2020

Financial report

Shared **innovation**

CONTENTS

Significant events

MAJOR CONTRACT GAINS

- C1 section of the HS2 high-speed rail line (UK)
- Phase 3 of the Hallsville Quarter regeneration project in Canning Town, London (UK)
- Fécamp offshore wind farm (France)
- Abomey-Calavi Hospital (Benin)
- Olympic Watersports Centre, Saint-Denis (France)
- Leuna power plant (Germany)
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PROJECTS HANDED OVER

- Tuen Mun – Chek Lap Kok Tunnel (Hong Kong)
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- Grand Paris rapid transport links: line 15, packages T2A and T3A (France)
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- T2 Trunk Road and Central Kowloon Route infrastructure projects (Hong Kong)

GOVERNANCE

Bouygues Construction announced on 19 November 2020 that Pascal Minault is to join the company on 1 April 2021 to work alongside Philippe Bonnave, as he prepares to succeed him in the role of Chairman & CEO.

Key figures

58,000
headcount

12,047m
Sales

€152m
Net profit attributable to the Group

Current operating margin
1.4%

€22.0bn
Order backlog

Management report

I. INTRODUCTION

Bouygues Construction is a world leader in construction. **With operations in 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 cities.

1. GROWTH STRATEGY 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; and to develop exceptional projects with local partners;
- **to expand its energies & services and industrial activities,** by combining organic and external growth; and
- **to boost its actions in the fields of innovation and renewable energies, and roll out its Carbon strategy.**

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 rehabilitation and in the improvement of building energy efficiency;
- 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 technical domains 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:
- prioritises the health and safety of its employees and of its partners in all projects that it leads;
- 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.

2. CLOSE-UP ON THE CLIMATE STRATEGY

Bouygues Construction aims to:

- **make the transition to a low-carbon economy a major growth driver and generate business growth opportunities** by offering its customers distinctive high value-added products and services that minimise the carbon impact across the entire value chain;
- **be a pioneer in the integration of solutions** for the production, storage and distribution of decarbonised energy (solar, nuclear hydrogen, etc.), and for the energy efficiency of buildings, neighbourhoods, towns and cities (positive-energy buildings, zero-carbon neighbourhoods, etc.), and to support the development of low-carbon mobility (electric mobility, rail infrastructure, etc.); and
- **reduce the direct and indirect emissions** related to its activities.

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

Bouygues Construction's targets are:

- **to reduce the intensity of its direct and indirect emissions by at least 30%** by 2030 (scopes 1, 2 and 3a) versus 2019 (-40% for scopes 1 and 2 and -30% for scope 3a); and
- **offer solutions to its customers** that allow them to address the challenges of ecological transition.

Its plan of action is to:

- **reduce the carbon intensity of its operations** by focusing on design, building methods (timber construction, etc.), purchasing, particularly on priority packages such as concrete, steel, façades and external joinery, and on the energy consumption of sites and worksites;
- **boost and promote its expertise, skills and flagship projects** in solutions for a low-carbon world; and
- **foster a low-carbon mindset for all** by providing training to all employees (clerical, technical and supervisory staff, and managers) about carbon issues, by encouraging them to reduce their travel-related emissions and engaging dialogue with customers and partners about projects.

3. 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 people in 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.**

4. 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 tenth in the 2019 ENR[2] ranking of international contractors. It is ranked **fifth based on its share of sales generated on international markets, which is one place higher than the survey published in 2019.**

- **In Europe:** based on the 2019 ranking published by trade magazine *Le Moniteur* in December 2020, the Bouygues group's construction arm (Bouygues Construction, Bouygues Immobilier, Colas) **is the third largest in Europe** after Vinci and Spanish firm ACS but ahead of French contractor Eiffage and Sweden's Skanska.

- **In France:** according to this same ranking[3], Bouygues Construction (its building and civil works activities alone) is **one of the top three contractors** behind Vinci Construction and Eiffage (its construction activities, excluding property development and infrastructures).

II. BUSINESS ACTIVITY IN 2020

ORDER INTAKE UNDERPINNED BY LARGE INTERNATIONAL PROJECTS

In 2020, order intake reached €12.7 billion, up €0.4 billion versus 2019. Order intake remained firm despite the effects of the Covid-19 crisis. There were 16 new contracts worth over €100 million in 2020, a record-breaking 11 of them on international markets.

In **France**, order intake amounted to €4.8 billion, down 6% on 2019. Noteworthy inclusions were the Fécamp offshore wind farm and two flagship projects in preparation for the 2024 Paris Olympics: the Arena sports complex in the Porte de la Chapelle neighbourhood of Paris and the Saint-Denis watersports centre with its connecting cyclist and pedestrian overpass.

On **international** markets, order intake showed a sharp 10% increase on 2019, reaching close to €8 billion. Of particular significance were the C1 section of the HS2 high-speed rail line north of London, Phase 3 of the Hallsville Quarter regeneration project in Canning Town, and the Pawtucket tunnel project in Rhode Island state in the US.

GROWING BACKLOG PROVIDES LONG-TERM VISIBILITY

The backlog at end-2020 stood at a very high €22 billion, up 2% on end-December 2019 (and up 2% like-for-like and at constant exchange rates), with international markets accounting for 61%. Europe and Asia-Pacific are the two biggest international markets. Orders booked at end-2020 to be executed in 2021 amounted to €9.7 billion and to €12.3 billion thereafter, giving good visibility for future activity.

2. ENR Top 250 Global Contractors and International Contractors survey (August 2020).
3. 2019 ranking published by *Le Moniteur* magazine in December 2020.

SALES DRIVEN BY INTERNATIONAL MARKETS

2020 sales were €12 billion, 10% lower than in 2019 (down 10% like-for-like and at constant exchange rates). The Covid-19 pandemic dealt a heavy blow in the first half of the year. The resulting lockdown measures that were implemented in numerous countries where the company operates led to the total or partial shut-down of worksites for several weeks over the course of the first half. All worksites returned to normal activity in the second half.

Building & Civil Works accounted for 71% of sales, and Energies & Services 29%.

Sales in France were down 10% versus 2019 to €4.8 billion. This represents 40% of total sales.

Sales on international markets reached €7.2 billion, down 10% on 2019.

OPERATING PERFORMANCE HIT BY COVID-19 PANDEMIC

Current operating profit was €171 million, down €207 million on 2019. The decrease was entirely attributable to the Covid-19 pandemic, the impact of which was estimated at -€290 million over H1 2020. Current operating margin was 1.4%, down 1.4 points on 2019:

- In Energies & Services, current operating margin slipped 1.1 points to 1%. It was hit by the health crisis but benefited from improved profitability in projects in the core business, particularly in France.
- In Building & Civil Works, current operating margin was 1.6%, down 1.5 points on 2019.

Net profit attributable to the Group came to €152 million, down from €325 million in 2019.

Net margin was 1.3%.

HIGH NET SURPLUS CASH, DESPITE THE PANDEMIC

Net surplus cash stood at €3.1 billion at end-2020, stable for the last two years. Bouygues Construction remained in very good financial health, despite the difficulties related to the Covid crisis.

1. DEVELOPMENTS IN BOUYGUES CONSTRUCTION'S MARKETS AND ACTIVITIES

BUILDING AND CIVIL ENGINEERING

Building and Civil Engineering sales were 12% down on 2019 at €8.5 billion. International business accounted for 58% of sales, stable compared to 2019.

France

In France, the building activities, which were already operating under tight budgetary conditions, felt the impact of the health crisis. In 2021, the services and industrial sectors are likely to suffer due to the postponement of certain projects. The building segment should nevertheless benefit from government stimulus plans focused on energy renovation, particularly in public buildings (universities, schools, hospitals, etc.), and the restart of sustainable construction projects. In the Paris region in particular, urban renovation projects and eco-neighbourhoods open up interesting opportunities (positive-energy buildings, zero-carbon neighbourhoods).

The civil works segment had a bright outlook in 2019, but then suffered the double blow of the Covid crisis and the electoral timetable. The level of investment in the regions remains uncertain. However, in the Paris region, business was sustained by Grand Paris major infrastructure projects, which represent a market worth over €30 billion up to 2030. The government's stimulus plan might also create openings in infrastructure related to green mobility.

2020 sales: €3.6 billion (-11 %)

In the building segment, the 13% drop in sales was partly linked to the Covid crisis, but also to a more selective approach to the projects taken on.

For the building activity in the Paris region, the year was marked by orders for the Saint-Denis watersports centre and its connecting cyclist and pedestrian overpass and the Arena sports complex, both in preparation for the 2024 Paris Olympics. Bouygues Construction began work on major eco-neighbourhood projects, like the Issy Cœur de Ville project in Issy-les-Moulineaux and Eole Evangile in Paris. A number of other projects are still underway, like the renovation of the building at 17 Boulevard Morland in Paris, while Tour Alto (Paris-La Défense) and the Paris Commodities Exchange were handed over. In the regions, work continues on the Co'Met entertainment complex in Orleans.

Civil engineering 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.

Large-scale infrastructure projects are also still in progress outside the Paris region, such as the extensions to the ports of Calais and Port-la-Nouvelle and the offshore wind farm at Fécamp.

Europe

After several years of growth linked to accelerating urbanisation and an upturn in investment, the Covid crisis has put a brake on the construction market. French government and EU stimulus plans should nevertheless boost the construction market in the medium term.

In Switzerland, the sector has been slowing since 2019 after hitting a peak in 2018; weak demand in the commercial property sector, a saturated residential property market in certain towns and cities and a fear of too much urbanisation are tending to alter the structure of the construction market. Switzerland nevertheless has attractive traditional markets, particularly in the research and health sectors.

In the UK, uncertainty surrounding Brexit persists. Activity in the civil works sector is however gaining momentum, assisted by the transport sector (road and rail) and major government-led infrastructure projects, both in construction and renovation.

Eastern Europe has mature but promising markets with high economic potential in the construction sector.

2020 sales: €2 billion (stable)

In the **UK,** Bouygues Construction is involved in several urban regeneration projects, such as the Canning Town and Luton Street projects in London and Riverside in Canterbury. 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, where construction of the concrete slab of the second reactor was completed in June. When finished, it will meet 7% of the UK's power consumption needs and supply over five million households. Bouygues Construction also won from the British government the contract to build section C1 of the HS2 high-speed rail link that will connect central London with Birmingham, Manchester and Leeds.

In **Switzerland,** Bouygues Construction strengthened its expertise in property development, especially in Kriens, 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, and by a property development strategy.

Elsewhere in Europe, Bouygues Construction is also involved on a one-off basis in major infrastructure projects.

In **Monaco**, after three years of work, Bouygues Construction completed the offshore extension project in December 2020. It also won a contract for the Grand IDA mixed property development project, through its Monaco subsidiary Richelmi.

In **Croatia**, work continues on the dualling of a section of the Istrian motorway, and a contract was recently signed to design and build the second tube of the Učka tunnel.

Asia – Pacific

Asia is experiencing dynamic growth and is holding up well despite the crisis, thanks to investment, particularly in China and India. Hong Kong, Singapore and the Philippines continue to exhibit strong potential thanks to a high level of demand.

In Australia, the construction market is slowing in the residential sector, while the health sector remains buoyant on the back of public investment. Government spending on the infrastructure construction market is likely to remain strong, especially on roads and telecommunications.

2020 sales: €2.1 billion (-18%)

In **Asia-Pacific**, Bouygues Construction has developed its expertise through its building and civil works subsidiaries, giving it long-standing local operations, especially in Hong Kong, Singapore, Thailand and Australia.

Several major underground projects are being built in **Hong Kong**, including the Central Kowloon Route and the T2 Trunk Road undersea tunnel. This forms part of the government's large-scale project to build the Route 6 road link, which aims to relieve congestion on roads in central Kowloon. In June 2020, Bouygues Construction completed the main works for the Tuen Mun Chek Lap Kok sub-sea road tunnel.

In **Australia**, Bouygues Construction handed over the completed NorthConnex motorway tunnel in October. Work is still ongoing on the WestConnex tunnel in Sydney and on the Melbourne metro contract. Bouygues Construction is now firmly established on the Australian construction sector, particularly in data centres and hospitals, thanks to its subsidiary AW Edwards.

Bouygues Construction is a recognised player in the building segment in **Singapore** and **Thailand**, especially for high-rise residential buildings such as the Project Glory complex in Singapore and the multi-product One City Center building in Bangkok, handed over in 2020.

In the **Philippines**, Bouygues Travaux Publics and VSL won a contract to build a bridge as part of the North–South Commuter Railway (NSCR) urban rail network.

Africa – Middle East

High levels of economic growth are expected in Africa, linked in particular to rapid urbanisation, though the geopolitical context remains fragile. The Middle East-Africa region is experiencing rapid growth. The Gulf countries have been hit by the drop in oil prices in recent years, but heavy investment in transport infrastructure will be the main growth driver in this high-potential region. Bouygues Construction takes a selective approach to projects in this part of the world.

2020 sales: €435 million (-20%)

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 it leverages its Linkcity network to carry out property developments such as the BO52 programme in Casablanca.

4. The "2000-Watts 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'Énergie to development projects, neighbourhoods and urban areas which embrace these objectives.

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 **Côte d'Ivoire** and Gounkoto in **Mali**. Bouygues Construction is also involved on a one-off basis in roadbuilding projects in other African countries. Its presence now extends from **Benin** to the **Côte d'Ivoire**, with the signing in 2020 of two contracts to build the Abomey Calavi and Yopougon hospitals.

Finally, in the **Middle East**, Bouygues Construction has been responsible for building parts of the UMM Lafina bridges in Abu Dhabi and the Al Bustan expressway in **Qatar**, underlining once more its expertise in the manufacture and installation of the deck segments for this type of project.

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 demand for tourist complexes in the Caribbean is another area of interest for Bouygues Construction, despite the heavy blow that Covid-19 has dealt the tourism industry.

2020 sales: €388 million (-16%)

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. It has completed the renovation of the Diamonds Resorts hotel on the island of **Saint Martin**. The end of the year also saw the awarding of a contract to build the Pawtucket water management tunnel in the **United States**.

ENERGIES AND SERVICES

The Energies & Services arm – comprised of the subsidiaries Bouygues Energies & Services, Bouygues Energies & Services InTec, and Kraftanlagen – operates in digital networks, electrical and HVAC engineering, facilities management and services to industry.

Value added in the Energies & Services sector comes from industrial maintenance and processes, and state-of-the-art technology (robotics, smart buildings, etc.), in response to growing industry demand for such services. There is also a growing need for good network connections coming from the regions, where demand for telecommunications, and in particular fibre optics, will favour the development of network infrastructure.

Environmental challenges, growing urbanisation and the scarcity of raw materials are core concerns and open up attractive opportunities in the areas of renewable energy, energy efficiency in buildings and the digitisation of services.

These key challenges and trends on the energy and services markets offer the Energies & Services arm major 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 contributed €3.5 billion to the consolidated sales of Bouygues Construction in 2020, down €194 million (5%) on 2019.

France

2020 sales: €1.2 billion (-6%)

Sales in France were down 6% compared to 2019, due to the Covid-19 pandemic. The government's stimulus plan should nevertheless create good opportunities in the areas of renewable energy, energy efficiency in buildings and the digitisation of services.

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, jointly managed with Vauban Infrastructure, an investment fund. Numerous large-scale contracts are underway in Brittany, as well as in northern France.

At end-2020, Bouygues Construction had already installed FTTH in more than 1.4 million premises, making it a leading player in the FTTH sector in France. Bouygues Energies & Services is involved in numerous construction and renovation projects in the building sector, offering expertise in electrical, mechanical and HVAC engineering. Examples are the installation of the HVAC systems in Store 3 of La Samaritaine in central Paris and more recently in the future headquarters of the European Space Agency (ESA) in the 15th arrondissement. It is also renowned for its expertise in the design and installation of solar farms. Landmark projects include the farms at Piolenc and Saint-Maurice-la-Clouère, both in south-east France.

Bouygues Energies & Services has contracts to operate and maintain several public and private facilities in France, such as the Paris law courts and the French Defence Ministry. Through its Evesa subsidiary, it also carries out a street lighting contract for the City of Paris.

