50,000 EMPLOYEES
€12.0BN SALES OF WHICH 52% ABROAD
€19.3BN ORDER BOOK
2.9% CURRENT OPERATING MARGIN
€276M NET PROFIT ATT. TO THE GROUP
€3.3BN NET SURPLUS CASH

2015 Financial Report

BOUYGUES CONSTRUCTION

Shaping a **Better Life**

Shaping a **Better Life**

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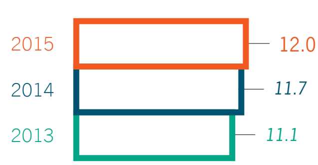
Key figures

In 2015, Bouygues Construction maintained a solid performance despite tough market conditions.

€12.0bn

Sales (+2%)
of which 52% abroad



€19.3bn

Order book (+7%)

50,000

Employees

€276m

Net profit attributable to the Group (+9%)

2.9%

Current operating margin

Significant events

Major contract gains

- NorthConnex motorway link (Australia)
- Sewage tunnels in Qatar
- Proton beam therapy centre, London (United Kingdom)
- LimmiViva hospital (Switzerland)

Projects handed over

- French Ministry of Defence in Paris
- Paris Philharmonic concert hall
- Sports facilities in Toronto (Canada)
- Eikenøtt eco-neighbourhood in Gland (Switzerland)

Projects under construction

- Nîmes-Montpellier railway bypass
- Tuen Mun-Chek Lap Kok tunnel in Hong Kong
- Miami Brickell City Centre
- Hong Kong-Zhuhai-Macao bridge
- Paris law courts complex

Sustainable construction

48% of the R&D budget is devoted to sustainable construction

Management report

Bouygues Construction is a global player in construction and services. Its skills and expertise make the company a leader in sustainable construction. With operations in nearly 80 countries, Bouygues Construction and its 50,000 employees develop long-term relationships with customers in order to help them shape a better life.

Growth strategy and opportunities

Being attentive to customers enables Bouygues Construction to develop relationships of trust with them and to support them in their projects, within the context of its sustainable development policy.

Bouygues Construction's strategy is based on a number of priorities:

- **being an end-to-end player** in order to span the entire construction industry value chain from financing through design-build to operation and maintenance;
- **incorporating sustainable construction** into the entire project lifecycle, taking account of all the technical, environmental and social issues;
- **offering distinctive, high value-added products and services,** giving priority to innovation in all its forms. BIM (building information modelling), for example, offers customers a 3D view of their future project, providing effective decision support;
- **consolidating its positions in France,** which remains the company's largest market, while developing international operations by strengthening synergies between business segments on target markets that offer attractive growth prospects;
- **strengthening its property development activities,** drawing on its specific network, Linkcity [1], to offer optimum solutions for enhancing the value of property assets;
- **forging strategic partnerships** with businesses which possess complementary expertise in order to devise comprehensive solutions in response to increasingly complex challenges;
- **rolling out specific products and services for industrial customers** in order to better meet their needs for energy efficiency and guaranteed performance;
- **promoting cross-disciplinarity at all levels of the business,** firstly by strengthening synergies between Bouygues Construction entities by pooling resources and skills.
  Cross-disciplinarity also involves partnerships with suppliers and subcontractors, and may involve taking equity interests in innovative start-ups through the Construction Venture investment fund launched in 2015.
  Lastly, Bouygues Construction aims to capitalise on cooperation between Bouygues group businesses to offer high value-added products and services. Its partnership with Bouygues Immobilier on eco-neighbourhoods is a perfect example.

To back up this strategy, Bouygues Construction can draw on:

- **a commitment to ethical behaviour by managers and sales teams** with the aim of guaranteeing customers a high level of ethical responsibility. Nearly 30,000 employees will again be made aware of ethical issues in business relationships in 2016 through an online training module called FairDeal;
- **a commitment to employee health and safety with a single global standard: the "zero accident" objective.** This aim is expressed in several initiatives, such as workforce training, continuous improvement of construction methods, communication campaigns, anti-addiction campaigns, road accident prevention, more stringent on-site controls, etc.

Strengths and assets

Bouygues Construction has many strengths to draw on in all its business activities.

- **Differentiation through innovation at all levels of the company:**
  - technical innovation, especially with BIM [2] (Building Information Modeling), to industrialise processes and operating methods while encouraging information-sharing in order to make site work more efficient;
  - commercial innovation in order to offer distinctive products and services;
  - managerial innovation, with continuous improvement of the organisation of work and collaborative working in order to become more responsive and more effective.
- **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. The two approaches are complementary and give the company the necessary flexibility to mobilise its resources quickly on high-potential markets. Bouygues Construction generates over half its sales on international markets.
- **Long experience of managing complex projects:** motivated people with high-level technical skills enable Bouygues Construction to fully meet the needs of public and private customers.
- **The capacity to adapt to changing markets:** the level of its order book gives the company good medium-term visibility, enabling it to adjust costs while focusing investment on the most buoyant markets.

(1) Since 1 January 2016, the new brand name for Bouygues Construction's property development subsidiaries.
(2) Dynamic digital modeling software which enables users to design, virtually construct and visualise the project and involve stakeholders collaboratively before the structure is built. It paves the way for more industrial construction methods.

- **A policy of controlling operating and financial risks:** strict application of procedures at all levels of the company guarantees that the right projects are selected and carried out smoothly.
- **Robust financial performance:** over the last ten years, Bouygues Construction has demonstrated its capacity to generate sales growth while preserving profitability, backed up by a healthy and robust financial situation.

Outlook for 2016

Despite a still-challenging economic environment in France, Bouygues Construction enjoys good visibility, backed up by:

- **orders at 31 December 2015 to be executed** in 2016 worth **€9.0 billion;**
- **sustained international activity,** especially in places less affected by the economic crisis, such as Hong Kong, Singapore, Canada, Switzerland, the United Kingdom and Australia, which are highly rated by the NGO Transparency International;
- **a long-term order book** (beyond five years) worth **€2.9 billion** at 31 December 2015;
- **a sound financial structure,** with a net cash position of **€3.3 billion;**
- **a lead in sustainable construction,** to which the company devotes much of its R&D budget.

In 2016, tight control over the execution of major projects, a selective approach to orders, satisfaction of customers' expectations and synergies between entities will continue to be central priorities for Bouygues Construction, together with preserving the health and safety of employees and project partners. Bouygues Construction will also take initiatives to promote ethical behaviour in all its subsidiaries.

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 Europe:** based on the 2014 ranking published by trade magazine *Le Moniteur* in December 2015, the Bouygues group's construction activity (Bouygues Construction, Bouygues Immobilier, Colas) is the third largest in Europe after the Spanish firm ACS (Hochtief, Germany's leading construction firm, has been a subsidiary of ACS since 2011) and Vinci's Contracting and Property Development division, and ahead of the Swedish contractor Skanska and the French contractor Eiffage.
- **In the world:** the Bouygues group's construction activity, comprising its three construction businesses, is placed seventh in the 2014 ENR ranking of international contractors published in August 2015, based on the share of sales generated on international markets.
- **In France:** in a building and civil works market worth about €200 billion according to a Euroconstruct estimate in December 2015, Bouygues Construction (excluding Bouygues Energies & Services) is one of the top three French contractors ahead of Eiffage Construction and behind Vinci Construction (2014 ranking published by *Le Moniteur* in December 2015). The market also includes many small and medium-sized firms. In energy and services, Bouygues Energies & Services is in sixth place after Cofely (GDF Suez), Vinci Energies, Dalkia, Spie and Eiffage Énergie (2014 ranking published by *Le Moniteur* in December 2015).

