.

More specifically, Bouygues Construction is aiming to:

- expand its property development activities by drawing on its Linkcity network;
- stake out a position as a leading player in the design and operation of smart cities;
- continue to be a top-notch player in the major infrastructure market (bridges, tunnels, concessions and PPP (public-private partnership) projects in France and worldwide) and expand its activities in the growing market for infrastructure repair work;
- enhance its skills in industrial processes and maintenance and develop cutting-edge skills in areas such as robotics, automation, smart buildings and the Internet of Things;
- roll out telecommunications infrastructure products and services in France and worldwide, and;
- continue its expansion in the solar farms segment, especially on international markets.

In these various market segments, Bouygues Construction:

- proposes full-service offerings which meet customers' needs, capitalising on its knowledge of markets in key sectors such as rehabilitation, healthcare and hotels;
- pursues customer satisfaction over the long term, in particular by ensuring tight control over execution, high-quality products and services and after-sales support, and;
- uses digital technology as a strategic avenue of growth, via the design of new products and services and the use of digital solutions within its own business activities.

The company is also investing to increase productivity and improve its performance in the construction process.

STRENGTHS AND ASSETS

An innovative, responsible and proactive player, Bouygues Construction has many strengths to draw on in all its activities:

- **know-how** through the talent of employees in over 60 countries who share the same customer-focused values;
- **end-to-end coverage of the value chain;**
- **a strong international presence:** Bouygues Construction operates worldwide on a long-term basis through well-established local subsidiaries or on one-off, technically complex major projects. These two approaches are complementary and give the company the necessary flexibility to deploy its resources quickly on strong-potential markets. Bouygues Construction generates over half its sales on international markets;
- **distinctive, high value-added products and services** based on long experience of managing complex projects, specific knowledge of sustainable construction and constant innovation in all its forms;
- **the ability to adapt to changing markets:** the level of the backlog provides good medium-term visibility, enabling costs to be adjusted while focusing commercial investment on the most dynamic markets, and;
- **a substantial cash surplus.**

1. A building which, in operation, produces more energy than it consumes.

MARKET POSITION

Given the organisational structure of its direct competitors, it is difficult to make like-for-like comparisons between them and Bouygues Construction.

- **In the world:** the Bouygues group's construction arm, represented by its three business segments Bouygues Construction, Bouygues Immobilier and Colas, is placed **sixth in the 2019 ENR ranking of international contractors,** based on the share of sales generated on international markets in 2018.
- **In Europe:** based on the 2018 ranking published by trade magazine *Le Moniteur* in December 2019, the Bouygues group's construction arm (Bouygues Construction, Bouygues Immobilier, Colas) is the **third largest in Europe** after Vinci's Contracting and Property Development division and Spanish firm ACS but ahead of the French contractor Eiffage and Sweden's Skanska.
- **In France:** according to this same ranking[2] , in a market worth over €250 billion according to a Euroconstruct estimate in December 2019, Bouygues Construction (its building and civil works activities alone) is **one of the top three contractors** ahead of Eiffage but behind Vinci.

BUSINESS ACTIVITY IN 2019

A GOOD LEVEL OF ORDER INTAKE

Order intake in 2019 reached €12.3 billion, €2.2 billion less than in 2018, a record year. The decline mainly reflects a decision to be more selective in commercial operations, especially in France, and a smaller number of major projects. Order intake in 2019 included 10 contracts worth over €100 million, six of them on international markets.
Like-for-like and at constant exchange rates, order intake was down 14% (down 5% in France and down 19% on international markets).

In France, order intake amounted to €5.1 billion, 13% less than in 2018 (down 5% excluding Axione). Orders included the Issy Cœur de Ville eco-neighbourhood project in Issy-les-Moulineaux with a buildable surface area in excess of 100,000 m², roll-out of a Fibre-To-The-Home (FTTH) network in Brittany, extension of Port-la-Nouvelle harbour on France's Mediterranean coast, and construction of a new wholesale food market (MIN) in Nice.

Order intake **on international** markets came to €7.2 billion, 17% less than in 2018. Orders included two road-tunnel projects in Hong Kong, a student halls of residence for the University of Brighton in the UK, a new Town Hall for the London borough of Tower Hamlets, an officer tower in Bangkok, Thailand, and a data centre for Airtrunk in Australia.

BACKLOG PROVIDES LONG-TERM VISIBILITY

The backlog at end-2019 stood at a high €21.6 billion, down 3% on end-December 2018 (down 4% like-for-like and at constant exchange rates), with international markets accounting for 60%. Europe and Asia-Pacific are the two most important international regions. Orders booked at end-2019 to be executed in 2020 amounted to €10.1 billion (€11.5 billion to be executed after 2020), giving good visibility for future activity.

SALES DRIVEN BY INTERNATIONAL MARKETS

Sales in 2019 amounted to €13.4 billion, with building and civil works accounting for 72% and energies and services for 28%. They were up 8% year-on-year (up 2% like-for-like and at constant exchange rates).

Sales in France were down 5% versus 2018 to €5.3 billion, equating to 40% of total sales.

Sales on international markets reached a record €8.1 billion, up 19% versus 2018. This was partly due to:

- the acquisition in mid-2018 of Alpiq InTec in Switzerland (now Bouygues Energies & Services InTec), Kraftanlagen München in Germany and AW Edwards in Australia as well as;
- the full-year effect of these integrations.

Like-for-like and at constant exchange rates, international sales increased by 3%.

IMPROVED OPERATING PERFORMANCES[3]

Current operating profit was stable versus 2018 at €378 million but rose sharply restated for the capital gain of €106 million on the partial divestment of shares and remeasurement of the residual interest in Axione in 2018. The current operating margin was 2.8%, 0.3 points lower than in 2018, but up 0.6 points restated for the capital gain on the partial divestment of Axione. There was a significant turnaround in the Energies & Services arm (see below), where the current operating margin rose from -0.4% to 2.1% due to the completion of troublesome projects in Ireland and the UK and improved profitability in the core business, especially at Bouygues Energies & Services in France. The current operating margin in the building and civil works activity was 3.1%, close to the benchmark level in the sector, but down 1.2 points versus 2018, when it was particularly high (4.3% restated).

Net profit attributable to the Group came to €325 million versus €296 million in 2018. The rise was mainly because of the sale of interests in airport and motorway concessions. The net margin remained stable at 2.4%.

2. 2018 ranking published by *Le Moniteur* magazine in December 2019.
3. Excluding the impact or the partial divestment of Axione in 2018.

HIGH NET SURPLUS CASH

Bouygues Construction had net surplus cash of €3.1 billion at end-2019, the same as at end-2018.

DEVELOPMENTS IN BOUYGUES CONSTRUCTION'S MARKETS AND ACTIVITIES

BUILDING AND CIVIL WORKS

In 2019, sales in building and civil works came to €9.6 billion, 4% more than in 2018. The share of sales on international markets continued to rise, standing at 58% versus 55% in 2018.

France

In the building segment in France, social housing budgets were generally tight, especially outside the Paris region. In the Paris region, demand for commercial buildings together with urban renovation and eco-neighbourhood projects offered attractive opportunities. Likewise, positive momentum continued in the civil works segment, where contracts for the Grand Paris Express rapid transit project represent a market worth over €30 billion to 2030. Civil works activity held up well outside the Paris region, boosted by public procurement in a pre-election year.

2019 sales: €4.0 billion (-3%)

The 3% decline in sales in the building segment was due to lower orders outside the Paris region, linked to the decision to be more selective in commercial operations.

In the Paris region, despite a fall in the residential segment, 2019 saw the start of work on large-scale projects booked in 2018, such as the renovation of 17 Boulevard Morland in central Paris and the Chapelle International project in the north of the city. Work continued on major amenity projects such as the 3 Fontaines shopping centre at Cergy-Pontoise (Paris region) and the rehabilitation of the Louvre Post Office in Paris. Several projects were handed over in 2019 in Paris, including the 17e Ciel Paris-Batignolles complex in the new Batignolles neighbourhood and the Grand Central Saint-Lazare office building near Saint-Lazare railway station.

Outside the Paris region, the company handed over the Biotope project in Lille, a 30,000-m2 building that hosts the headquarters of the Lille metropolitan authority (MEL). Work continued on the CO'Met sports and entertainment complex in Orleans.

Civil works activity held up well in the Paris region, sustained by Grand Paris projects such as packages T2A and T3A for metro Line 15 and the RER Eole East-West Express Rail Link from Saint-Lazare station to La Défense.

Elsewhere in France, Bouygues Construction was involved in complex major projects, including civil engineering works for the ports of Brest and Calais. Work on Line T2 of the Nice tram line was completed in 2019. In addition, Bouygues Construction has regional branches all over France which specialise in smaller-scale civil engineering projects and earthworks.

Europe

The construction market in Europe grew by nearly 2.5% in 2019, slightly less than in 2018 (3%).

The main drivers of growth at present are growing urbanisation and "catch-up" investment after several years of under-spending following the 2008 financial crisis. In the medium-term, slower economic growth in some European countries, linked in particular to the slowdown in international trade and political uncertainty, could adversely affect the construction market.

In Western Europe, Bouygues Construction subsidiaries are particularly active in the UK and Switzerland. Uncertainty over Brexit continued to affect the construction market in the UK. The construction market in Switzerland, long driven by the building segment, is a little less dynamic, especially in the residential segment.

2019 sales: €2 billion (stable)

In the **UK,** Bouygues Construction was involved in several urban regeneration projects, such as the Canning Town and Luton Street projects in London and the Castle Park View project in Bristol. The company continued to work on high value-added educational and research projects, such as Cardiff University's Innovation Campus and a new student halls of residence for the University of Brighton.

Work also continued on the Hinkley Point C nuclear power plant, which on completion will meet 7% of the UK's power consumption needs and supply over five million households.

In **Switzerland,** Bouygues Construction strengthened its expertise in property development, especially in Basel, Zurich and Delémont, where several eco-neighbourhood projects were awarded the 2000 Watts label[4].

In **Central Europe,** the building activity is covered by local subsidiaries in Poland and the Czech Republic.

Elsewhere in Europe, Bouygues Construction is also involved on a one-off basis in major infrastructure projects. Work continued on a complex offshore extension project in **Monaco,** where the installation of 18 caissons was completed in 2019.

4. The "2000-watt society" concept is based on the aim of reducing overall energy consumption by a factor of three and greenhouse gas emissions by a factor of eight by 2050 through the massive use of renewable energies. The label is awarded by Cité de l'Energie to development projects, neighbourhoods and urban areas which embrace these objectives.

Asia – Pacific

Growth rates on Asian markets remained high, partly driven by China, which is on the way to becoming the world's largest economy. Hong Kong, Singapore and the Philippines continue to exhibit strong potential.

In Australia, housing and retail construction and public investment in healthcare are driving the building market. The infrastructure construction market is likely to remain strong, sustained by government spending, especially on roads and telecommunications.

2019 sales: €2.6 billion (+18%)

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

Several major underground projects are being built in **Hong Kong,** including the sub-sea Tuen Mun-Chek Lap Kok road tunnel and the extension of the Shatin to Central Link metro line. Bouygues Construction handed over the two twin-tube Liantang tunnels in 2019. Activity in Hong Kong in 2019 contributed around 5% of Bouygues Construction's sales (and 2% of the Bouygues group's sales).

Bouygues Construction continued to 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 **Myanmar,** Bouygues Construction continued work on the second phase of the Yoma Central multi-use residential complex.

Africa – Middle East

High levels of economic growth are expected in Africa, linked in particular to rapid urbanisation, though the geopolitical context remains fragile. In the Middle East, the economic situation is highly dependent on the price of oil. However, infrastructure needs make these high-potential regions for construction firms. Bouygues Construction takes a selective approach to projects in this part of the world.

2019 sales: €542 million (+2%)

In **Egypt,** after taking part in the construction of Lines 1 and 2 of the Cairo metro, Bouygues Construction is building the new phase of Line 3.

It has long-standing operations in **Morocco,** where it excels in upmarket building projects, and completed renovation work on Antananarivo and Nosy Be airports in **Madagascar.**

The company's expertise in earthworks for opencast mining is illustrated in its operation of gold mines at Kibali in the **Democratic Republic of Congo,** Tongon in **Ivory Coast** and Gounkoto in **Mali.** Bouygues Construction is also involved on a one-off basis in roadbuilding projects in other African countries.

In the **Middle East,** the company handed over two sewage tunnels in Doha, **Qatar.**

Americas – Caribbean

There are opportunities in the Americas, especially in Canada and the United States, as a result of the public authorities' stated intention of rebuilding infrastructure. The growth of tourism in the Caribbean also potentially opens up attractive opportunities for Bouygues Construction.

2019 sales: €463 million (+38%)

The **Americas – Caribbean** region is growing strongly. Bouygues Construction has a long-term presence in **Cuba,** where it is a recognised specialist in the construction of turnkey luxury hotel complexes, a growing market driven by the steady growth of tourism. Orders for new projects were booked in 2019. In **the Bahamas,** Bouygues Construction completed work on Ocean Cay, a 100-acre artificial island which includes an arrival centre for cruise ships.

ENERGIES AND SERVICES

An Energies and Services arm comprising Bouygues Energies & Services, Alpiq InTec and Kraftanlagen München has been created following the acquisition of the latter two companies in July 2018. It benefits from the expertise of these two businesses, the former in electrical and HVAC engineering and the latter in power-plant development and services to industry respectively.

There is growing demand in industry for cutting-edge expertise in areas such as robotisation and smart buildings, as well as for complex processes and industrial maintenance. In addition, environmental issues, demographic growth and increasingly scarce raw materials make energy efficiency in buildings a central concern.

Telecommunications needs are also driving rising demand for network infrastructure. These key trends on the energy and services markets offer the Energies & Services arm sources of growth, both in the countries where it has most of its operations (Canada, France, the UK and Switzerland) and in emerging countries, especially in Asia and Africa.

The Energies & Services arm generated sales of €3.7 billion in 2019, a sharp rise on 2018 due to the consolidation of Alpiq InTec and Kraftanlagen.

France

2019 sales: €1.3 billion (-11%)

Restated for the effect of the partial divestment of Axione, sales in France increased by 12% versus 2018, driven by a high level of order intake, especially for network infrastructure (Fibre-To-The-Home).

Bouygues Energies & Services rolls out this type of infrastructure as part of local authorities' digital development policies. These activities are carried out in partnership with Axione, now jointly managed with Mirova, an investment fund. A new large-scale contract was gained in 2019 with the aim of installing a million optical fibre connections in rural areas of Brittany, western France. With over a million connections already installed at end-2019, Bouygues is a major player in optical fibre in France.

Bouygues Energies & Services also provides expertise in electrical and HVAC (heating, ventilation, and air conditioning) engineering, for example with the installation of HVAC systems as part of the Gaité renovation project in the south of Paris. It also has acknowledged expertise in the design and construction of solar farms such as the one at Piolenc called O'Mega1, in the south of France, the first floating solar farm built on a lake.

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

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 project covers the management of a connected control centre for public facilities serving the 250,000 people who live in the Dijon metropolitan area.

International

2019 sales: €2.5 billion (+43%)

The surge in international sales was mainly due to the acquisition of Alpiq InTec (renamed Bouygues Energies & Services InTec) and Kraftanlagen München in July 2018, strengthening Bouygues Construction's presence in **Switzerland** and **northern Italy** and giving it a foothold in **Germany.** Like-for-like and at constant exchange rates, sales would be down by €20 million (-1%).

The two companies have acknowledged expertise in energy systems and industrial engineering and offer solutions for power plants, especially hydropower plants.

In major power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions, as in **Vietnam,** where it finished building a 243-hectare solar power plant in 2019. It recently started work on a new solar farm in **Japan.**

Bouygues Construction's facilities management activities are expanding further, mainly in the **UK,** for the Metropolitan Police in south-east London and for Southmead hospital in Bristol for example. In North America, in **Canada,** for Surrey Hospital and the Royal National Mounted Police headquarters. Facilities management gives Bouygues Energies & Services a long-term revenue stream.

RESEARCH AND DEVELOPMENT ACTIVITIES

SHARED INNOVATION AS A CUSTOMER SERVICE

As it continually adapts to meet customer needs, Bouygues Construction's main strength is shared innovation. We are driving innovation at every stage in the value chain:

- **In the design phase,** Bouygues Construction highlights its expertise in Building Information Modelling, which can be used to manage all the information needed to design and build a structure. We have also developed a "serious game" that all stakeholders can use to imagine how the neighbourhoods of the future will look.

  Bouygues Construction is also looking to draw on the principles of the sharing economy and adaptive building design: optimising the use of goods and services, and greater reversibility of buildings so that they can be adapted more easily to future needs (as with "Bâtiment K", a Linkcity project in the new Eureka Confluence neighbourhood in Lyon.

- **In the construction phase,** Bouygues Construction promotes innovation in methods and materials. These include biosourced materials, such as in the ABC (Autonomous Building for Citizens) programme (designed to produce buildings that are self-sufficient in water, energy, and waste management), the foundation stone of which was laid in October 2018, but also the construction of timber buildings.

  Bouygues Construction is confirming its position as the market leader in modular construction, as demonstrated by the project led by Bouygues International and its Dragages Singapore subsidiary: the two 40-storey Clement Canopy towers are the world's tallest modular concrete towers.

- **In the operational phase,** Bouygues Construction is responsive to customer needs in terms of usage, energy efficiency and optimal infrastructure and utilities management.

  Our Wizom Connected offer (now fitted to more than 3,000 homes) uses state-of-the-art predictive management and internet of things technologies to make buildings perform better and more cheaply, and to make homes safer and more comfortable.

  Bouygues Energies & Services is also developing innovative neighbourhood solutions. The Citybox® solution transforms the lighting grid into a smart, responsive infrastructure. It can reduce energy consumption by modulating lighting in response to the weather, the time of day, what's happening in the neighbourhood, and maintenance requirements. Another solution, Alizé®, uses real-time smart management systems to provide charging points for local authority and corporate electric vehicle fleets.

  Bouygues Construction is putting digital at the heart of the "OnDijon" smart city project, developed in partnership with Bouygues Energies & Services, Citelum (EDF), Suez and Capgemini. The aim is to deliver more effective urban space management within the city of Dijon; the project includes street lighting, traffic lights, CCTV, access control, etc.

  Bouygues Construction is also keen to migrate towards a data-driven culture. The teams at the Tunnel Lab centre of excellence, set up in 2016 within civil engineering subsidiary Bouygues Travaux Publics, won the "Grand Prix du Jury" at the French Civil Engineering Federation Awards in December 2018. This award was in recognition of the "Machine Soil Interaction Indicator", an innovative solution that uses data analytics and modelling to develop decision-making tools for tunnelling projects.

Finally, Bouygues Construction and the École Centrale de Lille engineering school, with backing from Lille City Council and the Hauts-de-France Region, are continuing their partnership under the "Chaire Construction 4.0" initiative. This collaboration brings together a mixed research team (doctoral students, young researchers and Bouygues Construction employees) to plan for the digital transition of the construction sector, and to leverage productivity through digitisation and industrialisation.

LEADING PLAYER IN SUSTAINABLE CONSTRUCTION

At the heart of our strategy as a responsible and engaged business is our emphasis on environmental issues such as energy, carbon, biodiversity and the circular economy.

In a world of dwindling resources, we are developing alternative solutions, such as reusing tunnelling spoil to make concrete for use in building new structures.

Bouygues Construction also designs and constructs buildings that are self-sufficient in 100% renewable energies, and smart electricity supply networks (Smart Grids). We support industrial companies in the production of renewable energies, and offer our customers innovative infrastructure solutions such as eco-neighbourhoods.

Bouygues Construction was a pioneer in carrying out the very first HQE™ (High Environmental Quality) certified renovations of contemporary tertiary buildings, office towers and Haussmannian buildings (BBC-Effinergie® energy rating), and buildings with BEAM Plus[5], BREEAM®[6] and LEED®[7] certification. We have also completed projects that have achieved accreditation under two new standards - BBCA (low carbon buildings) and E+C- (energy positive/carbon negative) - and residential refurbishment projects with a 30-year zero energy guarantee.

The Maillerie project in Lille illustrates our drive to reduce site waste by using methodologies such as selective deconstruction, zero-waste design-and-build, and tools to calculate the investment needed for onsite waste prevention.

Bouygues Travaux Publics is currently testing Ubysol, a real-time waste removal tracking solution. Ubysol uses geolocators in the vehicle fleet to track where waste is going (over 220,000 tonnes of material tracked), what type of waste is being moved, how much it weighs and where it is being disposed of. This system not only generates productivity gains, it also makes waste disposal more reliable and effective.

5. BEAM Plus: Building Environmental Assessment Method (Hong Kong certification).
6. BREEAM®: Building Research Establishment Environmental Assessment Method (UK certification).
7. LEED®: Leadership in Energy and Environmental Design (US certification).

RISK MANAGEMENT ACTIVITIES AND POLICIES

Internal control and disclosures about risks (Article L. 225-100-1, I-3 to I-6 of the French Commercial Code)

INTERNAL CONTROL

EVALUATION OF INTERNAL CONTROL

Overall, the 2019 campaign involved over 650 people in more than 130 entities or units, representing 92% of Bouygues Construction sales. On average, each entity or unit evaluated 85 principles from the risk management and internal control reference manual.

Six topics were selected by Bouygues SA:
- PG.04 - Human Resources
- PG.05 - Information Systems (partial scope, focus on security)
- PG.09 - Anti-Corruption
- PG.10 - Compliance with Competition Law
- PG.13 - Promoting Ethical Conduct
- PG.14 - Embargoes and Export Restrictions.

Bouygues Construction selected the following additional topics, with reference to the strategic plan and risk mapping:
- PG.034-BYCN - Property Development
- PG.0341-BYCN - Understanding of Major Project Risks
- PG.035-BYCN - Internal Partnerships
- PG.036-BYCN - Tax
- PG.041-BYCN - Security
- PG.07 - Treasury Management, Financing, and Market Transactions
- PG.11 - Guarantees (partial scope)
- PG.122-BYCN - Subcontracting
- CF.03 - Application of Accounting Policies
- CF.04 - Understanding of Accounting Policies
- CF.124 - BYCN - Unincorporated Partnerships
- CF.13 - Investments, Divestments, R&D.

The self-assessment campaign is conducted during the spring and summer, with summary reports presented at the end of the year. The data collected are used to compile findings about the effectiveness of internal control within Bouygues Construction, and to develop and implement action plans with a view to constantly improving the internal control system and risk management.

Each entity develops its own action plans. At Bouygues Construction level, managers of the support functions overseeing action plans for the common themes selected by the parent company: Human Resources, Information Systems (Bouygues Construction IT), and Legal Affairs (for compliance).

The 2019 campaign continued the process of extending the rollout of internal control systems to the entities and units closest to the front line, while identifying areas for progress in the rigour of self-assessment ratings. By providing high-quality feedback and pooling their results, those involved are helping internal control to become a training, team-building and management tool.

RISK MAPPING

Risk mapping is integrated into the Bouygues Construction management cycle. It is submitted to the Audit Committee and the Board of Directors.

This management process provides a shared vision of major risks within Bouygues Construction, with the aim of constantly improving control over those risks and reducing exposure. In addition, synergies between risk management, internal control and internal audit can add value to the organisation's control processes. The annual internal audit plan includes a number of assignments which address the key risks identified by the mapping process.

Risk mapping is updated during the summer and autumn. The work done at entity level is supplemented by contributions from the support functions, forming the basis for risk mapping across the Bouygues Construction group as a whole.

Key risk factsheets, which identify action plans, are updated during the campaign.

RESOURCES DEPLOYED

The internal control rollout strategy adopted by Bouygues Construction reflects the Group's decentralised structure, and the decision to rely on strong and highly-structured support functions. The control environment is adapted accordingly:

Role of the Bouygues Construction holding company

Overall management of the internal control system is handled by a dedicated team within the Legal Affairs, Insurance, Audit, Internal Control and Legal Compliance departments. The holding company plays the lead role in the process, co-ordinates the self-assessment campaigns, and provides methodological support to the entities. It also prepares the Group-level summary report, monitors transverse action plans, and drafts the risk mapping.

Role of the entities

Within the entities, the internal control system is the responsibility of the Corporate Secretary.
Internal control correspondents are responsible for the rollout of self-assessment campaigns.
The Corporate Secretary of each operational unit is responsible for onward deployment within the unit itself.

Role of the support functions

The support functions bind the process together, building on the work done at entity level.
Managers of the support functions and centres of excellence are responsible for approving certain principles; they also prepare a summary report, and monitor transverse action plans.

Training and awareness programmes

Numerous training and awareness programmes form part of the campaign: discussion forums and feedback meetings, committee meetings at support function level, and reporting to the Executive Committees. A coordinating committee for those responsible for internal control at entity level provides a forum for information-sharing across the Group's entities.

ACCOUNTING AND FINANCIAL INTERNAL CONTROL

The entities have specific resources in both accounting and financial control. Accounting teams may be centralised or decentralised, depending on the circumstances. Financial controllers – present at every level of the organisation – work closely with operational managers.

The financial control and accounting functions both report to the Corporate Secretary. Shared resource centres are in place in the main territories where Bouygues Construction operates. These centres enable subsidiaries based in the same geographical territory to access shared accounting resources, helping to ensure that common policies and rules are strictly observed.

RISKS RELATING TO BOUYGUES CONSTRUCTION'S OPERATIONS AND ACTIVITIES

OPERATIONAL RISKS ON MAJOR PROJECTS

The complexity and size of the projects undertaken by Bouygues Construction may expose the Group to risk both in studies and design, and in the execution phase.

Such risks may originate from factors such as:
- errors in design, costings or methods;
- technical failings by the company or its partners (co-contractors, subcontractors, service-providers and/or suppliers);
- co-ordination and interface issues, especially on co-construction projects or works in occupied premises; and/or
- failure to manage tough contractual commitments.

If this type of risk materialises, it can lead to consequences such as (i) cost overruns due to project delays (such as the cost of additional resources or late delivery penalties); (ii) the need to deploy additional technical and human resources; (iii) the need to carry out unforeseen design and/or construction work; (iv) replacement of a partner that has failed; (v) claims and litigation; and (vi) damage to the company's image or reputation.

Bouygues Construction's organisational structure builds in strict selection, commitment, validation and control procedures, at the most appropriate level within the business; the bigger the project, the more centralised the process.

For all major projects, the commercial commitment validation procedure requires the preparation of a Risk Executive Summary at the outset, to identify and quantify the main risks. Internal audits are regularly conducted on major projects to obtain assurance of adequate control over emerging risks.

Finally, Bouygues Construction entities can call upon highly qualified human resources in both technical fields (through skills hubs) and specialist support services.

RISKS ASSOCIATED WITH HIGH INTERNATIONAL EXPOSURE

Bouygues Construction generates more than 60% of its business outside France, operating in over 60 countries, and hence is exposed to risks arising from (i) political or social instability in certain nation states or regions, with a potential impact on the local economy or currency and (ii) diplomatic and/or economic and commercial tensions between nation states.