Finally, Bouygues Energies & Services aims to establish itself as a leading player in the design and operation of smart cities. It played a key role in the roll-out of France's first smart city in Dijon, in collaboration with Citelum (an EDF subsidiary), Suez and Capgemini. This 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

2020 sales: €2.3 billion (-5%)

The Bouygues Energies & Services InTec and Kraftanlagen subsidiaries possess recognised expertise in energy systems and industrial engineering and also offer solutions for power plants, particularly in the field of hydroelectric generation. They have already put down solid roots in Europe, notably in **Switzerland** and **Italy** for Bouygues Energies & Services InTec and in **Germany** and **Romania** for Kraftanlagen. 2020 also saw the signing of a contract worth over €100 million to modernise the Leuna power plant.

In the field of power grid infrastructure projects, Bouygues Energies & Services develops turnkey photovoltaic solutions. In **Japan**, for example, it is building a solar farm in the Tochigi prefecture.

Bouygues Energies & Services is developing its facilities management activity, notably in the **United Kingdom** with the Southmead hospital in Bristol. In 2020 it also signed a 14-year contract for the Addenbrooke hospital and a maintenance contract for six sites run by Public Health England.

In **Canada**, the company provides facilities management services for Surrey Hospital and the Royal National Mounted Police headquarters. Facilities management gives Bouygues Energies & Services a long-term revenue stream.

III. RESEARCH AND DEVELOPMENT ACTIVITIES

1. SHARED INNOVATION AS 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.

  Initiated by Bouygues Construction a few years ago and drawing on play-based tools including the serious game concept, CityPlay is developing into a fully-fledged co-construction approach to urban development. The aim is to imagine and build a more resilient, inclusive and intelligent city. The CityPlay approach uses a set of play-based, online and face-to-face solutions to transform cities: citizens and users become designers, and residents are fully engaged.

Examples include:
- future workshops, to help local authorities plan their strategies;
- serious games, to co-construct a project with end users;
- spatial planning: unique, hybrid places, to create the future user community; and
- entrepreneurship: incubating citizen projects, so that hyper-local initiatives can emerge.

Solutions like these can tap into a network of partners (institutions, businesses, universities and non-profits) to support cities with their transformation projects.

The CityPlay concept has already been deployed on 37 projects, including La Maillerie in Lille (spatial planning), Les Fabriques in Marseille (new business start-ups in a makerspace), Share in Tours (serious game), and the Smart City projects developed by Bouygues Energies & Services.

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 this Lyon project, Bouygues Bâtiment Sud-Est is building an entire block dedicated to urban health and wellness. This 13,000 m² development is in sync with the new smarter, eco-friendly approach to urban design. It includes a building housing reversible office space (WORK#1, delivered in 2020), designed to be able to switch from office to residential as the neighbourhood's needs evolve. This project is part of the Eureka Confluence scheme, driven by a consortium including SPL Lyon Confluence, Lyon City Council, Linkcity, Bouygues Immobilier, and many other partners.

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.

- **In the construction phase,** Bouygues Construction promotes innovation in methods and materials. These include biosourced materials, such as in our 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.

The ABC concept is an example of what can be done to assess the impact of such changes in the building industry. At a time of dwindling resources, ABC offers outcomes in terms of water recycling, insulation and renewable energy generation that are a step toward autonomy from standard utility networks. In 2014, Bouygues Construction signed a partnership deal with Grenoble City Council to complete a proof-of-concept project, involving the construction of a residential block of around sixty social housing units. The building was inaugurated in 2020, and the first tenants have moved in. Over the next five years, Bouygues Constriction will monitor the extent to which residents appropriate the new way of life that goes with this type of building.

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

To meet the growing demand for modular construction, our R&D teams are developing a more lightweight foam concrete derived from recycled materials that will reduce the weight of modules. Bymaro, our Moroccan subsidiary, is working on a design for a manufacturing facility for this new 100% natural material.

- **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.

To reduce energy consumption, Bouygues Energies & Services has developed energy performance measurement and management tools (Hypervision®, Flexom and Si@go®), which are marketed by Bouygues Immobilier to customers of both companies. Wizom Connected delivers solutions that reduce the carbon footprint of a building during its use. Online tools such as connected thermostats, supported by booklets giving energy-saving guidance, help users change their habits. Combined with other functionalities like smart metering, automatic leak detection/cut-out and remote control, Wizom Connected helps users manage their consumption better. Since it was launched in 2016, Wizom Connected has been installed in various types of buildings, including offices, housing and hospitals. There are already more than 3,000 connected housing units in France.

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.

In September 2020, SyDEV (the energy and infrastructure agency of the Vendée region in western France) partnered with Bouygues Energies & Services to inaugurate a ground-breaking project to generate electricity from solar panels and store it in recycled electric vehicle batteries. The project (known as PhARRE) already provides enough electricity to power SyDEV's head office at La Roche-sur-Yon, by storing energy and managing the building's energy needs in real time. This local innovation stores renewable energy generated by 200 m² of photovoltaic panels on the roof in four batteries recycled from Renault Kangoo electric vehicles. The batteries are installed in the basement, and are discharged or recharged in sync with changes in the outside temperature and the building's energy needs. Another benefit is that the batteries can store energy at off-peak times and release it during peak hours, cutting the overall energy bill. To deliver the project, Bouygues Energies & Services and SyDEV teamed up with the Renault group (a European pioneer and market leader in electric vehicles) who supplied the batteries, and BeeBryte, a French start-up that uses artificial intelligence to make buildings smarter and more energy-efficient.

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 works subsidiary Bouygues Travaux Publics, won the "Grand Prix du Jury" at the French Civil Works 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.

2. A 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] c 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.

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).

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.

A number of Bouygues Construction projects reuse secondary raw materials directly on site. For the Pantin Kanal project (a 20,500 m² office block on the edge of the Port de Pantin development zone in the north-eastern suburbs of Paris), our subsidiary Bouygues Bâtiment Ile-de-France Construction Privée is adopting a circular economy approach. A range of measures are being taken to reduce the project's carbon footprint: recovery and reuse of raised floor panels; metal posts that can be reused through the entire cycle; algae-based paints that are not classed as hazardous waste; and composting facilities at the site office. Another example: in refurbishing the Blomet indoor swimming baths in Paris, Bouygues Bâtiment Ile-de-France repurposed the 900 m² of polycarbonate glazing panels from the old structure to create greenhouses for communal gardens.

Bouygues Construction is experimenting with alternative construction methods, and has strengthened its expertise in using timber (which has a lower carbon footprint). Since 2005, we have used timber for nearly 100 timber new-build or refurbishment projects in France, the United Kingdom and Switzerland. For example, Revaison College at Saint-Priest, built by Bouygues Bâtiment Sud-Est for Lyon City Council in partnership with timber-construction specialist Ossabois, is 90% timber (half of which is modular). Using modular timber construction meant that the building was completed more quickly, to a higher standard, and in a more eco-friendly way.

IV. RISK MANAGEMENT POLICIES

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

1. INTERNAL CONTROL

INTERNAL CONTROL SYSTEMS

The Internal Control and Risk Management Reference Manual of the Bouygues group is based on the reference framework published by the AMF. The Reference Manual covers the general principles of internal control and risk management, and internal control principles relating to accounting and finance. In addition to setting out the general principles of internal control within the Bouygues group, the Reference Manual also identifies good practices common to all the Group's business segments, and applies standard treatments on important transverse issues. Each business segment has supplemented the Reference Manual with principles specifically related to its own activities.

Annual internal control self-assessment campaigns are conducted to check on how well internal control principles are being applied. In selecting which control principles are assessed, priority is given to identified risks and topics. At Bouygues Construction, the self-assessment campaign is usually conducted during the spring and summer, with summary reports presented at the end of the year. Around one-third of the control principles are assessed each 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 oversee transverse action plans.

There were two significant events for Bouygues Construction in 2020. A cyberattack disabled most of the information system for several weeks, and Covid-19 led to temporary shutdowns of some operations in most countries where the company does business. As a result of those two events, some internal control systems operated sub-optimally. For example, it was decided that the 2020 campaign would assess fewer control principles than usual. Four legal compliance topics were addressed at the request of Bouygues SA. Bouygues Construction selected Procurement (PG.12) as its topic for assessment.

Overall, the 2020 campaign involved 190 people in more than 65 entities or units, representing 90% of Bouygues Construction sales. On average, each entity or unit evaluated 33 principles from the risk management and internal control reference manual.

The 2020 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 usually 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, internal control workshops, committee meetings at support function level, and reporting to the Executive Committees. A co-ordinating 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.

2. 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.

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.

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 due to non-compliance with Group standards, especially as regards:
- its relationships with public sector bodies, whether 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 prospecting 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 our Chairman & CEO. The Group's Ethics and Compliance Officer, who reports to the Chairman & CEO, 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. In the summer of 2018, Bouygues Construction introduced a practical guide for employees. The contents include our policies on gifts and hospitality, guidance on patronage and sponsorship, and the rule under which the use of commercial intermediaries is no longer allowed.

Employee training and awareness programs are provided on those issues, and performance indicators in the ethics and compliance policies are presented during entity-level compliance reviews and at meetings of the Bouygues Construction Ethics Committee.

EXTRA-FINANCIAL RISKS

HR risk, loss of expertise and talents

Bouygues Construction'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 we 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 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" covering 12 issues: 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.

3. CREDIT AND/OR COUNTERPARTY RISK

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 2020 on any of the investment products used by the Group.

As of 31 December 2020, no single bank held more than 5% of the Group's available liquidity. Over 90% of investments are placed with counterparties rated investment grade or better (minimum: Standard & Poors BBB+).

LIQUIDITY RISK

As of 31 December 2020, net cash amounted to €4,219 million, and the Group also had €207 million of undrawn confirmed short-term credit facilities on that date.

4. 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.

5. 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.

6. 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.

V. STATEMENT ON EXTRA-FINANCIAL PERFORMANCE
SOCIAL AND ENVIRONMENTAL IMPACT OF ACTIVITIES – SOCIETAL COMMITMENTS – COLLECTIVE AGREEMENTS – WORKING CONDITIONS

As required by Article L. 22-10-36 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 2020 Bouygues Universal Registration Document, available at www.bouygues.com.

VI. VIGILANCE PLAN

As required by 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 2020 Bouygues Universal Registration Document, available at www.bouygues.com.

VII. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred since the end of the reporting period.

VIII. OUTLOOK FOR 2021

Despite the ongoing public health crisis, Bouygues Construction has many strengths, and enhanced visibility in a market offering considerable opportunities in France and internationally. Positive factors include:

- **orders booked as of 31 December 2020** to be executed in 2021 worth €9.8 billion;
- **robust international activity**, with a long-established presence in countries with a favourable economic outlook (Switzerland, United Kingdom, Canada, Germany, etc.) with good ratings from the Transparency International NGO;
- **a medium-term order book** (2 to 5 years) worth €9.6 billion as of 31 December 2020;
- **a healthy financial position**, bolstered by high net surplus cash of €3.1 billion;
- **a lead in sustainable construction and renewables**, to which the company devotes much of its R&D budget, and backed by a strong climate strategy;
- **strong commitment to shared innovation** as customer service.

While ensuring we protect the health and safety of our employees and project partners, we will in 2021 continue to focus on our core priorities: tight control over execution of major projects, selectivity in order acceptance, and innovation.

IX. REVIEW OF THE CONSOLIDATED AND PARENT COMPANY FINANCIAL STATEMENTS

1. CONSOLIDATED FINANCIAL STATEMENTS

A total of 422 companies are included in the scope of consolidation, 55% of which are located outside France, unchanged from 2019.

These comprise:

- 261 controlled entities, accounted for using the full consolidation method;
- 127 entities meeting the definition of as a joint operation, which are accounted for using the proportional consolidation method;
- 34 entities meeting the definition of a joint venture or over which Bouygues Construction exercises significant influence notable, which are accounted for using the equity method.

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

Alpiq arbitration

On 22 December 2020, Bouygues Construction and Alpiq reached an out-of-court settlement of the dispute relating to the sale by Alpiq of its Energies & Services business.

Under the terms of the settlement, which ended the arbitration proceedings initiated by the two parties in February 2019, Alpiq reimbursed CHF 54.5 million, split CHF 51.5 million for Bouygues Construction and CHF 3 million for Colas.

Cyberattack

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. No worksites were shut down. An exceptional response from across the entire company, and by experts from within and outside the Bouygues group, meant that Bouygues Construction was able to meet all its commitments. As of now, all services and applications have been restored. The relevant insurance policies were activated; a complaint filed with the competent authorities has not yet led to any prosecution.

Consequences of the Covid-19 pandemic

Impacts on the Group's activities

The construction businesses were affected by the almost complete shutdown of worksites in France during the last two weeks of March 2020 in line with lockdown measures, followed by a gradual resumption of activity. Activity levels were also affected by a slowdown or shutdown of operations in other geographies (including Italy, the United Kingdom, Canada, French-speaking Switzerland, Singapore, and the Philippines). By mid-July 2020, virtually all worksites had reopened in France, and activity levels were back to near-normal levels in many other countries. Activity also resumed gradually in Singapore from mid-August.

In addition, the order backlog gives high visibility for Bouygues Constructions' activity levels in 2021, while tight control over working capital needs has kept net cash at high levels.

In response to the public health crisis and in light of the resulting economic uncertainties, Bouygues has been keen to act responsibly and show solidarity with the major sacrifices being expected of its stakeholders, especially its employees. The Bouygues group has decided not to defer payments on account of corporate income taxes or social security contributions.

Other financial impacts

The Covid-19 pandemic led to a reduction in sales, mainly at the end of the first quarter and during the second quarter of 2020. Current operating profit was impacted by the erosion of current operating margin, reflecting not only the reduction in sales but also unavoidable costs incurred in spite of flexibility measures. Those costs mainly comprised fixed personnel costs (staff working part-time or not at all, net of any government support received); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site are protected from health risks.

Due to the resumption of the Group's activities, it is no longer possible to quantify separately the impact of Covid-19 on the Group's year-on-year performance in the second half of 2020. As a reminder, the adverse impacts of the Covid-19 crisis on year-on-year performance for the first half of 2020 were approximately €1.3 billion on sales and €290 million on current operating profit.

ASSETS

In aggregate, property, plant and equipment (€659 million) and intangible assets (€16 million) are €87 million lower than at the end of 2019. The main factors in this year-on-year movement are:

- capital expenditure of €177 million during the year, comprising €113 million outside France (including €15 million on the Trunk Road T2 tunnelling project in Hong Kong, €12 million on the Westconnex project in Sydney, and €7 million on the Melbourne metro project), and €64 million within France;
- depreciation and amortisation expense charged during the period (€217 million);
- disposals of property, plant and equipment and intangible assets (generating a net cash inflow of €56 million).

Goodwill amounts to €1,148 million. This comprises €875 million for the Energies & Services CGU and €273 million for the Building & Civil Works CGU, versus €877 million and €280 million respectively as of 31 December 2019.

Investments in joint ventures and associates, accounted for by the equity method, amount to €93 million (versus €105 million at the end of 2019). This line item mainly comprises the retained 51% equity interest in Axione (€71 million) and the 33% equity interest in the Stade de France consortium (€4.5 million).

Other non-current financial assets (€225 million) comprise €37 million of investments in non-consolidated companies, plus €188 million of non-current loans and receivables, advances to non-consolidated companies, and deposits and caution money. That compares with €221 million at the end of 2019.

"Deferred tax assets and non-current tax receivable" amounts to €76 million, and consists solely of deferred tax assets.

At €4,534 million, current assets other than cash are €255 million lower than at the end of 2019 (€4,789 million).

The net cash position (cash and cash equivalents, net of overdrafts and short-term bank borrowings) is €4,219 million, €15 million higher than at the end of 2019 (€4,204 million).

LIABILITIES

Total shareholders' equity, including non-controlling interests (i.e. minority interests), is €153 million lower than the end-2019 figure of €972 million. The main factors in this year-on-year movement are:

- the €152 million of net profit attributable to the Group for the period;
- minus the dividend payout of €325 million;
- plus €23 million of actuarial gains on employee benefit obligations.

Non-current debt is €1,065 million, €17 million lower than at the end of 2019.