Sustained commercial activity and a robust financial structure

A high level of order intake: €11,971 million

Order intake in 2015 amounted to a high €11,971 million. It included 17 contracts worth more than €100 million each, of which 13 were on international markets.

Order intake in **France** amounted to €4,929 million. It included the second phase of office buildings in the western corner of the Balard site in Paris, phases 3 and 5 of the Nice tramway, the Sky 56 office building in Lyon, renovation of the Longchamp racecourse, a teaching block on the CentraleSupélec campus at Paris-Saclay, the renovation and extension of a wastewater pretreatment plant in Clichy, north of Paris, the rehabilitation of offices on the Boulevard de Grenelle in Paris and the construction of property complexes in the Batignolles district of Paris.

Order were 9% lower than in 2014 due to tough market conditions in France. Another factor was the number of major projects in the 2014 order intake, such as the property development programme for the Stade Vélodrome in Marseille, Lyon Saint-Exupéry airport and two buildings for the Strasbourg teaching hospitals. However, the order intake for buildings in the Paris region holds out good prospects for sales of new residential buildings and projects under the "Grand Paris" major infrastructure plan.

Order intake on **international** markets came to €7,042 million. Orders included NorthConnex, a major motorway link in Australia, two sewage tunnels in Qatar and projects to meet public and industrial needs for renewable energies (a solar farm in the Philippines, biomass waste-to-energy gasification plants in the United Kingdom). In Switzerland, business activity remained strong in the housing segment, demonstrated by an order for the L'Atelier complex in Geneva and several phases of Greencity, an eco-neighbourhood in Zurich with "2000 Watts"[2] certification. In the United Kingdom, there is still considerable demand for amenity buildings, such as a cutting-edge cancer treatment and surgery centre commissioned by the University College London Hospitals (UCLH) NHS Foundation Trust, and the University of Cambridge exam board headquarters.

Buildings with environmental certification accounted for 72% of the order intake, compared with 66% in 2014.

An increase in the order book giving long-term visibility (€19.3 billion)

The order book at end-2015 stood at a high €19.3 billion, up 7% on end-December 2014, with international markets accounting for 58%. Europe (excluding France) and the Asia-Pacific zone are the two most important international regions. Orders booked at end-2015 to be executed in 2016 amounted to €9.0 billion and orders to be executed beyond 2016 to €10.3 billion, giving good visibility for future activity.

Sales growth: €11,975 million (+2%)

Sales rose by 2% in 2015 to €11,975 million, with building and civil works accounting for 82% and energy and services for 18%.

Sales in France fell by 5% to €5,689 million, reflecting the slowdown on the French construction market, and represented 48% of total sales. Sales outside France rose sharply, up 9% at €6,286 million, driven by vigorous activity at Bouygues Construction and favourable exchange rate and scope effects (acquisition in Canada of Plan Group in August 2014 and of Gastier in July 2015).

Like-for-like and at constant exchange rates, sales fell by 6%.

Robust operating results

Current operating profit came to €349 million, up €14 million versus 2014. The current operating margin stood at 2.9%.

Financial income amounted to €26 million, down €10 million versus 2014. Net profit attributable to the Group came to €276 million, up 9% versus 2014.

A still very substantial net cash position: €3,272 million

Although conditions in France remained tough, Bouygues Construction improved its financial structure, with a net cash position of €3.3 billion at end-2015.

Developments in Bouygues Construction's markets and activities

The world continues to have very substantial construction needs, especially for urban rehabilitation and energy renovation, housing, transport, urban infrastructure, energy infrastructure and amenities.

In industrialised countries, Bouygues Construction draws on its expertise throughout the value chain to offer customers increasingly competitive solutions for complex major projects. Emerging countries are more dynamic due to factors such as high growth rates and sovereign wealth funds, and Bouygues Construction can rapidly mobilise its resources on these high-potential markets.

Leading the way in sustainable construction

Incorporating environmental factors into the design, construction, operation and maintenance of structures, together with the use of new renewable energies and energy renovation, are major challenges worldwide.

Bouygues Construction designs and constructs smart grids and self-sufficient buildings which use only renewable energy sources. It supports industrial firms in the production of renewable energies and offers customers innovative infrastructure such as connected eco-neighbourhoods, biomass power plants and solar farms. Bouygues Construction has played a pioneering role, carrying out the first renovations of modern commercial buildings with HQE® (High Environmental Quality) certification, of high-rise office buildings such as Tour First in La Défense, of Haussmann-era buildings with BBC-effinergie® low-energy certification and of buildings with BEAM Plus[3], BREEAM[4] and LEED[5] certification.

With its Réavenir initiative, Bouygues Construction also offers solutions for reducing energy consumption in buildings while improving living conditions for occupants. Réavenir is based on three commitments: to respect the environment and residents, to engage in dialogue to ensure active and participatory rehabilitation, and to guarantee performance.

The rapid spread of digital tools is another major development with an impact on the construction industry. Since late 2014, Bouygues Construction has supported digital transformation by rolling out BIM (Building Information Modeling)[6] in all its entities. The technology will help the company become more competitive and better manage increasingly complex projects.

Ethics and health and safety (especially the "zero accident" objective on worksites) are inseparable from Bouygues

(2) Energy consumption in Switzerland is currently 6,500 watts per capita (56,940 kWh per capita per year). This figure is to be reduced to 2,000 watts by 2100 (17,520 kWh per capita and per year), more than three times less than the current level.
(3) BEAM Plus: Building Environmental Assessment Method (Hong Kong certification scheme).
(4) BREEAM: Building Research Establishment Environmental Assessment Method (United Kingdom certification scheme).
(5) LEED: Leadership in Energy and Environmental Design (US certification scheme).
(6) Dynamic digital modeling software which enables users to design, virtually construct and visualise the project and involve stakeholders collaboratively before the structure is built. It paves the way for more industrial construction methods.

Construction's activity, giving rise to awareness-raising and training initiatives in subsidiaries.

Building and civil works

In 2015, sales in the building and civil works segment rose to €9,857 million, 2% lower than in 2014 (€10,049 million). Sales amounted to €4,613 million in France and €5,244 on international markets (77 countries at 30 September 2015).

France

Economic conditions in France remained generally tough. Capital spending in the public and private sector continued to be affected by pressure on government budgets and hesitation on the part of private and industrial investors. The non-residential building and civil works segments were particularly hard hit by the fall in public spending. However, political measures to revive the housing market taken in late 2014 had a beneficial effect and, according to a Euroconstruct forecast in December 2015, hold out the prospect of a recovery in new housing construction in 2016.

The construction market in the Paris region is sustained by substantial housing needs, the appeal of the capital and renovation projects to comply with the requirements of recent environmental legislation (the Grenelle Acts). Considerable potential for major infrastructure projects remains, especially within the framework of the "Grand Paris" major infrastructure programme.

In the rest of France, the building market remained under pressure, with projects tending to become smaller. Gaining large-scale projects continues to be a very long and very complex process.

2015 sales: €4,613 million (-6%)

In the Paris region, Bouygues Construction completed a number of major amenity projects such as the Paris Philharmonic concert hall, renovation of the AccorHotels Arena (formerly the Paris-Bercy sports complex) and the French Ministry of Defence, a public-private partnership project. Work is continuing on the Paris law courts complex and the City of Music in Boulogne-Billancourt.