Generally speaking, if such a risk materialises, it could result in Bouygues Construction:
- incurring extra costs to continue operations and/or maintain a presence in the region affected, due (for example) to tougher regulation, higher taxes, embargoes and/or asset freezes;
- incurring extra costs to withdraw from a region or country;
- forgoing certain contracts or markets.

As regards Brexit, Bouygues Construction conducts operations in the United Kingdom through local subsidiaries under both public and private sector contracts, mainly in the Greater London area. In addition, Bouygues Travaux Publics is involved in a joint venture with the UK company Laing O'Rourke Plc to build the Hinkley Point EPR nuclear power plant.

The terms on which the UK leaves the European Union could have an effect on the property market, labour costs, the costs of some materials, or access to financing sources.

Finally, Bouygues Construction has a presence in Cuba via its subsidiary Bouygues Bâtiment International. The terms on which it conducts business in Cuba, and the nature of operations conducted there (in the hotels and resorts sector) are wholly compliant with international, French and EU law. Nonetheless, activation of Title III of the US Helms Burton Act has had no major consequences as of the date of this report.

The risks arising from Bouygues Construction's international exposure are limited by:
- the gradual redeployment of our operations towards Europe (e.g. France, Germany and Switzerland), North America (United States and Canada), Australia, and Asia (e.g. Hong Kong, Singapore, the Philippines and Thailand);
- the resources in place to prevent and mitigate such risks, including:
  - a rigorous selection procedure implemented by the Executive Committee for any country where Bouygues Construction entities do not yet have a presence, or where they have not recently carried on operations;
  - in some regions, a "nomadic" business model, with a temporary operation set up to execute a specific major project;
  - the use of protective contractual terms, and the implementation of legal, financial and insurance-based preventive measures;
  - requiring payment in stable currencies;
  - close monitoring of forecasts (made possible by the depth of our order backlog) so that we can anticipate adverse trends and reallocate our means of production to less affected markets or activities.

We are monitoring the Brexit situation closely, with a dedicated task force. All contracts signed in recent months include clauses protecting against the effects of Brexit.

RISKS RELATING TO PARTNERSHIPS

It is essential for Bouygues Construction that its counterparties (customers, co-contractors, subcontractors and suppliers) are able to fulfil their obligations. If a counterparty risk were to materialise, that could have significant consequences, given the size and complexity of the projects in which we are involved.

The risk of non-payment by a customer due to insolvency is considered as moderate to low, insofar as:
- most of our customers are from the public sector (national and local government);
- each project is subject to a selection procedure that takes account of the quality of the counterparty, and builds in contractual and financial arrangements to protect against the risk of non-payment;
- operations in countries prone to payment difficulties are essentially financed by multilateral agencies, such as the World Bank.

Risks relating to default by our biggest subcontractors and suppliers are kept under control by a selection, referencing and monitoring process carried out by our procurement function.

Risks relating to default by co-contractors on major or complex projects are mitigated by a specific selection process, backed as necessary by the implementation of appropriate guarantees.

INDUSTRY TRENDS AND UBERISATION

Our ability to innovate and adapt to changes in markets, techniques and technologies is essential.

Failure to adapt and innovate can adversely affect our capacity to improve productivity and reduce production costs. It could also lead to lost opportunities, and to our withdrawal from certain markets.

However, we believe this risk is limited for Bouygues Construction, which has set up a dedicated innovation unit tasked with:
- supporting R&D activities within our subsidiaries, and centralising cross-disciplinary issues;
- monitoring developments in the field of innovation;
- identifying and securing partnerships with start-ups that offer a good fit with our business;
- promoting in-house initiatives.

LEGAL, REGULATORY AND ETHICAL RISKS

Ethical and compliance breaches

Bouygues Construction is exposed to ethical and compliance risks that may arise as a result of non-compliance with Group standards, especially as regards:

- its relationships with public sector bodies, whether they are acting as principal or granting the permissions necessary for projects to go ahead;
- the potential for employees to be subject to illegal approaches by intermediaries, suppliers or local partners, potentially resulting in anti-competitive practices, conflicts of interest, or embargo violations;
- the number of players involved in projects, whether in the bidding phase or during execution;
- the extent of its geographical footprint.

Ethical and compliance breaches may lead to substantial financial penalties; denial of access to certain contracts, markets, sources of funding and/or insurance policies; reputational damage; internal disruption; and the imposition of restrictive monitoring regimes.

Bouygues Construction's ethics and compliance policy is backed by strong commitment on the part of the Chief Executive Officer. The Group's Ethics and Compliance Officer, who reports to the Chief Executive Officer, can access dedicated resources at head office level, and through Legal Affairs departments at entity level. The policy is built around the Code of Ethics and the five Bouygues group compliance programmes, supplemented by specific measures.

EXTRA-FINANCIAL RISKS

HR risk, loss of expertise and talents

The Bouygues group's activities are dependent on the competencies, know-how and expertise of its employees, especially on medium/long-term projects.

So the risk is that Bouygues may be unable to attract and retain the most suitable people in terms of their know-how and/or potential; to train and build the skills of all its employees effectively; or to allocate resources appropriately.

If this risk were to materialise, it would:

- reduce the overall level of expertise within Bouygues Construction, potentially weakening its market position;
- make it difficult to plan the availability of certain resources, leading to internal disruption;
- impair the quality and lead times of project design and/or execution, leading to cost overruns;
- adversely affect the image and reputation of Bouygues Construction.

Preventive and corrective measures are applied. These relate to spotting skills and talent, data analysis, and the attractiveness of the sector and of Bouygues Construction as an employer, and include:

- developing a resource availability matrix by country, region and market;
- developing new interactive tools to identify expertise and replacement capacity;
- changes to the management model and the remuneration/reward model;
- data analysis, including data from one-on-one interviews and preventive surveys;
- adjustments to the target profile of candidates;
- identifying site-specific needs.

CSR

For Bouygues Construction, responding to mounting expectations in terms of corporate social responsibility, environmental awareness, climate risks and reducing its carbon footprint represents a major challenge.

Failure to address this challenge could result in lost opportunities and reputational damage.

Bouygues Construction has set up specific organisational structures to meet the challenge and limit the associated risks, and is continuing to apply its "Responsible and Engaged" approach. This encompasses 12 key areas of commitment: Health & Safety; Ethics; Human Rights; Exemplary Operations; Energy & Carbon; Diversity & Quality of Life at Work; Circular Economy; Biodiversity; Sourcing of Sustainable Resources; Employability & Local Rootedness; Openness to Society; and Community Spirit.

We have also set up "TopSite", an internal accreditation scheme for our work sites, which addresses five issues: Health & Safety; Environment; Employees; Society; and Quality/Customer Engagement. All projects lasting more than six months and worth over €3 million are required to seek accreditation.

INSURANCE – RISK COVERAGE

Bouygues Construction's policy on insurance cover focuses on optimising and ensuring the continuing validity of the policies contracted for the company and its subsidiaries; the aim is to protect against exceptionally large or numerous potential claims at a cost that does not impair the company's competitiveness.

This long-term approach to insurance cover requires partnerships with high-quality insurers with excellent financial solidity. To preserve these partnerships and prevent information being used to the detriment of Bouygues Construction, especially in legal disputes, the amount of premiums and the terms of cover are kept strictly confidential, especially in liability insurance.

In addition to insurance policies required by law, Bouygues Construction also takes out liability cover (including for cyber risk) against loss or injury to third parties for which Group companies may be liable. Because Group companies vary greatly in size and in the nature of their operations, cover is tailored to the risks incurred, but is generally in excess of €5 million per claim.

Permanent premises (like the headquarters building, branch offices, depots and workshops) are protected by comprehensive insurance policies that provide cover up to a contractual rebuild cost agreed with the insurers on a maximum probable loss basis.

Projects in progress are usually covered by contractors' comprehensive insurance policies that provide protection for property damage. The insured sum is generally the market value.

However, in some cases, the insured sum may be limited by the total capacity available in the world insurance market, in light of specific criteria such as geographical location, the type of project (e.g. tunnels), the risk covered (e.g. cyclones or earthquakes), or the nature of the cover (e.g. ten-year construction guarantees for major building projects).

For all these contracts, deductibles are set so as to optimise the overall cost to Bouygues Construction, based on the likelihood of claims and the premium reductions that can be obtained from insurers by increasing the deductible.

Finally, Bouygues Construction and its subsidiaries operate a prevent and protect policy, including the development of new measures to further reduce the incidence and financial effect of accidents and claims.

CREDIT AND/OR COUNTERPARTY RISKS

COMMERCIAL CREDIT AND COUNTERPARTY RISK

The fact that our projects and operational units are structurally cash-positive is a fundamental principle underpinning the financial security of our operations. Cash flow and financial risk projections are prepared for major projects from the prospecting phase onwards, and are regularly updated.

The quality and financial soundness of sensitive customers, consortium members, partners, suppliers and subcontractors are closely analysed. Depending on the contractual and commercial context of a project, we may inter alia:

- require an upfront advance from the customer before works commence and deduct warranty retentions from subcontractor progress statements;
- require bank guarantees (e.g. to secure payment in the case of customers, or as performance bonds in the case of subcontractors);
- assign trade receivables without recourse;
- take out export risk insurance (covering against country risk and political risk);
- take out credit insurance.

The Bouygues Construction group is not exposed to any risk of dependency on a specific customer.

In the case of ad-hoc consortia, temporary allocations of cash between consortium members are covered by bank guarantees securing the return of the cash.

BANKING CREDIT AND COUNTERPARTY RISK

Any investment of funds with a third party requires the prior approval of the Treasury and Financing Department, in terms of both the choice of bank counterparty (based on an analysis of the bank's rating) and the type of instrument.

The main investment products used are:

- certificates of deposit and term deposits with a maturity of no more than three months with high-grade counterparties;
- term accounts and interest-bearing accounts with high-grade banks offering daily liquidity;
- pure money-market funds offering daily liquidity and a positive yield.

These investments are subject to review and monitoring on a monthly basis.

No losses arose during 2019 on any of the investment products used by the Group.

As of 31 December 2019, no single bank held more than 6% of the Group's available liquidity. Over 91% of investments are placed with counterparties rated investment grade or better (minimum: Standard & Poors BBB+).

LIQUIDITY RISK

As of 31 December 2019, net cash amounted to €4,204 million, and the Group also had €224 million of undrawn confirmed short-term credit facilities on that date.

INTEREST RATE RISK

EXPOSURE TO INTEREST RATE RISK

Interest rate risk exposure arises on floating-rate debt recognised in the balance sheet, and is hedged by floating-rate investments. Bouygues Construction negotiates upfront payments with customers before starting work on a contract, and hence has a substantial net cash surplus which is invested in the short term in products that are sensitive to interest rate movements.

INTEREST RATE RISK HEDGING POLICY

The only instruments that can be used for interest rate risk hedging purposes are interest rate swaps, caps and collars. These instruments are used solely for hedging purposes, are contracted solely with high-grade French and foreign banks, and carry no liquidity risk in the event of reversal. Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of these instruments, the selection of counterparties with whom they are contracted, and more generally, the management of exposure to interest rate risk.

Bouygues Construction's policy is to hedge at Group level some or all of its financial assets and liabilities, where these are foreseeable and recurring. Given the Group's level of debt and capital expenditure needs, use of the financial instruments listed above is limited to hedging the company's risk exposures.

CURRENCY RISK

EXPOSURE TO CURRENCY RISK

Bouygues Construction has low exposure to currency risk in routine commercial transactions. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed.

This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Bouygues Construction also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

CURRENCY RISK HEDGING POLICY

The only instruments that can be used for currency risk hedging purposes are forward currency purchases and sales, currency swaps and currency options. These instruments are used solely for hedging purposes, are contracted solely with high-grade French and foreign banks, and carry no liquidity risk in the event of reversal. Specific reports are prepared for those responsible for the management and supervision of the relevant Group companies describing the use of these instruments, the selection of counterparties with whom they are contracted, and more generally, the management of exposure to currency risk.

Bouygues Construction group policy is to hedge systematically all residual exposure to currency risk on commercial transactions relative to the functional currency of a project or entity. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed. Equity investments in foreign companies are usually hedged by a liability of a similar amount in the same currency in the books of the entity that holds the investment.

RISK RELATING TO EQUITIES AND OTHER FINANCIAL INSTRUMENTS

Bouygues Construction has no exposure to equities risk.

Financial instruments may occasionally be contracted to hedge a commodities risk, provided that an adequate instrument is available on the financial markets. These instruments are used solely for hedging purposes and are contracted solely with high-grade banks.

STATEMENT ON EXTRA-FINANCIAL PERFORMANCE

SOCIAL AND ENVIRONMENTAL IMPACT OF ACTIVITIES – SOCIETAL COMMITMENTS – COLLECTIVE AGREEMENTS – WORKING CONDITIONS

In accordance with Article L. 225-102-1 of the French Commercial Code as amended by Law no. 2018-938 of 30 October 2018, information about:

- the consideration given by the company to the social and environmental consequences of its activities, including the consequences for climate change of those activities and of the use made of the goods and services produced by the company;

- societal commitments to support sustainable development and the circular economy, cut food waste, combat discrimination and promote diversity;
- collective agreements in effect within the company, and their impacts on the company's economic performance;
- working conditions of employees;

is provided in the 2019 Bouygues Registration Document, available at www.bouygues.com.

VIGILANCE PLAN

In accordance with Article L. 225-102-4 of the French Commercial Code as amended by Order no. 2017-1162 of 12 July 2017, information about:
- human rights and fundamental freedoms;
- human health and safety, and the environment;

is provided in the 2019 Bouygues Registration Document, available at www.bouygues.com.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware. Bouygues Construction initially shut down its IT system as a precaution to prevent the virus from spreading, and specific measures were taken to ensure business continuity in France and abroad. A number of hardware and software systems were put back into service very quickly. As these were being restored, the security of the entire IT system was strengthened with help from experts both within and outside the Group. There was a very low impact on the operational and commercial activity of worksites. The relevant insurance policies were activated and a complaint has been filed with the competent authorities.

OUTLOOK FOR 2020

In a French market driven mainly by the "Grand Paris" project, and an international market rich in opportunities, Bouygues Construction has good visibility backed up by:

- **orders booked as of 31 December 2019 to be executed in 2020** worth €10 billion;
- **robust international activity,** in countries with a favourable economic outlook (Singapore, Canada, Switzerland, Australia, etc.) with good ratings from the Transparency International NGO;
- **a medium-term order backlog** (2 to 5 years) worth €9.3 billion as of 31 December 2019;
- **a healthy financial position,** bolstered by high net surplus cash of €3.1 billion;
- **a lead in sustainable construction,** to which the company devotes much of its R&D budget;
- **a strong commitment to shared innovation** as customer service.

In 2020, Bouygues Construction will continue to focus on its core priorities – tight control over the execution of major projects, selectivity in order acceptance, and innovation – while protecting the health and safety of its employees and project partners.

REVIEW OF THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

A total of 422 companies are included in the scope of consolidation, 56% of which are located outside France, compared with 411 at the end of 2018.

The main significant events and changes in scope of consolidation are described below:

Alpiq Engineering Services
Further to the 2018 acquisition of Alpiq Engineering Services, Bouygues Construction filed arbitration proceedings against Alpiq on 12 February 2019 following differences of opinion as to the amount of the final purchase price adjustment determined in connection with the sale of the services and engineering operations in 2018. Bouygues Construction claimed an amount of CHF 205.1 million (€186 million), while Alpiq claimed a payment of CHF 12.9 million (€12 million).

On 20 January 2020, Bouygues Construction filed its petition in the arbitration proceedings, and increased the amount claimed from CHF 205 million to CHF 319 million plus interest. That amount includes claims made by Bouygues Construction under price adjustment clauses, and claims made under the vendor's asset/liability guarantee in the sale agreement.

The arbitration panel is not expected to deliver a ruling until 2022 at the earliest.
The twelve-month purchase price allocation period has now ended, and final goodwill on the acquisition amounts to €570 million.

Airport concessions in Cyprus and Zagreb
As part of the expansion of its airport concession activities, Bouygues Construction has set up a new entity, Bouygues Construction Airport Concessions Europe, which holds the Group's equity interests in airports located in Cyprus and Zagreb.

An equity investor has taken a stake in this newly-formed entity, generating an overall capital gain of €49 million (recognised in "Share of net profits/losses of joint ventures and associates") and a financial gain of €9 million.

TransJamaican Highway Limited motorway concession
On 20 December 2019, Bouygues Construction sold its 48.89% equity interest in the motorway concession TransJamaican Highway Ltd. The €32 million gain on the sale was recognised in "Share of net profits/losses of joint ventures and associates".

ASSETS

In aggregate, property, plant and equipment (€746 million) and intangible assets (€16 million) are €20 million higher than at the end of 2018. The main factors in this year-on-year movement are:
- capital expenditure of €247 million during the year, of which €155 million was incurred outside France (including €33 million on the Melbourne Metro project and €32 million on the Westconnex project in Australia) and €92 million in France (including €7 million on the EOLE Paris urban rail project and a total of €26 million on the T2A and T3A Paris urban tramway projects);
- depreciation and amortisation expense charged during the period (€184 million);
- disposals of property, plant and equipment and intangible assets (generating a cash inflow of €58 million).

Goodwill amounts to €1,157 million. Final goodwill on the acquisition of the operations of Alpiq Engineering Services amounts to €570 million, following a review (in accordance with the requirements of IFRS 3) when the financial statements for the first nine months of 2019 were prepared.

Investments in joint ventures and associates, accounted for by the equity method, amount to €105 million (versus €103 million at the end of 2018). This line item mainly comprises the retained 51% equity interest in Axione (€83 million) and the 33% equity interest in the Stade de France consortium (€8.5 million).

Other non-current financial assets (€221 million) comprise €40 million of investments in non-consolidated companies, plus €181 million of non-current loans and receivables, advances to non-consolidated companies, and deposits and caution money. That compares with €247 million at the end of 2018.

"Deferred tax assets and non-current tax receivable" amounts to €71 million, and consists solely of deferred tax assets.

At €4,789 million, current assets other than cash are €55 million higher than at the end of 2018 (€4,734 million).

The net cash position (cash and cash equivalents, net of overdrafts and short-term bank borrowings) is €4,204 million, €45 million higher than at the end of 2018 (€4,159 million).

LIABILITIES

Total shareholders' equity, including non-controlling interests (i.e. minority interests), is €74 million higher than the end-2018 figure of €898 million. The main factors in this year-on-year movement are:
- the €325 million of net profit attributable to the Group for the period;
- minus the dividend payout of €220 million;
- and minus €35 million for the effect of actuarial losses on employee benefit obligations.

Non-current debt is €1,082 million, €54 million higher than at the end of 2018, due mainly to acquisitions made during the second half of the year.

Provisions – which are a significant item in the construction industry – are split between non-current (€857 million) and current (€742 million), in accordance with international financial reporting standards.

Current taxes payable amount to €136 million, and comprise corporate income taxes payable by French and foreign subsidiaries in the short term.

Trade payables are €3,039 million at end 2019, compared with €3,108 million at end 2018.

Customer contract liabilities amount to €2,638 million at 31 December 2019, versus €2,688 million a year earlier.

This line item is presented to comply with the requirements of IFRS 15, and represents the sum total of advances/down-payments received and deferred income.

Other current liabilities amount to €1,750 million. This line item mainly comprises tax and employee-related liabilities.

INCOME STATEMENT

Sales for the year are €13,355 million, 8.1% higher than in 2018.
Of this, 40% was generated in France (versus 45% in 2018). Building and civil engineering account for 72% of total sales.

Current operating profit is €378 million (versus €368 million in 2018). After deducting income tax expense of €128 million, net profit attributable to the Group is €325 million.

PARENT COMPANY FINANCIAL STATEMENTS

COMMENTS

The increase of €187 million in net non-current assets (€1,809 million at end 2019, versus €1,622 million at end 2018) mainly reflects a €150 million equity injection into Bouygues Travaux Publics, plus various transactions relating to the financing of subsidiaries.

The reduction of €9 million in current assets (€432 million at end 2019, versus €441 million at end 2018) mainly comprises a €16 million reduction in current accounts, partly offset by an increase of €6 million in unrealised foreign exchange losses.

Shareholders' equity at end 2019 is €798 million, an increase of €90 million, after taking account of the €219 million dividend payout and the net profit for the year of €310 million.

Debt at end December 2019 is €1,246 million (versus €1,214 million a year earlier). This line item consists of cash borrowed from Bouygues group cash pooling entities to finance non-current assets, to the extent that Bouygues Construction has access to confirmed, available and undrawn long-term credit facilities.

Current liabilities amount to €187 million at 31 December 2019 (versus €162 million at end 2018), an increase of €25 million, mainly relating to current accounts.

Net debt at 31 December 2019 is €1,239 million, versus €1,182 million at end 2018, a year-on-year increase of €57 million.

Indebtedness

As of 31 December 2019, net cash amounted to €7 million, and the Group also had €151 million of undrawn confirmed short-term credit facilities on that date.

Loans of less than three years made by the company ancillary to its principal business

(Article l. 511-6, 3Bis para.1 And articles r. 511-2-1-1 And r. 511-2-1-2 Of the french monetary and financial code) Bouygues Construction did not make any loans of less than three years ancillary to its principal business in 2019.

SUBSIDIARIES AND AFFILIATES

In accordance with Articles L. 233-6 and L. 247-1 of the French Commercial Code, the description of the Bouygues Construction group's activities and results contained in this Financial Report includes the activities of the company's subsidiaries and of companies under its control.

A table showing information about holdings in subsidiaries and affiliates is appended to the company's balance sheet and reproduced on the following page.

BRANCHES – SECONDARY ESTABLISHMENTS

In accordance with Article L. 232-1 of the French Commercial Code, we inform you that the company has three secondary establishments in the form of shared resource centres, located at Rouen and St-Herblain (accounting) and Lyon (payroll).

INFORMATION ABOUT SUPPLIER AND CUSTOMER PAYMENT TERMS

As required by Articles L. 441-6-1 and D. 441-4 of the French Commercial Code, information about payment terms is provided below:

- suppliers: invoices received and due for payment that remain unpaid at the end of the reporting period;
- customers: invoices issued and due for payment that remain unpaid at the end of the reporting period.

Year ended 31 December 2019

Subsidiaries and affiliates (€ million)	Share capital [4]	Reserves & retained earnings before appropriation of profits [4]	% interest in capital	Carrying amount of shares held		Loans and advances receivable by the parent	Guarantees given by the parent	Sales for last financial year	Net profit/ (loss) for last financial year	Dividends received by the parent during the year	Comments
				Gross	Net						
A. Detailed information [1][2]											
Subsidiaries (interest held > 50%)	**–**	**–**	**–**	**1,274**	**1,255**	**800**	**75**	**–**	**–**	**–**	
DTP	10	1	100.00%	24	24	–	–	4	–	13	
Bouygues Bâtiment International	25	155	100.00%	85	85	122	43	944	83	25	
Bouygues Bâtiment Île-de-France	13	36	99.70%	103	103	–	–	1,522	23	34	
Bouygues Travaux Publics	191	9	98.29%	243	243	85	2	1,235	(53)	16	
BYES	51	40	100.00%	158	158	292	9	2,509	22	–	
Bouygues Bâtiment Nord-Est	25	16	100.00%	35	35	–	–	391	9	6	
Bouygues Bâtiment Centre Sud-Ouest	7	10	100.00%	11	11	–	–	158	6	2	
Bouygues Bâtiment Sud-Est	3	21	100.00%	6	6	–	–	366	22	4	
Fichallenge	2	(7)	100.00%	2	–	–	–	–	–	–	
Challenger	–	–	99.99%	15	15	–	–	19	3	–	
Bouygues Bâtiment Grand Ouest	2	45	100.00%	4	4	–	–	399	12	5	
Bouygues Construction Central Europe	–	22	100.00%	25	25	38	–	–	(1)	–	
VSLI (Switzerland)	2	3	100.00%	32	32	66	–	16	8	–	
Losinger Holding (Switzerland)	15	11	99.96%	22	22	–	–	–	62	66	CHF 1 = €0.921319
Dragages Hong Kong (Hong Kong)	50	197	100.00%	6	6	69	–	57	84	150	HKD 1 = €0.114321
Acieroid (Spain)	1	–	93.81%	18	1	–	–	23	–	–	
BYES Intec Ag (Switzerland)	30	95	100.00%	394	394	108	–	–	(17)	–	CHF 1 = €0.921319
Kraftanlagen München GmbH (Germany)	25	–	100.00%	88	88	20	21	363	(18)	–	
Detailed information: affiliates (interest held 10%-50%)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	
B. Aggregate information for subsidiaries and affiliates not included in item A											
Total	**–**	**–**	**–**	**33**	**10**	**11**	**–**	**–**	**–**	**–**	
French subsidiaries (aggregate)	–	–	–	2	1	10	–	–	–	2	
Foreign subsidiaries (aggregate) [3]	–	–	–	–	–	–	–	–	–	–	
French affiliates	–	–	–	30	9	1	–	–	–	1	
Foreign affiliates	–	–	–	–	–	–	–	–	–	–	
Grand total	**–**	**–**	**–**	**1,307**	**1,265**	**810**	**–**	**–**	**–**	**–**	

(1) Where the carrying amount exceeds a certain percentage (determined by applicable regulations) of the share capital of the reporting entity. If the reporting entity has also published a consolidated balance sheet that complies with the applicable regulations, it is only required to disclose aggregate information (item B), showing separately (a) French subsidiaries (aggregate) and (b) foreign subsidiaries (aggregate).
(2) Give the name of each subsidiary and affiliate in which the reporting entity holds an equity interest.
(3) Foreign subsidiaries and affiliates exempt from inclusion in item A are included on these lines.
(4) Amount in local currency, with the currency and exchange rate shown in the "Comments" column.

Amounts in thousands of euros	Invoices received and due for payment that remain unpaid at the end of the reporting period						Invoices issued and due for payment that remain unpaid at the end of the reporting period					
	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)	0 days (indicative)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total (1 day or more)
A/ Ageing profile of payment arrears												
Number of invoices	361					3	425					19
Total amount (incl. VAT)	17,444	10	-	-	-	10	22,059	644	1	2,456	47	3,148
% of total purchases (incl. VAT)	11.33%	0.01%	-	-	-	0.01%						
% of total sales (incl. VAT)							9.13%	0.27%	0.00%	1.02%	0.02%	1.31%
B/ Invoices excluded from (A) because they are disputed or not recognised in the accounts												
Number of invoices			3						0			
Total amount (incl. VAT)			6						0			
C/ Benchmark payment terms used (contractual or statutory - Article L. 441-6 or L. 443-1 of the French Commercial Code)												
Payment terms used to determine arrears	Contractual terms: other than in special cases, the contractual term generally used is 45 days after the end of the invoice month						Contractual terms: other than in special cases, the contractual term generally used is 30 days after the 15th of the following month					

Note:
- the "Trade payables" line item (€39 million) also includes accrued expenses and unpresented bills of exchange;
- the "Trade receivables" line item (€30 million) also includes unbilled receivables.