Provisions – which are a significant item in the Building & Civil Works business – are split between non-current (€835 million) and current (€769 million), in accordance with international financial reporting standards.

Current taxes payable amount to €83 million, and comprise corporate income taxes payable by French and foreign subsidiaries in the short term.

Trade payables are €2,921 million at end 2020, compared with €3,039 million at end 2019.

Customer contract liabilities amount to €2,633 million at 31 December 2020, versus €2,638 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 €1,760 million. This line item mainly comprises tax and employee-related liabilities.

INCOME STATEMENT

Sales for the year are €12,047 million, 9.8% lower than in 2019, having been significantly affected by the impacts of the Covid-19 pandemic.

France accounts for 40% of total sales, and Building & Civil Works accounts for 71% of total sales.

Current operating profit is €171 million (versus €378 million in 2019). After deducting income tax expense of €103 million, net profit attributable to the Group is €152 million.

2. PARENT COMPANY FINANCIAL STATEMENTS

COMMENTS

The increase of €37 million in net non-current assets (€1,846 million at end 2020, versus €1,809 million at end 2019) mainly reflects equity injections into Bouygues Travaux Publics (€100 million) and Kraftanlagen (€16 million), and the reimbursement of €47 million received under the out-of-court settlement with Alpiq relating to the acquisition de Bouygues E&S Intec and Kraftanlagen.

The reduction of €7 million in current assets (€425 million at end 2020, versus €432 million at end 2019) mainly reflects a decrease in intra-group current accounts.

Shareholders' equity at end 2020 is €688 million, a reduction of €110 million, after taking account of the €325 million dividend payout and the net profit for the year of €215 million.

Debt at end December 2020 is €1,234 million (versus €1,246 million a year earlier). This line item consists of cash borrowed from Bouygues group cash pooling entities to finance non-current assets, insofar as Bouygues Construction has access to confirmed, available and undrawn long-term credit facilities.

Current liabilities amount to €257 million at 31 December 2020 (versus €187 million at end 2019), an increase of €70 million, mainly relating to current accounts (€30 million) and unrealised foreign exchange gains (€19 million).

Net debt at 31 December 2020 is €1,318 million, versus €1,239 million at end 2019, a year-on-year increase of €79 million.

Indebtedness

As of 31 December 2020, net cash amounted to €4,219 million, and the Group also had €207 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 2020.

SUBSIDIARIES AND AFFILIATES

As required by 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

As required by 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. 441-4 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 2020

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%)	**–**	**–**	**–**	**1,343**	**1,324**	**741**	**37**	**–**	**–**	**–**	**–**
DTP	10	1	100.00%	24	24	–	–	2	4	–	–
Bouygues Bâtiment International	25	163	100.00%	85	85	118	5	806	21	70	–
Bouygues Bâtiment Île-de-France	13	36	99.70%	103	103	–	–	1,314	11	11	–
Bouygues Travaux Publics	291	(44)	98.88%	343	343	84	2	1,375	(94)	–	–
Byes(5)	51	60	100.00%	158	158	262	9	2,354	47	–	–
Bouygues Bâtiment Nord-Est	25	19	100.00%	35	35	0	–	298	9	–	–
Bouygues Bâtiment Centre Sud-Ouest	7	13	100.00%	11	11	0	–	170	3	1	–
Bouygues Bâtiment Sud-Est	3	36	100.00%	6	6	0	–	311	5	3	–
Fichallenge	2	(7)	100.00%	2	–	–	–	–	1	–	–
Challenger	0	-	99.99%	15	15	–	–	19	4	–	–
Bouygues Bâtiment Grand Ouest	2	47	100.00%	4	4	0	–	381	9	4	–
Bouygues Bâtiment Central Europe	0	20	100.00%	25	25	34	–	–	1	–	–
Vsl (Switzerland)	2	4	100.00%	32	32	82	–	34	(1)	6	–
Losinger Holding (Switzerland)	15	12	99.96%	22	22	–	–	–	46	59	1 CHF= 0.925754
Dragages Hong Kong (Hong Kong)	50	355	100.00%	6	6	53	–	85	73	56	1 HKD= 0.105106
Acieroid (Spain)	1	1	93.81%	18	1	–	–	25	0	–	–
Byes Intec Ag (Switzerland)	30	67	100.00%	352	352	109	–	0	7	8	1 CHF= 0.925754
Kraftanlagen (Germany)	25	(2)	100.00%	99	99	0	21	192	(11)	–	–
Detailed information: affiliates (interest held: 10%-50%)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
B. Aggregate information for subsidiaries and affiliates not included in A.											
Total	**–**	**–**	**–**	**33**	**6**	**13**	**–**	**–**	**–**	**–**	**–**
French subsidiaries (aggregate)	–	–	–	2	1	10	–	–	–	2	–
Foreign subsidiaries (aggregate)(3)	–	–	–	0	0		–	–	–	1	–
French affiliates	–	–	–	30	5	2	–	–	–	1	–
Foreign affiliates	–	–	–	0	0	0	–	–	–	0	–
Grand total	**–**	**–**	**–**	**1,376**	**1,330**	**754**	**–**	**–**	**–**	**–**	**–**

(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.
(5) Reserves and net profit on consolidated basis excluding minority interests; sales on consolidated basis.

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	359					3	410	14				
Total amount (incl. VAT)	24,669	-	0	0	0	0	32,841	216	29	-	294	539
% of total purchases (incl. VAT)	16.11%	0.0%	0.0%	0.0%	0.0%	0.0%						
% of total sales (incl. VAT)							14.10%	0.09%	0.01%	0.0%	0.13%	0.23%
B/ Invoices excluded from (A) because they are disputed or not recognised in the accounts												
Number of invoices			0						0			
Total amount (incl. VAT)			0						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 from 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 (€55 million) also includes accrued expenses and unpresented bills of exchange;
- the "Trade receivables" line item (€36 million) also includes unbilled receivables.

X. HUMAN RESOURCES UPDATE

As of 31 December 2020, Bouygues Construction had a consolidated headcount of **58,709** people **(including BYES Intec and Kraftanlagen)**, split as follows:

• **France**	**21,832**
- Site workers	5,522
- Clerical, technical and supervisory	6,362
- Managerial staff	9,948
Includes managerial staff on secondment outside France	
International	**36,877**
- Expatriate staff*	585
- Local staff	36,292

*Only includes expatriates governed by French law.

The frequency rate of accidents requiring time off work **(including BYES Intec and Kraftanlagen)** in 2020 was 4.41.

The severity rate was 0.27.

XI. APPROPRIATION OF 2020 PROFITS

We propose that you approve the following appropriation of profits:

Legal reserve (already at the maximum amount)	NONE
Net profit for the 2020 financial year	€214,882,530.20
Retained earnings brought forward	€317,599,812.29
Giving distributable profits of	€532,482,342.49
Distribution of a dividend of (€89.00 per share)	€151,854,470.00
Balance carried forward as retained earnings	€380,627,872.49

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

Financial year	2017	2018	2019
Number of shares	1,706,230	1,706,230	1,706,230
Dividend per share	€187.26	€128.45	€190.48
Total dividend	**€319,508,629.80**	**€219,165,243.50**	**€325,002,690.40**

XII. 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.

XIII. ACQUISITIONS OF EQUITY INTERESTS AND CONTROL

1. 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.

2. 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.

XIV. INFORMATION ABOUT THE SHARE CAPITAL

1. 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 2020.

2. 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 2020, 99.93% of the share capital of Bouygues Construction was held by Bouygues, a Société Anonyme 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.

3. INFORMATION ABOUT CONTROLLED ENTITIES AND OWN SHARES

As required by Article L. 233-13 of the French Commercial Code, we inform you that as of 31 December 2020 Bouygues Construction did not hold any of its own shares.

4. 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 2020.

5. 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 2020.

XV. 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.

XVI. 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 2020), 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.

XVII. 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.

XVIII. 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 16 February 2021, 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.

XIX. RESOLUTIONS

The following resolutions relating to agenda items are submitted for your approval:
- 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 2020 financial year and of transactions carried out in that year - discharge of the Directors.
- Approval of the consolidated financial statements for the 2020 financial year and of transactions carried out in that year.
- Appropriation of profits for the 2020 financial year, and setting of the dividend.
- Approval of regulated agreements covered by Article L. 225-38 of the French Commercial Code.
- Reappointment of a statutory auditor: Ernst & Young Audit.
- Reappointment of an alternate statutory auditor: Auditex.
- Powers for filing and formalities.

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

XX. OTHER INFORMATION

ADMINISTRATION AND AUDIT OF THE COMPANY

As of 31 December 2020, Bouygues Construction is directed by a Chairman & Chief Executive Officer and a Deputy Chief Executive Officer.

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 this Ordinary Annual General Meeting;
- 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	31/12/2020 net	31/12/2019 net
Property, plant and equipment	3	**659**	746
Right of use of leased assets	3	**226**	262
Intangible assets	3	**16**	16
Goodwill	3	**1,148**	1,157
Investments in joint ventures and associates	3 and 17	**93**	105
Other non-current financial assets	3	**225**	221
Deferred tax assets	7	**76**	71
Non-current assets		**2,443**	**2,578**
Inventories		**268**	286
Advances and down-payments made on orders		**137**	155
Trade receivables		**1,941**	2,143
Customer contract assets		**1,000**	1,078
Current tax assets		**64**	110
Other current receivables and prepaid expenses		**1,109**	1,012
Cash and cash equivalents		**4,582**	4,629
Financial instruments – Hedging of debt		**–**	–
Other current financial assets		**14**	5
Current assets	**4, 17 and 18**	**9,115**	**9,418**
Held-for-sale assets and operations		**–**	–
Total assets		**11,558**	**11,996**

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY (€ million)	Note	31/12/2020	31/12/2019
Share capital		**128**	128
Share premium and reserves		**529**	503
Translation reserve		**4**	10
Treasury shares		**–**	–
Net profit/(loss) attributable to the Group		**152**	325
Shareholders' equity attributable to the group	**5**	**813**	**966**
Non-controlling interests		**6**	6
Shareholders' equity	**5**	**819**	**972**
Non-current debt	8 and 17	**1,065**	1,082
Non-current lease obligations	10	**197**	216
Non-current provisions	6 and 17	**835**	857
Deferred tax liabilities	7	**23**	18
Non-current liabilities		**2,120**	**2,173**
Current debt	8 and 17	**11**	9
Current lease obligations	10	**72**	97
Current tax liabilities	11	**83**	136
Trade payables	11	**2,921**	3,039
Customer contract liabilities	11	**2,633**	2,638
Current provisions	6 and 17	**769**	742
Other current liabilities	11	**1,760**	1,750
Overdrafts and short-term bank borrowings	11 and 17	**363**	425
Financial instruments – Hedging of debt		**–**	–
Other current financial liabilities	18	**7**	15
Current liabilities		**8,619**	**8,851**
Liabilities related to held-for-sale operations		**–**	–
Total liabilities and shareholders' equity		**11,558**	**11,996**
Net surplus cash/(net debt)	**9**	**3,143**	**3,113**

CONSOLIDATED INCOME STATEMENT

(€ million)	Note	Full year 2020	Full year 2019
Sales[a]	**12 and 17**	**12,047**	**13,355**
Other revenues from operations		**27**	41
Purchases used in production		**(6,911)**	(7,726)
Personnel costs		**(3,231)**	(3,359)
External charges		**(1,479)**	(1,729)
Taxes other than income tax		**(133)**	(146)
Net charges for depreciation, amortisation and impairment losses on property, plant and equipment and intangible assets		**(218)**	(184)
Net amortisation expense on right of use of leased assets		**(95)**	(96)
Charges to provisions and other impairment losses, net of reversals due to utilisation		**(244)**	(271)
Change in production and property development inventories		**–**	(9)
Other income from operations[b]		**629**	706
Other expenses on operations		**(221)**	(204)
Current operating profit/(loss)	**13 and 17**	**171**	**378**
Other operating income		**41**	
Other operating expenses		**(5)**	(23)
Operating profit/(loss)	**13 and 17**	**207**	**355**
Financial income		**29**	40
Financial expenses		**(16)**	(20)
Income from net surplus cash/(cost of net debt)	**14 and 17**	**13**	**20**
Interest expense on lease obligations	17	**(10)**	(11)
Other financial income	14	**32**	59
Other financial expenses	14	**(23)**	(48)
Income tax	15 and 17	**(103)**	(128)
Share of net profits/losses of joint ventures and associates	3 and 17	**38**	79
Net profit/(loss) from continuing operations	**17**	**154**	**326**
Net profit from discontinued operations		**–**	–
Net profit/(loss)	**17**	**154**	**326**
Net profit/(loss) attributable to the Group	**17**	**152**	**325**
Net profit/(loss) attributable to non-controlling interests		**2**	1
Basic earnings per share from continuing operations attributable to the Group (€)	**16**	**89.04**	**190.24**
Diluted earnings per share from continuing operations attributable to the Group (€)	**16**	**89.04**	**190.24**

(a) Of which sales generated abroad	**7,234**	8,035
(b) Of which reversals of unutilised provisions/impairment losses & other items	**199**	231

CONSOLIDATED STATEMENT OF RECOGNISED INCOME AND EXPENSE

(€ million)	Full year 2020	Full year 2019
Net profit/(loss)	**154**	**326**
Items not reclassifiable to profit or loss		
Actuarial gains/losses on post-employment benefits	**22**	(38)
Remeasurement of investments in equity instruments	**(3)**	(1)
Net tax effect of items not reclassifiable to profit or loss	**2**	5
Share of non-reclassifiable income and expense of joint ventures and associates	**(1)**	(1)
Items reclassifiable to profit or loss		
Translation adjustments	**(10)**	(2)
Remeasurement of hedging assets	**7**	(5)
Net tax effect of items reclassifiable to profit or loss	**(1)**	
Share of reclassifiable income and expense of joint ventures and associates	**4**	6
Income and expense recognised directly in equity	**20**	**(36)**
Total recognised income and expense	**174**	**290**
Recognised income and expense attributable to the Group	**172**	289
Recognised income and expense attributable to non-controlling interests	**2**	1

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(€ million)	Share capital and share premium	Reserves related to capital and retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	Total attributable to the group	Non-controlling interests	Total
POSITION AT 31 DECEMBER 2018 RESTATED[a]	**143**	**249**	**568**		**(66)**	**894**	**4**	**898**
Movements during 2019								
Net profit/(loss)	–	–	325	–	–	**325**	1	**326**
Income and expense recognised directly in equity	–	–	–	–	(36)	**(36)**	–	**(36)**
Total recognised income and expense[c]	**–**	**–**	**325**	**–**	**(36)**	**289**	**1**	**290**
Capital and reserves transactions, net	–	97	(97)	–	–	**–**	–	**–**
Acquisitions and disposals of treasury shares	–	–	–	–	–	**–**	–	**–**
Acquisitions and disposals with no change of control	–	–	9	–	–	**9**	1	**10**
Dividend paid	–	–	(219)	–	–	**(219)**	(1)	**(220)**
Share-based payments	–	–	–	–	–	**–**	–	**–**
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)	–	–	(7)	–	–	**(7)**	1	**(6)**
Position at 31 december 2019	**143**	**346**	**579**		**(102)**	**966**	**6**	**972**
Movements during 2020								
Net profit/(loss)	–	–	152	–	–	**152**	2	**154**
Income and expense recognised directly in equity	–	–	–	–	20[b]	**20**	[b]	**20**
Total recognised income and expense[c]	**–**	**–**	**152**	**–**	**20**	**172**	**2**	**174**
Capital and reserves transactions, net	–	(16)	16	–	–	**–**	–	**–**
Acquisitions and disposals of treasury shares	–	–	–	–	–	**–**	–	**–**
Acquisitions and disposals with no change of control	–	–	–	–	–	**–**	–	**–**
Dividend paid	–	–	(325)	–	–	**(325)**	(2)	**(327)**
Share-based payments	–	–	–	–	–	**–**	–	**–**
Other transactions (changes in scope of consolidation, other transactions with shareholders, and miscellaneous items)	–	–	–	–	–	**–**	–	**–**
Position at 31 december 2020	**143**	**330**	**422**	**–**	**(82)**	**813**	**6**	**819**

(a) Shareholders' equity as of 31 December 2018 has been restated for the effects of applying IFRS 16.
(b) Of which change in translation reserve:

Attributable to:	Group	Non- controlling interests	Total
Controlled entities	(10)		(10)
Joint ventures and associates	4		4
	(6)	**0**	**(6)**

(c) See consolidated statement of recognised income and expense.