Several commercial property projects were handed over, including the Eole office building on the Evergreen campus in Montrouge, home to Crédit Agricole's new corporate headquarters, the Bouygues Immobilier-designed Campus Sanofi Val de Bièvre in Gentilly and the renovated Tour Athéna in the La Défense business district of Paris. Commercial activity in the segment was marked by a number of office rehabilitation projects in Paris, in Rue des Archives, Rue Malakoff and Boulevard de Grenelle.

The construction and rehabilitation of social and private-sector housing held up well overall. In Paris, Bouygues Construction completed the transformation of the former Laennec Hospital (6th arrondissement of Paris) into offices and flats and handed over Nouvelle Vague, a complex including social housing and up-market apartments. The company started construction work on several packages of the Batignolles complex in Paris, comprising offices, social and private housing and shops.

Bouygues Construction once more reaped the reward of its expertise in managing complex projects, taking an order from France Galop for the renovation of the Longchamp racecourse. The project, designed by the architect Dominique Perrault, includes deconstruction of the former stands and the construction of a new 160-metre long grandstand.

Elsewhere in France, Bouygues Construction's four regional building subsidiaries were particularly active on the public-sector education and culture markets, with projects including the renovation of the University of Bordeaux campus, extension and rehabilitation of the fine arts museum of Nantes and the handover in 2015 of five secondary schools in the Loiret department of central France in the framework of public-private partnerships.

In the healthcare sector, Bouygues Construction continued to build the Belfort-Montbéliard hospital and two buildings for the Strasbourg teaching hospitals. Work started on a new hospital at Saint-Laurent-du-Maroni in French Guiana. In 2015, the company handed over the new hospital of Orléans and a new cancer unit at Nîmes teaching hospital.

In the private sector, Bouygues Construction took orders for the Sky 56 office building and handed over Tour Incity in the Lyon Part-Dieu business district.

Work continued on major projects such as Lyon-Saint Exupéry airport and the property development programme associated with the Stade Vélodrome in Marseille.

In civil works, Bouygues Construction has regional branches all over France that specialise in smaller-scale civil engineering projects and earthworks. A specialist subsidiary carries out complex major projects such as ongoing civil engineering works for the Flamanville EPR nuclear power plant, the viaduct on the new coastal road on Reunion Island, the Nîmes-Montpellier railway bypass, the L2 Marseille bypass and the second tunnel package of the Paris metro Line 14 extension project. New public-sector orders during the year included phases 3 and 5 of the Nice tramway and the renovation and extension of a wastewater pretreatment plant in Clichy, north of Paris.

Europe

The construction market in Europe has been showing signs of recovery since 2014, especially in Sweden, Ireland, the United Kingdom and some eastern European countries (Hungary, Poland and the Czech Republic).

In Western Europe, Bouygues Construction subsidiaries are particularly active in the United Kingdom, where the market is worth approximately €200 billion, and in Switzerland (approx. €55 billion). The United Kingdom construction market is benefitting from the country's return to growth. Local authorities are concentrating their spending on improving the energy efficiency of their housing stock. In Switzerland, although the construction sector slowed slightly, a stable economy, stable employment and continuing low interest rates mean that there are good opportunities to be grasped.

The new European investment plan, called the Juncker Plan, adopted on 24 June 2015, could have a beneficial effect on the construction market by providing funding for sectors such as transport networks, energy transition and energy efficiency.

2015 sales: €2,220 million (+5%)

Bouygues Construction's activity in the United Kingdom was underpinned by urban regeneration projects. The company continued work on the Canning Town project in London and took orders for projects to renovate Addlestone town centre in Surrey and the Gascoigne Estate in Barking, east London. The Manhattan Loft Gardens project, the order for which was booked in 2015, will likewise play a key role in renewing and reinvigorating Stratford in east London. The company also handed over Phase 2 of the University of Hertfordshire campus.

Demand in Switzerland remained strong, especially on the housing market. Bouygues Construction drew on its expertise in putting together complex property development projects with stringent environmental requirements: the company put the finishing touches to the Erlenmatt eco-neighbourhood in Basel and continued work on Im Lenz in Lenzburg. It took orders for L'Atelier, a property complex in Geneva, the Faubourg 1227 apartment complex at Carouge (Geneva), and several phases of the Greencity eco-neighbourhood in Zurich. Bouygues Construction has acknowledged expertise in multi-product projects that include offices, shops, housing and leisure facilities, such as the Puls and Rex complexes in Thun, handed over in 2015. The company also handed over offices for the Swiss post office in Bern.

In Central Europe, Bouygues Construction has well-established positions through local subsidiaries in Poland and the Czech Republic, which continued to expand their building activities.

Elsewhere in Europe, Bouygues Construction is also involved on a one-off basis in major infrastructure projects such as the new confinement shelter for the damaged nuclear reactor at Chernobyl in Ukraine, which is being built in partnership with Vinci, and Zagreb Airport in Croatia.

Asia-Pacific

Despite turbulence on Asian stock markets, construction markets in the region are particularly dynamic, with continuing high growth rates. Bouygues Construction benefits from its long-standing position in Hong Kong, where it has been a player for 60 years, though local and foreign competition is intensifying. Strong economic growth in Thailand and Singapore is a stimulus for all sectors, especially construction. The Australian economy, long buoyed by mining income, has found new sources of growth in sectors such as agrifood and tourism. Attractive possibilities also exist in some other emerging regions, though the risk factor is high.

2015 sales: €1,817 million (+7%)

Bouygues Construction has a strong local presence in the Asia-Pacific region, especially in Hong Kong and Singapore. Civil works activity continued unabated in Hong Kong. Several major projects are under construction, including a section of the giant Hong Kong-Zhuhai-Macao bridge, the dual two-lane sub-sea Tuen Mun-Chek/Lap Kok road tunnel, two twin-tube tunnels for the six kilometre extension of the Shatin to Central Link metro line, and two 4.8-kilometre tunnels for linking the north-east of Hong Kong to the Liantang boundary control point with mainland China. The company delivered the XLR 820 and 821 rail tunnels on the new Hong Kong to Guangzhou high-speed rail link.

Bouygues Construction is a recognised player on the Asian building market, especially for high-rise structures. In Hong Kong, the company handed over the Trade & Industry Tower in the Kai Tak district to the government's Architectural Services Department. In Singapore, work continued on the Bishan and Buangkok condominium tower blocks. In Bangkok, the company is building three residential tower blocks in a highly desirable shopping district as well as the MahaNakhon tower and the new Australian Embassy complex. In Macao, work continued on a 39-storey, 6-star luxury hotel in the heart of the City of Dreams entertainment complex.

In Myanmar, Bouygues Construction continued to establish its presence, building the second phase of the Star City residential complex in Yangon. In Australia, commercial activity was marked by the order for the NorthConnex motorway link project in Sydney. The company also handed over the North Strathfield rail underpass project in the same city.

Africa – Middle East

Economic growth remains fragile in North Africa, which has been affected by social and geopolitical tensions and the resulting decline in tourist revenue, compounded by the ongoing troubles of the euro zone economies on which North African countries depend for much of their trade. Growth has been strong in sub-Saharan Africa, driven amongst other things by a massive influx of foreign capital. Oil-exporting Middle Eastern countries are investing in major infrastructure projects, though the falling oil price has started to cut their capital spending.

Overall, transport infrastructure needs and the exploitation of natural resources make this a high-potential region for construction firms.