HUMAN RESOURCES INFORMATION

As of 31 December 2019, Bouygues Construction had a consolidated headcount of **58,149** people **(including BYES Intec and Kraftanlagen),** split as follows:

- **France** **21,617**
  - *Site workers* *5,762*
  - *Clerical, technical and supervisory* *6,176*
  - *Managerial staff* *9,679*

    Includes managerial staff on secondment outside France
- **International** **36,532**
  - *Expatriates* *765*
  - *Local staff* *35,767*

The frequency rate of accidents requiring time off work **(excluding BYES Intec and Kraftanlagen)** in 2019 was 3.59.

The severity rate was 0.27.

APPROPRIATION OF 2019 PROFITS

We propose that you appropriate the net profit for the financial year of €309,573,850.16 in full to retained earnings, which will thereby be increased from €333,028,652.53 to €642,602,502.69, given that the legal reserve is already at the maximum amount.

As required by law, dividends paid in respect of each of the last three financial years are disclosed below:

FINANCIAL YEAR	2016	2017	2018
Number of shares	1,706,230	1,706,230	1,706,230
Dividend per share	€158.26	€187.26	€128.45
Total dividend	**€270,027,959.80**	**€319,508 629.80**	**€219,165,243.50**

FIVE-YEAR FINANCIAL SUMMARY

As required by Article R. 225-102 paragraph 2 of the French Commercial Code, a table showing a summary of the company's results for each of the last five financial years is appended to the present report.

ACQUISITIONS OF EQUITY INTERESTS AND CONTROL

ACQUISITIONS OF SIGNIFICANT EQUITY INTERESTS IN COMPANIES WITH THEIR REGISTERED OFFICE IN FRANCE

In accordance with Articles L. 233-6 and L. 247-1 of the French Commercial Code, we inform you that during the last financial year Bouygues Construction did not acquire any direct equity interest (in share capital or voting rights) representing more than 5%, 10%, 20%, 33.33% or 50% of the capital of companies with their registered office in French territory.

ACQUISITIONS OF CONTROL OF COMPANIES WITH THEIR REGISTERED OFFICE IN FRANCE

In accordance with Articles L. 233-6 and L. 247-1 of the French Commercial Code, we inform you that during the last financial year Bouygues Construction did not acquire direct or indirect control over any company with its registered office in French territory.

INFORMATION ABOUT THE SHARE CAPITAL

TRANSACTIONS ALTERING THE SHARE CAPITAL

No transaction that had the effect of altering the amount of share capital took place during the year ended 31 December 2019.

IDENTITY OF INDIVIDUALS OR ENTITIES OWNING MORE THAN ONE-TWENTIETH OF THE SHARE CAPITAL OR VOTING RIGHTS

In accordance with Article L. 233-13 of the French Commercial Code and in light of the information received pursuant to Article L. 233-12 of that Code, we inform you that as of 31 December 2019, 99.93% of the share capital of Bouygues Construction was held by Bouygues, a Société Anonyme with share capital of €365,104,531 and its registered office at 32, Avenue Hoche, 75008 Paris, France, registered in the Paris Register of Commerce and Companies as number 572 015 246.

INFORMATION ABOUT CONTROLLED ENTITIES AND OWN SHARES

In accordance with Article L. 233-13 of the French Commercial Code, we inform you that as of 31 December 2019 Bouygues Construction did not hold any of its own shares.

ASSIGNMENTS OF SHARES TO REGULARISE CROSS-SHAREHOLDINGS

Because Bouygues Construction has no cross-shareholdings with any other company, the requirement to regularise the situation by assignment of shares (as imposed by Article L. 233-39 of the French Commercial Code) does not apply.

Consequently, no assignments of shares to regularise cross-shareholdings were carried out in the year ended 31 December 2019.

SHARES BOUGHT AND SOLD IN CONNECTION WITH VOLUNTARY EMPLOYEE PROFIT-SHARING SCHEMES

(ARTICLES L. 225-208, L. 225-209-2 AND L. 225-211 OF THE FRENCH COMMERCIAL CODE)

No shares were bought or sold in connection with voluntary employee profit-sharing schemes during the year ended 31 December 2019.

NON-DEDUCTIBLE EXPENSES

As required by Articles 223 *quater* and 223 *quinquies* of the French General Tax Code, we inform you that no expenses not deductible for tax purposes (as mentioned in Article 39.4 of that Code) were incurred during the year, and no overheads mentioned in Article 39.5 of that Code were added back for tax purposes.

EMPLOYEE SHARE OWNERSHIP

As required by Article L. 225-102 of the French Commercial Code, we inform you that as of the end of the reporting period (i.e. 31 December 2019), the percentage interest in the company's share capital held by employees of the company itself (and of entities related to the company within the meaning of Article L. 225 180 of the French Commercial Code) was zero.

However, as required by Article L. 225-184 of the French Commercial Code, a special report is being presented to the Annual General Meeting on awards and exercises of stock options during the year relating to (i) corporate officers of the company and (ii) the ten company employees awarded the most options.

ECONOMIC AND SOCIAL COMMITTEE OBSERVATIONS

The Economic and Social Committee has made no observations pursuant to Article L. 2323-8 of the French Labour Code.

AUTHORISATION OF GUARANTEES

As required by Articles L. 225-35 and R. 225-28 of the French Commercial Code, we inform you that the Board of Directors, at its meeting of 18 February 2020, authorised the Chairman & Chief Executive Officer to enter into guarantees up to an overall cap of €300 million.

The authorisation was granted for a period of one year.

RESOLUTIONS

The following resolutions relating to agenda items are submitted for your approval:

Ordinary business:
- Reading of the Management Report, the Board of Directors' report on corporate governance and the statutory auditors' reports.
- Approval of the parent company financial statements for the 2019 financial year and of transactions carried out in that year – discharge of the directors.
- Approval of the consolidated financial statements for the 2019 financial year and of transactions carried out in that year.
- Appropriation of profits for the 2019 financial year.
- Approval of regulated agreements covered by Article L. 225-38 of the French Commercial Code.
- Formal note of the end of the term of office of William Bouygues as a director.
- Formal note of the end of the term of office of Arnaud van Eeckhout as a director.
- Formal note of the end of the term of office of Gilles Zancanaro as a director.
- Renewal of the term of office of Olivier Roussat as a director for a further three years.
- Renewal of the term of office of Bouygues SA, represented by Pascal Grangé, as a director for a further three years.
- Appointment of Charlotte Bouygues as a director for a three-year term of office.
- Appointment of Valérie Agathon as a director for a three-year term of office.
- Formal note of the resignation of Olivier Bouygues as a director.
- Appointment of Olivier Bouygues as a non-voting director for a three-year term of office, subject to adoption of the nineteenth resolution of the present Annual General Meeting.
- Appointment of William Bouygues as a non-voting director for a three-year term of office, subject to adoption of the nineteenth resolution of the present Annual General Meeting.
- Appointment of Arnaud van Eeckhout as a non-voting director for a three-year term of office, subject to adoption of the nineteenth resolution of the present Annual General Meeting.

Extraordinary business:
- Instituting the status of non-voting director, and amending Article 18 of the Articles of Association accordingly.
- Powers for filing and formalities.

We request that you cast your vote on the resolutions submitted to you.

OTHER INFORMATION

Administration and audit of the company

As of 31 December 2019, Bouygues Construction is directed by a Chairman & CEO and two Deputy CEOs.

We inform you that:

- the terms of office of Ernst & Young as statutory auditor and Auditex as alternate statutory auditor will expire at the end of the Ordinary Annual General Meeting held to approve the financial statements for the year ended 31 December 2020;
- the terms of office of Mazars as statutory auditor and Loïc Wallaert as alternate statutory auditor will expire at the end of the Ordinary Annual General Meeting held to approve the financial statements for the year ended 31 December 2021.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

Assets (€ million)	Note	31/12/2019 net	31/12/2018 net restated[a]
Property, plant and equipment	3 and 17	**746**	721
Right of use of leased assets	3 and 17	**262**	249
Intangible assets	3 and 17	**16**	21
Goodwill	3 and 17	**1,157**	1,044
Investments in joint ventures and associates	3 and 17	**105**	103
Other non-current financial assets	3	**221**	247
Deferred tax assets and non-current tax receivable	7	**71**	83
Non-current assets		**2,578**	**2,468**
Inventories		**286**	276
Advances and down-payments made on orders		**155**	188
Trade receivables		**2,143**	2,339
Customer contract assets		**1,078**	862
Current tax assets		**110**	125
Other current receivables and prepaid expenses		**1,012**	939
Cash and cash equivalents		**4,629**	4,652
Financial instruments - Hedging of debt		**-**	-
Other current financial assets		**5**	5
Current assets	4 and 18	**9,418**	**9,386**
Held-for-sale assets and operations		**-**	**-**
Total assets		**11,996**	**11,854**

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

CONSOLIDATED BALANCE SHEET

Liabilities and shareholders' equity (€ million)	Note	31/12/2019	31/12/2018 restated [(a)]
Share capital		**128**	128
Share premium and reserves		**503**	459
Translation reserve		**10**	11
Treasury shares		**–**	–
Net profit/(loss) attributable to the Group		**325**	296
Shareholders' equity attributable to the Group	5	**966**	**894**
Non-controlling interests		**6**	4
Shareholders' equity		**972**	**898**
Non-current debt	8 and 17	**1,082**	1,028
Non-current lease obligations	9 and 17	**216**	222
Non-current provisions	6 and 17	**857**	811
Deferred tax liabilities		**18**	21
Non-current liabilities		**2,173**	**2,082**
Current debt	8 and 17	**9**	11
Current lease obligations		**97**	77
Current tax liabilities		**136**	93
Trade payables		**3,039**	3,108
Customer contract liabilities		**2,638**	2,688
Current provisions	6 and 17	**742**	648
Other current liabilities		**1,750**	1,738
Overdrafts and short-term bank borrowings		**425**	493
Financial instruments - Hedging of debt		**–**	1
Other current financial liabilities		**15**	17
Current liabilities	11 and 18	**8,851**	**8,874**
Liabilities related to held-for-sale operations		**–**	–
Total liabilities and shareholders' equity		**11,996**	**11,854**
Net surplus cash/(net debt)	10 and 17	**3,113**	**3,119**

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

Some amounts in the 2018 restated financial statements may show rounding differences from those published in Note 23 to the 2018 full-year consolidated financial statements.

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	Full year 2019	Full year 2018 restated[a]
Sales[b]	12 and 17	**13,355**	**12,358**
Other revenues from operations		**41**	139
Purchases used in production		**(7,726)**	(7,088)
Personnel costs		**(3,359)**	(3,096)
External charges		**(1,729)**	(1,764)
Taxes other than income tax		**(146)**	(166)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets		**(184)**	(189)
Net amortisation expense on right of use of leased assets		**(96)**	(87)
Charges to provisions and impairment losses, net of reversals due to utilisation		**(271)**	(214)
Change in production and property development inventories		**(9)**	(5)
Other income from operations[c]		**706**	707
Other expenses on operations		**(204)**	(217)
Current operating profit/(loss)	13 and 17	**378**	**378**
Other operating income		**-**	-
Other operating expenses		**(23)**	(4)
Operating profit/(loss)	13 and 17	**355**	**374**
Financial income		**40**	32
Financial expenses		**(20)**	(15)
Income from net surplus cash/(cost of net debt)	14 and 17	**20**	**17**
Interest expense on lease obligations		**(11)**	(11)
Other financial income	14 and 17	**59**	60
Other financial expenses	14 and 17	**(48)**	(21)
Income tax	15 and 17	**(128)**	(109)
Share of net profits/(losses) of joint ventures and associates	3 and 17	**79**	(2)
Net profit/(loss) from continuing operations	17	**326**	**308**
Net profit/(loss) from discontinued and held-for-sale operations		**-**	-
Net profit/(loss)	17	**326**	**308**
Net profit/(loss) attributable to the Group	17	**325**	**296**
Net profit/(loss) attributable to non-controlling interests		**1**	12
Basic earnings per share from continuing operations attributable to the Group (€)	16	**190.24**	**172.90**
Diluted earnings per share from continuing operations attributable to the Group (€)	16	**190.24**	**172.90**

(a) The full-year 2018 income statement has been restated for the effects of applying IFRS 16.		
(b) Of which sales generated abroad	**8,035**	6,759
(c) Of which reversals of unutilised provisions/impairment losses & other items	**231**	280

Some amounts in the 2018 restated financial statements may show rounding differences from those published in Note 23 to the 2018 full-year consolidated financial statements.

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€ million)	Full year 2019	Full year 2018 restated [a]
Net profit/(loss)	**326**	**308**
Items not reclassifiable to profit or loss		
Actuarial gains/losses on post-employment benefits	**(38)**	(17)
Net change in fair value of equity instruments	**(1)**	–
Net tax effect of items not reclassifiable to profit or loss	**5**	2
Share of non-reclassifiable income and expense of joint ventures and associates	**(1)**	–
Items reclassifiable to profit or loss		
Change in cumulative translation adjustment	**(2)**	10
Net change in fair value of financial instruments used for hedging purposes	**(5)**	(11)
Net tax effect of items reclassifiable to profit or loss	**–**	1
Share of reclassifiable income and expense of joint ventures and associates	**6**	–
Income and expense recognised directly in equity	**(36)**	**(15)**
Total recognised income and expense	**290**	**293**
Recognised income and expense attributable to the Group	**289**	281
Recognised income and expense attributable to non-controlling interests	**1**	12

(a) The full-year 2018 statement of recognised income and expense has been restated for the effects of applying IFRS 16.

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Share capital & share premium	Reserves related to capital/ retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	Total attributable to the Group	Non-controlling interests	Total
Position at 31 December 2017 restated[a]	**143**	**372**	**476**	**–**	**(51)**	**940**	**25**	**965**
Movements during 2018 restated								
Net profit/(loss)	–	–	296	–		**296**	12	**308**
Change in cumulative translation adjustment	–	–	–	–	10	**10**	–	**10**
Other recognised income and expense	–	–	–	–	(25)	**(25)**	–	**(25)**
Total recognised income and expense[d]	–	–	296	–	(15)	**281**	12	**293**
Capital and reserves transactions, net	–	(123)	123	–	–	**–**	–	**–**
Acquisitions and disposals of treasury shares	–	–	–	–	–	**–**	–	**–**
Acquisitions and disposals without loss of control	–	–	–	–	–	**–**	–	**–**
Dividend paid	–	–	(320)	–	–	**(320)**	(32)	**(352)**
Other transactions with shareholders	–	–	–	–	–		1	**1**
Other transactions and miscellaneous items	–	–	(7)	–	–	**(7)**	(2)	**(9)**
Position at 31 December 2018 restated[b]	**143**	**249**	**568**	**–**	**(66)**	**894**	**4**	**898**
Movements during 2019								
Net profit/(loss)	–	–	325	–		**325**	1	**326**
Change in cumulative translation adjustment	–	–	–	–	(1)[c]	**(1)**	–[c]	**(1)**
Other recognised income and expense	–	–	–	–	(35)	**(35)**	–	**(35)**
Total recognised income and expense[d]	–	–	325	–	(36)	**289**	1	**290**
Capital and reserves transactions, net	–	97	(97)	–	–	**–**	–	**–**
Acquisitions and disposals of treasury shares	–	–	–	–	–	**–**	–	**–**
Acquisitions and disposals without loss of control	–	–	9	–	–	**9**	1	**10**
Dividend paid	–	–	(219)	–	–	**(219)**	(1)	**(220)**
Other transactions with shareholders	–	–	–	–	–	**–**	1	**1**
Other transactions and miscellaneous items	–	–	(7)	–	–	**(7)**	–	**(7)**
Position at 31 December 2019	**143**	**346**	**579**	**–**	**(102)**	**966**	**6**	**972**

(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 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	(2)	–	(2)
Joint ventures and associates	1	–	1
	(1)	–	(1)

(d) See statement of recognised income and expense.

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	Note	Full year 2019	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		**326**	308
Adjustments:			
Share of profits/losses reverting to joint ventures and associates, net of dividends received		**6**	9
Dividends from non-consolidated companies		**(7)**	(31)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		**141**	168
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		**96**	92
Gains and losses on asset disposals		**(103)**	(96)
Income taxes, including uncertain tax positions		**128**	109
Income taxes paid		**(86)**	(117)
Miscellaneous non-cash charges		**(10)**	(53)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	17	**491**	**389**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		**(9)**	(6)
Changes in working capital requirements related to operating activities (including current impairment and provisions)[(b)]		**(146)**	286
Net cash generated by/(used in) operating activities		**336**	**669**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant and equipment and intangible assets	17	**(247)**	(253)
Proceeds from disposals of property, plant and equipment and intangible assets		**58**	52
Net liabilities related to property, plant and equipment and intangible assets		**(9)**	11
Purchase price of non-consolidated companies and other investments	17	**-**	(20)
Proceeds from disposals of non-consolidated companies and other investments		**12**	54
Net liabilities related to non-consolidated companies and other investments		**(12)**	15
Purchase price of investments in consolidated activities	17	**-**	(559)
Proceeds from disposals of investments in consolidated activities		**93**	229
Net liabilities related to consolidated activities		**(1)**	(1)
Other effects of changes in scope of consolidation: cash of acquired and divested companies		**(11)**	(155)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		**36**	32
Net cash generated by/(used in) investing activities		**(81)**	**(595)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders		**10**	1
Dividends paid to shareholders of the parent company		**(219)**	(320)
Dividends paid by consolidated companies to non-controlling interests		**(1)**	(32)
Change in current and non-current debt		**14**	538
Repayment of lease obligations		**(98)**	(86)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		**9**	6
Other cash flows related to financing activities		**-**	-
Net cash generated by/(used in) financing activities		**(285)**	**107**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**76**	53
Change in net cash position (A+B+C+D)		**46**	**234**
Net cash position at start of period	4 and 10	**4,159**	**3,925**
Net cash flows		**46**	234
Non-monetary flows		**(1)**	-
Net cash position at end of period	4 and 10	**4,204**	**4,159**
II - Cash flows from discontinued and held-for-sale operations			
Net cash position at start of period		**-**	-
Net cash flows		**-**	-
Net cash position at end of period		**-**	-

(a) The full-year 2018 cash flow statement has 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 intangibles assets; (iii) current debt; (iv) current lease obligations; and (v) financial instruments used to hedge debt.

Some amounts in the 2018 restated financial statements may show rounding differences from those published in Note 23 to the 2018 full-year consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SIGNIFICANT EVENTS OF 2019

1.1. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION IN 2019

Alpiq Engineering Services

Further to the 2018 acquisition of Alpiq Engineering Services, Bouygues Construction filed arbitration proceedings against Alpiq on 12 February 2019 following differences of opinion as to the amount of the final purchase price adjustment determined in connection with the sale of the services and engineering operations in 2018. Bouygues Construction claimed an amount of CHF 205.1 million (€186 million), while Alpiq claimed a payment of CHF 12.9 million (€12 million).

On 20 January 2020, Bouygues Construction filed its petition in the arbitration proceedings, and increased the amount claimed from CHF 205 million to CHF 319 million plus interest. That amount includes claims made by Bouygues Construction under price adjustment clauses, and claims made under the vendor's asset/liability guarantee in the sale agreement.

The arbitration panel is not expected to deliver a ruling until 2022 at the earliest.

No gain has been recognised in respect of these claims.

The twelve-month purchase price allocation period has now ended, and final goodwill on the acquisition amounts to €570 million.

The acquisition balance sheet and final purchase price allocation of Alpiq Engineering Services are presented below (in millions of euros):

Assets	ALPIQ ENGINEERING SERVICES
Property, plant and equipment	117
Intangible assets	7
Investments in joint ventures and associates	–
Other non-current financial assets	12
Deferred tax assets and non-current tax receivable	–
Non-current assets	**136**
Inventories	11
Advances and down-payments made on orders	2
Trade receivables	239
Customer contract assets	81
Tax asset (receivable)	4
Other current receivables and prepaid expenses	51
Cash and cash equivalents	49
Financial instruments – Hedging of debt	–
Other current financial assets	–
Current assets	**437**
Held-for-sale assets and operations	133
Total assets acquired	**706**

Liabilities	ALPIQ ENGINEERING SERVICES
Non-current debt	–
Non-current provisions	129
Deferred tax liabilities and non-current tax liabilities	6
Non-current liabilities	**135**
Advances and down-payments received on orders	–
Current debt	–
Current taxes payable	5
Trade payables	119
Customer contract liabilities	123
Current provisions	110
Other current liabilities	344
Overdrafts and short-term bank borrowings	1
Financial instruments – Hedging of debt	–
Other current financial liabilities	–
Current liabilities	**702**
Liabilities related to held-for-sale operations	–
Total liabilities assumed	**837**
Total identified net assets acquired	**(131)**
Purchase price	**439**
Final goodwill	**570**

Airport concessions in Cyprus and Zagreb
As part of the expansion of its airport concession activities, Bouygues Construction has set up a new entity, Bouygues Construction Airport Concessions Europe, which holds the Group's equity interests in airports located in Cyprus and Zagreb.
An equity investor has taken a stake in this newly-formed entity, generating an overall capital gain of €49 million (recognised in "Share of net profits/losses of joint ventures and associates") and a financial gain of €9 million.

TransJamaican Highway Limited motorway concession
On 20 December 2019, Bouygues Construction sold its 48.89% equity interest in the motorway concession company TransJamaican Highway Ltd. The €32 million gain on the sale was recognised in "Share of net profits/losses of joint ventures and associates".

1.2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 DECEMBER 2019

On 30 January 2020, Bouygues Construction was the target of a ransomware attack caused by malware. Bouygues Construction initially shut down its IT system as a precaution to prevent the virus from spreading, and specific measures were taken to ensure business continuity in France and abroad. A number of hardware and software systems were put back into service very quickly. As these were being restored, the security of the entire IT system was strengthened with help from experts both within and outside the Group. There was a very low impact on the operational and commercial activity of worksites. The relevant insurance policies were activated and a complaint has been filed with the competent authorities.

NOTE 2. GROUP ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Bouygues Construction group for the year ended 31 December 2019 were prepared in accordance with the standards issued by the IASB as endorsed by the European Union and applicable as of that date. 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 31 December 2019 any standard or interpretation not endorsed by the European Union.

The financial statements are presented in millions of euros (unless otherwise indicated) and comprise the balance sheet, the income statement, the statement of recognised income and expense, the statement of changes in shareholders' equity, the cash flow statement, and the notes to the financial statements.

The comparatives presented are from the consolidated financial statements for the year ended 31 December 2018, restated for the application of IFRS 16 and IFRIC 23.

The financial statements of the Bouygues Construction group include the financial statements of Bouygues Construction SA and its subsidiaries, its investments in associates and joint ventures, and its joint operations. They are presented in millions of euros, and take account of Recommendations 2013-03 (of 7 November 2013) and 2016-01 (of 2 December 2016), issued by the Autorité des Normes Comptables (ANC), the French national accounting standard-setter.

They were closed off by the Board of Directors on 18 February 2020, and will be submitted for approval by the forthcoming Annual General Meeting on 15 April 2020.

The consolidated financial statements for the year ended 31 December 2019 were prepared in accordance with IFRS using the historical cost convention, except for certain assets and liabilities measured at fair value where this is a requirement under IFRS.

- **Exercise of judgement and use of estimates:**

In preparing consolidated financial statements to comply with IFRS standards and interpretations, the Group uses estimates and assumptions which may have affected the amounts reported for assets, liabilities and contingent liabilities at the end of the reporting period, and the amounts of income and expenses reported for the period.

These estimates and assumptions have been applied consistently on the basis of past experience and of various other factors regarded as reasonable forming the basis of assessments of the valuations of assets and liabilities for accounting purposes. Actual results may differ materially from these estimates if different assumptions or conditions apply.

The main items involved are the impairment testing of goodwill and equity investments; the measurement of identifiable assets and liabilities in a purchase price allocation; employee benefits (lump-sum retirement benefits, pensions, etc.); the fair value of unlisted financial instruments; the recoverability of deferred tax assets, especially where there is a history of tax losses over a number of years; provisions (for litigation and claims, etc.); leases (reasonable certainty of exercise of lease options and incremental borrowing rates, as described respectively in Notes 2.4.1.1. and 2.4.2.1. to the consolidated financial statements); and end-of-contract margins on construction contracts (see Note 2.4.3.2. to the consolidated financial statements).

Where no standard or interpretation applies to specific transactions, events or conditions, Group management exercises its judgement to define and apply accounting policies that will provide relevant information that gives a fair presentation and is comparable between periods, such that the consolidated financial statements:
- represent faithfully the financial position, financial performance and cash flows of the Group;
- reflect the economic substance of the underlying transactions;
- are neutral, prudent, and complete in all material respects.

Disclosures about judgements made by management are provided in the notes to the consolidated financial statements.

2.2. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The Bouygues Construction group applied the same standards, interpretations and accounting policies for the year ended 31 December 2019 as were applied in its consolidated financial statements for the year ended 31 December 2018, except for new IFRS requirements applicable from 1 January 2019 as mentioned below.

- Principal new standards, amendments and interpretations 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. Bouygues did not early adopt IFRS 16, and for first-time application elected the retrospective approach with presentation of a comparative period.

    The impacts of applying IFRS 16 on the financial statements for the year ended 31 December 2018 are presented in Note 23 to the consolidated financial statements.
  - **IFRIC 23: Uncertainty Over Income Tax Treatments**
    On 7 June 2017, the IFRS Interpretations Committee issued IFRIC 23. IFRIC 23 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 elect early adoption.

    The impacts of applying IFRIC 23 on the consolidated financial statements for the year ended 31 December 2018 are not material, and are presented in Note 23 to the consolidated financial statements.

2.3. CONSOLIDATION METHODS

2.3.1. CONSOLIDATION METHODS AND SCOPE OF CONSOLIDATION

Companies over which Bouygues Construction exercises exclusive control are consolidated by the full consolidation method.

In the case of jointly controlled operations (which give each party direct rights over the assets and obligations for the liabilities), the income, expenses, assets and liabilities of the joint operation are accounted for in accordance with the interests held in the joint operation.

Companies over which Bouygues Construction exercises significant influence, and joint ventures (which give the parties rights over the net assets), are accounted for using the equity method.

Changes in scope of consolidation	31/12/2019	31/12/2018
Companies controlled by the Group	**261**	261
Joint operations	**128**	116
Joint ventures and associates	**33**	34
Total	**422**	**411**

2.3.2. TRANSLATION OF THE FINANCIAL STATEMENTS OF FOREIGN ENTITIES

The financial statements of consolidated subsidiaries with a functional currency other than the euro are translated at the exchange rate prevailing at the end of the reporting period (in the case of the balance sheet) and at the average exchange rate for the year (in the case of the income statement and cash flow statement). The resulting translation differences are taken to equity under "Translation reserve".

Translation differences arising on foreign-currency liabilities accounted for as hedges of a net investment in a foreign operation are recognised in equity.

2.3.3. TRANSLATION OF TRANSACTIONS DENOMINATED IN FOREIGN CURRENCIES

Transactions denominated in foreign currencies are translated into euros at the average exchange rate on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate. Translation differences are recognised in profit or loss for the period. Non-monetary assets and liabilities denominated in foreign currencies and accounted for at historical cost are translated using the exchange rate on the date of the transaction.