CONSOLIDATED CASH FLOW STATEMENT

(€ million)	Note	Full year 2020	Full year 2019
I – Cash flow from continuing operations			
A – NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
Net profit/(loss) from continuing operations		**154**	326
Adjustments:			
Share of profits/losses reverting to joint ventures and associates, net of dividends received		**(34)**	6
Dividends from non-consolidated companies		**(3)**	(7)
Net charges to/(reversals of) depreciation, amortisation, impairment of property, plant and equipment and intangible assets, and non-current provisions		**209**	141
Net charges to amortisation and impairment expense and other adjustments to right of use of leased assets		**94**	96
Gains and losses on asset disposals		**(32)**	(103)
Income taxes, including uncertain tax positions		**103**	128
Income taxes paid		**(132)**	(86)
Other income and expenses with no cash effect		**(4)**	(10)
CASH FLOW AFTER INCOME FROM NET SURPLUS CASH/COST OF NET DEBT, INTEREST EXPENSE ON LEASE OBLIGATIONS AND INCOME TAXES PAID	17	**355**	491
Reclassification of income from net surplus cash/cost of net debt and interest expense on lease obligations		**(3)**	(9)
Changes in working capital requirements related to operating activities (including current impairment and provisions)[a]		**252**	(146)
Net cash generated by/(used in) operating activities		**604**	**336**
B – NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant and equipment and intangible assets	17	**(177)**	(247)
Proceeds from disposals of property, plant and equipment and intangible assets	17	**63**	58
Net liabilities related to property, plant and equipment and intangible assets		**(7)**	(9)
Purchase price of non-consolidated companies and other investments		**(1)**	–
Proceeds from disposals of non-consolidated companies and other investments		**–**	12
Net liabilities related to non-consolidated companies and other investments		**–**	(12)
Purchase price of investments in consolidated activities		**–**	–
Proceeds from disposals of investments in consolidated activities		**56**	93
Net liabilities related to consolidated activities		**–**	(1)
Other effects of changes in scope of consolidation: cash of acquired and divested companies		**–**	(11)
Other cash flows related to investing activities: changes in loans, dividends received from non-consolidated companies		**(12)**	36
Net cash generated by/(used in) investing activities		**(78)**	**(81)**
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
Dividends paid to shareholders of the parent company		**(325)**	(219)
Dividends paid by consolidated companies to non-controlling interests		**(2)**	(1)
Change in current and non-current debt		**9**	14
Repayment of lease obligations	17	**(100)**	(98)
Income from net surplus cash/cost of net debt and interest expense on lease obligations		**3**	9
Other cash flows related to financing activities		**–**	–
Net cash generated by/(used in) financing activities		**(415)**	**(285)**
D – EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**(96)**	**76**
Change in net cash position (a + b + c + d)		**15**	**46**
Net cash position at start of period	**4 and 11**	**4,204**	**4,159**
Net cash flows		**15**	**46**
Non-monetary flows		**–**	**(1)**
Held-for-sale operation		**–**	–
Net cash position at end of period	**4 and 11**	**4,219**	**4,204**
II – Cash flows from discontinued operations			
Net cash position at start of period		**–**	**–**
Net cash flows		**–**	**–**
Net cash position at end of period		**–**	**–**

(a) 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.

Notes to the financial statements

NOTE 1. SIGNIFICANT EVENTS OF 2020

1.1. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION IN 2020

On 22 December 2020, Bouygues Construction and Alpiq reached an out-of-court settlement of the dispute relating to the sale by Alpiq of its Energies & Services business.

Under the terms of the settlement, which ended the arbitration proceedings initiated by the two parties in February 2019, Alpiq reimbursed CHF 54.5 million, split CHF 51.5 million for Bouygues Construction and CHF 3 million for Colas. Because this adjustment occurred more than 12 months after the acquisition of Alpiq Engineering Services, it was recognised as a gain for accounting purposes in the fourth quarter of 2020 in "Other operating expenses", net of litigation costs.

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. No worksites were shut down. An exceptional response from across the entire company, and by experts from within and outside the Bouygues group, meant that Bouygues Construction was able to meet all its commitments. As of now, all services and applications have been restored. The relevant insurance policies were activated; a complaint filed with the competent authorities has not yet led to any prosecution.

Consequences of the Covid-19 pandemic

Impacts on the Group's activities

The construction businesses were affected by the almost complete shutdown of worksites in France during the last two weeks of March 2020 in line with lockdown measures, followed by a gradual resumption of activity. Activity levels were also affected by a slowdown or shutdown of operations in other geographies (including Italy, the United Kingdom, Canada, French-speaking Switzerland, Singapore, and the Philippines). By mid-July 2020, virtually all worksites had reopened in France, and activity levels were back to near-normal levels in many other countries. Activity also resumed gradually in Singapore from mid-August.

In addition, the order backlog gives high visibility for Bouygues Constructions' activity levels in 2021, while tight control over working capital needs has kept net cash at high levels.

In response to the public health crisis and in light of the resulting economic uncertainties, Bouygues has been keen to act responsibly and show solidarity with the major sacrifices being expected of its stakeholders, especially its employees. The Bouygues group has decided not to defer payments on account of corporate income taxes or social security contributions.

Other financial impacts

The Covid-19 pandemic led to a reduction in sales, mainly at the end of the first quarter and during the second quarter of 2020. Current operating profit was impacted by the erosion of current operating margin, reflecting not only the reduction in sales but also unavoidable costs incurred in spite of flexibility measures. Those costs mainly comprised fixed personnel costs (staff working part-time or not at all, net of any government support received); unoccupied premises; idle plant and equipment; and measures taken to ensure employees working on site are protected from health risks.

Due to the resumption of the Group's activities, it is no longer possible to quantify separately the impact of Covid-19 on the Group's year-on-year performance in the second half of 2020. As a reminder, the adverse impacts of the Covid-19 crisis on year-on-year performance for the first half of 2020 were approximately €1.3 billion on sales and €290 million on current operating profit.

1.2. SIGNIFICANT EVENTS AND CHANGES IN SCOPE OF CONSOLIDATION SUBSEQUENT TO 31 DECEMBER 2020

There were no significant events subsequent to 31 December 2020.

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 2020 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 2020 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 2019.

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.

The consolidated financial statements were closed off by the Board of Directors on 16 February 2021, and will be submitted for approval by the forthcoming Annual General Meeting on 19 April 2021.

The consolidated financial statements for the year ended 31 December 2020 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.

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

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 2020 as were applied in its consolidated financial statements for the year ended 31 December 2019, except for new IFRS requirements applicable from 1 January 2020 as mentioned below.

- Principal amendments effective within the European Union and mandatorily applicable in 2020:
  - **Amendments to IFRS 9, IAS 39 and IFRS 7**
    On 26 September 2019, the IASB issued amendments to IFRS 9, IAS 39 and IFRS 7 (phase 1) in connection with interest rate benchmark reform. Those amendments were endorsed by the European Union on 16 January 2020, and are applicable retrospectively from 1 January 2020.

The impact of the amendments on the Group is immaterial.

  - **Amendments to IFRS 3**
    On 22 October 2018, the IASB issued amendments to IFRS 3 to clarify the definition of a "business" in a business combination. Those amendments were endorsed by the European Union on 21 April 2020, and apply to accounting periods beginning on or after 1 January 2020.

The impact of the amendments on the Group is immaterial.

- **Amendments to IFRS 16**
  On 28 May 2020, the IASB issued an amendment to IFRS 16, dealing with rent concessions related to Covid-19. The amendment was endorsed by the European Union on 9 October 2020, and is applicable from 1 June 2020. The amendment, which permits lessees to account for such rent concessions as if they are not lease modifications, is not material at Group level.

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

	31/12/2020	31/12/2019
Companies controlled by the Group:	**261**	261
Joint operations:	**127**	128
Joint ventures and associates:	**34**	33
Total	**422**	**422**

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 2020, 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:
- 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 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 IFRIC agenda decision of 26 November 2019 had no material impact 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 Works 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 Works 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 Works 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 Works CGU:
- Discount rate applied: 7.50%/7.10%, depending on the assumptions used.
- Growth rate applied: 2%.

Energies & Services CGU:
- Discount rate applied: 6.80%/6.40%, depending on the assumptions used.
- Growth rate applied: 2%.

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 equivalents (short-term investments) are measured at fair value and classified as available-for-sale financial assets.

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 currency and term of the lease, 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. Other operating income and expenses

These line items contain a very limited number of income and expense items, which are unusual and occur infrequently but are of particularly large amounts. The Group reports these items separately in its income statement to give users of the financial statements a better understanding of ongoing operational performance.

2.4.3.6. 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 9.1, "Main components of change in net surplus cash"), including gains and losses on related interest rate and currency hedges.

2.4.3.7. 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 "Income from 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;
- commodity swaps and options for commodity 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 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 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" equates to current operating profit after taking account of interest expense on lease obligations, before (i) net charges for depreciation and amortisation of 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

Free cash flow 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 before 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 2020 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

	2020	2019
Acquisitions of property, plant & equipment	**171**	243
Acquisitions of intangible assets	**6**	4
Capital expenditure	**177**	**247**
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies and other long-term investments)	**1**	–
Acquisitions of non-current assets	**178**	**247**
Disposals of non-current assets	**(119)**	(163)
Acquisitions of non-current assets, net of disposals	**59**	**84**

3.2. NON-CURRENT ASSETS: MOVEMENTS DURING THE PERIOD

3.2.1. PROPERTY, PLANT AND EQUIPMENT

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
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**
Movements during 2020					
Translation adjustments	(7)	(19)	(6)	(1)	**(33)**
Changes in scope of consolidation	–	–	–	–	
Acquisitions during the period	12	80	35	44	**171**
Disposals, transfers and other movements	1	(126)	(58)	(70)	**(253)**
31/12/2020	**513**	**941**	**391**	**31**	**1,876**

Depreciation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2018 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)**
Movements during 2020					
Translation adjustments	6	13	4	–	**23**
Changes in scope of consolidation	–	–	–	–	
Depreciation and impairment, net[1]	(22)	(151)	(38)	–	**(211)**
Disposals, transfers and other movements	3	173	40	–	**216**
31/12/2020	**(232)**	**(695)**	**(290)**	**–**	**(1,217)**

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31/12/2019	**288**	**276**	**124**	**58**	**746**
31/12/2020	**281**	**246**	**101**	**31**	**659**

(1) Of which impairment losses in 2019: 0
Of which impairment losses in 2020: 0

3.2.2. RIGHT OF USE OF LEASED ASSETS

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
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**
Movements during 2020				
Translation adjustments	(4)	–	(1)	**(5)**
Changes in scope of consolidation	–	–	–	
New leases, lease modifications, and other lease-related movements	3	(15)	(1)	**(13)**
31/12/2020	**391**	**43**	**21**	**455**

Amortisation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
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)**
Movements during 2020				
Translation adjustments	2	–	1	**3**
Changes in scope of consolidation	–	–	–	
Amortisation and impairment, net	(59)	(30)	(6)	**(95)**
New leases, lease modifications, and other lease-related movements	50	19	5	**74**
31/12/2020	**(185)**	**(32)**	**(12)**	**(229)**

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	Total
31/12/2019	**214**	**37**	**11**	**262**
31/12/2020	**206**	**11**	**9**	**226**

3.2.3. INTANGIBLE ASSETS

Gross value	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
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**
Movements during 2020				
Translation adjustments	–	(1)	(1)	**(2)**
Changes in scope of consolidation	–	–	–	**–**
Acquisitions during the period	–	5	1	**6**
Disposals, transfers and other movements	–	(2)	–	**(2)**
31/12/2020	**–**	**124**	**25**	**149**

Amortisation and impairment	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
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)**
Movements during 2020				
Translation adjustments	–	1	1	**2**
Changes in scope of consolidation	–	–	–	**–**
Amortisation and impairment, net(1)	–	(5)	(1)	**(6)**
Disposals, transfers and other movements	–	2	–	**2**
31/12/2020	**–**	**(111)**	**(22)**	**(133)**

Carrying amount	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31/12/2019	**–**	**13**	**3**	**16**
31/12/2020	**–**	**13**	**3**	**16**

(1) Of which impairment losses in 2019: 0
Of which impairment losses in 2020: 0

3.2.4. GOODWILL

	Gross value	Impairment losses	Carrying amount	Building & Civil Works	Energies & services
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**
Movements during 2020					
Changes in scope of consolidation	–	–	–	–	–
Impairment losses	–	–	–	–	–
Other movements (including translation adjustments)	(9)	–	(9)	(7)	(2)
31/12/2020	**1,148**	**–**	**1,148**	**273**	**875**

3.2.5. NON-CURRENT FINANCIAL ASSETS

	Investments in joint ventures and associates(1)	Investments in non-consolidated companies(2)	Other non-current financial assets(2)	Total	Amortisation & impairment	Carrying amount	Deferred tax assets(3)
31/12/2019	**124**	**40**	**216**	**380**	**(54)**	**326**	**71**
Movements during 2020							
Translation adjustments	3	–	(11)	(8)	1	(7)	**-**
Changes in scope of consolidation	–	–	–	–	–	–	**-**
Acquisitions and other increases	2	1	39	42	–	42	**21**
Amortisation and impairment, net	–	–	–	–	(1)	(1)	**-**
Disposals and other reductions	–	(4)	(26)	(30)	–	(30)	**(17)**
Transfers and other movements	(8)	–	(4)	(12)	–	(12)	**1**
31/12/2020	**121**	**37**	**214**	**372**	**(54)**	**318**	**76**
Amortisation and impairment	**(28)**	**–**	**(26)**	**(54)**	**–**	**–**	**–**
Carrying amount at 31/12/2020	**93**	**37**	**188**	**318**	**–**	**–**	**76**

(1) Includes goodwill on associates: €63 million at 31 December 2020.
(2) Items presented within "Other non-current financial assets" in the consolidated balance sheet.
(3) See Note 7.

	Investments in joint ventures and associates	Investments in non-consolidated companies(1)	Other non-current financial assets(1)	Total	Amortisation & impairment	Carrying amount	Deferred tax assets
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)	–	(155)	**(17)**
Transfers and other movements	73	–	(4)	69	–	69	**-**
31/12/2019	**124**	**40**	**216**	**380**	**(54)**	**326**	**71**
Amortisation and impairment	**(19)**	**–**	**(35)**	**(54)**	**–**	**–**	**–**
Carrying amount at 31/12/2019	**105**	**40**	**181**	**326**	**–**	**–**	**71**

(1) Items presented within "Other non-current financial assets" in the consolidated balance sheet.