2015 sales: €773 million (-15%)

In Africa, Bouygues Construction's building and civil engineering firms work together on major infrastructure projects. In Egypt, after taking part in the construction of Lines 1 and 2 of the Cairo metro, in 2015 the company took an order for a new phase of Line 3. In Abidjan, Ivory Coast, it is currently operating the Riviera Marcory bridge, one of the first concessions in West Africa. Bouygues Construction is also building the Ridge Hospital extension in Accra, Ghana. In Nigeria, it took an order to build the corporate headquarters of Nigeria LNG, a company which produces liquefied natural gas, and continued to build the Jabi Lake Mall in Abuja.

The company's expertise in earthworks for opencast mining is illustrated in its operation of gold mines at Kibali in the Democratic Republic of Congo, Tongon in Ivory Coast and Gounkoto in Mali.

Bouygues Construction is involved in roadbuilding projects in several African countries in response to considerable demand. In Cameroon, the company put the finishing touches to the Ngaoundéré-Garoua road. In Burkina Faso, it carried out work to strengthen part of the RN1 highway linking Ouagadougou to the western part of the country. In Equatorial Guinea, it continued to build and develop the Bata seafront road. In Chad, it continued work on the Sarh-Kyabé road in the south-east of the country. In Gabon, it continued to upgrade the Ndjolé-Médoumane highway.

In the Middle East, Bouygues Construction took an order to build two sewage tunnels in Qatar as part of a strategic project to collect, pump and treat wastewater in the south of Doha. It also continued work on the Qatar Petroleum District in the same city, a vast complex that includes nine high-rise office buildings.

Americas-Caribbean

The economic situation in the Americas is contrasted, differing very considerably from one country to another. In the United States, growth is mainly sustained by household consumption. Central and Latin America remain very much dependent on economic conditions elsewhere. Canada was affected by the falling oil price. Bouygues Construction subsidiaries mostly operate in the United States, Canada and Cuba, with growth being driven mainly by major amenity, infrastructure and hotel projects.

2015 sales: €434 million (-3%)

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. The company continued construction work on up market hotel complexes on Laguna del Este on Cayo Santa Maria, on Cayo Coco and at Varadero. It took orders for five hotels, including three 5-star hotels, at Havana, on Cayo Santa Maria and, for the first time, on Cayo Cruz. The number of tourists visiting the island has soared, opening up great prospects for the Cuban hotel industry.

In the United States, Bouygues Construction continued work on the Brickell City Centre development in Miami, a complex comprising offices, shops, apartments and hotels.

In Canada, the company handed over a set of sporting facilities in Ontario for the 2015 Pan American Games and continued work on Iqaluit International Airport in the country's Arctic north.

The company also has a presence in Latin America (particularly in Mexico, Brazil and Peru) via its construction and specialised civil works subsidiaries.

Energy and Services

Bouygues Energies & Services contributed €2,118 million to Bouygues Construction's consolidated sales, 26% more than in 2014 (€1,677 million). Bouygues Energies & Services has three business lines: network infrastructure, facilities management, and electrical and HVAC engineering.

Environmental issues, demographic growth, spreading urbanisation and increasingly scarce raw materials mean that building energy performance is a central concern. Fast-growing telecommunications needs have also increased demand for network infrastructure. These two key trends on the energy and services markets offer Bouygues Construction sources of growth, both in the countries where it has most of its operations (France, the United Kingdom, Switzerland and Canada) and in emerging countries, especially in Asia and Africa.

In France, many large firms operate on the market and competition is fierce. Short-term economic uncertainties remain due to pressure on central and local government budgets, affecting network infrastructure works in particular, and to the difficulty of raising private finance, especially for commercial property projects and public-private partnerships.

France

2015 sales: €1,076 million (+1%)

Bouygues Energies & Services, through its network infrastructure subsidiary, helps local authorities to implement their digital development policies. In the context of a public service mission, it rolls out and manages digital infrastructure, operating in 26 French departments, managing 1,200,000 FTTH (Fibre-To-The-Home) connections and providing broadband services to 6,500 municipalities serving 7 million people and 2,500 very-high-speed broadband zones. In particular, it continued to roll out and manage very-high-speed broadband networks in three departments, the Oise (north of Paris), Eure-et-Loir (western France) and Vaucluse (southern France), and started to roll out a network in the Aisne department in north-eastern France.

Bouygues Energies & Services continued the street lighting contracts begun in 2011, especially the major energy performance contract with the City of Paris that aims to achieve a 30% reduction in the city's energy consumption by 2020 in comparison with the level in 2004. It continued a 20-year street lighting contract in Valenciennes (northern France) begun in 2012 and took an order to renovate street lighting in Drancy, north-east of Paris.

In electrical and HVAC engineering, Bouygues Energies & Services continued work on a thermal power plant in the French part of the Caribbean island of Saint-Martin and provided mechanical and electrical equipment for the L2 Marseille bypass. It also took an order for electrical and HVAC engineering packages for the Saint-Laurent-du-Maroni hospital in French Guiana.

In partnership with Bouygues Construction's building subsidiaries, Bouygues Energies & Services' FM subsidiary is involved in a number of PPP contracts. It started maintenance contracts involving the new French Defence Ministry, several highway maintenance centres, five secondary schools in the Loiret department of central France and the University of Burgundy. It will also operate the Paris law courts complex and the University of Bordeaux.

International

2015 sales: €1,042 million (+71%)

Bouygues Energies & Services is continuing to expand in its three main lines of business (FM, energy and digital networks, and electrical, HVAC and mechanical engineering) in Europe (especially the United Kingdom and Switzerland), Africa (Gabon and Congo) and North America (Canada).

On international markets, Bouygues Energies & Services is an expert in major turnkey power grid infrastructure projects. It started work on a solar farm in the Philippines and continued to operate and maintain three photovoltaic solar power plants in Thailand. Construction work began on a thermal power station in Gibraltar. In the United Kingdom, the company took orders for the construction of two biomass waste-to-energy gasification plants, at Hoddesdon, north of London, and in Belfast (Northern Ireland).

It continued a number of FM contracts in Europe, including Crédit Suisse offices in Switzerland and King's College, London in the United Kingdom.

In Africa, Bouygues Energies & Services is involved in power transport and distribution, mainly in Ivory Coast, Congo and Gabon.

In Canada, Bouygues Energies & Services provides FM for Surrey Hospital and the RCMP headquarters. It is expanding on the electrical engineering market via its Plan Group subsidiary, which in 2015 delivered electrical engineering and building automation packages for the Humber River Regional Hospital north of Toronto. In July 2015, Bouygues Energies & Services took a majority stake in Gastier, a Canadian company specialising in electrical and mechanical engineering.

FM contracts, both in France and elsewhere, guarantee Bouygues Energies & Services recurring long-term income.

Risk management policy

Internal control

Evaluation of internal control

During 2015, Bouygues Construction again deployed internal control self-assessment in depth across the organisational structure, including a number of production departments and branch offices.

Overall, the campaign involved over 500 people in more than 100 entities or units, representing more than 80% of Bouygues Construction sales. On average, each entity or unit evaluated 70 principles from the risk management and internal control framework.

Nine common themes were addressed: seven covering general principles, and two covering accounting and financial principles. In addition to issues relating to legal compliance and information systems security, entities also performed self-assessments on procurement and subcontracting.

The self-assessment campaign was conducted during the spring, with summary reports presented in the autumn. The data collected were 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.

Each entity develops its own action plan. At Bouygues Construction level, managers of the support functions oversee action plans for the common themes:

- Legal compliance
  Awareness campaigns relating to the Group's compliance programmes continued during 2015. The key action plans in this area are described in the "Risk factors" section of this report.