2.3.4. DEFERRED TAXATION

Deferred taxation is recognised on all differences between the carrying amount and the tax base of assets or liabilities (balance sheet liability method). These differences arise from:

- temporary differences between the carrying amount and tax base of assets or liabilities, which may be:
  - items generating a tax liability in the future (deferred tax liabilities), arising mainly from income that is liable to tax in future periods;
  - items deductible from taxable profits in the future (deferred tax assets), mainly provisions that are temporarily non-deductible for tax purposes. Deferred tax assets are reviewed at the end of each reporting period, and recognised where it is probable there will be sufficient taxable profits to enable the temporary differences to be offset.
- tax losses available for carry-forward (deferred tax assets), provided that there is a strong probability of recovery in future periods.

Deferred taxes are measured using national tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted in the relevant country by the end of the reporting period. As of 31 December 2019, the temporary differences and tax losses available for carry-forward of French entities were measured at the following rates as approved by the French National Assembly, according to the period in which they are expected to reverse:

- 32.02% for 2020;
- 28.41% for 2021;
- 25.83% for 2022 and later.

Deferred taxes are not discounted, and are reported in non-current assets and liabilities.

2.3.5. CONCESSION CONTRACTS AND PUBLIC-PRIVATE PARTNERSHIPS (PPP)

The Bouygues Construction group has equity interests in associates that have been awarded concession/PPP contracts; these are accounted for in accordance with IFRIC 12.

2.4. ACCOUNTING POLICIES AND VALUATION METHODS

2.4.1. ASSETS

2.4.1.1. Non-current assets

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is initially measured at acquisition cost.

Where an item of property, plant and equipment consists of significant components with different useful lives or different depreciation methods, each component is accounted for as a separate item of property, plant and equipment (component-based approach).

The cost of an item of property, plant and equipment comprises the purchase price after deducting any commercial discounts and rebates, and including import duties and non-refundable taxes and any costs directly attributable to bringing the asset to the condition necessary for it to be capable of operating as intended by management.

Subsequent costs are recognised as an expense unless they improve the performance of the asset as originally specified, extend its useful life, or reduce the cost of operating the asset as previously established.

Following initial recognition as an asset, items of property, plant and equipment are carried at cost less accumulated depreciation and impairment. The Bouygues Construction group accounts for property, plant and equipment using the historical cost model.

Depreciation is calculated over the expected useful life of the asset. The useful life of an asset is the period over which the Group expects the asset to be available for use.

The depreciable amount of an asset is cost less any estimated residual value net of costs of disposal. The residual value of an item of property, plant and equipment is the amount the Group would receive currently for the asset if the asset were already of the age and in the condition expected at the end of its useful life (excluding the effects of inflation).

The principal useful lives applied are:

- buildings: 10 to 40 years;
- plant, equipment and tooling: 3 to 15 years;
- other property, plant and equipment: 3 to 10 years, depending on the type of asset (vehicles, office equipment and furniture, etc).

Depreciation periods are reviewed annually, and may be adjusted if expectations differ from previous estimates. Any such changes in estimates are accounted for prospectively.

Gains and losses on disposal represent the difference between the sale proceeds and the carrying amount, and are recognised in the income statement under "Other income from operations" unless they meet the criteria for classification within "Other operating income and expenses".

RIGHT OF USE OF LEASED ASSETS

IFRS 16 defines the right of use under a lease as an asset that represents a lessee's right to use an underlying asset for the lease term.

This right of use is recognised by the Bouygues group on the commencement date of the lease (the date on which the asset is made available). It is measured at cost, which includes:
- the initial amount of the lease obligation (see Note 3.2.2 to the consolidated financial statements);
- lease payments made in advance to the lessor, less any lease incentives received from the lessor;
- material initial direct costs incurred by the lessee to obtain the lease, i.e. costs that would not have been incurred if the lease had not been obtained;
- an estimate of the costs of dismantling the leased asset, or restoring it to the condition required by the terms of the lease.

The right of use asset is amortised on a straight line basis over the lease term. It is written down by means of an impairment allowance if there is an indication that it may have become impaired.

The lease term is the non-cancellable period for which the lessee has the right to use the underlying asset, including any extension or termination options the lessee is reasonably certain to exercise.

Within the Bouygues Construction group, rights of use relate mainly to property leases, which generally have a lease term of nine years in France.

The Group will also assess the impacts of the IFRIC agenda decision of 26 November 2019 on the lease terms applied under IFRS 16.

INTANGIBLE ASSETS

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance which is controlled by the entity. An asset is identifiable:
- if it is separable, i.e. capable of being independently sold, transferred, licensed, rented or exchanged;
- or if it is derived from contractual or other legal rights, whether separable or not.

Intangible assets with finite useful lives are depreciable. Intangible assets with indefinite useful lives are not depreciable, but are tested for impairment annually.

Development expenses are capitalised if the IAS 38 criteria are met, i.e. if they are expected to generate future economic benefits and their cost can be reliably measured.

Incorporation and research expenses are expensed as incurred.

BUSINESS COMBINATIONS

With effect from 1 January 2010, business combinations have been accounted for in accordance with the revised IFRS 3 and IAS 27, which use the concept of "obtaining control" in determining the accounting treatment to be applied to acquisitions or disposals of equity interests; depending on the circumstances, the impacts of such acquisitions and disposals are recognised either in consolidated profit or loss or in equity.

In a business combination, the fair value of the consideration transferred is allocated to the identifiable assets and liabilities of the acquiree, which are measured at fair value at the acquisition date and presented in the balance sheet using the full fair value method in accordance with the revised IFRS 3. This method involves remeasuring the assets and liabilities acquired at fair value in full (including non-controlling interests), rather than remeasuring just the percentage interest acquired.

The revised IFRS 3 allows entities to elect one of two methods of accounting for non-controlling interests in each business combination:
- at fair value (full goodwill method), i.e. the non-controlling interests are allocated their share of goodwill;
- at the non-controlling interests' proportionate share of the fair value of the acquired entity's identifiable assets and liabilities (partial goodwill method), i.e. no share of goodwill is allocated to the non-controlling interests.

Goodwill recognised prior to 1 January 2004 continues to be measured using the partial goodwill method. This method involves restricting the fair value remeasurement of identifiable items to the percentage interest acquired. Non-controlling interests in these items are measured on the basis of the carrying amount of the items as shown in the balance sheet of the acquired entity. The revised standards allow the acquirer to elect to account for each new business combination on either a full goodwill basis or a partial goodwill basis.

Fair value is the price that would be received for an asset or paid to settle a liability in an arm's length transaction between market participants at the date of measurement.

Goodwill is the excess of the acquisition cost over the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities that can be reliably measured at the acquisition date.

It represents the payment made by the acquirer in anticipation of the future economic benefits arising from assets that cannot be individually identified and separately recognised, and is reported separately as an asset in the balance sheet.

If the cost of a business combination is less than the acquirer's interest in the fair value of the acquiree's identifiable assets, liabilities and contingent liabilities, then the difference is referred to as "negative goodwill" or "gain on a bargain purchase" and is recognised in profit or loss in the period in which the combination occurred.

The purchase price allocation period is limited to the time required to identify and measure the acquired entity's assets and liabilities, the non-controlling interests, the consideration transferred and the fair value of any previously-held equity interest, subject to a maximum period of 12 months.

Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses in accordance with IAS 36, and is tested for impairment annually. Impairment losses are charged to the income statement as an operating item.

Goodwill is allocated to the cash generating unit (CGU) benefiting from the business combination or to the group of CGUs at the level of which return on investment is measured.

The value in use of CGUs is determined using the discounted cash flow (DCF) method, applying the following principles:
- The discount rate is determined by reference to the weighted average cost of capital.
- The cash flows used are derived from the medium-term business plan prepared by the management of the CGU.
- The terminal value is calculated by aggregating the discounted cash flows to infinity, based on normative cash flows (after lease expenses) and a perpetual growth rate that is consistent with the growth potential of the markets in which the CGU operates and with its competitive position in those markets.

The recoverable amount of the assets of the CGU as determined above is then compared with their carrying amount in the consolidated balance sheet, after including right of use assets and deducting lease obligations.

Bouygues Construction has identified two CGUs: one comprising French and international Building & Civil Engineering activities, and the other comprising French and international Energies & Services activities.

The business plan used was prepared within the context of the Group's management cycle.

The assumptions applied include no changes in the scope of the Group's Building & Civil Engineering and Energies & Services activities, and the continuation of those activities as a going concern over the three-year period covered by the business plan.

The Bouygues Construction group has set a year by year profitability target for its Building & Civil Engineering and Energies & Services activities.

This target is incorporated into the assumptions used in the business plan, which also takes into account past experience and external sources of information.

Building & Civil Engineering CGU:
- Discount rate applied: 5.90%/5.60%, depending on the assumptions used.
- Growth rate applied: 1%.

Energies & Services CGU:
- Discount rate applied: 6.10%/5.70%, depending on the assumptions used.
- Growth rate applied: 1%.

NON-CURRENT FINANCIAL ASSETS

The accounting treatment of financial assets depends on the management model and the characteristics of the contractual cash flows. Based on those criteria, they are accounted for in one of three ways:
- at amortised cost;
- at fair value through other comprehensive income; or
- at fair value through profit or loss.

- **Investments in non-consolidated companies and other long-term investment securities:**
  Equity instruments (other than investments in consolidated companies) are accounted for at fair value. Changes in fair value are recognised either (i) through profit or loss, in "Other financial income" or "Other financial expenses", or (ii) through equity, in "Other comprehensive income not reclassifiable through profit or loss"; the choice between those two methods is made on initial recognition for each instrument individually, and cannot be subsequently changed.
- **Loans and receivables**
  Loans and receivables are accounted for at amortised cost. In accordance with IFRS 9, an impairment allowance is booked on initial recognition to reflect the expected risk of loss during the next 12 months, and charged to profit or loss.

2.4.1.2. Current assets

INVENTORIES

Inventories are stated at the lower of cost or market price.
Where the realisable value of inventory is lower than cost, an impairment loss is recognised.

TRADE AND OTHER DEBTORS

Trade receivables are carried at face value, net of impairment recorded to reflect the probability of recovery. These receivables are usually short-term and non interest-bearing. They are measured at the original invoice amount, unless application of an implied interest rate would have a material effect.

For contracts accounted for using the percentage of completion method, trade receivables include invoices and statements issued as works are executed or services provided, and accepted by the project owner.

CUSTOMER CONTRACT ASSETS

Customer contract assets (see Note 4.4) represent a contingent right for the Group to receive consideration in exchange for goods or services already transferred to a customer, when that right is conditional on something other than the passage of time. They comprise sales recognised on a percentage of completion basis where billing is contingent on the supply of other goods and services and/or on the attainment of contractually agreed milestones.

CASH AND CASH EQUIVALENTS

Cash and short-term deposits, and bank overdrafts: because of their short-term nature, the carrying amounts shown in the consolidated financial statements are a reasonable approximation of their market value.

2.4.2. LIABILITIES

2.4.2.1. Non-current liabilities

NON-CURRENT DEBT

With the exception of derivative instruments accounted for as liabilities measured at fair value (including a counterparty risk component, which is immaterial), all other borrowings and financial liabilities are accounted for at amortised cost using the effective interest method.
The portion of long-term debt due within less than one year is included in current liabilities.

NON-CURRENT LEASE OBLIGATIONS

In accordance with IFRS 16, on commencement of a lease the lessee recognises a lease obligation in the balance sheet, equivalent to the present value of the lease payments over the lease term.

- **The following amounts are included in the lease payments used to measure the obligation:**
  - fixed payments (including in-substance fixed payments, i.e. payments that may in form contain variability, but in substance are unavoidable);
  - variable lease payments that depend on an index or a rate at the commencement date of the lease;
  - payments due by the lessee under residual value guarantees;
  - the exercise price of a purchase option, if that option is reasonably certain to be exercised;
  - payments of penalties for terminating or not extending the lease.
- **During the term of the lease, the carrying amount of the lease obligation is:**
  - increased to reflect interest on the lease obligation, which is recognised as an expense in the income statement and calculated using the discount rate used on initial measurement; and
  - reduced to reflect lease payments made.

The discount rate used to calculate the lease obligation is determined for each asset on the basis of the incremental borrowing rate at the inception date of the lease. That rate is obtained by aggregating a market rate that reflects the location, currency and lease term, and a sector-specific spread that reflects the nature of 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 12 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 portion of long-term lease obligations due within less than one year is included in current liabilities.

NON-CURRENT PROVISIONS

A provision is recorded where the Group has a present obligation to a third party at the end of the reporting period resulting from a past event, the settlement of which is expected to result in a probable outflow from the Group of resources embodying economic benefits that can be measured reliably.

These mainly comprise:

- **Employee benefits**

Provisions for lump-sum retirement benefit obligations:
The Group records a provision for its obligations to pay lump-sum benefits to its employees on retirement, to the extent that those obligations are not covered by insurance policies.

These provisions are calculated using the projected unit credit method based on final salary, and on the basis of the collective agreement for each business segment.

The amount of the provision is determined on the basis of the relevant collective agreement, and taking account of the following factors:
- employees classified in groups with similar characteristics in terms of grade, age and length of service;
- monthly salary, uplifted by a coefficient to reflect the applicable percentage of employer's social security charges;
- final salary inflation rate;
- discount rate applied to the obligation over the projected period to the retirement date;
- employee turnover rate, determined by age bracket and socio-professional category;
- life expectancy, determined using the INSEE 2012-2014 mortality table.

In accordance with the revised IAS 19, all actuarial gains and losses on defined-benefit post-employment benefit plans are recognised in non-current provisions, with the matching entry recognised in equity via the statement of recognised income and expense.

Provision for long-service awards:
The Group records a provision for its obligations in respect of long-service awards (10, 20, 30 and 40 years) using the projected unit credit method, projected over the period to the date of the award.

Pension provisions (defined-benefit plans):
The Group calculates and recognises defined-benefit obligations (see Note 20) in accordance with the revised IAS 19.

The actuarial assumptions used to measure the present value of the pension obligation and the service cost for the period in respect of defined-benefit plans represent the best estimate of the variables that will determine the final cost of the benefits. These assumptions are internally consistent. The discount rate and the rate of return on plan assets are determined by reference to the expected market rate, taking into account the estimated timing of benefit payments; the discount rate applied to the obligation is determined by reference to the market rate for high-quality corporate bonds at the end of the reporting period.

- **Provisions for litigation, claims and foreseeable risk exposures**

- **Customer warranty provisions**
These provisions are intended to cover risks for which the company is liable during the warranty period (essentially the ten-year warranty in France). Provisions established to cover the uninsured portion of risks under two-year and ten-year construction contract guarantees. These provisions are recognised in line with recognition of contract revenues, based on statistical data reflecting actual experience over the long term.

- **Site rehabilitation costs:**
Rehabilitation costs arising from the gradual deterioration of a site are covered by provisions recognised on the liabilities side of the balance sheet.

2.4.2.2. Current liabilities

TRADE AND OTHER CREDITORS

Because of the short-term nature of these liabilities, the carrying amounts shown in the consolidated financial statements are a reasonable estimate of market value.

CURRENT PROVISIONS

Current provisions, which relate to the normal operating cycle, mainly comprise:
- provisions for project risks and project completion;
- provisions for expected losses to completion on customer contracts. These relate to construction contracts in progress, and take account of claims accepted by the customer. They are measured on a contract by contract basis, with no netting between them.

CUSTOMER CONTRACT LIABILITIES

Customer contract liabilities represent the Group's obligation to transfer goods and services for which payment has already been received from a customer, or where the Group has an unconditional right to receive payment. They include advances and down-payments received on orders, and differences arising from the percentage of completion on a contract (see Note 11.1 to the consolidated financial statements).

2.4.3. INCOME STATEMENT

2.4.3.1. Consolidated sales

Consolidated sales represent the aggregate amount of contract revenues, sales of products and sales of services where control of the asset produced has transferred to the customer, including sales generated by entities controlled by Bouygues Construction and by joint operations (after eliminating intercompany transactions).

The Group recognises revenue when:
- a customer contract, and the performance obligations within that contract, have been identified;
- a transaction price has been determined, and allocated between the performance obligations;
- the distinct performance obligations under the contract have been satisfied;
- it is probable that the future economic benefits of the transaction will flow to the Group;
- the amount of revenue can be reliably measured;
- at the transaction date, it is probable that the amount of the sale will be recovered.

Most contracts entered into by the Group contain a single performance obligation.

2.4.3.2. Accounting for construction contracts

Revenue from construction activities corresponds to the latest estimate of the total selling price, and takes account of claims that have been accepted by the customer or are highly probable.

Such revenue is recognised at the end of each reporting period by the percentage of completion method, using a completion rate determined by reference to progress of the works (output method) or to the cost of completed works (input method).

As soon as a loss on a contract is known and can be reliably measured, it is covered by a provision for expected losses to completion within "Current provisions" in the balance sheet. The loss is provided for in full, irrespective of the completion rate.

2.4.3.3. Profits/losses from joint operations

These represent the Group's share of profits or losses from non-consolidated partnerships and non-consolidated joint ventures; as such, they are a component of operating profit and are reported on the lines "Other income from operations" and "Other expenses on operations".

2.4.3.4. Operating profit

Operating profit represents the net amount of all income and expenses not generated by financing activities, by associates or by discontinued or held-for-sale operations, and excluding income taxes.

Any impairment of goodwill is recognised as a charge against operating profit.

2.4.3.5. Income from net surplus cash

Income from net surplus cash comprises all gains, losses, income and expenses generated by components of net surplus cash during the period (see Note 10.1, "Main components of change in net surplus cash"), including gains and losses on related interest rate and currency hedges.

2.4.3.6. Other financial income and expenses

This comprises financial income and expenses that are of a non-operating nature and do not relate to components of net surplus cash.

2.4.4. FINANCIAL INSTRUMENTS

Some Group entities use financial instruments to limit the impact on the income statement of fluctuations in exchange rates and interest rates. The Group's policy on the use of financial instruments is described below.

The only instruments used for that purpose are:
- forward currency purchases and sales, currency swaps and currency options for currency risk hedging purposes;
- interest rate swaps and purchases of caps and collars for interest rate risk hedging purposes.

These instruments have the following characteristics:
- they are used solely for hedging purposes;
- they are contracted solely with high-quality French and foreign banks;
- they carry no liquidity risk in the event of reversal.

Specific reports are prepared on a regular basis for those responsible for the management and supervision of the relevant Group companies, describing the use of hedging instruments; the selection of counterparties with whom they are contracted; and more generally, the management of exposure to currency risk and interest rate risk.

• Financial risks to which the Group is exposed, and principles applied to the management of those risks

FOREIGN EXCHANGE RISK

In general, the Bouygues Construction group has little exposure to currency risk in routine commercial transactions. Where possible, expenses relating to a contract are incurred in the same currency as that in which the contract is billed. This applies to most projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. The Bouygues group also pays particular attention to risks relating to assets denominated in non-convertible currencies, and to country risk generally.

Group policy is to hedge systematically all residual exposure to currency risk on commercial transactions relative to the functional currency of a project or entity. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps. For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed.

Equity investments in foreign companies are usually hedged by a liability of a similar amount in the same currency in the books of the entity that holds the investment.

INTEREST RATE RISK

Interest rate risk exposure arises on floating-rate debt recognised in the balance sheet, and is hedged by floating-rate investments.

The Group's income statement could be adversely affected by a significant fall in European interest rates. Interest rate swaps may be contracted to lock in the income streams from the Group's surplus cash.

• Hedge accounting policies and rules

In general, the financial instruments used by the Group qualify for hedge accounting, which means that the hedging relationship is documented in accordance with the requirements of IFRS 9.

Hedge accounting is applied where a derivative instrument wholly or partly offsets changes in the fair value or cash flows of a hedged item. If a hedging relationship cannot be demonstrated, all changes in fair value are recognised in profit or loss.

All derivative instruments are measured at fair value. Fair value is the quoted market price in the case of listed instruments, or is determined using calculation and valuation models based on market data (yield curves, exchange rates, etc) in other cases.

As required by IFRS 9, the fair value measurement of derivative financial instruments takes account of credit risk (for derivative assets) and of own credit risk (for derivative liabilities). Those components have no material impact on the Bouygues group consolidated financial statements.

CASH FLOW HEDGES

A cash flow hedge is a hedge of the exposure to variability in the future cash flows from a hedged item or a future transaction.

Where a derivative instrument is used to hedge the exposure to variability in the cash flows from a firm commitment or a forecast transaction, the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised directly in equity.

The change in fair value of the portion of the hedge regarded as ineffective is recognised immediately in profit or loss.

FAIR VALUE HEDGES

The purpose of a fair value hedge is to limit the variability of the fair value of an asset or a liability recognised in the balance sheet.

Where a derivative instrument hedges exposure to changes in the fair value of a receivable or a payable, the change in the fair value of the hedging instrument is recognised immediately in profit or loss. The gain or loss on the hedged item attributable to the hedged risk is accounted for as an adjustment to the carrying amount of the hedged item, and is recognised directly in profit or loss.

The fair value of hedged items corresponds to their carrying amount translated into euros using the rate prevailing at the end of the reporting period.

HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION

A hedge of a net investment in a foreign operation is a hedge of the currency risk exposure on the parent company's interest in the net assets of that operation.

Where a liability denominated in a foreign currency is used to hedge a net investment in a foreign operation, translation differences arising between that currency and the euro are recognised directly in equity. If the hedging instrument is a derivative instrument, the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised directly in equity; the change in fair value of the ineffective portion is recognised immediately in profit or loss.

2.4.5. CASH FLOW STATEMENT

The consolidated cash flow statement is presented in accordance with the amended IAS 7 and with ANC Recommendations 2013-03 of 7 November 2013 (using the indirect method) and 2016-01 of 2 December 2016.

Consolidated net profit is adjusted to eliminate the impact of transactions with no cash effect, and of income and expenses related to investing or financing activities.

The cash flow statement explains changes in the Group's net cash position, which is defined as the net total of the following balance sheet items:
- cash and cash equivalents;
- overdrafts and short-term bank borrowings.

2.4.6. OFF BALANCE SHEET COMMITMENTS

A summary of off balance sheet commitments is provided in Note 19.

2.4.7. 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.

2.4.8. 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.

2.4.9. 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.

2.4.10. 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. OTHER INFORMATION

Comparability of the financial statements:

The impact of changes in the scope of consolidation between 1 January and 31 December 2019 does not impair the comparability of the consolidated financial statements as presented.

Under the revised IAS 1, "Presentation of Financial Statements", the Group has elected to present the components of comprehensive income in two detailed statements, as permitted by the IASB:

a) an income statement;

b) a statement of recognised income and expense that reports other comprehensive income, including income and expenses recognised directly in equity.

Bouygues Construction is included in the scope of consolidation of Bouygues SA for the purposes of the presentation of the Bouygues SA consolidated financial statements.

NOTE 3. NON-CURRENT ASSETS

3.1. ACQUISITIONS OF NON-CURRENT ASSETS DURING THE YEAR, NET OF DISPOSALS

	2019	2018 restated
Acquisitions of property, plant & equipment	**243**	240
Acquisitions of intangible assets	**4**	13
Capital expenditure	**247**	**253**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	**–**	579
Acquisitions of non-current assets	**247**	**832**
Disposals of non-current assets	**(163)**	(335)
Acquisitions of non-current assets, net of disposals	**84**	**497**

3.2. NON-CURRENT ASSETS: MOVEMENTS DURING THE PERIOD

3.2.1. PROPERTY, PLANT AND EQUIPMENT €746m

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2017 restated	**407**	**966**	**285**	**23**	**1,681**
Movements during 2018					
Translation adjustments	5	14	4	(1)	**22**
Changes in scope of consolidation	85	21	129	–	**235**
Acquisitions during the period	16	96	47	81	**240**
Disposals, transfers and other movements	(3)	(165)	(38)	(28)	**(234)**
31/12/2018 restated	**510**	**932**	**427**	**75**	**1,944**
Movements during 2019					
Translation adjustments	5	15	7	1	**28**
Changes in scope of consolidation	3	–	(1)	–	**2**
Acquisitions during the period	4	105	46	88	**243**
Disposals, transfers and other movements	(15)	(46)	(59)	(106)	**(226)**
31/12/2019	**507**	**1,006**	**420**	**58**	**1,991**

Depreciation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2017 restated	**(155)**	**(716)**	**(212)**	**–**	**(1,083)**
Movements during 2018					
Translation adjustments	(3)	(12)	(3)	–	**(18)**
Changes in scope of consolidation	(31)	(17)	(76)	–	**(124)**
Depreciation and impairment, net (1)	(17)	(120)	(34)	–	**(171)**
Disposals, transfers and other movements	3	138	32	–	**173**
31/12/2018 restated	**(203)**	**(727)**	**(293)**	**–**	**(1,223)**
Movements during 2019					
Translation adjustments	(3)	(12)	(4)	–	**(19)**
Changes in scope of consolidation	–	–	–	–	**–**
Depreciation and impairment, net (1)	(20)	(112)	(41)	–	**(173)**
Disposals, transfers and other movements	7	121	42	–	**170**
31/12/2019	**(219)**	**(730)**	**(296)**	**–**	**(1,245)**

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2018 restated	**307**	**205**	**134**	**75**	**721**
31/12/2019	**288**	**276**	**124**	**58**	**746**

(1) Of which impairment losses in 2018: 0.
Of which impairment losses in 2019: 0.