3.2.6. INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

	Share of net assets held	Goodwill on joint ventures and associates, net	Carrying amount
31/12/2018 restated	**35**	**68**	**103**
Movements during 2019			
Net profit/(loss) for the period	79	–	79
Translation adjustments	1	–	1
Other income and expense recognised directly in equity	(3)	–	(3)
Total recognised income and expense	**77**	**–**	**77**
Acquisitions and share issues	1	–	1
Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements	(81)	5	(76)
31/12/2019	**32**	**73**	**105**
Movements during 2020			
Net profit/(loss) for the period	48	(10)	38
Translation adjustments	3	–	3
Other income and expense recognised directly in equity	–	–	–
Total recognised income and expense	**51**	**(10)**	**41**
Acquisitions and share issues	2	–	2
Appropriation of prior-year profit, dividends distributed, disposals, transfers and other movements	(55)	–	(55)
31/12/2020	**30**	**63**	**93**

Principal joint ventures and associates	31/12/2019	Net movements in 2020	31/12/2020	Of which: share of profit/(loss) and impairment losses
Associates				
STADE DE FRANCE	9	(4)	**5**	(4)
VSL JAPON	2	–	**2**	–
OTHER ASSOCIATES	1	1	**2**	1
Joint ventures				
AXIONE	83	(12)	**71**	47
HSU JV LLP	1	2	**3**	–
VSL CHILI	2	–	**2**	–
TRANSINVEST GCC	–	–	**–**	(8)
OTHER JOINT VENTURES	7	1	**8**	2
Total	**105**	**(12)**	**93**	**38**

Accumulated unrecognised losses on joint ventures and associates: €13 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	31/12/2020 Axione SAS	31/12/2019 Axione SAS
Non-current assets[1]	**106**	87
Current assets	**208**	209
Total assets	**314**	**296**
Shareholders' equity	**20**	19
Non-current liabilities	**50**	42
Current liabilities	**244**	235
Total liabilities & equity	**314**	**296**
Sales	**301**	257
Operating profit/(loss)	**9**	13
Net profit/(loss)	**8**	**9**

(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

Investments in non-consolidated companies[1]	31/12/2020		31/12/2019	
	Fair value	% interest	Fair value	% interest
French companies				
BOUYGUES CONSTRUCTION AIRPORT CONCESSIONS EUROPE SAS	**3**	**51%**	6	51%
OPALE DEFENSE SAS	**1**	**19%**	1	19%
Other investments in French companies	**9**	–	9	–
Sub-total	**13**	–	**16**	–
Foreign companies				
CROSS YARRA PARTNERSHIP (AUSTRALIA)	**16**	**10%**	16	10%
RAVINALA AIRPORT SA	**2**	**10%**	2	10%
CAD-LP-SA	**1**	**15%**	1	15%
COREE PUSAN	**1**	**7%**	1	7%
Other investments in foreign companies	**4**	–	4	–
Sub-total	**24**	–	**24**	–
Total	**37**	–	**40**	–

(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.

3.2.7.2. OTHER NON-CURRENT FINANCIAL ASSETS

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

	31/12/2020	31/12/2019
Advances to non-consolidated companies	**55**	51
Non-current loans and receivables	**106**	105
Other long-term investments	**27**	25
• Deposits and caution money	**25**	23
• Other financial assets at fair value through profit or loss	**2**	2

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

	Equity instruments		Other financial assets at fair value through profit or loss	Financial assets at amortised cost	Total
	at fair value through through OCI(1)	at fair value through profit or loss			
31/12/2019	**9**	**31**	**2**	**179**	**221**
Movements during 2020	(3)	–	–	7	4
31/12/2020	**6**	**31**	**2**	**186**	**225**
Due within less than 1 year	–	–	–	6	6
Due within 1 to 5 years	–	–	–	32	32
Due after more than 5 years	6	31	2	148	187

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

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

Under IFRS 13, the fair value hierarchy that reflects the significance of the inputs used in making fair value measurements has three levels:

- level 1 (unadjusted quoted prices): price accessible to the entity on the date of measurement in active markets, for identical assets or liabilities;
- level 2 (observable inputs): inputs relating to the asset or liability, other than quoted market prices classified as level 1 inputs, that are observable either directly (such as a price) or indirectly (i.e. derived from observable prices);
- level 3 (unobservable inputs): inputs that are not observable on markets, including observable inputs that require significant adjustment (for example, extrapolation of yield curves over long, unobservable periods). Within the Bouygues Construction group, this applies mainly to investments in non-consolidated companies.

	Level 1 Quoted market prices	Level 2 Observable inputs	Level 3 Unobservable inputs	31/12/2020
Financial assets at fair value through OCI			6	**6**
Financial assets at fair value through profit or loss			33	**33**
Net cash	4,219		–	**4,219**
Financial instruments: assets & liabilities (short-term)	7		–	**7**

NOTE 4. CURRENT ASSETS

4.1. INVENTORIES

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Raw materials and finished goods	**260**	**(20)**	**240**	282	(25)	257
Property development inventories	**33**	**(5)**	**28**	33	(4)	29
Total	**293**	**(25)**	**268**	**315**	**(29)**	**286**

	Charges during the period		Reversals during the period	
	2020	2019	2020	2019
Impairment of raw materials and finished goods	**(5)**	**(7)**	9	1
Impairment of property development inventories	**(1)**	**–**	–	2
Total	**(6)**	**(7)**	**9**	**3**

4.2. ADVANCES AND DOWN-PAYMENTS MADE ON ORDERS

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	**137**	**–**	**137**	155	–	155
Total	**137**	**–**	**137**	**155**	**–**	**155**

4.3. TRADE RECEIVABLES, TAX ASSETS AND OTHER CURRENT RECEIVABLES

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables	**2,196**	**(255)**	**1,941**	2,384	(241)	2,143
Customer contract assets	**1,000**	**–**	**1,000**	1,078	–	1,078
Tax asset (receivable)	**66**	**(2)**	**64**	110	–	110
Other current receivables and prepaid expenses	**1,159**	**(50)**	**1,109**	1,077	(65)	1,012
• Other current receivables (employees, social security, government & other)	**478**	**(6)**	**472**	490	(4)	486
• Sundry receivables (including current accounts)	**599**	**(44)**	**555**	496	(61)	435
• Prepaid expenses	**82**	**–**	**82**	91	–	91
Total	**4,421**	**(307)**	**4,114**	**4,649**	**(306)**	**4,343**

4.4. CUSTOMER CONTRACT ASSETS

	31/12/2019	Movements during 2020			31/12/2020
		Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	
Customer contract origination costs	–	–	–	–	**–**
Customer contract execution costs	–	–	–	–	**–**
Differences relating to percentage of completion on contracts	1,078	(19)	(5)	(54)	**1,000**
TOTAL CUSTOMER CONTRACT ASSETS	**1,078**	**(19)**	**(5)**	**(54)**	**1,000**

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	1,285	342	98	471	**2,196**
Impairment of trade receivables	(25)	(10)	(5)	(215)	**(255)**
Total trade receivables: 31/12/2020	**1,260**	**332**	**93**	**256**	**1,941**
Total trade receivables: 31/12/2019	**1,475**	**442**	**71**	**155**	**2,143**

4.6. CASH AND CASH EQUIVALENTS

	31/12/2020			31/12/2019		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Bouygues Relais	**2,050**	**–**	**2,050**	1,841	–	1,841
Uniservice	**1,632**	**–**	**1,632**	1,688	–	1,688
By Construction Relais	**–**	**–**	**–**	23	–	23
Other cash items	**897**	**–**	**897**	1,077	–	1,077
Cash equivalents	**3**	**–**	**3**	–	–	–
Total	**4,582**	**–**	**4,582**	**4,629**	**–**	**4,629**

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

	Euro	Pound sterling	Swiss franc	Other European currencies	Hong Kong dollar	Australian dollar	US dollar	Canadian dollar	Singapore dollar	Other currencies	Total 31/12/2020	Total 31/12/2019
Cash	2,511	462	452	19	329	313	280	42	33	138	**4,579**	4,629
Cash equivalents	–	–	1	–	–	–	–	–	–	2	**3**	–
Total 31/12/2020	**2,511**	**462**	**453**	**19**	**329**	**313**	**280**	**42**	**33**	**140**	**4,582**	**–**
Total 31/12/2019	**2,334**	**425**	**576**	**29**	**412**	**409**	**240**	**16**	**37**	**151**	**–**	**4,629**

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

	31/12/2020	31/12/2019
Cash	**4,579**	4,629
Cash equivalents	**3**	–
Total cash and cash equivalents	**4,582**	**4,629**
Overdrafts and short-term bank borrowings	**(363)**	(425)
Net cash position	**4,219**	**4,204**

NOTE 5. SHAREHOLDERS' EQUITY

5.1. SHARE CAPITAL OF BOUYGUES CONSTRUCTION SA

As of 31 December 2020, the share capital of Bouygues Construction SA consisted of 1,706,230 shares with a €75 par value. Movements during 2020 were as follows:

	31/12/2019	Movements during 2020		31/12/2020
		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"

	31/12/2019	Movements during 2020	31/12/2020
Reserve for actuarial gains/(losses), net of tax	(101)	23	**(78)**
Fair value remeasurement reserve (equity instruments), net of tax	(2)	(3)	**(5)**
Translation reserve of controlled entities	9	(10)	**(1)**
Fair value remeasurement reserve (hedging instruments), net of tax	(8)	7	**(1)**
Share of remeasurements of joint ventures and associates	–	3	**3**
Total attributable to the Group	**(102)**	**20**	**(82)**
Other income and expenses attributable to non-controlling interests	1	–	**1**
Total	**(101)**	**20**	**(81)**

5.2.2. TRANSLATION RESERVE (ATTRIBUTABLE TO THE GROUP)

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

Principal translation adjustments in the year ended 31 December 2020 arising on the consolidated financial statements of foreign entities reporting in the following currencies:

Currency	31/12/2019	Movements during 2020	31/12/2020
Pound sterling	11	1	**12**
Swiss franc	2	(2)	**–**
US dollar	(7)	1	**(6)**
Hong Kong dollar	2	(11)	**(9)**
Singapore dollar	2	2	**4**
Australian dollar	9	1	**10**
Other currencies	(9)	2	**(7)**
Total	**10**	**(6)**	**4**

NOTE 6. NON-CURRENT AND CURRENT PROVISIONS

6.1. NON-CURRENT PROVISIONS

	Employee benefits	Litigation and claims	After-sales guarantees	Risks on subsidiaries & affiliates	Miscellaneous foreign risks	Other non-current provisions	Total
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**
Movements during 2020							
Translation adjustments	–	–	(3)	–	(2)	(1)	**(6)**
Transfers and other movements	(1)	1	2	5	–	–	**7**
Changes in scope of consolidation	–	–	–	–	–	–	**–**
Actuarial gains and losses	(14)	–	–	–	–	–	**(14)**
Charges to provisions	38	30	67	–	22	6	**163**
Reversals (provisions used)	(54)	(4)	(56)	–	(1)	(4)	**(119)**
Reversals (provisions not used)	–	(9)	(34)	(1)	(5)	(4)	**(53)**
31/12/2020	**326**	**101**	**286**	**40**	**47**	**35**	**835**

6.2. CURRENT PROVISIONS

	Risks on completed projects	Project completion expenses	Expected losses to completion	Other current provisions	Total
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**
Movements during 2020					
Translation adjustments	(1)	(7)	–	(6)	**(14)**
Transfers and other movements	–	(1)	(1)	–	**(2)**
Changes in scope of consolidation	–	–	–	–	**–**
Charges to provisions	29	131	122	66	**348**
Reversals (provisions used)	(8)	(85)	(61)	(37)	**(191)**
Reversals (provisions not used)	(23)	(50)	(26)	(15)	**(114)**
31/12/2020	**73**	**225**	**326**	**145**	**769**

NOTE 7. DEFERRED TAX ASSETS AND LIABILITIES

7.1. DEFERRED TAX ASSETS

Movement in deferred taxes in the consolidated balance sheet	31/12/2019	Movements during 2020		31/12/2020
		Net gain	Other movements	
Deferred tax assets	71	4	1	**76**

7.2. DEFERRED TAX ASSETS BY BUSINESS SEGMENT

	Deferred tax assets 31/12/2019	Changes in scope of consolidation	Translation adjustments	Movements during 2020		Other movements	Deferred tax assets 31/12/2020
				Gain	Expense		
A. Tax losses							
Building & Civil Works	–	–	–	–	–	–	**–**
Energies & Services	22	–	–	–	(8)	–	**14**
Sub-total	**22**	**–**	**–**	**–**	**(8)**	**–**	**14**
B. temporary differences[1]							
Building & Civil Works	57	–	–	3	(8)	1	**53**
Energies & Services	(8)	–	–	18	(1)	–	**9**
Sub-total	**49**	–	–	**21**	**(9)**	**1**	**62**
Total deferred tax assets	**71**	–	–	**21**	**(17)**	**1**	**76**

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

7.3. DEFERRED TAX LIABILITIES

Movement in deferred taxes in the consolidated balance sheet	31/12/2019	Movements during 2020		31/12/2020
		Net expense	Other movements	
Deferred tax liabilities	18	5	–	**23**

7.4. DEFERRED TAX LIABILITIES BY BUSINESS SEGMENT

	Deferred tax liabilities 31/12/2019	Changes in scope of consolidation	Translation adjustments	Movements during 2020		Other movements	Deferred tax liabilities 31/12/2020
				Gain	Expense		
A. Tax losses							
Building & Civil Works	(2)	–	–	–	1	–	**(1)**
Energies & Services	–	–	–	(1)	–	–	**(1)**
Sub-total	**(2)**	**–**	**–**	**(1)**	**1**	**–**	**(2)**
B. Temporary differences[1]							
Building & Civil Works	18	–	–	–	4	(1)	**21**
Energies & Services	2	–	–	(1)	2	1	**4**
Sub-total	**20**	–	–	**(1)**	**6**	**–**	**25**
Total deferred tax liabilities	**18**	–	–	**(2)**	**7**	**–**	**23**

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

7.5. PRINCIPAL SOURCES OF DEFERRED TAXATION

	31/12/2020	31/12/2019
Deferred tax assets	**76**	**71**
Employee benefits	**42**	40
Provisions temporarily non-deductible for tax purposes	**36**	35
Tax losses	**14**	22
Other sources of deferred tax assets	**(16)**	(26)
Deferred tax liabilities	**23**	**18**
Total	**53**	**53**

7.6. ESTIMATED PERIOD TO RECOVERY OF DEFERRED TAX ASSETS

31 December 2020	Less than 2 years	2 to 5 years	More than 5 years	Total
Deferred tax assets	**42**	**8**	**26**	**76**

7.7. UNRECOGNISED DEFERRED TAX ASSETS

Some deferred tax assets were not recognised as of 31 December 2020 due to the low probability of recovery (mainly tax losses generated abroad or in France).

	31/12/2020	31/12/2019
Bouygues group tax election	**81**	85
Other assets	**355**	284
Total	**436**	**369**

NOTE 8. NON-CURRENT AND CURRENT DEBT

8.1. INTEREST-BEARING DEBT BY MATURITY

	Current debt		Non-current debt						Total 31/12/2020	Total 31/12/2019
	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	1	5	2	–	–	–	–	–	**8**	3
Other borrowings	2	3	–	–	1	5	3	17	**31**	35
Uniservice borrowings	–	–	12	530	20	475	–	–	**1,037**	1,053
Total interest-bearing debt	**3**	**8**	**14**	**530**	**21**	**480**	**3**	**17**	**1,076**	**–**
Total 31/12/2019	**6**	**3**	**2**	**9**	**553**	**499**	**4**	**15**	**–**	**1,091**

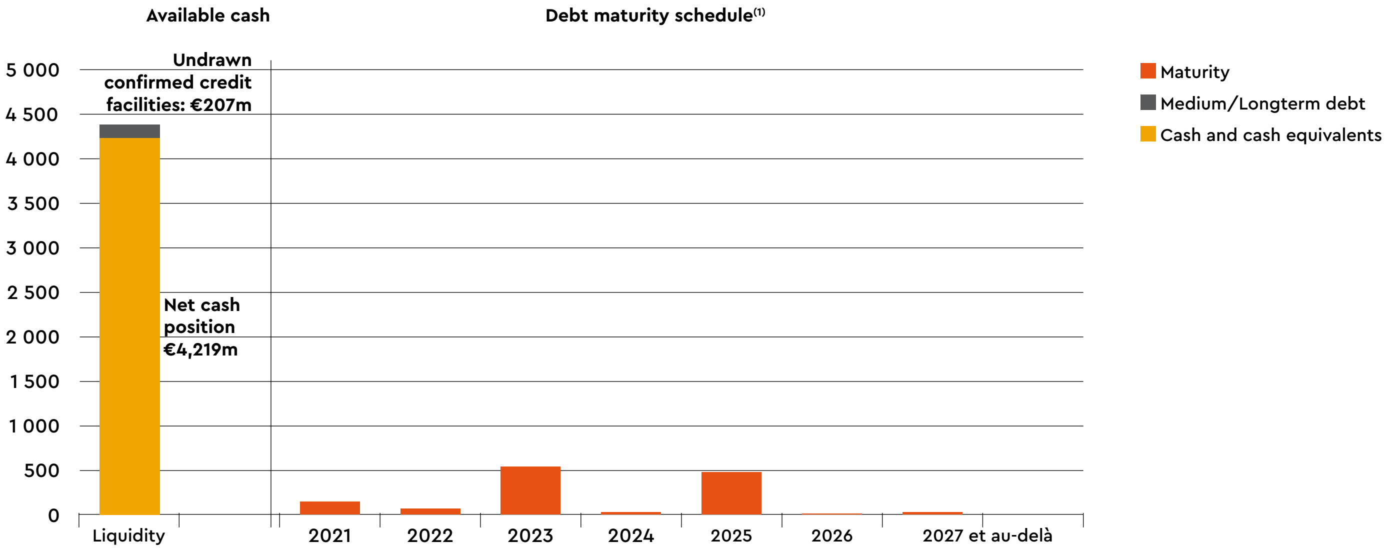
8.2. CONFIRMED CREDIT FACILITIES AND DRAWDOWNS

	Confirmed facilities – Maturity				Drawdowns – Maturity			
	Less than 1 year	1 to 5 years	> 5 years	Total	Less than 1 year	1 to 5 years	> 5 years	Total
Bond issues	–	–	–	**–**	–	–	–	**–**
Bank borrowings	6	2	–	**8**	6	2	–	**8**
Other borrowings	5	6	20	**31**	5	6	20	**31**
Uniservice borrowings(1)	139	1,105	–	**1,244**	–	1,037	–	**1,037**
Total	**150**	**1,113**	**20**	**1,283**	**11**	**1,045**	**20**	**1,076**

(1) Undrawn confirmed credit facilities: €207 million.