- Information systems
  The 2015 campaign showed the progress that has been made in systems security and regulatory compliance. Rollout of the information systems security policy is ongoing, with a particular focus on access controls, protection of sensitive data, continuity of service, and informing users on how to avoid putting systems at risk.

- Procurement of supplies and subcontracting
  Action was focused primarily on measures to combat illegal employment, and on preventing default by suppliers.

- Accounting and cash management
  The 2015 campaign looked at issues related to the accounting close. Overall, the results of the assessments point to good levels of controls over these processes. In terms of cash management, the focus is still largely on the risk of payment media fraud.

The 2015 campaign continued the process of rolling out internal control systems to front-line entities and units. By providing 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 as part of the strategic plan. It is also submitted to the Accounts Committee and the Board of Directors.

This management process provides a shared vision of major risks at both entity and Group level, with the aim of constantly improving control over those risks.

In addition, synergies between risk management, internal control and internal audit can add value in terms of 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.

The risk mapping campaign is conducted in the spring. The work done at entity level is supplemented by contributions from the support functions, forming the basis for risk mapping across the 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 has been 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, Audit and Internal Control directorate. 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 Group-level risk mapping.

Role of the entities

Within the entities, internal control is the responsibility of the Corporate Secretary. Each entity compiles its own risk mapping, and presents it as part of the strategic plan. Internal control correspondents are responsible for the rollout of self-assessment campaigns. Within operational units, the Corporate Secretary is responsible for onward deployment.

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 prepare a summary report, and monitor transverse action plans. The support functions also carry out their own risk mapping. In 2015, support function managers assumed additional responsibilities in the following areas: corporate secretariat, human resources, legal affairs and communication.

Training and awareness programmes

Numerous training and awareness programmes form part of the campaign: discussion forums and feedback meetings, committee meetings at support function level, and reporting to the Executive Committees. A co-ordinating committee for those responsible for internal control at entity level provides a forum for transverse information-sharing across all Bouygues Construction 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. Both functions operate on the double reporting principle.

The financial control and accounting functions both report to the Corporate Secretary. They are involved in operating the Group's accounting and financial information system, and in reducing the lead-times to publication of accounting and financial information.

Operational risks

Risks associated with major projects in the design or execution phase

Major projects are a potential source of risk for Bouygues Construction because of their size and number. They frequently involve complex packages (public-private partnerships, concessions, long-term contracts), which call for risks to be allocated commensurately with the capacities of the company. The 2015 order intake includes a number of large-scale building and civil works contracts, with contracts in international markets particularly prominent.

The types of risk inherent in major projects include:
- **in the design phase:** design flaws, under-budgeting, poor assessment of the local environment, inadequate contractual analysis, etc.;
- **in the execution phase:** default by a customer, partner or subcontractor, difficulty in recruiting sufficient staff or adequately qualified staff, and execution defects leading to cost overruns, quality problems or failure to meet deadlines, etc.

To achieve tighter control over these two major risk areas, Bouygues Construction has an organisational structure that reflects the specific requirements of each business, backed up by rigorous selection, approval and control procedures.

Each entity has access to substantial, highly-qualified resources in technical fields such as design, costing, feasibility studies and methods. Clusters of staff with extensive expertise in highly specialised areas (tall buildings, materials engineering, facades and sustainable construction, for example) share knowledge and capitalise on experience across all Bouygues Construction entities.

The support function structure, which operates on similar lines, has recently been strengthened. Separate departments covering legal affairs, human resources, accounting, management control, information systems and procurement are headed up by members of the Bouygues Construction management team. Specialist clusters dedicated to treasury management, financial engineering, tax and insurance provide expertise to all group entities.

Approval and control procedures apply at each key stage in design and execution. For major projects, project selection and key risks are subject to systematic monitoring.

Key operational risks are further mitigated by the fact that project execution teams are highly professional and adequately staffed, and are actively supervised by experienced managers.

Design and execution processes are documented in management systems at operational unit level, and are subject to measures designed to enhance performance and control:

- particular attention is paid to the pre-execution phase of major projects, especially in design, contract drafting and site preparation;
- in the design phase, external consultants are used to back up in-house expertise on technical issues for the highest-risk projects;
- regular costing audits are performed on the reliability of procedures for expenses, subcontractor budgets, and site supervision costs;
- support functions are always involved upfront, especially in contract management and procurement;
- particular care is taken in the selection and monitoring of customers and partners;
- the subcontracting process is closely supervised, with major subcontractors and partners thoroughly assessed before awarding highly-sensitive work packages (such as architectural and technical trades);
- risk monitoring is assisted by the use of specifically-developed procedures and tools.

In 2015, the main areas of focus were project selection, health and safety at work, and measures to prevent the use of illegal labour.

Country risk

Bouygues Construction has responded to the level of terrorist risk globally, and the recent attacks on French interests and French nationals, by reinforcing existing security measures designed to protect people at all of its sites.

Bouygues Construction generates 47% of its sales in France and 75% in OECD countries.

Outside those areas, the risks to which it is exposed are of two types: political/social and economic/financial. Political and social risks include those deriving from governmental actions such as embargoes, asset seizures or the freezing of bank accounts, and from general strikes or civil disturbances. Economic and financial risks include currency devaluation, currency shortages or payment default.

The Security Committee regularly reviews the security situation in countries where Bouygues Construction has operations. Particularly close attention is paid to countries for which the French Foreign Ministry has recommended vigilance in relation to the risk of terrorist attacks, especially in the Sahel region of Africa. Restrictions are placed on movements in response to any warnings that may be issued, and the company regularly reminds the relevant employees of the rules regarding vigilance.

Regularly-updated business continuity plans are also in place in the various countries in which Bouygues Construction has operations. A key aim of such plans is to safeguard people, in particular by ensuring that guidelines issued by French embassies in at-risk countries are strictly followed, and by liaising with the embassies to develop evacuation plans for various alert levels. In addition, flexible and responsive organisational structures mean that in exceptional circumstances, Bouygues Construction can withdraw resources from countries where such risks materialise while keeping its losses to a minimum.

Bouygues Construction also has strict measures in place to limit the economic and financial risks associated with its international operations. Thorough investigations are conducted before prospecting for business in a new country. Commercial activities may be suspended in regions with a particularly high level of country risk, and prospecting for business may be prohibited in the highest-risk countries (in particular those experiencing serious civil or military unrest, or subject to United Nations embargo).

Bouygues Construction also operates preventive legal, financial and insurance measures. These include systematically halting projects in the event of non-payment, favouring the use of multilateral international financing, and obtaining political risk insurance whenever it is available on the market on satisfactory financial terms.

Economic stagnation risk

World growth forecasts have been revised downward for 2016, largely due to the slowdown of growth in China and the collapse of commodity prices. Growth prospects for the world's advanced economies remain modest, while the slowdown in growth in emerging markets is continuing. However, the infrastructure market is likely to expand in the medium term under the impetus of demographic growth and urbanisation, especially in the Asia-Pacific region.

After seven years of stagnation or contraction, the European construction market returned to growth in 2014. This growth trend is expected to be confirmed in 2016 and 2017. Growth is likely to remain strong in the United Kingdom, though the Swiss market is expected to stagnate. In the medium term, targeted projects under the auspices of the European Fund for Strategic Investments (the "Juncker plan") will contribute to the modernisation of public infrastructure in fields such as broadband, energy and transport networks.