3.2.2. RIGHT OF USE OF LEASED ASSETS €262m

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2017 restated	**325**	**30**	**23**	**378**
Movements during 2018				
Translation adjustments	3	–	1	**4**
Changes in scope of consolidation	45	–	1	**46**
New leases, lease modifications, and other lease-related movements	22	(5)	1	**18**
31/12/2018 restated	**395**	**25**	**26**	**446**
Movements during 2019				
Translation adjustments	6	–	1	**7**
Changes in scope of consolidation	2	–	–	**2**
New leases, lease modifications, and other lease-related movements	(11)	33	(4)	**18**
31/12/2019	**392**	**58**	**23**	**473**

Amortisation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2017 restated	**(158)**	**(16)**	**(11)**	**(185)**
Movements during 2018				
Translation adjustments	(1)	–	–	**(1)**
Changes in scope of consolidation	5	–	–	**5**
Amortisation and impairment, net	(56)	(21)	(10)	**(87)**
New leases, lease modifications, and other lease-related movements	37	25	9	**71**
31/12/2018 restated	**(173)**	**(12)**	**(12)**	**(197)**
Movements during 2019				
Translation adjustments	(3)	–	–	**(3)**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net	(63)	(25)	(8)	**(96)**
New leases, lease modifications, and other lease-related movements	61	16	8	**85**
31/12/2019	**(178)**	**(21)**	**(12)**	**(211)**

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2018 restated	**222**	**13**	**14**	**249**
31/12/2019	**214**	**37**	**11**	**262**

3.2.3. INTANGIBLE ASSETS

€16m

Gross value	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2017 restated	**–**	**139**	**33**	**172**
Movements during 2018				
Translation adjustments	–	–	–	**–**
Changes in scope of consolidation	–	(9)	(16)	**(25)**
Acquisitions during the period	–	5	8	**13**
Disposals, transfers and other movements	–	(16)	(1)	**(17)**
31/12/2018 restated	**–**	**119**	**24**	**143**
Movements during 2019				
Translation adjustments	–	1	1	**2**
Changes in scope of consolidation	–	–	–	**–**
Acquisitions during the period	–	3	1	**4**
Disposals, transfers and other movements	–	(1)	(1)	**(2)**
31/12/2019	**–**	**122**	**25**	**147**

Amortisation and impairment	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2017 restated	**–**	**(115)**	**(13)**	**(128)**
Movements during 2018				
Translation adjustments	–	–	–	**–**
Changes in scope of consolidation	–	5	4	**9**
Amortisation and impairment, net (1)	–	(11)	(8)	**(19)**
Disposals, transfers and other movements	–	16	–	**16**
31/12/2018 restated	**–**	**(105)**	**(17)**	**(122)**
Movements during 2019				
Translation adjustments	–	–	(1)	**(1)**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net (1)	–	(6)	(5)	**(11)**
Disposals, transfers and other movements	–	2	1	**3**
31/12/2019	**–**	**(109)**	**(22)**	**(131)**

Carrying amount	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2018 restated	**–**	**14**	**7**	**21**
31/12/2019	**–**	**13**	**3**	**16**

(1) Of which impairment losses in 2018: 0.
Of which impairment losses in 2019: 0.

3.2.4. GOODWILL €1,157m

	Gross value	Impairment losses	Carrying amount	Building & Civil Engineering	Energies & Services
31/12/2017 restated	**526**	**–**	**526**	**230**	**296**
Movements during 2018					
Changes in scope of consolidation	508	–	508	43	465
Impairment losses	–	–	–	–	–
Other movements (including translation adjustments)	10	–	10	–	10
31/12/2018 restated	**1,044**	**–**	**1,044**	**273**	**771**
Movements during 2019					
Changes in scope of consolidation	81	–	81	–	81
Impairment losses	–	–	–	–	–
Other movements (including translation adjustments)	32	–	32	7	25
31/12/2019	**1,157**	**–**	**1,157**	**280**	**877**

For 2019, the impact on goodwill of further adjustments to the Alpiq Engineering Services opening balance sheet is included in the "Changes in scope of consolidation" line.

	Alpiq Engineering Services
Purchase price (I)	439
Net assets acquired, excluding goodwill (II)	
Non-current assets	(136)
Current assets	(570)
Non-current liabilities	135
Current liabilities	702
Purchase price allocation (III)	
Remeasurement of acquired intangible assets	–
Remeasurement of acquired property, plant and equipment	–
Remeasurement of assumed liabilities (deferred taxes & other)	–
Unacquired portion	–
Final goodwill (I) + (II) + (III)	570
Translation adjustments	28
Goodwill at 31/12/2019	**598**

3.2.5. NON-CURRENT FINANCIAL ASSETS €397m

	Investments in joint ventures and associates	Investments in non-consolidated companies	Other non-current financial assets	Total	Amortisation & impairment	Carrying amount	Deferred tax assets
31/12/2017 restated	**71**	**81**	**216**	**368**	**(69)**	**299**	**93**
Movements during 2018							
Translation adjustments	–	1	2	3	–	3	–
Changes in scope of consolidation	55	3	12	70	(3)	67	(4)
Acquisitions and other increases	–	15	45	60	–	60	3
Amortisation and impairment, net	–	–	–	–	16	16	–
Disposals and other reductions	–	(63)	(38)	(101)	–	(101)	(8)
Transfers and other movements	5	–	4	9	(3)	6	(1)
31/12/2018 restated	**131**	**37**	**241**	**409**	**(59)**	**350**	**83**
Amortisation and impairment	**(28)**	**–**	**(31)**	**(59)**	**–**	**–**	**–**
Carrying amount 31/12/2018 restated	**103**	**37**	**210**	**350**	**–**	**–**	**83**

	Investments in joint ventures and associates (1)	Investments in non-consolidated companies	Other non-current financial assets	Total	Amortisation & impairment	Carrying amount	Deferred tax assets (2)
31/12/2018 restated	**131**	**37**	**241**	**409**	**(59)**	**350**	**83**
Movements during 2019							
Translation adjustments	1	–	3	4	–	4	–
Changes in scope of consolidation	4	–	–	4	–	4	1
Acquisitions and other increases	1	4	44	49	–	49	4
Amortisation and impairment, net	–	–	–	–	5	5	–
Disposals and other reductions	(86)	(1)	(68)	(155)	–	–	(17)
Transfers and other movements	73	–	(4)	69	–	69	–
31/12/2019	**124**	**40**	**216**	**380**	**(54)**	**481**	**71**
Amortisation and impairment	**(19)**	**–**	**(35)**	**(54)**	**–**	**–**	**–**
Carrying amount 31/12/2019	**105**	**40**	**181**	**326**	**–**	**–**	**71**

(1) Includes goodwill on associates: €73 million at 31 December 2019.
(2) See Note 7.

3.2.6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

€105m

	Share of net assets held	Goodwill on joint ventures and associates, net	Carrying amount
31/12/2017 restated	**30**	**–**	**30**
Movements during 2018			
Translation adjustments	–	–	–
Changes in scope of consolidation	–	68	68
Acquisitions and other increases	–	–	–
Net profit/(loss) for the period	(2)	–	(2)
Disposals, transfers and other movements	7	–	7
Impairment losses	–	–	–
31/12/2018 restated	**35**	**68**	**103**
Movements during 2019			
Translation adjustments	1	–	1
Changes in scope of consolidation	–	5	5
Acquisitions and other increases	1	–	1
Net profit/(loss) for the period	79	–	79
Disposals, transfers and other movements	(84)	–	(84)
Impairment losses	–	–	–
31/12/2019	**32**	**73**	**105**

Principal associates and joint ventures	31/12/2018 restated	Net movements in 2019 (1)	31/12/2019	Of which: share of profit/(loss) and impairment losses
Associates				
STADE DE FRANCE	11	(2)	**9**	(2)
ZAIC	7	(7)	**–**	21
HERMES AIRPORT	–	–	**–**	27
TRANSJAMAICAN	–	–	**–**	32
VSL JAPON	2	–	**2**	–
OTHER ASSOCIATES	–	1	**1**	1
Joint ventures				
AXIONE	76	7	**83**	4
VSL CHILI	2	–	**2**	–
TRANSINVEST GCC	–	–	**–**	(6)
OTHER JOINT VENTURES	5	3	**8**	2
Total	**103**	**2**	**105**	**79**

(1) Includes acquisitions, changes in scope of consolidation, translation adjustments, dividends paid, capital increases, and goodwill.

Accumulated unrecognised losses on joint ventures and associates: €10 million.

Summary information about the assets, liabilities, income and expense of the principal joint ventures and associates is provided in the table below:

Figures are for 100% of the investee	31/12/2019 Axione SAS	31/12/2018 restated Axione SAS
Non-current assets (1)	**87**	56
Current assets	**209**	167
Total assets	**296**	**223**
Shareholders' equity	**19**	15
Non-current liabilities	**42**	25
Current liabilities	**235**	183
Total liabilities & equity	**296**	**223**
Sales	**257**	N/A
Operating profit/(loss)	**13**	N/A
Net profit/(loss)	**9**	**N/A**

(1) Net of grants received.

3.2.7. INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND OTHER NON-CURRENT FINANCIAL ASSETS

3.2.7.1. INVESTMENTS IN NON-CONSOLIDATED COMPANIES

€40m

Investments in non-consolidated companies (1)	31/12/2019		Total assets (2)	Total current & non-current liabilities (2)	Total sales (2)	Net profit/ (loss) (2)
	Fair value	% interest				
French companies						
BOUYGUES CONSTRUCTION AIRPORT CONCESSIONS EUROPE SAS	6	51%	–	–	–	–
OPALE DEFENSE SAS	1	19%	1,159	1,150	132	30
Other investments in French companies	9	–	–	–	–	–
Sub-total	**16**	–	–	–	–	–
Foreign companies						
CROSS YARRA PARTNERSHIP (AUSTRALIA)	16	10%	1,717	1,734	754	–
RAVINALA AIRPORT SA	2	10%	–	–	–	–
COREE PUSAN	1	7%	560	34	87	(46)
Other investments in French companies	5	–	–	–	–	–
Sub-total	**24**	–	–	–	–	–
Total	**40**	–	–	–	–	–

Investments in non-consolidated companies (1)	31/12/2018 restated		Total assets (2)	Total current & non-current liabilities (2)	Total sales (2)	Net profit/ (loss) (2)
	Fair value	% interest				
French companies						
OPALE DEFENSE SAS	2	19%	1,102	1,092	153	2
Other investments in French companies	8	–	–	–	–	–
Sub-total	**10**	–	–	–	–	–
Foreign companies						
CROSS YARRA PARTNERSHIP (AUSTRALIA)	14	10%	774	654	556	–
LUMESA (SWITZERLAND)	3	47%	4	–	3	–
COREE PUSAN	1	14%	596	35	81	(43)
Other investments in French companies	9	–	–	–	–	–
Sub-total	**27**	–	–	–	–	–
Total	**37**	–	–	–	–	–

(1) Not consolidated because:
– the Group does not exercise control or significant influence over the entity;
– the potential contribution of the entity to the consolidated financial statements is immaterial.
(2) Based on available annual information.

3.2.7.2. OTHER NON-CURRENT FINANCIAL ASSETS

The main items included in "Other non-current financial assets" are:

	31/12/2019	31/12/2018 restated
Advances to non-consolidated companies	**51**	79
Non-current loans and receivables	**105**	89
Other long-term investments	**25**	42
• Deposits and caution money	**23**	27
• Other financial assets at fair value through profit or loss	**2**	15

3.2.7.3. ANALYSIS OF INVESTMENTS IN NON-CONSOLIDATED COMPANIES AND OTHER NON-CURRENT FINANCIAL ASSETS BY CATEGORY

€221m

	Equity instruments		Other financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	At fair value through OCI	At fair value through profit or loss			
31/12/2018 restated	**4**	**33**	**15**	**195**	**247**
Movements during 2019	5	(2)	(13)	(16)	**(26)**
31/12/2019	**9**	**31**	**2**	**179**	**221**
Due within less than 1 year	–	–	–	9	**9**
Due within 1 to 5 years	–	–	–	37	**37**
Due after more than 5 years	9	31	2	133	**175**

3.2.7.4. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES BY FAIR VALUE HIERARCHY LEVEL

	Level 1 Quoted market prices	Level 2 Observable inputs	Level 3 Unobservable inputs	31/12/2019
Financial assets at fair value through OCI	–	–	9	**9**
Financial assets at fair value through profit or loss	–	–	33	**33**
Net cash	4,204	–	–	**4,204**
Financial instruments: assets and liabilities (short-term)	(10)	–	–	**(10)**

NOTE 4. CURRENT ASSETS

4.1. INVENTORIES €286m

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Raw materials and finished goods	282	(25)	257	263	(19)	244
Property development inventories	33	(4)	29	38	(6)	32
Total	315	(29)	286	301	(25)	276

Impairment of inventories	Charges during the year		Reversals during the year	
	2019	2018 restated	2019	2018 restated
Impairment of raw materials and finished goods	(7)	(6)	1	6
Impairment of property development inventories	–	(1)	2	–
Total	(7)	(7)	3	6

4.2. ADVANCES AND DOWN-PAYMENTS MADE ON ORDERS €155m

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	155	–	155	188	–	188
Total	155	–	155	188	–	188

4.3. TRADE RECEIVABLES, TAX ASSETS AND OTHER CURRENT RECEIVABLES €4,343m

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	2,384	(241)	2,143	2,562	(223)	2,339
Customer contract assets	1,078	–	1,078	862	–	862
Current tax assets	110	–	110	125	–	125
Other current receivables and prepaid expenses	1,077	(65)	1,012	1,024	(85)	939
• Other operating receivables (employees, social security, government & other)	490	(4)	486	489	(5)	484
• Sundry receivables (including current accounts)	496	(61)	435	453	(80)	373
• Prepaid expenses	91	–	91	82	–	82
Total	4,649	(306)	4,343	4,573	(308)	4,265

4.4. CUSTOMER CONTRACT ASSETS €1,078m

	31/12/2018 restated	Movements during 2019			31/12/2019
		Translation adjustments	Changes in scope of consolidation and other movements	Movements arising from operating activities	
Customer contract origination costs	–	–	–	–	–
Customer contract execution costs	–	–	–	–	–
Differences relating to percentage of completion on contracts	862	9	237	(30)	1,078
Customer contract assets	862	9	237	(30)	1,078

4.5. SPLIT OF CARRYING AMOUNT OF TRADE RECEIVABLES BETWEEN NON PAST DUE AND PAST DUE BALANCES

	Non past due balances	Past due by:			Total
		0-6 months	6-12 months	> 12 months	
Trade receivables	1,489	445	79	371	**2,384**
Impairment of trade receivables	(14)	(3)	(8)	(216)	**(241)**
Total trade receivables: 31/12/2019	**1,475**	**442**	**71**	**155**	**2,143**
Total trade receivables: 31/12/2018 restated	**1,666**	**467**	**77**	**129**	**2,339**

4.6. CASH AND CASH EQUIVALENTS €4,629m

	31/12/2019			31/12/2018 restated		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Bouygues Relais	**1,841**	**–**	**1,841**	1,617	–	1,617
Uniservice	**1,688**	**–**	**1,688**	2,020	–	2,020
By Construction Relais	**23**	**–**	**23**	28	–	28
Other cash items	**1,077**	**–**	**1,077**	986	–	986
Cash equivalents	**–**	**–**	**–**	1	–	1
Total	**4,629**	**–**	**4,629**	**4,652**	**–**	**4,652**

	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Canadian dollar	Hong Kong dollar	Singapore dollar	Australian dollar	Other currencies	Total 31/12/2019	Total 31/12/2018 restated
Cash	2,334	425	576	29	240	16	412	37	409	151	**4,629**	4,651
Cash equivalents	–	–	–	–	–	–	–	–	–	–	**–**	1
Total 31/12/2019	**2,334**	**425**	**576**	**29**	**240**	**16**	**412**	**37**	**409**	**151**	**4,629**	
Total 31/12/2018 restated	**2,182**	**298**	**543**	**39**	**321**	**23**	**711**	**48**	**309**	**178**		**4,652**

Cash equivalents are measured at fair value and are readily convertible into cash.

The net cash position shown in the cash flow statement breaks down as follows:

	31/12/2019	31/12/2018 restated
Cash	**4,629**	4,651
Cash equivalents	**–**	1
Total cash and cash equivalents	**4,629**	**4,652**
Overdrafts and short-term bank borrowings	**(425)**	(493)
Net cash position	**4,204**	**4,159**

NOTE 5. SHAREHOLDERS' EQUITY

5.1. SHARE CAPITAL OF BOUYGUES CONSTRUCTION S.A. €127,967,250

As of 31 December 2019, the share capital of Bouygues Construction SA consisted of 1,706,230 shares with a €75 par value. Movements during 2019 were as follows:

	31/12/2018 restated	Movements during 2019		31/12/2019
		Increases	Reductions	
Shares	1,706,230	–	–	**1,706,230**
Number of shares	**1,706,230**	**–**	**–**	**1,706,230**
Par value (in euros)	75	–	–	**75**
Share capital (in euros)	**127,967,250**	**–**	**–**	**127,967,250**

5.2. ITEMS RECOGNISED DIRECTLY IN EQUITY

5.2.1. ANALYSIS OF "INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY" €(102)m

	31/12/2018 restated	Movements during 2019	31/12/2019
Reserve for actuarial gains/(losses), net of tax	(68)	(33)	**(101)**
Fair value remeasurement reserve (equity instruments), net of tax	(1)	(1)	**(2)**
Translation reserve of consolidated entities	11	(2)	**9**
Fair value remeasurement reserve (hedging instruments), net of tax	(3)	(5)	**(8)**
Share of remeasurements of joint ventures and associates	(5)	5	**–**
Total attributable to the Group	**(66)**	**(36)**	**(102)**

5.2.2. TRANSLATION RESERVE (ATTRIBUTABLE TO THE GROUP) €10m

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero in accordance with IFRS 1.

The translation reserve includes the cumulative translation differences of joint ventures and associates.

Principal translation adjustments in the year ended 31 December 2019 arising on the consolidated financial statements of foreign entities reporting in the following currencies:

Currency	31/12/2018 restated	Movement during 2019	31/12/2019
Pound sterling	12	(1)	**11**
Swiss franc	3	(1)	**2**
US dollar	(7)	–	**(7)**
Hong Kong dollar	–	2	**2**
Singapore dollar	1	1	**2**
Australian dollar	8	1	**9**
Other currencies	(6)	(3)	**(9)**
Total	**11**	**(1)**	**10**

NOTE 6. NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS €857m

	Employee benefits	Litigation and claims	After-sales guarantees	Risks on subsidiaries & affiliates	Miscellaneous foreign risks	Other non-current provisions	Total
31/12/2017 restated	**210**	**134**	**295**	**10**	**24**	**56**	**729**
Movements during 2018							
Translation adjustments	–	–	1	–	–	1	**2**
Transfers and other movements	–	(1)	(3)	8	(7)	(5)	**(8)**
Changes in scope of consolidation	74	2	13	–	–	–	**89**
Actuarial gains and losses	20	–	–	–	–	–	**20**
Charges to provisions	14	37	83	2	13	22	**171**
Reversals (provisions used)	(21)	(13)	(56)	–	(2)	(5)	**(97)**
Reversals (provisions not used)	(1)	(39)	(32)	–	(4)	(19)	**(95)**
31/12/2018 restated	**296**	**120**	**301**	**20**	**24**	**50**	**811**
Movements during 2019							
Translation adjustments	2	–	4	–	–	–	**6**
Transfers and other movements	–	–	1	16	3	(2)	**18**
Changes in scope of consolidation	28	(1)	2	–	–	–	**29**
Actuarial gains and losses	38	–	–	–	–	–	**38**
Charges to provisions	50	20	80	1	15	9	**175**
Reversals (provisions used)	(56)	(30)	(50)	–	(7)	(9)	**(152)**
Reversals (provisions not used)	(1)	(26)	(28)	(1)	(2)	(10)	**(68)**
31/12/2019	**357**	**83**	**310**	**36**	**33**	**38**	**857**

6.2. CURRENT PROVISIONS €742m

	Risks on completed projects	Project completion expenses	Expected losses to completion	Other current provisions	Total
31/12/2017 restated	**58**	**203**	**180**	**88**	**529**
Movements during 2018					
Translation adjustments	1	3	(4)	2	**2**
Transfers and other movements	2	11	(13)	3	**3**
Changes in scope of consolidation	–	9	67	6	**82**
Charges to provisions	12	119	125	40	**296**
Reversals (provisions used)	(5)	(63)	(73)	(26)	**(167)**
Reversals (provisions not used)	(15)	(41)	(30)	(11)	**(97)**
31/12/2018 restated	**53**	**241**	**252**	**102**	**648**
Movements during 2019					
Translation adjustments	1	3	3	2	**9**
Transfers and other movements	(15)	(5)	(45)	–	**(65)**
Changes in scope of consolidation	–	–	28	(1)	**27**
Charges to provisions	48	119	195	69	**431**
Reversals (provisions used)	(4)	(81)	(109)	(22)	**(216)**
Reversals (provisions not used)	(7)	(40)	(32)	(13)	**(92)**
31/12/2019	**76**	**237**	**292**	**137**	**742**

NOTE 7. DEFERRED TAX ASSETS AND LIABILITIES

7.1. DEFERRED TAX ASSETS €71m

Movement in deferred taxes in the consolidated balance sheet	31/12/2018 restated	Movements during 2019		31/12/2019
		Net expense	Other movements	
Deferred tax assets	83	(16)	4	**71**

7.2. DEFERRED TAX ASSETS BY BUSINESS SEGMENT

	Deferred tax assets 31/12/2018 restated	Changes in scope of consolidation	Translation adjustments	Movements during 2019		Other movements	Deferred tax assets 31/12/2019
				Gain	Expense		
A. Tax losses							
Building & Civil Engineering	1	–	–	–	(1)	–	**–**
Energies & Services	12	–	–	15	(5)	–	**22**
Sub-total	**13**	**–**	**–**	**15**	**(6)**	**–**	**22**
B. Temporary differences (1)							
Building & Civil Engineering	61	–	–	3	(9)	2	**57**
Energies & Services	9	1	–	6	(25)	1	**(8)**
Sub-total	**70**	**1**	**–**	**9**	**(34)**	**3**	**49**
Total deferred tax assets	**83**	**1**	**–**	**24**	**(40)**	**3**	**71**

(1) Arising on differences between tax and accounting treatments, and on consolidation adjustments.

7.3. DEFERRED TAX LIABILITIES €18m

Movement in deferred taxes in the consolidated balance sheet	31/12/2018 restated	Movements during 2019		31/12/2019
		Net gain	Other movements	
Deferred tax liabilities	21	(1)	(2)	**18**

7.4. NET DEFERRED TAX LIABILITY BY BUSINESS SEGMENT

	Deferred tax liabilities 31/12/2018 restated	Changes in scope of consolidation	Translation adjustments	Movements during 2019		Other movements	Deferred tax liabilities 31/12/2019
				Gain	Expense		
A. Tax losses							
Building & Civil Engineering	–	–	–	(2)	–	–	**(2)**
Energies & Services	–	–	–	–	–	–	**–**
Sous-total	**–**	**–**	**–**	**(2)**	**–**	**–**	**(2)**
B. Temporary differences (1)							
Building & Civil Engineering	14	–	–	–	5	(1)	**18**
Energies & Services	7	–	–	(5)	1	(1)	**2**
Sub-total	**21**	**–**	**–**	**(5)**	**6**	**(2)**	**20**
Total deferred tax liabilities	**21**	**–**	**–**	**(7)**	**6**	**(2)**	**18**

(1) Arising on differences between tax and accounting treatments, and on consolidation adjustments.

7.5. PRINCIPAL SOURCES OF DEFERRED TAXATION

	31/12/2019	31/12/2018 restated
Deferred tax assets	**71**	**83**
Employee benefits	40	38
Provisions temporarily non-deductible for tax purposes	35	31
Tax losses	22	13
Other sources of deferred tax assets	(26)	1
Deferred tax liabilities	**18**	**21**
Total	**53**	**62**

7.6. ESTIMATED PERIOD TO RECOVERY OF DEFERRED TAX ASSETS

31 December 2019	Less than 2 years	2 to 5 years	More than 5 years	Total
Deferred tax assets	**43**	**3**	**25**	**71**

7.7. UNRECOGNISED DEFERRED TAX ASSETS

	31/12/2019	31/12/2018 restated
Bouygues group tax election	85	96
Other assets	284	157
Total	**369**	**253**

NOTE 8. NON-CURRENT AND CURRENT DEBT

8.1. INTEREST-BEARING DEBT BY MATURITY

€1,091m

Debt	Current debt		Non-current debt						Total 31/12/2019	Total 31/12/2018 restated
	0-3 months	3-12 months	1-2 years	2-3 years	3-4 years	4-5 years	5-6 years	6 years & beyond		
Bond issues	–	–	–	–	–	–	–	–	–	–
Bank borrowings	–	3	–	–	–	–	–	–	3	–
Other borrowings	5	–	2	2	3	4	4	15	35	38
Participating debt	–	–	–	–	–	–	–	–	–	–
Uniservice debt	1	–	–	7	550	495	–	–	1,053	1,001
Total interest-bearing debt	**6**	**3**	**2**	**9**	**553**	**499**	**4**	**15**	**1,091**	
Total 31/12/2018 restated	**9**	**2**	**11**	**5**	**28**	**979**	**2**	**3**		**1,039**

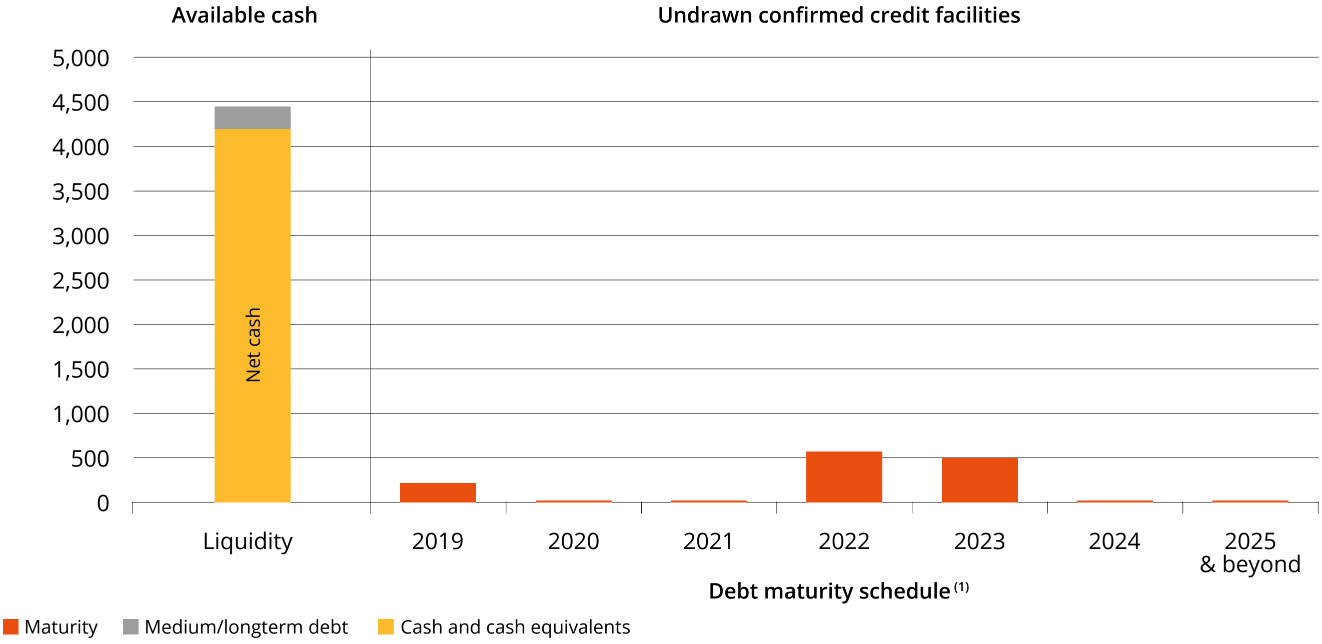
8.2. CONFIRMED CREDIT FACILITIES AND DRAWDOWNS

	Confirmed facilities – Maturity				Drawdowns – Maturity			
	< 1 year	1 to 5 years	> 5 years	Total	< 1 year	1 to 5 years	> 5 years	Total
Bond issues	–	–	–	–	–	–	–	–
Bank borrowings	3	–	–	3	3	–	–	3
Other borrowings [(1)]	177	1,116	19	1,312	6	1,063	19	1,088
Participating debt	–	–	–	–	–	–	–	–
Intra-group borrowings	–	–	–	–	–	–	–	–
Total	**180**	**1,116**	**19**	**1,315**	**9**	**1,063**	**19**	**1,091**

(1) Confirmed undrawn credit facilities: €224 million.