8.3. LIQUIDITY AT 31 DECEMBER 2020

As of 31 December 2020, the net cash position was €4,219 million. The Group also had €207 million of undrawn confirmed credit facilities as of that date.



(1) Non-current debt (€1,065 million) and current debt (€11 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:

(%)	31/12/2020	31/12/2019
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				Canadian dollar	US dollar	Australian dollar	Hong Kong dollar	Singapore dollar	Other currencies	Total
	Euro	Pound sterling	Swiss franc	Other European currencies							
Non-current 31/12/2020	**46**	**120**	**592**	**19**	**110**	**93**	**61**	**7**	**–**	**17**	**1,065**
Current 31/12/2020	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1**	**10**	**11**
Non-current 31/12/2019	45	127	589	36	119	97	61	8	–	–	**1,082**
Current 31/12/2019	2	–	–	–	–	–	–	1	1	5	**9**

NOTE 9. MAIN COMPONENTS OF CHANGE IN NET SURPLUS CASH

9.1. CHANGE IN NET SURPLUS CASH

	31/12/2019	Cash flows	Changes in scope of consolidation	Translation adjustments	Fair value adjustments	Other movements	31/12/2020
Cash and cash equivalents	4,629	45	–	(92)	–	–	**4,582**
Overdrafts and short-term bank borrowings	(425)	66	–	(4)	–	–	**(363)**
Net cash position (A)	**4,204**	**111**[1]	[1]	**(96)**[1]	[1]	[1]	**4,219**
Non-current debt	(1,082)	(7)[2]	–	23	–	1	**(1,065)**
Current debt	(9)	(2)[2]	–	–	–	–	**(11)**
Financial instruments – Hedging of debt	–	–	–	–	–	–	**–**
Total debt (B)	**(1,091)**	**(9)**	**–**	**23**	**–**	**1**	**(1,076)**
Net surplus cash (A+B)	**3,113**	**102**	**–**	**(73)**	**–**	**1**	**3,143**

(1) Net cash inflow of €15 million in 2020, as reported in the cash flow statement.

(2) Net cash inflow related to current and non-current debt of €9 million in 2020 as reported in the cash flow statement, comprising an inflow of €13 million and an outflow of €4 million.

9.2. PRINCIPAL CHANGES IN NET SURPLUS CASH DURING 2020

Net surplus cash at 31/12/2019	**3,113**
Net cash generated by/(used in) operating activities	**604**
Net cash generated by/(used in) investing activities	**(78)**
Dividends paid	**(327)**
Income from net surplus cash and interest expense on lease obligations	**3**
Effect of changes in scope of consolidation on total debt	**–**
Effect of exchange rates on net cash position and total debt	**(73)**
Repayment of lease obligations	**(100)**
Disposals of equity interests without loss of control	**–**
Other items	**1**
Net surplus cash at 31/12/2020	**3,143**

NOTE 10. NON-CURRENT AND CURRENT LEASE OBLIGATIONS

10.1. 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 31/12/2020	**18**	**54**	**72**	**53**	**41**	**31**	**25**	**21**	**26**	**197**
Total 31/12/2019	24	73	**97**	59	40	35	26	21	35	**216**

10.2. CHANGE IN NON-CURRENT AND CURRENT LEASE OBLIGATIONS

	31/12/2019	Translation adjustments	Changes in scope of consolidation	Cash flows	New leases, lease modifications, and other lease-related movements	31/12/2020
Non-current lease obligations	216	(3)	–	–	(16)	**197**
Current lease obligations	97	(1)	–	(100)	76	**72**
Total lease obligations	**313**	**(4)**	**–**	**(100)**	**60**	**269**

NOTE 11. OTHER CURRENT LIABILITIES

	31/12/2020	31/12/2019
Current taxes payable	**83**	**136**
Trade payables	**2,921**	**3,039**
Customer contract liabilities	**2,633**	**2,638**
Other current liabilities	**1,760**	**1,750**
• Employee-related and social security liabilities	**485**	490
• Amounts due to government and local authoriities	**617**	616
• Other current payables	**658**	644
Overdrafts and short-term bank borrowings	**363**	**425**

11.1. CUSTOMER CONTRACT LIABILITIES

	31/12/2019	Movements during 2020			31/12/2020
		Translation adjustments	Changes in scope of consolidation & other movements	Movements arising from operating activities	
Advances and down-payments received on orders	694	(23)	(1)	31	**701**
Differences relating to percentage of completion on contracts	1,944	(26)	–	14	**1,932**
CUSTOMER CONTRACT LIABILITIES	**2,638**	**(49)**	**(1)**	**45**	**2,633**

11.2. OVERDRAFTS AND SHORT-TERM BANK BORROWINGS

	Euro	Pound sterling	Swiss franc	Other European currencies	Hong Kong dollar	Canadian dollar	Singapore dollar	US dollar	Australian dollar	Other currencies(1)	Total
Split by currency at 31/12/2020	**79**	**19**	**150**	**1**	**58**	**6**	**2**	**–**	**–**	**48**	**363**
Split by currency at 31/12/2019	93	29	150	2	68	24	1	3	–	55	**425**

(1) "Other currencies" mainly comprise the CFA franc: €22 million in 2020, €28 million in 2019.

NOTE 12. SALES

12.1. ANALYSIS OF SALES BY BUSINESS SEGMENT

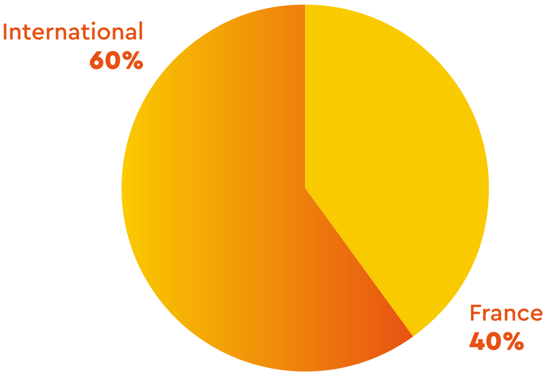
Sales by geographical area are allocated to the territory in which the sale is generated.

Business segment	FY 2020			Q4 2020		
	France	International	Total	France	International	Total
Building & Civil Works	3,603	4,892	8,495	1,143	1,267	2,410
Energies & Services	1,210	2,342	3,552	385	641	1,026
Sales	4,813	7,234	12,047	1,528	1,908	3,436

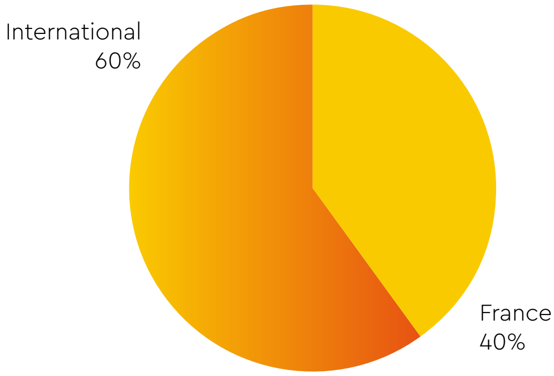
Business segment	FY 2019			Q4 2019		
	France	International	Total	France	International	Total
Building & Civil Works	4,036	5,573	9,609	1,090	1,392	2,482
Energies & Services	1,284	2,462	3,746	352	622	974
Sales	5,320	8,035	13,355	1,442	2,014	3,456
% change 2020 vs. 2019	-10%	-10%	-10%	–	–	–

There were no material exchanges of goods or services in the years ended 31 December 2020 and 2019, and there is no material revenue that is contingent on a performance obligation that pre-dates the reporting period.

BY GEOGRAPHICAL AREA

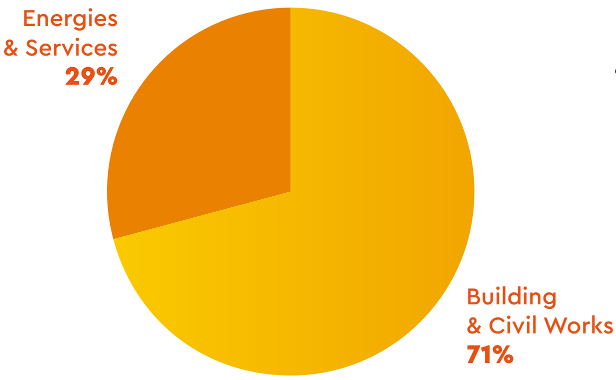


2020 sales

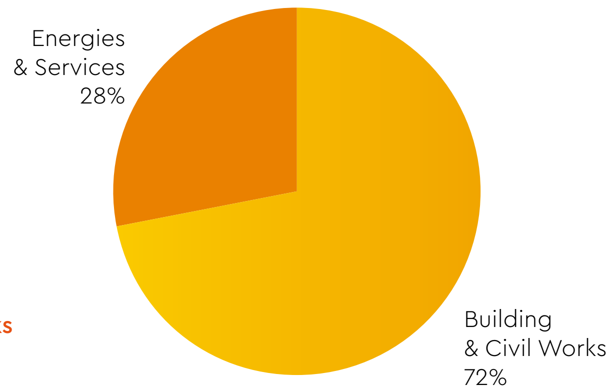


2019 sales

BY BUSINESS SEGMENT



2020 sales



2019 sales

12.2. ANALYSIS OF SALES BY GEOGRAPHICAL AREA

	2020 sales		2019 sales	
	Total	%	Total	%
France	**4,813**	**40.0%**	5,320	39.8%
European Union (27 members)	**720**	**5.9%**	747	5.6%
Rest of Europe	**3,155**	**26.2%**	3,192	23.9%
Africa	**422**	**3.5%**	474	3.5%
Middle East	**70**	**0.6%**	125	0.9%
Americas	**722**	**6.0%**	896	6.7%
Asia/Pacific/Oceania	**2,145**	**17.8%**	2,601	19.5%
Total	**12,047**	**100.0%**	**13,355**	**100.0%**

Following the withdrawal of the UK from the European Union in 2020, UK sales for 2019 have been reclassified to "Rest of Europe".

The UK accounted for 49% of 2020 sales in the "Rest of Europe" region. These operations are carried out locally within the UK, and have no material exposure to uncertainties relating to imports and exports.

12.3. ANALYSIS OF SALES BY TYPE OF CONTRACT

%	2020			2019		
	France	International	Total	France	International	Total
Public-sector contracts[1]	**43%**	**34%**	**38%**	40%	33%	36%
Private-sector contracts	**57%**	**66%**	**62%**	60%	67%	64%

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

12.4. ORDER BACKLOG

	31/12/2019	Movements during 2020				31/12/2020
		Translation adjustments	Changes in scope of consolidation and other movements	Order intake	Sales recognised	
Total order backlog	**21,600**	**(120)**	**(172)**	**12,726**	**(12,047)**	**21,987**
maturing within less than 1 year	10,049	–	–	–	–	**9,748**
maturing within 1 to 5 years	9,330	–	–	–	–	**9,553**
maturing after more than 5 years	2,221	–	–	–	–	**2,686**

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

	2020	2019
Current operating profit	**171**	**378**
Other operating income	**41**	–
Other operating expenses	**(5)**	(23)
Operating profit	**207**	**355**

Current operating profit for 2020 includes lease expense of €242 million relating to payments on leases exempt from IFRS 16 (see Note 2.4.2.1). The non-lease (service) component is recognised in "External charges".

Other operating income and expenses for 2020 include €41 million of compensation received from Alpiq by Bouygues Construction (see Note 1.1) net of costs, partly offset by €5 million of costs relating to the cyberattack net of insurance payouts received.

13.2. EBITDA AFTER LEASES

	2020	2019
Current operating profit	**171**	**378**
Interest expense on lease obligations	**(10)**	(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	**(218)**	(184)
• Charges to provisions and impairment losses, net of reversals due to utilisation	**(244)**	(271)
Elimination of items included in "Other income from operations":		
• Reversals of unutilised provisions and impairment and other items	**199**	231
EBITDA after Leases	**424**	**591**

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

14.1. ANALYSIS OF INCOME FROM NET SURPLUS CASH

	31/12/2020	31/12/2019
Cost of debt	**(10)**	**(13)**
• Interest expense on debt	**(10)**	(13)
• Impact of financial instruments on debt	**–**	–
Income from cash and cash equivalents	**23**	**33**
• Net interest income from cash and cash equivalents	**23**	33
• Impact of financial instruments on cash and cash equivalents	**–**	–
Income from net surplus cash	**13**	**20**

14.2. ANALYSIS OF OTHER FINANCIAL INCOME AND EXPENSES

	31/12/2020	31/12/2019
Dividends from non-consolidated entities	**3**	7
Net decrease/(increase) in financial provisions	**10**	(5)
Net discounting expense	**–**	–
Change in fair value of other financial assets and liabilities	**–**	7
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	**(4)**	2
Total other financial income and expenses	**9**	**11**

NOTE 15. INCOME TAXES

15.1. ANALYSIS OF INCOME TAX EXPENSE

	31/12/2020			31/12/2019		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	**(43)**	**(54)**	**(97)**	(24)	(85)	(109)
Change in deferred tax liabilities[1]	**(4)**	**(1)**	**(5)**	(3)	4	1
Change in deferred tax assets[1]	**2**	**2**	**4**	(13)	(3)	(16)
Taxes on dividends	**–**	**(5)**	**(5)**	–	(4)	(4)
Total	**(45)**	**(58)**	**(103)**	**(40)**	**(88)**	**(128)**

	2020	2019
(1) deferred tax arising from temporary differences	14	(23)
deferred tax arising from tax losses	(10)	12
deferred tax arising from tax losses	(5)	(4)

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:

	2020	2019
Net profit	**154**	**326**
Eliminations		
Income tax expense	**103**	128
Net (profit)/loss from discontinued operations	**–**	–
Share of net (profits)/losses of joint ventures and associates	**(38)**	(79)
NET PRE-TAX PROFIT FROM CONTINUING OPERATIONS EXCLUDING JOINT VENTURES AND ASSOCIATES	**219**	**375**
Standard tax rate in France	**32.02%**	34.43%
Differences in tax rates between France and other countries	**(19.16%)**	(16.05%)
Effect of non-recognition of tax loss carry-forwards and other temporary differences: created/(utilised)	**28.00%**	13.75%
Effect of permanent differences	**1.71%**	2.55%
Flat-rate and reduced-rate taxes	**3.85%**	(2.16%)
Differential tax rates applied to gains on disposals	**(0.14%)**	1.06%
Taxes on dividends	**2.27%**	0.92%
Other items	**(1.37%)**	(0.49%)
EFFECTIVE TAX RATE	**47.19%**	**34.01%**

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

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 during the year (excluding the average number of ordinary shares bought and held as treasury shares), i.e. 1,706,230 shares.