In France, despite government support measures and the favourable effects of lower oil prices and a falling euro, growth is still too weak to make inroads into the unemployment figures. In particular, there is under-investment in the construction sector.

In 2015, the building sector experienced its eighth consecutive year of stagnation or contraction. After shrinking by more than 5% in 2014, the sector saw a further contraction in 2015. In 2016, there is the prospect of a slight recovery in the residential property sector, thanks to government measures to stimulate the building of new homes (such as reforms to the zero-rate loan system), and energy-efficiency improvements to existing homes.

In the civil works sector, the 5% fall observed in 2014 accelerated in 2015. Cuts in government grants led to reduced spending by local authorities, on whom the sector largely depends. However, looking ahead to 2018 the sector is due to receive a boost from the projects launched under the "Grand Paris" major infrastructure programme.

Against this backdrop, Bouygues Construction has maintained or even slightly improved its market positions, thanks largely to the company's focus on large-scale high added value projects and on high-growth countries and segments.

Although volumes are healthy, market prices remain under pressure and counterparty risk is on the rise, especially in terms of subcontractor default.

In addition to the risk of economic stagnation over the time horizon of the three-year plan, Bouygues Construction may occasionally be faced with specific problems connected with delays to or the abandonment of projects, and difficulties in obtaining payment for ongoing projects.

Nevertheless, Bouygues Construction has many strengths to help it resist and adapt to the economic climate. A diverse business mix and broad geographical footprint mean that the company is less exposed than a mono-line or mono-region business.

In addition, it is exposed to a favourable business environment in some countries or sectors. This applies to those parts of Asia where the company has a long-standing presence, in particular Hong Kong where Bouygues Construction is executing many large infrastructure projects. It is also engaged in a geographical diversification strategy, focusing on expansion in buoyant markets such as the United States, Canada and Australia. The healthy order backlog, which represented 16.5 months of sales as of the end of December 2015, gives excellent short-term visibility. Bouygues Construction analyses forecasts to anticipate adverse trends, so that it can react appropriately and reallocate production resources to less affected markets or activities.

Finally, Bouygues Construction encourages job mobility between its businesses and geographical areas and the development of synergies between group entities, so that it is always well placed to anticipate, react and adapt to changes in the economic environment.

Commodities risk

Bouygues Construction is not exposed to commodities risk.

Industrial and environmental risks

Because of the nature of its business, Bouygues Construction is not exposed to significant industrial or environmental risk, and is not subject to regulations on classified sites or to REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals).

Legal risk

Compliance risk

Ethical compliance falls within the remit of Legal Affairs, working in conjunction with Audit and Internal Control; all three departments are under common management.

With compliance obligations becoming ever more demanding, Bouygues Construction has tightened its ethics policies to ensure that the principles contained in the Bouygues group's compliance programmes are strictly applied.

During the summer of 2015, an Ethics and Compliance pledge was sent to over 1,500 employees; by the end of 2015, over 98% of them had signed up. A large-scale ethics awareness campaign is currently under way in the form of a serious game. Rules have been issued relating to corporate patronage, sponsorship and hospitality, accompanied by monitoring tools.

All of these initiatives are being overseen by the Bouygues Construction Legal affairs department, which in September 2015 hired an administrative manager with specific responsibility for these issues.

Claims and litigation

South Africa – Gautrain Project

This rail infrastructure project linking South Africa's principal airport to Johannesburg and Pretoria came fully into service on 8 June 2012.

Although this rail link has been a striking commercial success with higher than expected travel demand, a number of difficulties remain between Gauteng Province and Bombela Ltd, the concession company holding the contract, in which Bouygues Travaux Publics owns a 17% equity stake. These difficulties are mainly of a technical nature, and relate to the execution of the works contract entered into between Bombela Ltd on the one hand, and a joint venture (the “Works Joint Venture”), held equally by Bouygues Travaux Publics and Murray & Roberts, a major South African construction company:

– Water seepage in the tunnel

Although the water seepage does not affect the line’s commercial operation, it has led to a dispute over the interpretation of the technical specifications on the flow of water. In compliance with the contractual obligations, this dispute was referred for settlement to the Arbitration Foundation of South Africa (Afsa).

On 23 November 2013, the arbitration tribunal issued a ruling that strictly interpreted the technical specifications for the water flow.

The ruling also requires the Works Joint Venture to make good the loss caused to Gauteng Province by this breach of contract, and to perform works to reduce the flow of water recorded.

The Works Joint Venture is continuing technical negotiations to make the tunnel conform to the arbitration tribunal’s interpretation of the technical specification. The Province seized the High Court of South Africa in June 2015 to reinforce the enforceable nature of the ruling. The Works Joint Venture has however noted the difficulty in enforcing this ruling because of its lack of clarity. A hearing before the High Court is listed in June 2016.

– Delay in providing the compulsory purchases required for the works

The Works Joint Venture takes the view that the progress of the works was seriously affected by the delay in obtaining the compulsory purchases required for their execution. This dispute has also been referred to the Afsa for arbitration. The tribunal handed down a first decision on the points of law on 3 July 2015. It confirmed the interpretations of a certain number of points of law by the Works Joint Venture, notably the legal basis for its case.

The merits of the claims will be judged at a hearing which should be held between July and December 2017. Subsequent hearings will then be held to decide the indemnification which may be owed to the Works Joint Venture.

– Terms for constructing Sandton station

Gauteng Province and the Works Joint Venture are also in dispute over the terms for constructing the main structure of Sandton station, which has been referred to Afsa for arbitration.

In an initial ruling dated 2 July 2012, the tribunal accepted the co-contractors’ interpretation that the technical modifications to the construction of the structure were not included in the fixed contract price, and that the resulting cost overruns should be paid by Gauteng Province. As a result, the tribunal reconvened in order to determine the amount of these cost overruns.

In a ruling dated 2 March 2016 it calculated these costs and ordered the Province to pay the sum of 354,113,429 South African rand (net of tax, March 2007 values) on the understanding that this sum is to be updated at a later date according to a formula defined by the tribunal and that it is to be divided up between the members of the Works Joint Venture.

France – Flamanville EPR

In January 2014, the Cherbourg District Court held a hearing at which Bouygues Travaux Publics appeared alongside two subcontractors from the works consortium, following a workplace accident in which a temporary agency employee was killed on site.

On 8 April 2014, Bouygues Travaux Publics and the sub-contractor were ordered to pay a fine of €75,000 and damages totalling €311,000 at first instance. Bouygues Travaux Publics appealed this judgement and the Court of Appeal quashed the conviction for manslaughter saying that the company was only guilty of the offence of failing to deliver a conforming Specific Health and Safety Plan (*Plan Particulier de Sécurité et de Protection de la santé - PPSPS*), and ordered it to pay a fine of €8,000. Bouygues Travaux Publics has not appealed to the Cour de Cassation (French Supreme Court). The judgement has therefore become final and binding and has been enforced.

Bouygues Travaux Publics and Bouygues Bâtiment Grand-Ouest (formerly Quille Construction) were also found guilty of various contraventions of the labour laws by the Cherbourg District Court on 7 July 2015. The Court ordered them to pay fines of €25,000 and €5,000 respectively. They have appealed this judgement. The hearing is listed for hearing before the Caen Court of Appeal in November 2016.

In addition, an action brought by employees of a temporary employment agency alleging loss for being employed under undeclared work and improper subcontracting terms, was dismissed against Bouygues Travaux Publics by the Cherbourg Employment Tribunal on 12 February 2014. The employees appealed this judgement but all the appeals were struck out by the Court of Appeal due to a lack of action by the appellants.