8.3. LIQUIDITY AT 31 DECEMBER 2019

As of 31 December 2019, available cash stood at €4,204 million. The Group also had €224 million of undrawn confirmed credit facilities as of that date.



(1) Non-current debt (€1,082 million) and current debt (€9 million).

Consequently, the Group is not exposed to liquidity risk.

The bank credit facilities contracted by the Bouygues Construction group contain no financial covenants or trigger event clauses.

8.4. FIXED/FLOATING RATE SPLIT OF CURRENT AND NON-CURRENT DEBT

Split of current and non-current debt, including the effect of all open interest rate hedges at the end of the reporting period:

	31/12/2019	31/12/2018 restated
Fixed rate debt [1]	–	–
Floating rate debt	**100%**	100%

(1) Rates fixed for more than one year.

8.5. SPLIT OF CURRENT AND NON-CURRENT DEBT BY CURRENCY

	Europe										
	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Canadian dollar	Hong Kong dollar	Singapore dollar	Australian dollar	Other currencies	Total
Non-current: 31/12/2019	**45**	**127**	**589**	**36**	**97**	**119**	**8**	**–**	**61**	**–**	**1,082**
Current: 31/12/2019	**2**	**–**	**–**	**–**	**–**	**–**	**1**	**1**	**–**	**5**	**9**
Non-current: 31/12/2018	47	121	567	35	93	112	9	–	44	–	**1,028**
Current: 31/12/2018	3	–	–	–	–	–	2	–	–	6	**11**

NOTE 9. NON-CURRENT AND CURRENT LEASE OBLIGATIONS

9.1. ANALYSIS OF CURRENT AND NON-CURRENT LEASE OBLIGATIONS BY MATURITY

	Current lease obligations			Non-current lease obligations						Total maturing after >1 year
	0-3 months	3-12 months	Total maturing in less than 1 year	1-2 years	2-3 years	3-4 years	4-5 years	5-6 years	6 years & beyond	
Total 31/12/2019	**24**	**73**	**97**	**59**	**40**	**35**	**26**	**21**	**35**	**216**
Total 31/12/2018 restated	**19**	**58**	**77**	**54**	**42**	**35**	**30**	**20**	**41**	**222**

9.2. CHANGE IN NON-CURRENT AND CURRENT LEASE OBLIGATIONS

€313m

	31/12/2018 restated	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, net of disposals	New leases, lease modifications, and other lease-related movements	31/12/2019
Non-current lease obligations	222	5	2	–	(13)	–	**216**
Current lease obligations	77	1	–	(98)	117	–	**97**
Total lease obligations	**299**	**6**	**2**	**(98)**	**104**	**–**	**313**

NOTE 10. MAIN COMPONENTS OF CHANGE IN NET SURPLUS CASH

10.1. CHANGE IN NET SURPLUS CASH

	31/12/2018 restated	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	31/12/2019
Cash and cash equivalents	4,652	(90)	(8)	78	–	(3)	**4,629**
Overdrafts and short-term bank borrowings	(493)	71	(3)	(2)	–	2	**(425)**
Net cash position (A)	**4,159**	**(19)[1]**	**(11)[1]**	**76[1]**	**–**	**(1)[1]**	**4,204**
Non-current debt	(1,028)	(15)[2]	–	(39)	–	–	**(1,082)**
Current debt	(11)	1[2]	(1)	–	–	2	**(9)**
Financial instruments – Hedging of debt	(1)	–	–	–	1	–	**–**
Total debt (B)	**(1,040)**	**(14)**	**(1)**	**(39)**	**1**	**2**	**(1,091)**
Net surplus cash (A) + (B)	**3,119**	**(33)**	**(12)**	**37**	**1**	**1**	**3,113**

(1) Net cash inflow of €46 million in 2019, as reported in the cash flow statement.
(2) Net cash inflow related to current and non-current debt of €14 million in 2019 as reported in the cash flow statement, comprising an inflow of €32 million and an outflow of €18 million.

10.2. PRINCIPAL CHANGES IN NET SURPLUS CASH DURING 2019 €3,113m

Net surplus cash at 31 December 2018 restated	**3,119**
Net cash generated by/(used in) operating activities	**336**
Net cash generated by/(used in) investing activities	**(81)**
Dividends paid	**(220)**
Income from net surplus cash and interest expense on lease obligations	**9**
Effect of changes in scope of consolidation on total debt	**(1)**
Effect of exchange rates on net cash position and total debt	**37**
Repayment of lease obligations	**(98)**
Disposals of equity interests without loss of control	**10**
Other items	**2**
Net surplus cash at 31 December 2019	**3,113**

NOTE 11. OTHER CURRENT LIABILITIES

	31/12/2019	31/12/2018 restated
Current taxes payable	**136**	**93**
Trade payables	**3,039**	**3,108**
Customer contract liabilities	**2,638**	**2,688**
Other current liabilities	**1,750**	**1,738**
Employee-related and social security liabilities	**490**	490
Amounts due to government and local authorities	**616**	622
Other current payables	**644**	626
Overdrafts and short-term bank borrowings	**425**	**493**

11.1. CUSTOMER CONTRACT LIABILITIES €2,638m

	31/12/2018 restated	Movements during 2019			31/12/2019
		Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	
Advances and down-payments received on orders	805	11	1	(123)	**694**
Deferred income on customer contracts	1,883	37	12	12	**1,944**
Customer contract liabilities	**2,688**	**48**	**13**	**(111)**	**2,638**

11.2. OVERDRAFTS AND SHORT-TERM BANK BORROWINGS €425m

	Euro	Pound sterling	Swiss franc	Other European currencies	US dollar	Canadian dollar	Hong Kong dollar	Singapore dollar	Australian dollar	Other currencies (1)	Total
Split by currency: 31/12/2019	93	29	150	2	3	24	68	1	–	55	**425**
Split by currency: 31/12/2018 restated	108	40	137	9	2	25	117	–	6	49	**493**

(1) "Other currencies" mainly comprise the CFA franc: €28 million in 2019, €29 million in 2018.

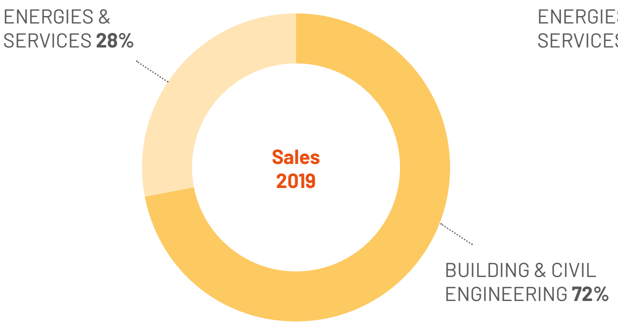
NOTE 12. SALES

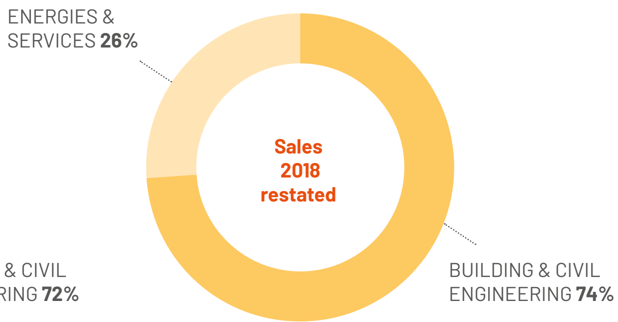
12.1. ANALYSIS OF SALES BY BUSINESS SEGMENT

Segment	Full year 2019			Fourth quarter 2019		
	France	International	Total	France	International	Total
Building & Civil Engineering	4,036	5,573	9,609	1,090	1,392	2,482
Energies & Services	1,284	2,462	3,746	352	622	974
Sales	**5,320**	**8,035**	**13,355**	**1,442**	**2,014**	**3,456**

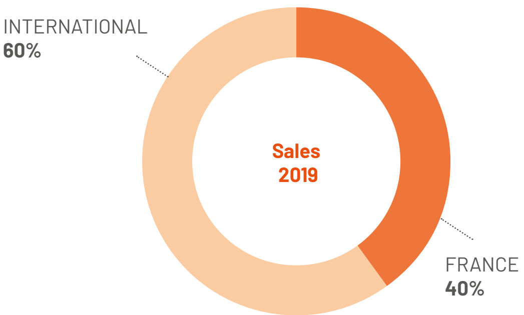
Segment	Full year 2018 restated			Fourth quarter 2018 restated		
	France	International	Total	France	International	Total
Building & Civil Engineering	4,157	5,039	9,196	1,104	1,335	2,439
Energies & Services	1,442	1,720	3,162	406	924	1,330
Sales	**5,599**	**6,759**	**12,358**	**1,510**	**2,259**	**3,769**
% change 2019 vs. 2018	-5%	19%	8%	-	-	-

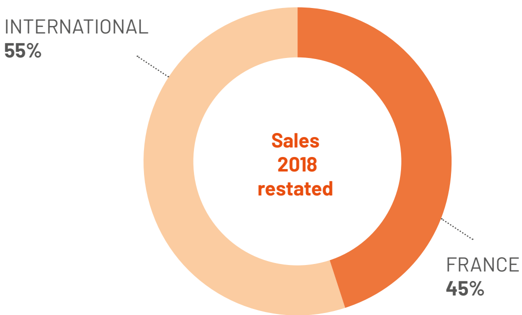
BY BUSINESS SEGMENT





BY GEOGRAPHICAL AREA





12.2. ANALYSIS OF SALES BY GEOGRAPHICAL AREA

	2019 sales		2018 sales restated	
	Total	%	Total	%
France	5,320	39.8%	5,599	45.3%
European Union	2,050	15.4%	1,557	12.6%
Rest of Europe	1,889	14.1%	1,590	12.9%
Africa	474	3.5%	463	3.7%
Middle East	125	0.9%	111	0.9%
Americas	896	6.7%	769	6.2%
Asia/Pacific/Oceania	2,601	19.5%	2,269	18.4%
Total	**13,355**	**100.0%**	**12,358**	**100.0%**

The United Kingdom accounts for 64% of sales in the European Union excluding France. These operations are carried out locally within the United Kingdom, and have no material exposure to uncertainties relating to imports and exports.

12.3. ANALYSIS OF SALES BY TYPE OF CONTRACT

Type of contract	2019			2018 restated		
	France	International	Total	France	International	Total
Public-sector contracts [(1)]	40%	33%	36%	37%	36%	36%
Private-sector contracts	60%	67%	64%	63%	64%	64%

(1) Sales billed directly to government departments, local authorities or public enterprises in France and abroad.

12.4. ORDER BACKLOG

	31/12/2018 restated	Movements during 2019				31/12/2019
		Translation adjustments	Changes in scope of consolidation and other movements	Order intake	Sales recognised	
Total order backlog	**22,183**	**280**	**184**	**12,308**	**(13,355)**	**21,600**
- maturing within less than 1 year	9,855	–	–	–	–	10,049
- maturing within 1 to 5 years	9,814	–	–	–	–	9,330
- maturing after more than 5 years	2,514	–	–	–	–	2,221

The order backlog represents 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 suspensive conditions lifted).

NOTE 13. OPERATING PROFIT AND EBITDA AFTER LEASES

13.1. OPERATING PROFIT €355m

	2019	2018 restated
Current operating profit	**378**	**378**
Other operating income	–	–
Other operating expenses	**(23)**	(4)
Operating profit	**355**	**374**

13.2. EBITDA AFTER LEASES €591m

	2019	2018 restated
Current operating profit	**378**	**378**
Interest expense on lease obligations	**(11)**	(11)
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	**(184)**	(189)
Charges to provisions and impairment losses, net of reversals due to utilisation	**(271)**	(214)
Elimination of items included in "Other income from operations":		
Reversals of unutilised provisions and impairment and other items	**231**	280
EBITDA after Leases	**591**	**490**

NOTE 14. INCOME FROM NET SURPLUS CASH AND OTHER FINANCIAL INCOME AND EXPENSES

14.1. ANALYSIS OF INCOME FROM NET SURPLUS CASH — €20m

	2019	2018 restated
Cost of debt	**(13)**	**(9)**
• Net interest expense on debt	(13)	(9)
• Impact of financial instruments on debt	–	–
Income from cash and cash equivalents	**33**	**26**
• Net interest income from cash and cash equivalents	33	25
• Impact of financial instruments on cash and cash equivalents	–	1
Income from net surplus cash	**20**	**17**

14.2. ANALYSIS OF OTHER FINANCIAL INCOME AND EXPENSES — €11m

	2019	2018 restated
Dividends from non-consolidated companies	7	31
Net (increase)/decrease in financial provisions	(5)	2
Net discounting expense	–	–
Change in fair value of other financial assets and liabilities	7	2
Current account waivers, gains and losses on disposals of investments in non-consolidated companies and of other financial assets, net interest other than on debt, and other items	2	4
Total other financial income and expenses	**11**	**39**

NOTE 15. INCOME TAXES

15.1. ANALYSIS OF INCOME TAX EXPENSE €(128)m

	2019			2018 restated		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(24)	(85)	(109)	(39)	(58)	(97)
Change in deferred tax liabilities (1)	(3)	4	1	(1)	–	(1)
Change in deferred tax assets (1)	(13)	(3)	(16)	(9)	1	(8)
Taxes on dividends	–	(4)	(4)	–	(3)	(3)
Total	**(40)**	**(88)**	**(128)**	**(49)**	**(60)**	**(109)**

	2019	2018 restated
(1) Deferred tax assets arising from temporary differences	(23)	(3)
Deferred tax assets arising from tax losses	12	(4)
Deferred tax assets arising from changes in tax rates or new taxes	(4)	(2)

15.2. TAX PROOF (RECONCILIATION BETWEEN STANDARD TAX RATE AND EFFECTIVE TAX RATE)

Differences between the standard corporate income tax rate applicable in France and the effective tax rate based on the consolidated financial statements are explained as follows:

	2019	2018 restated
Net income	**326**	**308**
Eliminations		
Income tax expense	128	109
Net (profit)/loss of discontinued and held-for-sale operations	–	–
Share of net (profits)/losses of joint ventures and associates	(79)	2
Net pre-tax profit from continuing operations excluding joint ventures and associates	**375**	**419**
Standard tax rate in France	34.43%	34.43%
Differences in tax rates between France and other countries	(16.05%)	(11.16%)
Effect of non-recognition of tax loss carry-forwards and other temporary differences: created/(utilised)	13.75%	10.17%
Effect of permanent differences	2.55%	4.41%
Flat-rate and reduced-rate taxes	(2.16%)	(9.94%)
Differential tax rates applied to gains on disposals	1.06%	(2.13%)
Taxes on dividends	0.92%	0.83%
Other items	(0.49%)	(0.58%)
Effective tax rate	**34.01%**	**26.03%**

NOTE 16. NET PROFIT FROM CONTINUING OPERATIONS AND BASIC/DILUTED EARNINGS PER SHARE

Basic earnings per share from continuing operations is calculated by dividing net profit from continuing operations attributable to the Group by the weighted average number of shares outstanding in 2019 (excluding the average number of ordinary shares bought and held as treasury shares), i.e. 1,706,230 shares.

	2019	2018 restated
Net profit from continuing operations attributable to the Group	**€325m**	€296m
Weighted average number of shares outstanding	**1,706,230**	1,706,230
Basic earnings per share	**€190.24**	**€172.90**

Diluted earnings per share from continuing operations is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares. There are no dilutive instruments, so the two figures are the same.

	2019	2018 restated
Net profit from continuing operations attributable to the Group	**€325m**	€296m
Weighted average number of shares used to calculate diluted earnings per share from continuing operations	**1,706,230**	1,706,230
Diluted earnings per share	**€190.24**	**€172.90**

NOTE 17. SEGMENT INFORMATION

17.1. ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2019

	Building & Civil Engineering	Energies & Services	Total
INCOME STATEMENT			**31/12/2019**
Construction	9,714	–	**9,714**
Energies & Services	–	3,808	**3,808**
Total sales	**9,714**	**3,808**	**13,522**
Inter-segment sales	(105)	(62)	**(167)**
Third-party sales	**9,609**	**3,746**	**13,355**
Current operating profit/(loss)	**297**	**81**	**378**
Current operating profit/(loss) after Leases (1)	**290**	**77**	**367**
Other operating income	–	–	**–**
Other operating expenses	(18)	(5)	**(23)**
Operating profit/(loss)	**279**	**76**	**355**
Operating profit/(loss) after Leases (1)	**272**	**72**	**344**
Income from net surplus cash/(cost of net debt)	20	–	**20**
Interest expense on lease obligations	(7)	(4)	**(11)**
Income tax expense	(116)	(12)	**(128)**
Share of profits/(losses) of joint ventures and associates	75	4	**79**
Net profit/(loss) from continuing operations	**271**	**55**	**326**
Net profit/(loss) from discontinued and held-for-sale operations	–	–	**–**
Net profit/(loss)	**271**	**55**	**326**
Net profit/(loss) attributable to the Group	**270**	**55**	**325**
EBITDA AFTER LEASES			
Current operating profit/(loss) after Leases (1)	**290**	**77**	**367**
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	154	30	**184**
• Net charges to provisions & impairment losses	212	59	**271**
Elimination of items included in other income from operations:			
• Reversals of unutilised provisions and impairment and other items	(161)	(70)	**(231)**
EBITDA after Leases	**495**	**96**	**591**
BALANCE SHEET			
Investments in joint ventures and associates	22	83	**105**
Non-current provisions	633	224	**857**
Current provisions	571	171	**742**
Cash and cash equivalents	4,081	548	**4,629**
Non-current debt	808	274	**1,082**
Current debt	7	2	**9**
Overdrafts and short-term bank borrowings	366	59	**425**
Financial instruments – Hedging of debt (assets/liabilities)	–	–	**–**
Net surplus cash/(net debt)	**2,900**	**213**	**3,113**
OTHER FINANCIAL INDICATORS			
Cash flow after income from net surplus cash, interest expense on lease obligations and income taxes paid (I)	372	119	**491**
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	(161)	15	**(146)**
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(191)	2	**(189)**
Repayment of lease obligations (IV)	(67)	(31)	**(98)**
Free cash flow after changes in working capital requirements (I) + (II) + (III) + (IV)	**(47)**	**105**	**58**

(1) "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.

17.2. ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2018

	Building & Civil Engineering	Energies & Services	Total
INCOME STATEMENT			**31/12/2018 restated**
Construction	9,299	–	**9,299**
Energies & Services	–	3,233	**3,233**
Total sales	**9,299**	**3,233**	**12,532**
Inter-segment sales	(103)	(71)	**(174)**
Third-party sales	**9,196**	**3,162**	**12,358**
Current operating profit/(loss)	**392**	**(14)**	**378**
Current operating profit/(loss) after Leases (1)	**385**	**(18)**	**367**
Other operating income	–	–	**–**
Other operating expenses	(4)	–	**(4)**
Operating profit/(loss)	**388**	**(14)**	**374**
Operating profit/(loss) after Leases (1)	**381**	**(18)**	**363**
Income from net surplus cash/(cost of net debt)	24	(7)	**17**
Interest expense on lease obligations	(7)	(4)	**(11)**
Income tax expense	(104)	(5)	**(109)**
Share of profits/(losses) of joint ventures and associates	(2)	–	**(2)**
Net profit/(loss) from continuing operations	**340**	**(32)**	**308**
Net profit/(loss) from discontinued and held-for-sale operations	–	–	**–**
Net profit/(loss)	**340**	**(32)**	**308**
Net profit/(loss) attributable to the Group	**328**	**(32)**	**296**
EBITDA AFTER LEASES			
Current operating profit/(loss) after Leases (1)	**385**	**(18)**	**367**
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	163	26	**189**
• Net charges to provisions & impairment losses	154	60	**214**
Elimination of items included in other income from operations:			
• Reversals of impairment losses and of unused provisions & other items (2)	(215)	(65)	**(280)**
EBITDA after Leases	**487**	**3**	**490**
BALANCE SHEET			
Investments in joint ventures and associates	27	76	**103**
Non-current provisions	638	173	**811**
Current provisions	494	154	**648**
Cash and cash equivalents	4,190	462	**4,652**
Non-current debt	767	261	**1,028**
Current debt	10	1	**11**
Overdrafts and short-term bank borrowings	404	89	**493**
Financial instruments – Hedging of debt (assets/liabilities)	(1)	–	**(1)**
Net surplus cash/(net debt)	**3,008**	**111**	**3,119**
OTHER FINANCIAL INDICATORS			
Cash flow after income from net surplus cash, interest expense on lease obligations and income taxes paid (I)	490	(101)	**389**
Changes in working capital requirements related to operating activities, including current impairment and provisions (II)	382	(96)	**286**
Acquisitions of property, plant and equipment and intangible assets, net of disposals (III)	(176)	(25)	**(201)**
Repayment of lease obligations (IV)	(66)	(20)	**(86)**
Free cash flow after changes in working capital requirements (I) + (II) + (III) + (IV)	**630**	**(242)**	**388**

(1) "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.
(2) Includes €54 million for the remeasurement of the retained interest in Axione following the sale of a 49% equity interest (Energies & Services segment).

17.3. ANALYSIS BY GEOGRAPHICAL AREA

	France incl. overseas departments	European Union	Rest of Europe	Africa	Asia/ Pacific/ Oceania	Americas	Middle East	Total
BALANCE SHEET AT 31/12/2019								
Property, plant and equipment[1]	547	74	166	64	127	28	2	**1,008**
Intangible assets	11	5	–	–	–	–	–	**16**
2019 CASH FLOW STATEMENT								
Purchase price of property, plant and equipment and intangible assets	92	7	16	27	98	6	1	**247**

(1) Includes right of use of leased assets.

	France incl. overseas departments	European Union	Rest of Europe	Africa	Asia/ Pacific/ Oceania	Americas	Middle East	Total
BALANCE SHEET AT 31/12/2018 – RESTATED								
Property, plant and equipment[1]	532	75	197	48	82	31	5	**970**
Intangible assets	11	7	3	–	–	–	–	**21**
2018 CASH FLOW STATEMENT – RESTATED								
Purchase price of property, plant and equipment and intangible assets	119	6	31	33	45	18	1	**253**

(1) Includes right of use of leased assets.

NOTE 18. FINANCIAL INSTRUMENTS

The tables below show aggregate notional amounts for each type of financial instrument used, split by residual maturity and by currency.

18.1. INTEREST RATE AND CURRENCY HEDGES

18.1.1. ANALYSIS BY BUSINESS SEGMENT

(€ million)	Building & Civil Engineering	Energies & Services	Total 31/12/2019	Total 31/12/2018 restated
Forward purchases	421	43	**464**	419
Forward sales	406	54	**460**	421
Currency swaps	18	2	**20**	46
Interest rate swaps [1]	–	–	**–**	11
Interest rate options (caps, floors)	–	–	**–**	–
Commodities derivatives	–	–	**–**	–
Total	**845**	**99**	**944**	**897**

(1) In 2018, Bouygues Construction Relais: €0.2 million (initial amount €3 million amortisable at pay fixed rate 0.77%); and Bouygues Development Ltd: €11 million at pay fixed rate 0.81%.
These hedges ended in 2019.

18.1.2. ANALYSIS BY MATURITY AND ORIGINAL CURRENCY

(€ million)	Maturity				Original currency						
	< 1 year	1 to 5 years	> 5 years	Total	EUR	CHF	GBP	USD	HKD	AUD	Other
Forward purchases	412	52	–	**464**	214	11	1	45	2	118	73
Forward sales	416	43	–	**459**	14	108	68	153	56	16	44
Currency swaps	20	1	–	**21**	4	–	–	12	1	–	4
Interest rate swaps	–	–	–	**–**	–	–	–	–	–	–	–
Interest rate options (caps, floors)	–	–	–	**–**	–	–	–	–	–	–	–
Commodities derivatives	–	–	–	**–**	–	–	–	–	–	–	–
Total	**848**	**96**	**–**	**944**	**232**	**119**	**69**	**210**	**59**	**134**	**121**

18.2. MARKET VALUE OF HEDGING INSTRUMENTS

Derivatives recognised as assets (€m)	Original currency							Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	CHF	GBP	USD	AUD	Other	Total			
Forward purchases	1	–	–	–	2	–	**3**	–	3	–
Forward sales	1	–	–	1	–	–	**2**	–	2	–
Currency swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	**–**	–	–	–
Commodities derivatives	–	–	–	–	–	–	**–**	–	–	–
Total - assets	**2**	**–**	**–**	**1**	**2**	**–**	**5**	**–**	**5**	**–**

Derivatives recognised as liabilities (€m)	Original currency							Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	CHF	GBP	USD	AUD	Other	Total			
Forward purchases	(7)	–	–	–	–	–	**(7)**	–	(7)	–
Forward sales	–	(2)	(1)	(5)	–	–	**(8)**	–	(8)	–
Currency swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	**–**	–	–	–
Commodities derivatives	–	–	–	–	–	–	**–**	–	–	–
Total - liabilities	**(7)**	**(2)**	**(1)**	**(5)**	**–**	**–**	**(15)**	**–**	**(15)**	**–**
Total net	**(5)**	**(2)**	**(1)**	**(4)**	**2**	**(10)**	**–**	**–**	**(10)**	**–**

In the event of a +1.00% movement in the yield curve, the value of the hedging instruments portfolio would decrease by €0.01 million; in the event of a -1.00% movement, it would increase by €0.01 million.

In the event of a +1.00% movement in the exchange rate of the euro against the other currencies, the hedging instruments portfolio would have a negative market value of €5.9 million; in the event of a -1.00% movement, it would have a negative market value of €14.6 million.

These calculations were prepared by the Bouygues group, or obtained from the banks with which the instruments were contracted.

NOTE 19. OFF BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2019

19.1. GUARANTEE COMMITMENTS

	31/12/2019	Less than 1 year	1 to 5 years	More than 5 years
Pledges, mortgages and collateral	**4**	3	–	1
Guarantees and endorsements given [1]	**41**	24	17	–
Total guarantee commitments given	**45**	**27**	**17**	**1**
Guarantees and endorsements received	**–**	–	–	–
Total guarantee commitments received	**–**	**–**	**–**	**–**
Net balance	**45**	**27**	**17**	**1**

(1) In connection with its ordinary activities, the Bouygues group grants multi-year guarantees (such as ten-year building guarantees), which are usually covered by statistically-based provisions on the liabilities side of the balance sheet. Contract guarantees provided by banks to Group customers represent off balance sheet commitments for those banks. Where such guarantees are liable to result in payments being made, a provision is recognised in the balance sheet.