	2020	2019
Net profit from continuing operations attributable to the Group	**€152m**	€325m
Weighted average number of shares outstanding	**1,706,230**	1,706,230
Basic earnings per share from continuing operations (in euros)	**89.04**	**190.24**

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.

	2020	2019
Net profit from continuing operations attributable to the Group	**€152m**	€325m
Weighted average number of shares outstanding used to calculate diluted earnings per share from continuing operations	**1,706,230**	1,706,230
Diluted earnings per share from continuing operations (in euros)	**89.04**	**190.24**

NOTE 17. SEGMENT INFORMATION

17.1. ANALYSIS BY BUSINESS SEGMENT – YEAR ENDED 31 DECEMBER 2020

	Building & Civil Works	Energies & Services	Total
INCOME STATEMENT			**31/12/2020**
Construction	8,614	–	**8,614**
Energies & Services	–	3,604	**3,604**
Total sales	**8,614**	**3,604**	**12,218**
Inter-segment sales	(119)	(52)	**(171)**
Third-party sales	**8,495**	**3,552**	**12,047**
Current operating profit/(loss)	**136**	**35**	**171**
Other operating income	(4)	45	**41**
Other operating expenses	(4)	(1)	**(5)**
Operating profit/(loss)	**128**	**79**	**207**
Income from net surplus cash/(Cost of net debt)	13		**13**
Interest expense on lease obligations	(6)	(4)	**(10)**
Income tax expense	(94)	(9)	**(103)**
Share of profits/(losses) of joint ventures and associates	(9)	47	**38**
Net profit/(loss) from continuing operations	**45**	**109**	**154**
Net profit/(loss) from discontinued operations	–	–	**–**
Net profit/(loss)	**45**	**109**	**154**
Net profit/(loss) attributable to the Group	**43**	**109**	**152**
EBITDA after Leases			
Current operating profit/(loss)	**136**	**35**	**171**
Interest expense on lease obligations	(6)	(4)	**(10)**
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	195	23	**218**
• Charges to provisions and impairment losses, net of reversals due to utilisation	247	(3)	**244**
Elimination of items included in other income from operations:			
• Reversals of unutilised provisions and impairment and other items	(156)	(43)	**(199)**
EBITDA after Leases	**416**	**8**	**424**
BALANCE SHEET			
Investments in joint ventures and associates	22	71	**93**
Non-current provisions	650	185	**835**
Current provisions	633	136	**769**
Cash and cash equivalents	3,825	757	**4,582**
Non-current debt	808	257	**1,065**
Current debt	6	5	**11**
Overdrafts and short-term bank borrowings	323	40	**363**
Financial instruments – Hedging of debt (assets/liabilities)	–	–	**–**
Net surplus cash/(net debt)	**2,688**	**455**	**3,143**
OTHER FINANCIAL INDICATORS			
Cash flow after income from net surplus cash, interest expense on lease obligations and income taxes paid (I)	236	119	**355**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(108)	(6)	**(114)**
Repayment of lease obligations (III)	(71)	(29)	**(100)**
Free cash flow (I) + (II) + (III)	**57**	**84**	**141**
Changes in working capital related to operating activities (including current impairment and provisions)	**156**	**96**	**252**

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

	Building & Civil Works	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**
Other operating income	–	–	**–**
Other operating expenses	(18)	(5)	**(23)**
Operating profit/(loss)	**279**	**76**	**355**
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 operations	–	–	**–**
Net profit/(loss)	**271**	**55**	**326**
Net profit/(loss) attributable to the Group	**270**	**55**	**325**
EBITDA after Leases			
Current operating profit/(loss)	**297**	**81**	**378**
Interest expense on lease obligations	(7)	(4)	**(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	154	30	**184**
• Charges to provisions and impairment losses, net of reversals due to utilisation	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**
Acquisitions of property, plant & equipment and intangible assets, net of disposals (II)	(191)	2	**(189)**
Repayment of lease obligations (III)	(67)	(31)	**(98)**
Free cash flow (I) + (II) + (III)	**114**	**90**	**204**
Changes in working capital related to operating activities (including current impairment and provisions)	**(161)**	**15**	**(146)**

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

	Building & Civil Works	Energies & Services	Total 31/12/2020	Total 31/12/2019
Forward purchases	436	7	**443**	464
Forward sales	293	35	**328**	460
Currency swaps	12	10	**22**	20
Interest rate swaps	–	–	**–**	–
Interest rate options (caps, floors)	–	–	**–**	–
Commodities derivatives	–	–	**–**	–
Total	**741**	**52**	**793**	**944**

18.1.2. ANALYSIS BY MATURITY AND ORIGINAL CURRENCY

	Maturity			Total	EUR	AUD	HRK	USD	CHF	GBP	HKD	SGD	Other
	< 1 year	1 to 5 years	> 5 years										
Forward purchases	289	154	–	**443**	60	155	137	23	9	8	7	27	17
Forward sales	300	28	–	**328**	8	21	5	74	85	81	22	2	30
Currency swaps	21	1	–	**22**	4	–	–	14	–	3			1
Interest rate swaps	–	–	–	**–**	–	–	–	–	–	–	–	–	–
Interest rate options (caps, floors)	–	–	–	**–**	–	–	–	–	–	–	–	–	–
Commodities derivatives	–	–	–	**–**	–	–	–	–	–	–	–	–	–
Total	**610**	**183**	**–**	**793**	**72**	**176**	**142**	**111**	**94**	**92**	**29**	**29**	**48**

18.2. MARKET VALUE OF HEDGING INSTRUMENTS

Derivatives recognised as assets	Original currency						Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	AUD	USD	GBP	CHF	Autres				
Forward purchases	1	8	–	–	–	–	**9**	–	9	–
Forward sales	–	–	3	1	–	–	**4**	–	4	–
Currency swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	**–**	–	–	–
Commodities derivatives	–	1	–	–	–	–	**1**	–	1	–
Total – assets	**1**	**9**	**3**	**1**	**–**	**–**	**14**	**–**	**14**	**–**

Derivatives recognised as liabilities	Original currency						Total	Fair value hedge	Cash flow hedge	Hedge of net investment in a foreign operation
	EUR	AUD	USD	GBP	CHF	Other				
Forward purchases	(2)	–	(2)	–	–	(2)	**(6)**	–	(6)	–
Forward sales	–	–	–	–	–	–	**–**	–	–	–
Currency swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate swaps	–	–	–	–	–	–	**–**	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	**–**	–	–	–
Commodities derivatives	–	(1)	–	–	–	–	**(1)**	–	(1)	–
Total – liabilities	**(2)**	**(1)**	**(2)**	**–**	**–**	(2)	**(7)**	**–**	**(7)**	**–**
Total net	**(1)**	**8**	**1**	**1**	**–**	**(2)**	**7**	**–**	**7**	**–**

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a positive market value of €7.1 million; in the event of a -1.00% movement, it would have a positive market value of €7.2 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 positive market value of €7.3 million; in the event of a -1.00% movement, it would have a positive market value of €6.9 million.

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

NOTE 19. OFF BALANCE SHEET COMMITMENTS AT 31 DECEMBER 2020

19.1. GUARANTEE COMMITMENTS

	31/12/2020	Less than 1 year	1 to 5 years	More than 5 years
• Pledges, mortgages and collateral	**4**	3	–	1
• Guarantees and endorsements given[1]	**83**	4	23	56
Total guarantee commitments given	**87**	**7**	**23**	**57**
• Guarantees and endorsements received	**–**	–	–	–
Total guarantee commitments received	**–**	**–**	**–**	**–**
Net balance	**87**	**7**	**23**	**57**

(1) In connection with its ordinary activities, the 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.

NOTE 20. AVERAGE HEADCOUNT AND EMPLOYEE BENEFIT OBLIGATIONS

20.1. AVERAGE HEADCOUNT

	2020	2019
Managerial staff	**9,815**	9,695
Technical, supervisory & clerical staff	**6,279**	6,095
Site workers	**5,614**	5,778
SUB-TOTAL – HEADCOUNT FRANCE	**21,708**	21,568
Expatriate staff and local employment contracts	**37,324**	36,740
Total average headcount	**59,032**	**58,308**

20.2. EMPLOYEE BENEFIT OBLIGATIONS

20.2.1. EMPLOYEE BENEFIT OBLIGATIONS

	31/12/2019	Movements during 2020	31/12/2020
Lump-sum retirement benefits	206	9	**215**
Long-service awards	32	–	**32**
Other post-employment benefits (pensions)	119	(40)	**79**
Total	**357**	**(31)**	**326**

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

	2020	2019
Amount recognised as an expense	**186**	164

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	
	2020	2019	**2020**	2019	**2020**	2019
Present value of obligation	**215**	206	**1,039**	1,093	**1,254**	1,299
Fair value of plan assets (dedicated funds)	**–**	–	**(1,006)**	(977)	**(1,006)**	(977)
Asset ceiling	**–**	–	**43**	3	**43**	3
Net liability recognised	**215**	206	**76**	119	**291**	325
of which: deficit recognised as a provision	**215**	206	**79**	119	**294**	325
of which: overfunded plans recognised as an asset	**–**	–	**(3)**	–	**(3)**	–
Ratio of plan assets to present value of obligation	**–**	–	**97%**	89%	**–**	–

The table below shows the split of the fair value of plan assets by investment category:

	2020		2019	
Equity instruments	**338**	**33%**	281	29%
Debt instruments	**349**	**35%**	347	36%
Property	**170**	**17%**	160	16%
Investment funds	**18**	**2%**	18	2%
Cash	**16**	**2%**	33	3%
Other items	**115**	**11%**	138	14%
Total	**1,006**	**100%**	**977**	**100%**

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

	Lump-sum retirement benefits		Pensions	
	2020	2019	**2020**	2019
Start of period	**206**	186	**119**	79
Current and past service cost	**12**	11	**23**	32
Interest cost	**1**	3	**1**	2
Total expense recognised	**13**	14	**24**	34
Reversals of provisions (benefits and contributions paid)	**(18)**	(14)	**(35)**	(41)
Translation adjustments	**–**	–	**–**	1
Changes in scope of consolidation	**–**	–	**–**	28[a]
Actuarial gains and losses recognised in equity	**14**[b]	20	**(35)**[b]	18
Transfers and other movements	**–**	–	**3**	–
End of period	**215**	206	**76**	119
of which: deficit recognised as a provision	**215**	206	**79**	119
of which: overfunded plans recognised as an asset	**–**	–	**(3)**	–

(a) Mainly relates to the commitments of Alpiq Engineering Services.
(b) Includes the following amounts reported in the statement of recognised income and expense:
a €22 million reduction in the provision due to actuarial gains, after taking account of a €37 million increase relating to the asset ceiling (IFRIC 14);
a €1 million increase in the provision relating to the share of non-reclassifiable income and expenses of joint ventures and associates.

Actuarial gains and losses comprise the following:

	Lump-sum retirement benefits		Pensions	
	2020	2019	**2020**	2019
Analysis of actuarial gains and losses recognised in equity				
Effect of changes in demographic assumptions	**(11)**	(11)	**(91)**	(1)
Effect of changes in financial assumptions	**7**	15	**38**	61
Effect of experience adjustments	**18**	16	**13**	22
Return on plan assets (excluding financial income)	**–**	–	**(32)**	(58)
Effect of asset ceiling	**–**	–	**37**	(6)
Total	**14**	20	**(35)**	18

c. Analysis by geographical area at 31 December 2020

	France & overseas departments	European Union	Rest of Europe	Total
Non-current provisions (balance sheet):				
• lump-sum retirement benefits	215	–	–	**215**
• pensions	–	74	5	**79**
Provisions recognised as liabilities	**215**	**74**	**5**	**294**
Overfunded plans recognised as an asset	–	–	(3)	**–**
Total	**215**	**74**	**2**	**294**

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

	2020	2019
Discount rate:		
Lump-sum retirement benefits	**0.60%** **(iboxx € corporate A10+)**	0.92% (iboxx € corporate A10+)
Pensions	**0.15% to 6.00%**	0.20% to 6.00%
Salary inflation rate:		
Lump-sum retirement benefits	**1.2% to 3.80%**	0.9% to 3.50%
Pensions	**0% to 2.95%**	0% to 3.20%

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

The table below shows the impact on the provision of an additional increase or decrease in discount rates in France and outside France:

	Assumption	Increase	Decrease
Lump-sum retirement benefits (France)	50 basis points	(12)	13
Pensions (outside France)	20 basis points	(3)	3

Those impacts would also be recognised in the consolidated statement of recognised income and expense.

NOTE 21. RELATED PARTY DISCLOSURES

Transactions with related parties mainly comprise:

- remuneration and benefits awarded to directors and senior executives;
- commercial and financial transactions with Bouygues group companies, or with companies over which Bouygues Construction exercises joint control or significant influence.

Identity of related parties:

- Parties with an ownership interest: Bouygues SA, and other companies owned by Bouygues SA.
- Joint operations: primarily construction project companies.
- Joint ventures and associates.
- Other related parties: mainly transactions with non-consolidated companies in which Bouygues Construction has an interest.

21.1. RELATED PARTY INFORMATION

	Expenses		Income		Receivables		Payables	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019
Parties with an ownership interest	**(128)**	(171)	**113**	158	**3,718**(1)	3,569	**1,313**	1,363
Joint operations	**(119)**	(46)	**225**	115	**239**	233	**389**	292
Joint ventures and associates	**(46)**	(37)	**102**	101	**49**	57	**38**	43
Other related parties	**(4)**	(2)	**61**	57	**51**	49	**29**	35
Total	**(297)**	**(256)**	**501**	**431**	**4,057**	**3,908**	**1,769**	**1,733**
Due within less than 1 year	**-**	-	**-**	-	**3,997**	3,843	**732**	678
Due within 1 to 5 years	**-**	-	**-**	-	**23**	40	**1,037**	1,055
Due after more than 5 years	**-**	-	**-**	-	**37**	25	**-**	-
of which impairment of receivables	**-**	-	**-**	-	**57**	65	**-**	-

(1) Includes Bouygues Relais €2,051 million, Uniservice €1,632 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 AWARDED TO DIRECTORS AND SENIOR EXECUTIVES

Disclosures about senior executives cover members of the General Management Committee, which had nine members in post on 31 December 2020.

Direct remuneration: amounted to €7,662 thousand, comprising €4,172 thousand of basic remuneration and €3,490 thousand of variable remuneration based on 2019 performance.

Short-term benefits: none.

Post-employment benefits: Members of the Group Management Committee belong to a top-up retirement scheme, management of which is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €299 thousand in 2020.

Long-term benefits: none.

Termination benefits: these amounted to €4,506 thousand as of 31 December 2020, including lump-sum retirement benefits.

Share-based payment: 244,500 stock options were awarded on 8 October 2020, at an exercise price of €30.53 each.

The earliest exercise date is 9 October 2022.

NOTE 22. ADDITIONAL CASH FLOW STATEMENT INFORMATION

22.1. CASH FLOWS OF ACQUIRED AND DIVESTED SUBSIDIARIES

There were no acquisitions or divestments of consolidated entities valued at more than €1 million in 2020.

Breakdown by business segment of net cash flows resulting from acquisitions and divestments of consolidated companies in 2019:

	Building & Civil Works	Energies & Services	Total Group 2019
Property, plant and equipment	–	–	**–**
Intangible assets	–	–	**–**
Goodwill	–	–	**–**
Non-current financial assets	(3)	(3)	**(6)**
Deferred tax assets	–	–	**–**
Cash and cash equivalents	–	8	**8**
Non-current and current debt	–	–	**–**
Non-current and current lease obligations	–	–	**–**
Non-current provisions	11	(2)	**9**
Deferred tax liabilities	–	(1)	**(1)**
Overdrafts and short-term bank borrowings	–	–	**–**
Working capital needs	(1)	(7)	**(8)**
Net divestment proceeds/(acquisition cost)	**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**

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

	2020	2019
Assets		
Inventories	**9**	(1)
Advances and down-payments made on orders	**13**	35
Trade receivables	**150**	(39)
Customer contract assets	**54**	30
Other current receivables and current financial assets	**(90)**	(56)
Sub-total (1)	**136**	(31)
Liabilities		
Trade payables	**(47)**	(53)
Customer contract liabilities	**45**	(112)
Current provisions	**45**	122
Other current payables and current financial liabilities	**73**	(72)
Sub-total (2)	**116**	(115)
Changes in working capital needs related to operating activities	**252**	(146)

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

NOTE 23. 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 2020 (in € '000).