France – Île-de-France Regional Authority Contracts

Following a Competition Council (now the Competition Authority) ruling of 9 May 2007, the Île-de-France Regional Authority filed a compensation claim in 2008 for losses it claims to have incurred as a result of the anti-competitive practices by construction companies in connection with the awarding of public works contracts for the renovation of secondary school buildings in the region.

The Regional Authority's summary application to the Paris District Court was rejected in a ruling issued on 15 January 2009 on the ground that, prima facie, there were serious reasons for objecting in principle to the compensation claim. After being invited to appeal on the merits, the Regional Authority filed a further claim in the Paris District Court in February 2010, this time claiming damages for a loss estimated at €358 million (which was subsequently reduced to €232 million), based on the joint and several liability of the parties collectively responsible for the loss, i.e. the companies and individuals found to have engaged in anti-competitive practices.

The construction companies involved, which are disputing the existence and the quantum of any loss, applied to the Court for the Regional Authority to disclose a number of documents in order to reconstruct the decision-making process behind the award of each of the contracts in detail, in order to establish evidence of the alleged loss.

In a ruling of 17 December 2013, the Paris District Court ruled the Regional Authority's claim inadmissible. The Regional Authority appealed to the Paris Court of Appeal on 22 January 2014. Following an application by the Prefect of Île-de-France, the Court of Conflicts held on 16 November 2015 that this dispute was subject to the jurisdiction of the administrative courts and annulled the proceedings before the District Court and then the Court of Appeal of Paris.

France – EOLE

Following a Competition Council (now Competition Authority) ruling of 21 March 2006, imposing fines on a number of companies for general collusion in sharing contracts and specific collusion on tranches 34B and 37B of the East-West Express Rail Link (EOLE) project, on 21 March 2011 SNCF brought an action in damages before the Paris Administrative Court seeking relief for losses that it claims to have suffered as a result of anti-competitive practices by construction companies when the project tranches were awarded.

The SNCF has been demanding the cancellation of the contract since 2014. Bouygues Construction is challenging the reality of the alleged loss claimed by SNCF, and considers the action to be inadmissible and potentially time-barred.

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 against loss or injury to third parties for which Group companies might be liable. Because Group companies vary greatly in size and in the nature of their operations, cover is tailored to the risks incurred, but is generally in excess of €5 million per claim.

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

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

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

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

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

Credit and/or counterparty 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 is closely analysed. Depending on the contractual and commercial context of a project, we may:

- require an upfront advance from the customer before works commence;
- require the customer to provide bank guarantees against payments;
- 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 with 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 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 six 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.

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

No losses arose during 2015 on any of the investment products used by the Group.

As of 31 December 2015, no single bank held more than 10% 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 2015, net cash amounted to €3,854 million, and the Group also had €333 million of undrawn confirmed medium-term credit facilities on that date. Consequently, Bouygues Construction is not exposed to liquidity risk. The bank loans contracted by the Group contain no financial covenants or trigger event clauses.

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 a downturn. Specific reports are prepared 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 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 Bouygues Construction's level of debt and capital expenditure needs, use of the financial instruments listed above is limited to hedging the company's risk exposures.

Currency risk

Exposure to currency risk

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

This applies to most construction 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 a downturn. Specific reports are prepared 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.

Bouygues Construction group policy is to hedge systematically all residual exposure to currency risk on commercial transactions relative to the functional currency of a project or entity. If the future cash flow is certain, the currency risk is hedged by buying or selling currency forward, or by means of currency swaps.

For some large contracts, options may be taken out for hedging purposes before the contract award has been confirmed. Equity investments in foreign companies are usually hedged by a liability of a similar amount in the same currency in the books of the entity that holds the investment.

Risk relating to equities and other financial instruments

Bouygues Construction has no exposure to equities risk.

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

Consolidated financial statements

Consolidated balance sheet

Assets (€ million)	Notes	31/12/2015 Net	31/12/2014 Net
Property, plant and equipment	3 and 16	743	684
Intangible assets	3 and 16	46	51
Goodwill	3 and 16	557	528
Investments in joint ventures and associates	3 and 16	26	75
Other non-current financial assets	3	251	239
Deferred tax assets and non-current tax receivable	7	116	108
NON-CURRENT ASSETS		**1,739**	**1,685**
Inventories		345	315
Advances and down-payments made on orders		184	154
Trade receivables		2,704	2,832
Tax asset (receivable)		67	55
Other current receivables and prepaid expenses		926	852
Cash and cash equivalents		4,392	3,908
Financial instruments - hedging of debt		–	–
Other current financial assets		10	5
CURRENT ASSETS	**4**	**8,628**	**8,121**
Held-for-sale assets and operations	22	35	–
TOTAL ASSETS		**10,402**	**9,806**

Liabilities and shareholders' equity (€ million)	Notes	31/12/2015	31/12/2014
Share capital		128	128
Share premium and reserves		401	393
Translation reserve		107	54
Treasury shares		–	–
Consolidated net profit/(loss)		276	254
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE GROUP	**5**	**912**	**829**
Non-controlling interests		24	12
SHAREHOLDERS' EQUITY		**936**	**841**
Non-current debt	8 and 16	573	539
Non-current provisions	6 and 16	828	862
Deferred tax liabilities and non-current tax liabilities	7	28	29
NON-CURRENT LIABILITIES		**1,429**	**1,430**
Advances and down-payments received on orders		630	535
Current debt	8	9	10
Current taxes payable		53	65
Trade payables		2,945	2,888
Current provisions	6	655	599
Other current liabilities		3,158	2,945
Overdrafts and short-term bank borrowings		538	459
Financial instruments - hedging of debt		–	–
Other current financial liabilities		49	34
CURRENT LIABILITIES	**10**	**8,037**	**7,535**
Liabilities related to held-for-sale operations	22	–	–
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**10,402**	**9,806**
Net surplus cash/(net debt)	9	3,272	2,900

Consolidated income statement

(€ million)	Notes	Full year 2015	Full year 2014
SALES (1)	**11 and 16**	**11,975**	**11,726**
Other revenues from operations		91	106
Purchases used in production		(7,070)	(6,868)
Personnel costs		(2,749)	(2,593)
External charges		(1,619)	(1,637)
Taxes other than income tax		(153)	(157)
Net depreciation and amortisation expense		(190)	(181)
Net charges to provisions and impairment losses		(238)	(350)
Changes in production and property development inventories		19	3
Other income from operations (2)		558	430
Other expenses on operations		(275)	(144)
CURRENT OPERATING PROFIT/(LOSS)	**12 and 16**	**349**	**335**
Other operating income		–	–
Other operating expenses		(35)	–
OPERATING PROFIT/(LOSS)	**12 and 16**	**314**	**335**
Financial income		27	32
Financial expenses		(18)	(17)
INCOME FROM NET SURPLUS CASH	**13 and 16**	**9**	**15**
Other financial income	13 and 16	46	44
Other financial expenses	13 and 16	(29)	(23)
Income tax	14 and 16	(108)	(124)
Share of profits/(losses) of joint ventures and associates	3 and 16	56	6
NET PROFIT/(LOSS) FROM CONTINUING OPERATIONS	**16**	**288**	**253**
Net profit/(loss) from discontinued and held-for-sale operations	22	–	–
NET PROFIT/(LOSS)	**16**	**288**	**253**
NET PROFIT/(LOSS) ATTRIBUTABLE TO THE GROUP	**16**	**276**	**254**
Net profit/(loss) attributable to non-controlling interests		12	(1)
BASIC EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**15**	**161.76**	**148.87**
DILUTED EARNINGS PER SHARE FROM CONTINUING OPERATIONS (€)	**15**	**161.76**	**148.87**