19.2. SUNDRY CONTRACTUAL COMMITMENTS

	31/12/2019	Less than 1 year	1 to 5 years	More than 5 years
Lump-sum retirement benefit obligations	**–**	–	–	–
Unmatured bills	**–**	–	–	–
Other items	**–**	–	–	–
Total sundry contractual commitments given	**–**	**–**	**–**	**–**
Lump-sum retirement benefit obligations	**–**	–	–	–
Unmatured bills	**–**	–	–	–
Other items	**–**	–	–	–
Total sundry contractual commitments received	**–**	**–**	**–**	**–**
Net balance	**–**	**–**	**–**	**–**

No material off balance sheet commitments have been omitted from this disclosure, in accordance with applicable accounting standards.

NOTE 20. AVERAGE HEADCOUNT AND EMPLOYEE BENEFIT OBLIGATIONS

20.1. AVERAGE HEADCOUNT

	2019	2018 restated
Managerial staff	**9,695**	9,696
Technical, supervisory & clerical staff	**6,095**	5,794
Site workers	**5,778**	5,882
Sub-total - headcount France	**21,568**	**21,372**
Expatriate staff and local employment contracts	**36,740**	30,537
Total average headcount	**58,308**	**51,909**

20.2. EMPLOYEE BENEFIT OBLIGATIONS

20.2.1. EMPLOYEE BENEFIT OBLIGATIONS

	31/12/2018 restated	Movements during 2019	31/12/2019
Lump-sum retirement benefits	186	20	**206**
Long-service awards	32	1	**32**
Other post-employment benefits (pensions)	79	40	**119**
Total	**296**	**61**	**357**

These obligations are covered by non-current provisions.

20.2.2. EMPLOYEE BENEFIT OBLIGATIONS AND PENSION OBLIGATIONS (POST-EMPLOYMENT BENEFITS) EXCLUDING LONG-SERVICE AWARDS

20.2.2.1. Defined-contribution plans

	2019	2018 restated
Amount recognised as an expense	**164**	221

The figures disclosed above are the contributions paid to pension funds for compulsory and top-up schemes.

20.2.2.2. Defined-benefit plans (retirement benefit obligations)

a. Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions		Total	
	2019	2018 restated	2019	2018 restated	2019	2018 restated
Present value of obligation	206	186	1,093 (1)	104	1,299	290
Fair value of plan assets	–	–	(977) (1)	(25)	(977)	(25)
Net liability	**206**	**186**	**116**	**79**	**322**	**265**
Asset ceiling (IFRIC 14)	–	–	3	–	3	–
Net liability recognised	**206**	**186**	**119**	**79**	**325**	**265**

(1) Changes in the present value of the obligation and the fair value of plan assets relate mainly to the recognition of the obligations of Alpiq Engineering Services as part of the purchase price allocation conducted in the twelve months following the acquisition.

b. Movement in balance sheet items (non-current provisions)

	Lump-sum retirement benefits		Pensions	
	2019	2018 restated	2019	2018 restated
Start of period	**186**	**171**	**79**	**7**
Current service cost	11	9	32	3
Interest cost on the obligation	3	3	2	(2)
Total expense recognised	**14**	**12**	**34**	**1**
Reversals of provisions utilised (benefits and contributions paid)	(14)	(14)	(41)	(4)
Translation adjustments	–	–	1	–
Changes in scope of consolidation	–	(2)	28	77
Actuarial gains and losses recognised in equity	20	19	18	(3)
Transfers and other movements	–	–	–	–
End of period	**206**	**186**	**119**	**79**

c. Analysis by geographical area at 31 December 2019

	France incl. overseas departments	European Union	Rest of Europe	Total
Non-current provisions (balance sheet):				
• lump-sum retirement benefits	206	–	–	206
• pensions	–	83	36	119
Provisions recognised as liabilities in the balance sheet	**206**	**83**	**36**	**325**

d. Main actuarial assumptions used to measure post-employment benefit obligations

	2019	2018 restated
Discount rate		
Lump-sum retirement benefits	0.92% (iboxx € corporate A10+)	2.10% (iboxx € corporate A10+)
Pensions	0.20% to 6.00%	1.84% to 4.97%
Salary inflation rate		
Lump-sum retirement benefits	0.9% to 3.50%	0.9% to 3.10%
Pensions	0% to 3.20%	1% to 3.45%

Other economic and demographic assumptions have been applied locally to reflect the specific characteristics of individual countries.

An increase of 0.50% in the discount rate applied to lump-sum retirement benefits would reduce the obligation by €11 million; a reduction of 0.50% in the discount rate would increase the obligation by €12 million.

An increase of 0.20% in the discount rate applied to pensions would reduce the obligation by €15 million; a reduction of 0.20% in the discount rate would increase the obligation by €25 million.

NOTE 21. RELATED PARTY DISCLOSURES

21.1. RELATED PARTY INFORMATION

	Expenses		Income		Receivables		Payables	
	2019	2018 restated	2019	2018 restated	2019	2018 restated	2019	2018 restated
Parties with an ownership interest	**(171)**	(143)	**158**	250	**3,569** (1)	3,688	**1,363**	1,379
Joint operations	**(46)**	(90)	**115**	215	**233**	232	**292**	260
Joint ventures and associates	**(37)**	(1)	**101**	49	**57**	66	**43**	35
Other related parties	**(2)**	(2)	**57**	59	**49**	30	**35**	31
Total	**(256)**	**(236)**	**431**	**573**	**3,908**	**4,016**	**1,733**	**1,705**
Due within less than 1 year	**–**	–	**–**	–	**3,843**	3,962	**678**	703
Due within 1 to 5 years	**–**	–	**–**	–	**40**	27	**1,055**	1,002
Due after more than 5 years	**–**	–	**–**	–	**25**	27	**–**	–
of which impairment of receivables	**–**	–	**–**	–	**65**	72	**–**	–

(1) Includes Bouygues Relais €1,841 million, Uniservice €1,688 million.

The off balance sheet commitments reported in Note 19 do not include any commitments to related parties.

21.2. DISCLOSURES ABOUT REMUNERATION AND BENEFITS PAID TO DIRECTORS AND SENIOR EXECUTIVES

Disclosures about senior executives cover members of the General Management Committee, which had 9 members in post on 31 December 2019.

Direct remuneration amounted to €8,436 thousand, comprising €4,933 thousand of basic remuneration and €3,503 thousand of variable remuneration paid in 2019 on the basis of 2018 performance.

Short-term benefits: none.

Post-employment benefits: Members of the Group Management Committee belong to a top-up retirement scheme based on 0.92% of their reference salary for each year's membership of the scheme. Management of the scheme is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €605 thousand in 2019.

Long-term benefits: none.

Termination benefits: these comprise lump-sum retirement benefits of €3,518 thousand as of 31 December 2019.

Share-based payment: 195,500 stock options were awarded to members of the Group Management Committee on 31 May 2019, at an exercise price of €32.59 each.

The earliest exercise date is 1 June 2021.

NOTE 22. ADDITIONAL CASH FLOW STATEMENT INFORMATION

22.1. CASH FLOWS OF ACQUIRED AND DIVESTED SUBSIDIARIES

Breakdown by business segment of net cash flows resulting from acquisitions and divestments of consolidated companies.

	Building & Civil Engineering	Energies & Services	Total Group 2019
Property, plant and equipment	–	–	–
Intangible assets	–	–	–
Goodwill	–	–	–
Non-current financial assets	(3)	(3)	**(6)**
Deferred tax assets and non-current tax receivable	–	–	–
Cash and cash equivalents	–	8	**8**
Non-current and current debt	–	–	–
Non-current lease and current lease obligations	–	–	–
Non-current provisions	11	(2)	**9**
Deferred tax liabilities and non-current tax liabilities	–	(1)	**(1)**
Overdrafts and short-term bank borrowings	–	–	–
Working capital needs	(1)	(7)	**(8)**
Net cost of disposal/(acquisition)	**7**	**(5)**	**2**
Gains on divestments of consolidated companies	81	10	**91**
Receivables on disposals/liabilities on acquisitions	–	(1)	**(1)**
Cash of acquired or divested companies	–	(8)	**(8)**
Net cash inflow/(outflow) from acquisitions and divestments of subsidiaries	**88**	**(4)**	**84**

	Building & Civil Engineering	Energies & Services	Total Group 2018 restated
Property, plant and equipment	(2)	(177)	**(179)**
Intangible assets	–	13	**13**
Goodwill	(43)	(476)	**(519)**
Non-current financial assets	–	(3)	**(3)**
Deferred tax assets and non-current tax receivable	(1)	2	**1**
Cash and cash equivalents	(33)	(46)	**(79)**
Non-current and current debt	–	(20)	**(20)**
Non-current lease and current lease obligations	–	63	**63**
Non-current provisions	(1)	93	**92**
Deferred tax liabilities and non-current tax liabilities	–	5	**5**
Overdrafts and short-term bank borrowings	–	14	**14**
Working capital needs	(41)	237	**196**
Net cost of disposal/(acquisition)	**(121)**	**(295)**	**(416)**
Gains on divestments of consolidated companies	30	56	**86**
Receivables on disposals/liabilities on acquisitions	–	–	–
Cash of acquired or divested companies	32	(187)	**(155)**
Net cash inflow/(outflow) from acquisitions and divestments of subsidiaries	**(59)**	**(426)**	**(485)**

22.2. DETERMINATION OF CHANGES IN WORKING CAPITAL REQUIREMENTS RELATED TO OPERATING ACTIVITIES

	2019	2018 restated
ASSETS		
Inventories	**(1)**	(44)
Advances and down-payments made on orders	**35**	(25)
Trade receivables	**(39)**	(47)
Customer contract assets	**30**	(72)
Other current receivables and current financial assets	**(56)**	(17)
Sub-total ASSETS [1]	**(31)**	**(205)**
LIABILITIES		
Trade payables	**(53)**	(113)
Customer contract liabilities	**(112)**	570
Current provisions	**122**	35
Other current liabilities and current financial liabilities	**(72)**	(1)
Sub-total LIABILITIES [2]	**(115)**	**491**
Changes in working capital requirements related to operating activities	**(146)**	**286**

(1) Assets: decrease / (increase).
(2) Liabilities: (decrease) / increase.

NOTE 23. 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 Construction group.

The 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 each 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 where it was possible to do so.

As permitted by IFRS 16, the Group 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 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. 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 on the commencement date of the lease equates to the present value of the future lease payments; it is amortised over the lease term, and may be written down by means of an impairment allowance.

Adjustments made pursuant to the application of IFRS 16 represent a temporary difference, generating a deferred tax base.

IFRS 16 had the effect of reducing consolidated shareholders' equity as of 31 December 2017 by €13 million, net of deferred taxes.

First-time application of IFRS 16 did not alter the conclusions of the goodwill impairment tests conducted as of 31 December 2017 (as restated) or 31 December 2018 (see Note 3.2.4).

The Bouygues group 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

CONSOLIDATED BALANCE SHEET (€m)

Assets	31/12/2017 restated [a]	Impact of IFRS 16	31/12/2017 restated [a]
Property, plant and equipment	**598**	–	598
Right of use of leased assets	**–**	194	194
Intangible assets	**44**	–	44
Goodwill	**526**	–	526
Investments in joint ventures and associates	**30**	–	30
Other non-current financial assets	**269**	–	269
Deferred tax assets and non-current tax receivable	**89**	4	93
Non-current assets	**1,556**	**198**	**1,754**
Inventories	**237**	–	237
Advances and down-payments made on orders	**161**	–	161
Trade receivables	**2,213**	–	2,213
Customer contract assets	**637**	–	637
Tax asset (receivable)	**95**	–	95
Other current receivables and prepaid expenses	**875**	20	895
Cash and cash equivalents	**4,310**	–	4,310
Financial instruments – Hedging of debt	**–**	–	–
Other current financial assets	**9**	–	9
Current assets	**8,537**	**20**	**8,557**
Held-for-sale assets and operations	**–**	–	–
Total assets	**10,093**	**218**	**10,311**

Liabilities and shareholders' equity	31/12/2017 restated [a]	Impact of IFRS 16	31/12/2017 restated [a]
Share capital	**128**	–	128
Share premium and reserves	**504**	(13)	491
Translation reserve	**1**	–	1
Treasury shares	**–**	–	–
Net profit/(loss) attributable to the Group	**320**	–	320
Shareholders' equity attributable to the Group	**953**	**(13)**	**940**
Non-controlling interests	**25**	–	25
Shareholders' equity	**978**	**(13)**	**965**
Non-current debt	**511**	–	511
Non-current lease obligations	**–**	176	176
Non-current provisions	**729**	–	729
Deferred tax liabilities	**17**	–	17
Non-current liabilities	**1,257**	**176**	**1,433**
Current debt	**5**	–	5
Current lease obligations	**–**	65	65
Current taxes payable	**59**	–	59
Trade payables	**3,144**	1	3,145
Customer contract liabilities	**2,058**	–	2,058
Current provisions	**529**	–	529
Other current liabilities	**1,675**	(11)	1,664
Overdrafts and short-term bank borrowings	**385**	–	385
Financial instruments – Hedging of debt	**–**	–	–
Other current financial liabilities	**3**	–	3
Current liabilities	**7,858**	**55**	**7,913**
Liabilities related to held-for-sale operations	**–**	–	–
Total liabilities and shareholders' equity	**10,093**	**218**	**10,311**

Net surplus cash/(net debt) [b]	**3,409**	**–**	**3,409**

(a) The balance sheet as of 31 December 2017 has been restated for the effects of IFRS 9 and IFRS 15.
(b) See Note 2.4.8 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2018, RESTATED FOR IFRS 16

CONSOLIDATED BALANCE SHEET (€m)

Assets	31/12/2018	Impact of IFRS 16	31/12/2018 restated
Property, plant and equipment	721	–	721
Right of use of leased assets	–	249	249
Intangible assets	21	–	21
Goodwill	1,044	–	1,044
Investments in joint ventures and associates	103	–	103
Other non-current financial assets	247	–	247
Deferred tax assets and non-current tax receivable	80	3	83
Non-current assets	**2,216**	**252**	**2,468**
Inventories	276	–	276
Advances and down-payments made on orders	188	–	188
Trade receivables	2,339	–	2,339
Customer contract assets	862	–	862
Tax asset (receivable)	125	–	125
Other current receivables and prepaid expenses	916	23	939
Cash and cash equivalents	4,652	–	4,652
Financial instruments – Hedging of debt	–	–	–
Other current financial assets	5	–	5
Current assets	**9,363**	**23**	**9,386**
Held-for-sale assets and operations	–	–	–
Total assets	**11,579**	**275**	**11,854**

Liabilities and shareholders' equity	31/12/2018	Impact IFRS 16	31/12/2018 restated
Share capital	128	–	128
Share premium and reserves	472	(13)	459
Translation reserve	11	–	11
Treasury shares	–	–	–
Net profit/(loss) attributable to the Group	296	–	296
Shareholders' equity attributable to the Group	**907**	**(13)**	**894**
Non-controlling interests	4	–	4
Shareholders' equity	**911**	**(13)**	**898**
Non-current debt	1,028	–	1,028
Non-current lease obligations	–	222	222
Non-current provisions	826	–	826
Deferred tax liabilities	21	–	21
Non-current liabilities	**1,875**	**222**	**2,097**
Current debt	11	–	11
Current lease obligations	–	77	77
Current taxes payable	78	–	78
Trade payables	3,108	–	3,108
Customer contract liabilities	2,688	–	2,688
Current provisions	648	–	648
Other current liabilities	1,749	(11)	1,738
Overdrafts and short-term bank borrowings	493	–	493
Financial instruments – Hedging of debt	1	–	1
Other current financial liabilities	17	–	17
Current liabilities	**8,793**	**66**	**8,859**
Liabilities related to held-for-sale operations	–	–	–
Total liabilities and shareholders' equity	**11,579**	**275**	**11,854**

Net surplus cash/(net debt) [b]	**3,119**	**–**	**3,119**

(a) See Note 2.4.8 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2018, RESTATED FOR IFRS 16

CONSOLIDATED INCOME STATEMENT (€m)

	2018	Impact of IFRS 16	2018 restated
Sales	**12,358**	**–**	**12,358**
Other revenues from operations	**139**	–	139
Purchases used in production	**(7,088)**	–	(7,088)
Personnel costs	**(3,096)**	–	(3,096)
External charges	**(1,854)**	90	(1,764)
Taxes other than income tax	**(166)**	–	(166)
Net depreciation and amortisation expense on property, plant and equipment and intangible assets	**(189)**	–	(189)
Net amortisation expense on right of use of leased assets	**–**	(87)	(87)
Charges to provisions and impairment losses, net of reversals due to utilisation	**(214)**	–	(214)
Change in production and property development inventories	**(5)**	–	(5)
Other income from operations [(a)]	**699**	8	707
Other expenses on operations	**(216)**	(1)	(217)
Current operating profit/(loss)	**368**	**10**	**378**
Other operating income	**–**	–	–
Other operating expenses	**(4)**	–	(4)
Operating profit/(loss)	**364**	**10**	**374**
Financial income	**32**	–	32
Financial expenses	**(15)**	–	(15)
Income from net surplus cash/(cost of net debt)	**17**	**–**	**17**
Interest expense on lease obligations	**–**	(11)	(11)
Other financial income	**59**	1	60
Other financial expenses	**(21)**	–	(21)
Income tax	**(109)**	–	(109)
Share of profits/(losses) of joint ventures and associates	**(2)**	–	(2)
Net profit/(loss) from continuing operations	**308**	**–**	**308**
Net profit/(loss) from discontinued and held-for-sale operations	–	–	–
Net profit/(loss)	**308**	**–**	**308**
Net profit/(loss) attributable to the Group	**296**	**–**	**296**
Net profit/(loss) attributable to non-controlling interests	12	–	12
Basic earnings per share from continuing operations attributable to the Group (€)	**173.48**	**–**	**172.90**
Diluted earnings per share from continuing operations attributable to the Group (€)	**173.48**	**–**	**172.90**
EBITDA after leases [(b)]	**491**	**(1)**	**490**
(a) Reversals of unutilised provisions and impairment and other items.	280	–	280

(b) See Note 2.4.7 for a definition of "EBITDA after Leases", which includes all lease expenses.

Some amounts in the 2018 restated financial statements may show rounding differences from those published in Note 23 to the 2018 full-year consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS AS OF 31 DECEMBER 2018, RESTATED FOR IFRS 16

CONSOLIDATED CASH FLOW STATEMENT (€m)

	2018	Impact of IFRS 16	2018 restated
I - Cash flow from continuing operations			
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
Net profit/(loss) from continuing operations	**308**	–	308
Adjustments:			
• Share of profits/losses reverting to joint ventures and associates, net of dividends received	**9**	–	9
• Dividends from non-consolidated companies	**(31)**	–	(31)
• Net charges to/(reversals of) depreciation, amortisation and impairment of property, plant and equipment and intangible assets and non-current provisions	**168**	–	168
• Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets	**–**	92	92
• Gains and losses on asset disposals	**(94)**	(2)	(96)
• Income taxes, including uncertain tax positions	**109**	–	109
• Income taxes paid	**(117)**	–	(117)
• Miscellaneous non-cash charges	**(53)**	–	(53)
Cash flow after income from net surplus cash/cost of net debt, interest expense on lease obligations and income taxes paid	**299**	**90**	**389**
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations	**(17)**	11	(6)
Changes in working capital related to operating activities (including current impairment and provisions)	**290**	(4)	286
Net cash generated by/(used in) operating activities	**572**	**97**	**669**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant & equipment and intangible assets	**(253)**	–	(253)
Proceeds from disposals of property, plant & equipment and intangible assets	**52**	–	52
Net liabilities related to property, plant and equipment and intangible assets	**11**	–	11
Purchase price of non-consolidated companies and other investments	**(20)**	–	(20)
Proceeds from disposals of non-consolidated companies and other investments	**54**	–	54
Net liabilities related to non-consolidated companies and other investments	**15**	–	15
Purchase price of investments in consolidated activities	**(559)**	–	(559)
Proceeds from disposals of investments in consolidated activities	**229**	–	229
Net liabilities related to consolidated activities	**(1)**	–	(1)
Other effects of changes in scope of consolidation: cash of acquired or divested companies	**(155)**	–	(155)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies	**32**	–	32
Net cash generated by/(used in) investing activities	**(595)**	**–**	**(595)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases/(reductions) paid by shareholders and non-controlling interests and other transactions between shareholders	**1**	–	1
Dividends paid to shareholders of the parent company	**(320)**	–	(320)
Dividends paid by consolidated companies to non-controlling interests	**(32)**	–	(32)
Change in current and non-current debt	**538**	–	538
Repayment of lease obligations	**–**	(86)	(86)
Income from net surplus cash/(cost of net debt)	**17**	(11)	6
Other cash flows related to financing activities	**–**	–	–
Net cash generated by/(used in) financing activities	**204**	**(97)**	**107**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS	**53**	**–**	**53**
Change in net cash position (A + B + C + D)	**234**	**–**	**234**

Net cash position at start of period	**3,925**	**–**	**3,925**
Net cash flows	**234**	–	234
Non-monetary flows	–	–	–
Net cash position at end of period	**4,159**	**–**	**4,159**

FREE CASH FLOW after WCR[a]	**388**	**–**	**388**

(a) See Note 2.4.9 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

CONSOLIDATED BALANCE SHEET (€m)

Assets	31/12/2018	Impact of IFRS 16	31/12/2018 restated	Impact of IFRIC 23	31/12/2018 restated
Property, plant and equipment	**721**	–	721	–	721
Right of use of leased assets	**–**	249	249	–	249
Intangible assets	**21**	–	21	–	21
Goodwill	**1,044**	–	1,044	–	1,044
Investments in joint ventures and associates	**103**	–	103	–	103
Other non-current financial assets	**247**	–	247	–	247
Deferred tax assets and non-current tax receivable	**80**	3	83	–	83
Non-current assets	**2,216**	**252**	**2,468**	**–**	**2,468**
Inventories	**276**	–	276	–	276
Advances and down-payments made on orders	**188**	–	188	–	188
Trade receivables	**2,339**	–	2,339	–	2,339
Customer contract assets	**862**	–	862	–	862
Tax asset (receivable)	**125**	–	125	–	125
Other current receivables and prepaid expenses	**916**	23	939	–	939
Cash and cash equivalents	**4,652**	–	4,652	–	4,652
Financial instruments – Hedging of debt	**–**	–	–	–	–
Other current financial assets	**5**	–	5	–	5
Current assets	**9,363**	**23**	**9,386**	**–**	**9,386**
Held-for-sale assets and operations	**–**	–	–	–	–
Total assets	**11,579**	**275**	**11,854**	**–**	**11,854**

Liabilities and shareholders' equity	31/12/2018	Impact of IFRS 16	31/12/2018 restated	Impact of IFRIC 23	31/12/2018 restated
Share capital	**128**	–	128	–	128
Share premium and reserves	**472**	(13)	459	–	459
Translation reserve	**11**	–	11	–	11
Treasury shares	**–**	–	–	–	–
Net profit/(loss) attributable to the Group	**296**	–	296	–	296
Shareholders' equity attributable to the Group	**907**	**(13)**	**894**	**–**	**894**
Non-controlling interests	**4**	–	4	–	4
Shareholders' equity	**911**	**(13)**	**898**	**–**	**898**
Non-current debt	**1,028**	–	1,028	–	1,028
Non-current lease obligations	**–**	222	222	–	222
Non-current provisions	**826**	–	826	(15)	811
Deferred tax liabilities	**21**	–	21	–	21
Non-current liabilities	**1,875**	**222**	**2,097**	**(15)**	**2,082**
Current debt	**11**	–	11	–	11
Current lease obligations	**–**	77	77	–	77
Current taxes payable	**78**	–	78	15	93
Trade payables	**3,108**	–	3,108	–	3,108
Customer contract liabilities	**2,688**	–	2,688	–	2,688
Current provisions	**648**	–	648	–	648
Other current liabilities	**1,749**	(11)	1,738	–	1,738
Overdrafts and short-term bank borrowings	**493**	–	493	–	493
Financial instruments – Hedging of debt	**1**	–	1	–	1
Other current financial liabilities	**17**	–	17	–	17
Current liabilities	**8,793**	**66**	**8,859**	**15**	**8,874**
Liabilities related to held-for-sale operations	–	–	–	–	–
Total liabilities and shareholders' equity	**11,579**	**275**	**11,854**	**–**	**11,854**
Net surplus cash/(net debt) [(a)]	**3,119**	**–**	**3,119**	**–**	**3,119**

(a) See Note 2.4.8 for a definition of "Net surplus cash/(net debt)", which does not include non-current and current lease obligations.

IFRIC 23 had no impact on the income statement or cash flow statement for the year ended 31 December 2018.

NOTE 24. AUDITORS' FEES

The table below shows fees paid to the auditors (and member firms of their networks) responsible for the audit of the consolidated financial statements of Bouygues Construction and fully consolidated companies, as expensed through the income statement in 2019.