	Mazars network			Ernst & Young network			Other firms			Total fee expense	
	2020	%	2019	2020	%	2019	2020	%	2019	2020	2019
A. Audit											
Audit of consolidated and individual company financial statements	**2,360**	97%	2,308	**4,273**	95%	4,580	**135**	4%	263	**6,768**	7,151
Related engagements	**31**	1%	182	**14**	–	118	**1,365**	35%	1,001	**1,410**	1,301
SUB-TOTAL	**2,391**	98%	2,490	**4,287**	95%	4,698	**1,500**	39%	1,264	**8,178**	8,452
B. Other services											
Legal, tax, employment law	**50**	2%	49	**201**	5%	194	**871**	22%	1,084	**1,122**	1,327
Other items	**–**	–	–	**–**	–	–	**1 523**	39%	47	**1,523**	47
SUB-TOTAL	**50**	2%	49	**201**	5%	194	**2,394**	61%	1,131	**2,645**	1,374
Total fee expense	**2,441**	100%	2,539	**4,488**	100%	4,892	**3,894**	100%	2,395	**10,823**	9,826

NOTE 24. LIST OF PRINCIPAL CONSOLIDATED ENTITIES AT 31 DECEMBER 2020

			% interest		% control	
Company	**City**	**Country**	**2020**	**2019**	**2020**	**2019**
FULLY CONSOLIDATED						
1 – Bouygues Construction						
Bouygues Construction	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	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Challenger SNC	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Construction Matériel 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 It	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 Île-de-France	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
Bouygues Construction Central Europe	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Batiment Île-de-France PPP	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Brezillon	Margny-lès-Compiègne	France	**99.35%**	99.35%	**99.36%**	99.36%
Elan SARL	Guyancourt	France	**99.99%**	99.99%	**99.99%**	99.99%
Linkcity Île-de-France	Guyancourt	France	**99.99%**	99.99%	**99.99%**	99.99%
Linkcity Centre Sud-Ouest	Lormont	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	Lyon	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	Lormont	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Sud-Est	Lyon	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	Villeneuve d'Ascq	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Acieroid	Barcelona	Spain	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Belgium	Brussels	Belgium	**100.00%**	100.00%	**100.00%**	100.00%
Karmar	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
Linkcity Poland	Warsaw	Poland	**100.00%**	100.00%	**100.00%**	100.00%
Losinger Marazzi AG	Bern	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Vces Holding SRO et ses filiales	Prague	Czech Republic	**100.00%**	100.00%	**100.00%**	100.00%
RJ Richelmi	Monaco	Monaco	**50.00%**	50.00%	**50.00%**	50.00%
3 – Bouygues Bâtiment International						
Bouygues Bâtiment International	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Americaribe LLC	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	Mariel	Cuba	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Bâtiment Guinée Équatoriale	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%

			% interest		% control	
Company	**City**	**Country**	**2020**	**2019**	**2020**	**2019**
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	Bangkok	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 LLC	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 et ses filiales	Northbridge, Nsw	Australia	**100.00%**	100.00%	**100.00%**	100.00%
Société d'études et de travaux pour l'Afrique de l'Ouest – Setao	Abidjan	Côte d'Ivoire	**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 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	Macao	China	**100.00%**	100.00%	**100.00%**	100.00%
5 – Bouygues Travaux Publics						
Bouygues TP	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
DTP	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 Régions France	Balma	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%
Civil & Building North America INC	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	Côte d'Ivoire	**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%		99.99%
Mining and Rehandling Services (MARS)	Bamako	Mali	**100.00%**	100.00%	**100.00%**	100.00%
Prader Losinger	Sion	Switzerland	**99.67%**	99.67%	**99.67%**	99.67%
Sociéte anonyme de Construction du Pont Riviera Marcory (SACPRM)	Abidjan	Côte d'Ivoire	**100.00%**	100.00%	**100.00%**	100.00%
Tongonaise des Mines (TOMI)	Korhogo	Côte d'Ivoire	**100.00%**	100.00%	**100.00%**	100.00%
Société Ivoirienne de Construction du Métro d'Abidjan (SICMA)	Abidjan	Côte d'Ivoire	**100.00%**	100.00%	**100.00%**	100.00%

			% interest		% control	
Company	**City**	**Country**	**2020**	**2019**	**2020**	**2019**
6 – VSL						
VSL International Ltd	Bern	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
FT Laboratories Limited	Hong Kong	China	**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	Madrid	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	United Arab Emirates	**99.00%**	99.00%	**100.00%**	100.00%
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	Bern	Switzerland	**100.00%**	99.88%	**100.00%**	99.88%
VSL Systems UK Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
VSL Systems Manufacturer (Spain)	Madrid	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 Energies & Services						
Bouygues Energies & Services SAS	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
FRANCE						
Bouygues E&S Fondations	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S FM France	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S SPV Management	Guyancourt	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	Carcarès-Sainte-Croix	France	**100.00%**	100.00%	**100.00%**	100.00%
Thiais Lumière	Guyancourt	France	**100.00%**	100.00%	**100.00%**	100.00%
OTHER COUNTRIES						
Byhome Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Infrastructure UK	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Solutions	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Contracting UK	Holytown	Scotland	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Côte d'Ivoire	Abidjan	Cote D'ivoire	**93.85%**	93.85%	**93.85%**	93.85%
Bouygues Energies and Services 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 Limited	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%
Gastier M.P. Inc and its subsidiaries	Montreal	Canada	**100.00%**	100.00%	**100.00%**	100.00%

			% interest		% control	
Company	**City**	**Country**	**2020**	**2019**	**2020**	**2019**
ICEL Group Limited and its subsidiaries	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues Energies & Services Schweiz	Zurich	Switzerland	**100.00%**	100.00%	**100.00%**	100.00%
Mindful Experience Inc	Toronto	Canada	**–**	100.00%	**–**	100.00%
Plan Group Inc and its subsidiaries	Vaughan	Canada	**100.00%**	100.00%	**100.00%**	100.00%
Byes Solar UK Limited	London	United Kingdom	**100.00%**	100.00%	**100.00%**	100.00%
Bouygues E&S Japan	Tokyo	Japan	**100.00%**	100.00%	**100.00%**	100.00%
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%
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	Olten	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	Yangon	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	Tangier	Morocco	**66.67%**	66.67%	**66.67%**	66.67%
TMBYS	Guyancourt	France	**66.67%**	66.67%	**66.67%**	66.67%
Oc'via Maintenance	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	Réunion	**33.00%**	33.00%	**33.00%**	33.00%
GIE Viaduc du Littoral	Le Port	Réunion	**33.00%**	33.00%	**33.00%**	33.00%
KAS 1 Limited	Saint-Helier	Jersey	**49.90%**	49.90%	**49.90%**	49.90%
4 – Bouygues Energies & Services						
Themis FM	Boulogne-Billancourt	France	**50.00%**	50.00%	**50.00%**	50.00%
Evesa	Paris	France	**33.00%**	33.00%	**33.00%**	33.00%
JOINT VENTURES AND ASSOCIATES						
1 – Bouygues Construction						
Consortium Stade de France	Saint-Denis	France	**33.33%**	33.33%	**33.33%**	33.33%
2 – Bouygues Bâtiment International						
ANFA3B2I	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%
4 – Bouygues Travaux Publics						
Bina Istra	Zagreb	Croatia	**16.00%**	16.00%	**16.00%**	16.00%
Bina Fincom	Zagreb	Croatia	**50.70%**	50.70%	**50.70%**	50.70%
2 – VSL						
GPN2	Reuil-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 Energies & Services						
Axione	Malakoff	France	**51.00%**	51.00%	**51.00%**	51.00%
Betron/Plan Group Inc.	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 2020

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 2020.

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 2020, 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 contained in the French Commercial Code and in the code of ethics of the auditing profession during the period from 1 January 2020 to the date of issuance of this report.

JUSTIFICATION OF OUR ASSESSMENTS

The global crisis caused by the Covid-19 pandemic created challenging conditions for the preparation and audit of this year's financial statements. The crisis – and the unprecedented public health measures taken in response – had multiple consequences for businesses, especially on their operations and finances, and also created increased uncertainty about their future prospects. Some of those measures, such as travel restrictions and teleworking, also had an impact on internal organisation within companies and on the arrangements for conducting audits.

It is in this complex and evolving context that, pursuant to Articles L. 823-9 and R. 823-7 of the French 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, 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

As required by law and regulations we also carried out, in accordance with professional standards applicable in France, the specific verifications relating to information about the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and 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 French 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, and 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 within the group to express an opinion on the consolidated financial statements. The auditor 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, 31 mars 2021

The Statutory Auditors

Mazars

Gilles Rainaut

ERNST & YOUNG Audit

Nicolas Pfeuty

Parent company financial statements

BOUYGUES CONSTRUCTION SA: BALANCE SHEET AT 31 DECEMBER 2020

Assets (€ million)	31/12/2020			31/12/2019
	Gross value	Amortisation, depreciation & impairment	Net	Net
Intangible assets	**75**	**70**	**5**	8
Property, plant and equipment	**41**	**24**	**17**	19
Long-term investments				
• Holdings in subsidiaries and affiliates	**1,376**	**45**	**1,330**	1,265
• Other	**493**	**0**	**493**	517
Sub-total	**1,868**	**46**	**1,823**	**1,782**
Non-current assets	**1,985**	**139**	**1,846**	1,809
Inventories and work in progress	**–**	**–**	**–**	–
Advances and down-payments made on orders	**0**	**–**	**0**	1
Trade receivables	**36**	**–**	**36**	30
Other receivables	**277**	**8**	**269**	300
Short-term investments	**–**	**–**	**–**	–
Cash	**2,121**		**2,121**	1,876
Current assets	**2,433**	**8**	**2,426**	2,207
Other assets	**120**	**–**	**120**	101
Total assets	**4,539**	**147**	**4,392**	4,116

LIABILITIES & SHAREHOLDERS' EQUITY (€ million)	31/12/2020	31/12/2019
Share capital	**128**	128
Share premium	**15**	15
Revaluation reserves	**–**	–
Other reserves	**13**	13
Retained earnings	**318**	333
Net profit/(loss) for the period	**215**	310
Investment grants	**–**	–
Restricted provisions	**–**	–
Shareholders' equity	**688**	798
Other forms of equity	**–**	–
Provisions	**9**	16
Debt	**1,234**	1,246
Advances and down-payments received on orders	**–**	–
Trade payables	**55**	39
Other payables	**130**	95
Non-financial liabilities	**185**	133
Overdrafts and short-term bank borrowings	**2,205**	1,869
Accruals and deferred income	**72**	53
Total liabilities & shareholders' equity	**4,392**	4,116

BOUYGUES CONSTRUCTION SA: INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

(€ million)	31/12/2020	31/12/2019
Sales	**198**	205
Other operating revenue	**2**	1
Purchases and changes in inventory	**–**	–
Taxes other than income tax	**(4)**	(5)
Personnel costs	**(76)**	(77)
Other operating expenses	**(129)**	(131)
Depreciation, amortisation, impairment & provisions, net	**–**	(14)
Profits/(losses) from shared operations	**4**	3
Operating profit/(loss)	**(5)**	(17)
Financial income and expenses	**221**	323
Pre-tax profit/(loss) on ordinary activities	**215**	306
Exceptional items	**–**	–
Employee profit-sharing	**–**	–
Income tax expense	**–**	4
Net profit for the year	**215**	310

BOUYGUES CONSTRUCTION SA: YEAR ENDED 31 DECEMBER 2020 CASH FLOW STATEMENT

(€ million)	31/12/2020	31/12/2019
A – OPERATING ACTIVITIES		
Operating cash flow		
Net profit/(loss) for the period	**215**	310
Depreciation and amortisation	**6**	6
Net change in impairment and provisions[1]	**(4)**	8
Net gains on asset disposals and other items[2]	**–**	–
Sub-total	**218**	**324**
Change in working capital needs		
Current assets, other assets, accruals and deferred income	**5**	10
Net advances and down-payments received, non-financial liabilities & other items	**71**	22
Net cash generated by/(used in) operating activities	**294**	356
B – INVESTING ACTIVITIES		
Increases in non-current assets:		
Acquisitions of intangible assets and property, plant & equipment	**(3)**	(10)
Acquisitions of holdings in subsidiaries and affiliates	**(69)**	(150)
Sub-total	**(71)**	**(160)**
Disposals of non-current assets:		
Disposals of intangible assets and property, plant & equipment	**–**	–
Disposals of holdings in subsidiaries and affiliates	**–**	–
Other financial investments, net	**3**	(16)
Amounts receivable in respect of non-current assets, net	**(1)**	2
Net cash generated by/(used in) investing activities	**(70)**	(174)
C – FINANCING ACTIVITIES		
Increase in shareholders' equity	**–**	–
Dividends paid during the year	**(325)**	(219)
Change in net debt	**9**	13
Net cash generated by/(used in) financing activities	**(316)**	(206)
Change in net cash position (A + B + C)	**(92)**	(24)
Net cash position at 1 January[3]	**7**	31
Net cash flows during the year, excluding inter-account transfers	**(92)**	(24)
Impact of inter-aaccount transfers	**–**	–
Net cash position at end of period[3]	**(84)**	7

(1) (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 2020

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%)	–	–	–	**1,343**	**1,324**
DTP	10	1	100.00%	24	24
Bouygues Bâtiment International	25	163	100.00%	85	85
Bouygues Bâtiment Île-de-France	13	36	99.70%	103	103
Bouygues Travaux Publics	291	(44)	98.88%	343	343
BYES(5)	51	60	100.00%	158	158
Bouygues Bâtiment Nord-Est	25	19	100.00%	35	35
Bouygues Bâtiment Centre Sud-Ouest	7	13	100.00%	11	11
Bouygues Bâtiment Sud-Est	3	36	100.00%	6	6
Fichallenge	2	(7)	100.00%	2	-
Challenger	0	-	99.99%	15	15
Bouygues Bâtiment Grand Ouest	2	47	100.00%	4	4
Bouygues Bâtiment Central Europe	0	20	100.00%	25	25
VSL (Switzerland)	2	4	100.00%	32	32
Losinger Holding (Switzerland)	15	12	99.96%	22	22
Dragages Hong Kong (Hong Kong)	50	355	100.00%	6	6
Acieroid (Spain)	1	1	93.81%	18	1
BYES Intec Ag (Switzerland)	30	67	100.00%	352	352
Kraftanlagen (Germany)	25	(2)	100.00%	99	99
Detailed information: affiliates (interest held: 10%-50%)	–	–	–	–	–
B. AGGREGATE INFORMATION FOR SUBSIDIARIES AND AFFILIATES NOT INCLUDED IN A.					
Total	–	–	–	**33**	**6**
French subsidiaries (aggregate)	–	–	–	2	1
Foreign subsidiaries (aggregate)(3)	–	–	–	–	–
French affiliates	–	–	–	30	5
Foreign affiliates	–	–	–	–	–
Grand total	–	–	–	**1,376**	**1,330**

(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.
(5) Reserves and net profit on consolidated basis excluding minority interests; sales on consolidated basis.

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
741	**37**	**–**	**–**	**–**	
–	–	2	4		
118	5	806	21	70	
–	–	1,314	11	11	
84	2	1,375	(94)	–	
262	9	2,354	47	–	
–	–	298	9	–	
–	–	170	3	1	
–	–	311	5	3	
–	–	–	1	–	
–	–	19	4	–	
–	–	381	9	4	
34	–	–	1		
82	–	34	(1)	6	
–	–	–	46	59	1 CHF = 0.925754
53	–	85	73	56	1 HKD = 0.105106
–	–	25	–	–	
109	–	–	7	8	1 CHF = 0.925754
–	21	192	(11)	–	
–	**–**	**–**	**–**	**–**	
13	**–**	**–**	**–**	**2**	
10	–	–	–	1	
–	–	–	–	1	
2	–	–	–	–	
–	–	–	–	–	
754	**–**	**–**	**–**	**–**	

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