	Mazars network			Ernst & Young network			Other networks			Total fee expense	
In € '000	2019	%	2018 restated	2019	%	2018 restated	2019	%	2018 restated	2019	2018 restated
A. AUDIT											
Audit of consolidated and individual company financial statements	**2,308**	91%	2,312	4,580	94%	3,860	**263**	11%	221	**7,151**	6,393
Related engagements	**182**	7%	102	118	2%	50	**1,001**	42%	3,122	**1,301**	3,274
Sub-total	**2,490**	**98%**	**2,414**	**4,698**	**96%**	**3,910**	**1,264**	**53%**	**3,343**	**8,452**	**9,667**
B. OTHER SERVICES											
Legal, tax, employment law	**49**	2%	15	**194**	4%	179	**1,084**	45%	809	**1,327**	1,003
Other	**–**	–	29	–	–	–	**47**	2%	147	**47**	176
Sub-total	**49**	**2%**	**44**	**194**	**4%**	**179**	**1,131**	**47%**	**956**	**1,374**	**1,179**
Total fee expense	**2,539**	**100%**	**2,458**	**4,892**	**100%**	**4,089**	**2,395**	**100%**	**4,299**	**9,826**	**10,846**

NOTE 25. LIST OF PRINCIPAL CONSOLIDATED ENTITIES AT 31 DECEMBER 2019

			% interest		% control	
Company	**City**	**Country**	**2019**	**2018**	**2019**	**2018**
FULLY CONSOLIDATED						
1 - Bouygues Construction						
Bouygues Construction SA	Guyancourt	France	**100.00 %**	100.00%	**100.00%**	100.00%
France						
Bouygues Construction Relais SNC	Guyancourt	France	**99.50%**	99.50%	**99.50%**	99.50%
Challenger Investissement SAS	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Challenger SNC	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Distrimo SNC	Cléon	France	**99.93%**	99.93%	**100.00%**	100.00%
Bouygues Construction Materiel SNC	Tourville-la-Rivière	France	**99.93%**	99.93%	**100.00%**	100.00%
GIE Bouygues Construction Purchasing	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction Information Technologies	Guyancourt	France	**98.98%**	98.98%	**99.00%**	99.00%
Bouygues Construction Middle East	Guyancourt	France	**99.99%**	99.99%	**100.00%**	100.00%
Other countries						
Bypar SARL	Luxembourg	Luxembourg	**100.00%**	100.00%	**100.00%**	100.00%
2 - Bouygues Bâtiment France Europe						
Bouygues Bâtiment Ile-de-France SA	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
France						
Bouygues Bâtiment Ile-de-France PPP SA	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction France Europe	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Brezillon SA	Margny-lès-Compiègne	France	**99.35%**	99.35%	**99.35%**	99.35%
Elan SARL	Guyancourt	France	**99.99%**	99.99%	**99.99%**	99.99%
Linkcity Ile-de-France	Guyancourt	France	**99.99%**	99.99%	**99.99%**	99.99%
Linkcity Centre Sud-Ouest	Mérignac	France	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Nord-Est	Nancy	France	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Sud-Est	Colombier-Saugnieu	France	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Grand Ouest	Rouen	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Centre Sud-Ouest	Mérignac	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Sud-Est	Colombier-Saugnieu	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Grand Ouest	Nantes	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Nord-Est	Nancy	France	**100.00%**	100.00%	**100.00%**	100.00%
Other countries						
Acieroid SA	Barcelona	Spain	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Belgium	Brussels	Belgium	**100.00%**	100.00%	**100.00%**	100.00%
Karmar SA	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Poland (ex-Bypolska Property Developement)	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
Losinger Marazzi AG	Koniz	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Vces Holding SRO and its subsidiaries	Prague	Czech Republic	**100.00%**	100.00%	**100.00%**	100.00%
Richelmi SA	Monaco	Monaco	**50.00%**	100.00%	**50.00%**	100.00%
3 - Bouygues Bâtiment International						
Bouygues Bâtiment International SA	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Other countries						
Americaribe Inc	Miami	United States	**100.00%**	100.00%	**100.00%**	100.00%
Americaribe Ghana	Accra	Ghana	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction India Building Projects LLP	Mumbai	India	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construccion Cuba SA	Mariel	Cuba	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Guinée Équatoriale SA	Malabo	Equatorial Guinea	**99.96%**	99.96%	**99.96%**	99.96%
Bouygues Bâtiment Trinidad & Tobago	Port of Spain	Trinidad & Tobago	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construcao Brasil	Sao Paulo	Brazil	**100.00%**	100.00%	**100.00%**	100.00%

Company	City	Country	% interest 2019	% interest 2018	% control 2019	% control 2018
Bouygues Construction Nigeria Ltd	Abuja	Nigeria	**86.37%**	86.37%	**86.37%**	86.37%
Bouygues Construction Ghana	Accra	Ghana	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construcciones Peru	Lima	Peru	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Thai Ltd	Nonthaburi	Thailand	**49.00%**	49.00%	**49.00%**	49.00%
Bouygues Uk Ltd	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Building Canada	Vancouver	Canada	**100.00%**	100.00%	**100.00%**	100.00%
By Development Ltd	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
By Thai/VSL Australia Ltd	Bankgok	Thailand	**92.32%**	92.32%	**99.97%**	99.97%
Bymaro	Casablanca	Morocco	**99.99%**	99.99%	**99.99%**	99.99%
Byme Singapore Private Company Ltd	Singapore	Singapore	**100.00%**	100.00%	**100.00%**	100.00%
Byme USA Inc	Miami	United States	**100.00%**	100.00%	**100.00%**	100.00%
Dragages et Travaux Publics Singapore PTE Ltd	Singapore	Singapore	**100.00%**	100.00%	**100.00%**	100.00%
Dragages Engineering And Construction Nigeria Ltd	Abuja	Nigeria	**100.00%**	100.00%	**100.00%**	100.00%
A.W. Edwards PTY and its subsidiaries	Northbridge NSW	Australia	**100.00%**	100.00%	**100.00%**	100.00%
Setao	Abidjan	Ivory Coast	**78.61%**	78.61%	**78.61%**	78.61%
4 - Other BI subsidiaries						
Other countries						
Byme Engineering Hong Kong Limited	Hong Kong	China	**90.00%**	90.00%	**90.00%**	90.00%
Dragages et Travaux Publics (Hong Kong) Limited	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
IEC Investments Ltd	Hong Kong	China	**60.00%**	60.00%	**60.00%**	60.00%
Dragages Construction Macau Ltd	Macau	China	**100.00%**	100.00%	**100.00%**	100.00%
5 - Bouygues Travaux Publics						
Bouygues TP SA	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
France						
DTP SAS	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction Services Nucléaires	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
BYTP Regions France SA	Labège	France	**100.00%**	100.00%	**100.00%**	100.00%
Europe Fondations	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Other countries						
Bouygues Construction Australia PTY Ltd	Sydney	Australia	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Travaux Publics MC (Monaco)	Monaco	Monaco	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Travaux Publics Philippines	Makati	Philippines	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Civil Works Florida	Miami	United States	**100.00%**	100.00%	**100.00%**	100.00%
DCW	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
DTP Côte d'Ivoire Sasu	Bouake	Ivory Coast	**100.00%**	100.00%	**100.00%**	100.00%
DTP Mining Guinée	Kaloum-Conakry	Guinea	**100.00%**	100.00%	**100.00%**	100.00%
Gounkoto Mining Services	Bamako	Mali	**100.00%**	100.00%	**100.00%**	100.00%
Kibali Minig Services (KMS) SPRL	Watsa Province Orientale	DR Congo	**100.00%**	100.00%	**100.00%**	100.00%
Mecap	Sliema	Malta	**98.99%**	98.99%	**99.99%**	99.99%
Mining and Rehandling Services (MARS)	Bamako	Mali	**100.00%**	100.00%	**100.00%**	100.00%
Prader Losinger SA	Sion	Switzerland	**99.67%**	99.67%	**99.67%**	99.67%
Société de Construction du Pont Riviera Marcory	Abidjan	Ivory Coast	**100.00%**	100.00%	**100.00%**	100.00%
Tongonaise des Mines	Korhogo	Ivory Coast	**100.00%**	100.00%	**100.00%**	100.00%
Société Ivoirienne du Métro d'Abidjan (SICMA) SA	Abidjan	Ivory Coast	**100.00%**	100.00%	**100.00%**	100.00%

Company	City	Country	% interest 2019	% interest 2018	% control 2019	% control 2018
6 - VSL						
VSL International Ltd	Koniz	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Other countries						
FT Laboratories Limited	Chaiwan	Hong Kong	**100.00%**	100.00%	**100.00%**	100.00%
Intrafor Hong Kong Limited	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
VSL Construction Systems	Barcelona	Spain	**99.75%**	99.75%	**99.75%**	99.75%
VSL Civil Works Ltd	Subingen	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
VSL Engineering (China)	Hefei	China	**60.00%**	60.00%	**60.00%**	60.00%
VSL Australia PTY Ltd	Sydney	Australia	**100.00%**	100.00%	**100.00%**	100.00%
VSL Annahutte System AG	Rapperswil-Jona	Switzerland	**69.91%**	69.91%	**70.00%**	70.00%
VSL Canada	Toronto	Canada	**100.00%**	100.00%	**100.00%**	100.00%
VSL Egypt LLC	Cairo	Egypt	**99.00%**	99.00%	**99.00%**	99.00%
VSL Hong Kong	Hong Kong	China	**100.00%**	100.00%	**100.00%**	100.00%
VSL India	Chennai	India	**100.00%**	100.00%	**100.00%**	100.00%
VSL Indonesia	Jakarta	Indonesia	**60.00%**	60.00%	**60.00%**	60.00%
VSL Malaysia	Kuala Lumpur	Malaysia	**100.00%**	100.00%	**100.00%**	100.00%
VSL Mexico	Mexico D.F	Mexico	**100.00%**	100.00%	**100.00%**	100.00%
VSL Middle East LLC	Dubai	UAE	**99.00%**	80.00%	**100.00%**	80.00%
VSL Middle East Qatar	Doha	Qatar	**98.00%**	98.00%	**98.00%**	98.00%
VSL Philippines	Mandaluyong	Philippines	**80.00%**	80.00%	**80.00%**	80.00%
VSL Polska	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
VSL Portugal	Paco De Arcos	Portugal	**99.33%**	99.33%	**99.33%**	99.33%
VSL Saudi Arabia LLC	Riyadh	Saudi Arabia	**100.00%**	100.00%	**100.00%**	100.00%
VSL Singapour	Singapore	Singapore	**100.00%**	100.00%	**100.00%**	100.00%
VSL Suisse	Subingen	Switzerland	**99.88%**	99.88%	**99.88%**	99.88%
VSL Systems UK Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
VSL Systems Manufacturer (Spain)	Barcelona	Spain	**100.00%**	100.00%	**100.00%**	100.00%
VSL Tchequecz	Prague	Czech Republic	**100.00%**	100.00%	**100.00%**	100.00%
VSL Thailand	Bangkok	Thailand	**82.15%**	82.15%	**88.00%**	88.00%
VSL Vietnam Ltd	Ho Chi Minh City	Vietnam	**100.00%**	100.00%	**100.00%**	100.00%
7 - Bouygues Énergies & Services						
Bouygues Énergies & Services SAS	Montigny-le-Bretonneux	France	**100.00%**	100.00%	**100.00%**	100.00%
France						
Bouygues E&S Fondations	Montigny-le-Bretonneux	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S FM France	Montigny-le-Bretonneux	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S SPV Management	Montigny-le-Bretonneux	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Maintenance Industrielle	Feyzin	France	**100.00%**	100.00%	**100.00%**	100.00%
S.M.I Information Automatismes SA	Carcares Sainte Croix	France	**100.00%**	100.00%	**100.00%**	100.00%
Thiais Lumiere SAS	Montigny-le-Bretonneux	France	**100.00%**	100.00%	**100.00%**	100.00%
Other countries						
By Home Ltd	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Infrastructure UK	Hatfield	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S FM UK	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Contracting UK	East Kilbride	Scotland	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Côte d'Ivoire	Abidjan	Ivory Coast	**93.85%**	93.85%	**93.85%**	93.85%
Bouygues E&S FM Canada	Vancouver BC	Canada	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S UK	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Ireland	Dublin	Ireland	**100.00%**	100.00%	**100.00%**	100.00%
Europland Ltd	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S FM Italia	Milan	Italy	**100.00%**	100.00%	**100.00%**	100.00%

Company	City	Country	% interest 2019	% interest 2018	% control 2019	% control 2018
Gastier and its subsidiaries	Montreal	Canada	**100.00%**	100.00%	**100.00%**	100.00%
Icel Maidstone Ltd and its subsidiaries	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Schweiz	Zurich	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Mibag Property Managers AG (merged into Bouygues E&S Schweiz)	Zug	Switzerland	**–**	100.00%	**–**	100.00%
Mindful Experience Inc.	Toronto	Canada	**100.00%**	100.00%	**100.00%**	100.00%
Plan Group Inc. and its subsidiaries	Toronto	Canada	**100.00%**	85.00%	**100.00%**	85.00%
Abakus BYES Solar UK	Hatfield	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Japan	Tokyo	Japan	**100.00%**	100.00%	**100.00%**	100.00%
8 - Kraftanlagen München						
Kraftanlagen München and its subsidiaries	Munich	Germany	**100.00%**	100.00%	**100.00%**	100.00%
9 - BYES Intec						
Bouygues E&S Intec AG and its subsidiaries	Zürich	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
JOINT OPERATIONS						
1 - Bouygues Bâtiment France Europe						
XXL Marseille SNC	Marseille	France	**50.00%**	50.00%	**50.00%**	50.00%
2 - Bouygues Bâtiment International						
Byma PTE	Singapore	Singapore	**60.00%**	60.00%	**60.00%**	60.00%
Byma Myanmar Ltd	Rangoon	Myanmar	**60.00%**	60.00%	**60.00%**	60.00%
CMBI SNC	Antananarivo	Madagascar	**50.00%**	50.00%	**50.00%**	50.00%
3 - Bouygues Travaux Publics						
Société pour la réalisation du Port de Tanger Méditerranée	Tangiers	Morocco	**66.67%**	66.67%	**66.67%**	66.67%
TMBYS SAS	Guyancourt	France	**66.67%**	66.67%	**66.67%**	66.67%
Oc'via Maintenance SAS	Guyancourt	France	**49.00%**	49.00%	**49.00%**	49.00%
GIE Oc'via Construction	Nîmes	France	**49.00%**	49.00%	**49.00%**	49.00%
GIE L2 Construction	Marseille	France	**56.50%**	56.50%	**56.50%**	56.50%
GIE Compagnie Maritime du Littoral	Rueil-Malmaison	France	**33.00%**	33.00%	**33.00%**	33.00%
GIE Prefa Réunion	Le Port	La Réunion	**33.00%**	33.00%	**33.00%**	33.00%
GIE Viaduc du Littoral	Le Port	La Réunion	**33.00%**	33.00%	**33.00%**	33.00%
KAS 1 Limited	Saint-Hélier	Jersey	**49.90%**	49.90%	**49.90%**	49.90%
4 - Bouygues Energies & Services						
Themis FM SAS	Versailles	France	**50.00%**	50.00%	**50.00%**	50.00%
Evesa SAS	Paris	France	**33.00%**	33.00%	**33.00%**	33.00%
JOINT VENTURES AND ASSOCIATES						
1 - Bouygues Construction						
Consortium Stade de France SA	Saint-Denis	France	**33.33%**	33.33%	**33.33%**	33.33%
2 - Bouygues Bâtiment International						
AnfaB21 SAS	Casablanca	Morocco	**15.00%**	15.00%	**15.00%**	15.00%
Bouygues Construction Qatar LLC	Doha	Qatar	**49.00%**	49.00%	**49.00%**	49.00%
Bedford Riverside Regeneration	Bedford	United Kingdom	**50.00%**	50.00%	**50.00%**	50.00%
3 - Bouygues Travaux Publics						
Bina Fincom	Zagreb	Croatia	**50.70%**	50.70%	**50.70%**	50.70%
Transjamaican Highway Limited	Kingston	Jamaica	**0.00%**	48.89%	**0.00%**	48.89%
4 - VSL						
GPN2	Rueil-Malmaison	France	**48.00%**	48.00%	**48.00%**	48.00%
VSL Japon	Tokyo	Japan	**25.00%**	25.00%	**25.00%**	25.00%
VSL Sistemas Especiales de Construcción	Santiago	Chile	**50.00%**	50.00%	**50.00%**	50.00%
5 - Bouygues Énergies & Services						
Axione	Malakoff	France	**51.00%**	51.00%	**51.00%**	51.00%
Betron	Ottawa	Canada	**50.00%**	50.00%	**50.00%**	50.00%

A full list of companies included in the consolidation is available from the Investor Relations Department at Bouygues SA.

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2019

To the Annual General Meeting of Bouygues Construction,

OPINION

In accordance with the assignment entrusted to us by your Annual General Meetings, we have conducted our audit of the accompanying consolidated financial statements of Bouygues Construction for the year ended 31 December 2019. The financial statements were closed off by the Board of Directors on 18 February 2020 based on information available at that date in the evolving context of the Covid-19 health crisis.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2019, and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union.

BASIS FOR OUR OPINION

Auditing standards

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our responsibilities under those standards are described in the section "Auditors' responsibilities for the audit of the consolidated financial statements" below.

Independence

We conducted our audit engagement in compliance with the rules on independence that applied to us during the period from 1 January 2019 to the date of issuance of this report. Specifically, we provided no services prohibited by the code of ethics of the auditing profession.

EMPHASIS OF MATTER

Without modifying the opinion expressed above, we draw to your attention the matter described in Note 2 to the consolidated financial statements regarding the mandatory first-time application of IFRS 16 and IFRIC 23 with effect from 1 January 2019.

JUSTIFICATION OF OUR ASSESSMENTS

Pursuant to Articles L. 823-9 and R. 823-7 of the Commercial Code regarding the justification of our assessments, we draw your attention to the following assessments that in our professional judgment were of the most significance in the audit of the consolidated financial statements for the year.

Our assessments should be seen in the context of the audit of the consolidated financial statements taken as a whole as closed off on the basis described above, and of the formation of our opinion as expressed above. We do not express an opinion on elements of the consolidated financial statements taken in isolation.

- The Bouygues Construction group accounts for profits and losses on long-term contracts using the policies described in Note 2.4.3. to the consolidated financial statements. Such profits and losses are dependent on estimates made by the Bouygues Construction group of the profits or losses to completion on contracts. Based on the information supplied to us, our procedures included assessing the data and assumptions underlying the estimates of profits or losses to completion on contracts, and evaluating the key controls used by the Group to measure profits or losses to completion. Our assessment also included reasonableness tests on those estimates.

- The Bouygues Construction group records provisions for litigation and claims, as presented in Notes 2.4.2., 6.1. and 6.2. to the consolidated financial statements; those provisions are intended to cover litigation, claims and foreseeable uncertainties relating to the Group's operations. Based on the information currently available, our assessment of those provisions included an examination of the situation and of the assumptions underlying the measurement of the provisions.

SPECIFIC VERIFICATIONS

We also carried out, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations concerning the information about the Group presented in the Board of Directors' management report and closed off on 18 February 2020. As regards events and information post-dating the closing off of the financial statements relating to the effects of the Covid-19 crisis, management has informed us that they will make a statement on that subject to the Annual General Meeting held to approve the financial statements.

We have no matters to report as to the fair presentation of that information, or its consistency with the consolidated financial statements.

RESPONSIBILITIES OF MANAGEMENT, AND OF THOSE CHARGED WITH GOVERNANCE, FOR THE CONSOLIDATED FINANCIAL STATEMENTS

It is the responsibility of management to prepare consolidated financial statements that give a true and fair view in accordance with IFRS as endorsed by the European Union, and to implement such internal control as it determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, it is the responsibility of management to assess the company's ability to continue as a going concern; to disclose in those financial statements any matters relating to going concern; and to apply the going concern basis of accounting unless it is intended to liquidate the company or cease trading.

The consolidated financial statements have been closed off by the Board of Directors.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

It is our responsibility to prepare a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error, and are considered material if, individually or in the aggregate, they could be reasonably expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the Commercial Code, our audit does not involve guaranteeing the viability of the company or the quality of how it is managed.

As part of an audit in accordance with professional standards applicable in France, the auditor exercises professional judgment throughout the audit. In addition, the auditor:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, to obtain audit evidence that is sufficient and appropriate to provide a basis for the auditor's opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- concludes on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. Those conclusions are based on the audit evidence obtained up to the date of the auditor's report, with the caveat that future events or conditions may cause a company to cease to continue as a going concern. If the auditor concludes that a material uncertainty exists, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or disclaimer;
- evaluates the overall presentation of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that gives a true and fair view of them;
- obtains what the auditor considers sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements; is responsible for the direction, supervision and performance of the audit of the consolidated financial statements, and for the opinion expressed on those financial statements.

Paris-La Défense, 25 March 2020

The Statutory Auditors

MAZARS	**ERNST & YOUNG Audit**
Gilles Rainaut	Laurent Vitse

PARENT COMPANY FINANCIAL STATEMENTS

BOUYGUES CONSTRUCTION SA: BALANCE SHEET AT 31 DECEMBER 2019

Assets (in € million)	31/12/2019			31/12/2018
	Gross	Amortisation, depreciation & impairment	Net	Net
Intangible assets	75	68	8	9
Property, plant and equipment	40	21	19	13
Long-term investments				
• Holdings in subsidiaries and affiliates	1,307	41	1,265	1,118
• Other	517	–	517	482
Sub-total	**1,824**	**42**	**1,782**	**1,599**
Non-current assets	**1,939**	**130**	**1,809**	**1,622**
Inventories and work in progress	–	–	–	–
Advances and down-payments made on orders	1	–	1	–
Trade receivables	30	–	30	33
Other receivables	308	8	300	315
Short-term investments	–	–	–	–
Cash	1,876	–	1,876	1,648
Current assets	**2,214**	**8**	**2,207**	**1,995**
Other assets	101	–	101	93
Total assets	**4,254**	**138**	**4,116**	**3,709**

Liabilities and shareholders' equity (in € million)	31/12/2019	31/12/2018
Share capital	128	128
Share premium	15	15
Revaluation reserves	–	–
Other reserves	13	13
Retained earnings	333	236
Net profit/(loss) for the period	310	316
Investment grants	–	–
Restricted provisions	–	–
Shareholders' equity	**798**	**708**
Other forms of equity	**–**	**–**
Provisions	**16**	**11**
Debt	**1,246**	**1,214**
Advances and down-payments received on orders	**–**	**–**
Trade payables	39	34
Other payables	95	64
Non-financial liabilities	**133**	**97**
Overdrafts and short-term bank borrowings	1,869	1,616
Accruals and deferred income	53	64
Total liabilities and shareholders' equity	**4,116**	**3,709**

BOUYGUES CONSTRUCTION SA: INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

(in € million)	2019	2018
Sales	**205**	**206**
Other operating revenue	**1**	1
Purchases and changes in inventory	**–**	–
Taxes other than income tax	**(5)**	(6)
Personnel costs	**(77)**	(74)
Other operating expenses	**(131)**	(129)
Depreciation, amortisation, impairment & provisions, net	**(14)**	(8)
Profits/(losses) from shared operations	**3**	3
Operating profit/(loss)	**(17)**	**(7)**
Financial income and expenses	**323**	321
Pre-tax profit/(loss) on ordinary activities	**306**	**314**
Exceptional items	**–**	2
Employee profit-sharing	**–**	–
Income tax gain/(expense)	**4**	1
Net profit/(loss) for the year	**310**	**316**

BOUYGUES CONSTRUCTION SA: YEAR ENDED 31 DECEMBER 2019
CASH FLOW STATEMENT

(in € million)	2019	2018
A - OPERATING ACTIVITIES		
Operating cash flow		
• Net profit/(loss) for the period	**310**	316
• Depreciation and amortisation	**6**	8
• Net change in impairment and provisions [1]	**8**	(1)
• Net gains on asset disposals and other items [2]	**–**	–
Sub-total	**324**	323
Change in working capital		
• Current assets, other assets, accruals and deferred income	**10**	(138)
• Net advances and down-payments received, non-financial liabilities & other items	**22**	17
Net cash generated by/(used in) operating activities	**356**	**203**
B - INVESTING ACTIVITIES		
Increases in non-current assets:		
• Acquisitions of intangible assets and property, plant & equipment	**(10)**	(6)
• Acquisitions of holdings in subsidiaries and affiliates	**(150)**	(485)
Sub-total	**(160)**	(491)
Disposals of non-current assets:		
• Disposals of intangible assets and property, plant & equipment	**–**	–
• Disposals of holdings in subsidiaries and affiliates	**–**	–
Other financial investments, net	**(16)**	(72)
Amounts receivable in respect of non-current assets, net	**2**	(1)
Net cash generated by/(used in) investing activities	**(174)**	**(563)**
C - FINANCING ACTIVITIES		
Increase in shareholders' equity	**–**	–
Dividends paid during the year	**(219)**	(320)
Change in net debt	**13**	669
Net cash generated by/(used in) financing activities	**(206)**	**350**
Change in net cash position (A + B + C)	**(24)**	**(11)**
Net cash position at 1 January [3]	**31**	42
Net cash flows during the year, excluding inter-account transfers	**(24)**	(11)
Impact of inter-account transfers	**–**	–
Net cash position at end of period [3]	**7**	31

(1) Excluding impairment of current assets.
(2) Net of corporate income tax.
(3) Cash + Short-term investments - Overdrafts and short-term bank borrowings.

LIST OF SUBSIDIARIES AND AFFILIATES
YEAR ENDED 31 DECEMBER 2019

Subsidiaries and affiliates (€ million)	Share capital [4]	Reserves & retained earnings before appropriation of profits [4]	% interest in capital	Carrying amount of shares held	
				Gross	Net
A. DETAILED INFORMATION [1][2]					
Subsidiaries (interest held > 50%)	–	–	–	**1,274**	**1,255**
DTP	10	1	100.00%	24	24
Bouygues Bâtiment International	25	155	100.00%	85	85
Bouygues Bâtiment Ile-de-France	13	36	99.70%	103	103
Bouygues Travaux Publics	191	9	98.29%	243	243
BYES	51	40	100.00%	158	158
Bouygues Bâtiment Nord-Est	25	16	100.00%	35	35
Bouygues Bâtiment Centre Sud-Ouest	7	10	100.00%	11	11
Bouygues Bâtiment Sud-Est	3	21	100.00%	6	6
Fichallenge	2	(7)	100.00%	2	-
Challenger	–	-	99.99%	15	15
Bouygues Bâtiment Grand Ouest	2	45	100.00%	4	4
Bouygues Construction Central Europe	–	22	100.00%	25	25
VSLI (Switzerland)	2	3	100.00%	32	32
Losinger Holding (Switzerland)	15	11	99.96%	22	22
Dragages Hong Kong (Hong Kong)	50	197	100.00%	6	6
Acieroid (Spain)	1	–	93.81%	18	1
BYES Intec Ag (Switzerland)	30	95	100.00%	394	394
Kraftanlagen GmbH (Germany)	25	–	100.00%	88	88
Detailed information: affiliates (interest held 10%-50%)	–	–	–	–	–
B. AGGREGATE INFORMATION FOR SUBSIDIARIES AND AFFILIATES NOT INCLUDED IN A.					
Total	–	–	–	**33**	**10**
French subsidiaries (aggregate)	–	–	–	2	1
Foreign subsidiaries (aggregate) [3]	–	–	–	–	–
French affiliates	–	–	–	30	9
Foreign affiliates [3]	–	–	–	–	–
Grand total	–	–	–	**1,307**	**1,265**

(1) Where the carrying amount exceeds a certain percentage (determined by applicable regulations) of the share capital of the reporting entity. If the reporting entity has also published a consolidated balance sheet that complies with the applicable regulations, it is only required to disclose aggregate information (item B), showing separately (a) French subsidiaries (aggregate) and (b) foreign subsidiaries (aggregate).
(2) Give the name and registered office of each subsidiary and affiliate in which the reporting entity holds an equity interest.
(3) Foreign subsidiaries and affiliates exempt from inclusion in item A are included on these lines.
(4) Amount in local currency, with the currency and exchange rate shown in the "Comments" column.

Loans and advances receivable by the parent	Guarantees given by the parent	Sales for last financial year	Net profit/(loss) for last financial year	Dividends received by the parent during the year	Comments
800	**75**	**–**	**–**	**–**	
–	–	4	–	13	
122	43	944	83	25	
–	–	1,522	23	34	
85	2	1,235	(53)	16	
292	9	2,509	22	–	
–	–	391	9	6	
–	–	158	6	2	
–	–	366	22	4	
–	–	–	–	–	
–	–	19	3	–	
–	–	399	12	5	
38	–	–	(1)	–	
66	–	16	8	–	
–	–	–	62	66	CHF 1 = €0.921319
69	–	57	84	150	HKD 1 = €0.114321
–	–	23	–	–	
108	–	–	(17)	–	CHF 1 = €0.921319
20	21	363	(18)	–	
–	**–**	**–**	**–**	**–**	
11	**–**	**–**	**–**	**–**	
10	–	–	–	2	
–	–	–	–	–	
1	–	–	–	1	
–	–	–	–	–	
810	**–**	**–**	**–**	**–**	

Shared **innovation**

LONSDALE