(1) Of which sales generated abroad:	6,286	5,767
(2) Of which reversals of unutilised provisions/impairment losses:	244	237

Consolidated statement of recognised income and expense

(€ million)	Full year 2015	Full year 2014
NET PROFIT/(LOSS)	**288**	**253**
ITEMS NOT RECLASSIFIABLE TO PROFIT OR LOSS		
Actuarial gains/losses on post-employment benefits	(5)	(15)
Change in remeasurement reserve	–	–
Net tax effect of items not reclassifiable to profit or loss	1	3
Share of non-reclassifiable income and expense of joint ventures and associates	–	–
ITEMS RECLASSIFIABLE TO PROFIT OR LOSS		
Change in cumulative translation adjustment	53	(8)
Net change in fair value of financial instruments used for hedging purposes and of other financial assets (including available-for-sale financial assets)	(7)	(29)
Net tax effect of items reclassifiable to profit or loss	1	–
Share of reclassifiable income and expense of joint ventures and associates	5	–
INCOME AND EXPENSE RECOGNISED DIRECTLY IN EQUITY	**48**	**(49)**
TOTAL RECOGNISED INCOME AND EXPENSE	**336**	**204**
Recognised income and expense attributable to the Group	323	203
Recognised income and expense attributable to non-controlling interests	13	1

Consolidated statement of changes in shareholders'equity

(€ million)	Share capital & share premium	Reserves related to capital/ Retained earnings	Consolidated reserves and profit/(loss)	Treasury shares	Items recognised directly in equity	Total attributable to the Group	Non-controlling interests	Total
POSITION AT 31 DECEMBER 2013	**143**	**256**	**470**	**–**	**33**	**902**	**12**	**914**
MOVEMENTS DURING 2014								
Capital and reserves transactions, net	–	(10)	10	–	–	–	–	–
Acquisitions/disposals of treasury shares	–	–	–	–	–	–	–	–
Acquisitions/disposals without loss of control	–	–	–	–	–	–	–	–
Dividend paid	–	–	(276)	–	–	(276)	(1)	(277)
Other transactions with shareholders	–	–	–	–	–	–	–	–
Net profit/(loss)	–	–	254	–	–	254	(1)	253
Translation adjustment	–	–	–	–	(9)	(9)	2	(7)
Other recognised income and expense	–	–	–	–	(42)	(42)	–	(42)
TOTAL RECOGNISED INCOME AND EXPENSE (2)	**–**	**–**	**254**	**–**	**(51)**	**203**	**1**	**204**
Other transactions (changes in scope of consolidation and other items)	–	–	–	–	–	–	–	–
POSITION AT 31 DECEMBER 2014	**143**	**246**	**458**	**–**	**(18)**	**829**	**12**	**841**
MOVEMENTS DURING 2015								
Capital and reserves transactions, net	–	5	(5)	–	–	–	–	–
Acquisitions/disposals of treasury shares	–	–	–	–	–	–	–	–
Acquisitions/disposals without loss of control	–	–	–	–	–	–	–	–
Dividend paid	–	–	(253)	–	–	(253)	(1)	(254)
Other transactions with shareholders	–	–	–	–	–	–	–	–
Net profit/(loss)	–	–	276	–	–	276	12	288
Translation adjustment	–	–	–	–	53 (1)	53	1	54
Other recognised income and expense	–	–	–	–	(6)	(6)	–	(6)
TOTAL RECOGNISED INCOME AND EXPENSE (2)	**–**	**–**	**276**	**–**	**47**	**323**	**13**	**336**
Other transactions (changes in scope of consolidation and other items)	–	–	13	–	–	13	–	13
POSITION AT 31 DECEMBER 2015	**143**	**251**	**489**	**–**	**29**	**912**	**24**	**936**

(1) Change in translation reserve:

	Group	Non-controlling interests	Total
Controlled entities	52	1	53
Joint ventures and associates	1	–	1
	53	1	54

(2) See statement of recognised income and expense.

Consolidated cash flow statement

Cash flow from continuing operations (€ million)	Notes	Full year 2015	Full year 2014
A - NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES			
Net profit/(loss) from continuing operations		288	253
Share of (profits)/losses reverting to joint ventures and associates, net of dividends received		11	10
Elimination of dividends (non-consolidated companies)		(15)	(8)
Charges to/(reversals of) depreciation, amortisation, impairment & non-current provisions		208	142
Gains and losses on asset disposals		(127)	(30)
Miscellaneous non-cash charges		3	4
SUB-TOTAL		**368**	**371**
(Income from net surplus cash)/cost of net debt		(9)	(15)
Income tax		108	124
CASH FLOW	**16**	**467**	**480**
Income taxes paid		(146)	(156)
Changes in working capital related to operating activities [(1)]		326	(89)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES		**647**	**235**
B - NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES			
Purchase price of property, plant and equipment and intangible assets	16	(252)	(240)
Proceeds from disposals of property, plant and equipment and intangible assets		38	68
Net liabilities related to property, plant and equipment and intangible assets		15	–
Purchase price of non-consolidated companies and other investments	16	(2)	(1)
Proceeds from disposals of non-consolidated companies and other investments		4	9
Net liabilities related to non-consolidated companies and other investments		–	(6)
EFFECTS OF CHANGES IN SCOPE OF CONSOLIDATION	**21**		
Purchase price of investments in consolidated activities	16	(14)	(92)
Proceeds from disposals of investments in consolidated activities		57	–
Net liabilities related to consolidated activities		1	5
Other effects of changes in scope of consolidation (cash of acquired and divested companies)		2	55
Other cash flows related to investing activities (changes in loans, dividends received from non-consolidated companies)		24	36
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES		**(127)**	**(166)**
C - NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES			
Capital increases/(reductions) paid by shareholders & non-controlling interests and other transactions between shareholders		–	–
DIVIDENDS PAID			
Dividends paid to shareholders of the parent company		(253)	(276)
Dividends paid by consolidated companies to non-controlling interests		(1)	(1)
Change in current and non-current debt		9	74
Income from net surplus cash/(cost of net debt)		9	15
Other cash flows related to financing activities		–	–
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES		**(236)**	**(188)**
D - EFFECT OF FOREIGN EXCHANGE FLUCTUATIONS		**122**	**102**
CHANGE IN NET CASH POSITION (A + B + C + D)		**406**	**(17)**
NET CASH POSITION AT START OF PERIOD	**4 and 10**	**3,449**	**3,474**
Net cash flows		**406**	**(17)**
Other non-monetary flows		(1)	(8)
NET CASH POSITION AT END OF PERIOD	**4 and 10**	**3,854**	**3,449**

Cash flows from discontinued and held-for-sale operations	22		
NET CASH POSITION AT START OF PERIOD		–	–
Net cash flows		–	–
NET CASH POSITION AT END OF PERIOD		–	–

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

Notes to the consolidated financial statements

Note 1. Significant events

1.1. Significant events of the year

- On 28 September 2015, the Bouygues Construction group sold its equity interests in Autoroute de Liaison Seine Sarthe (Alis), which holds the concession for the Rouen-Alençon section of the A28 motorway in France, to the PGGM fund.

  The Bouygues Construction subsidiaries DTP, Quille and Bouygues Travaux Publics sold 33.17% of the share capital of Alis to the PGGM fund, together with the associated shareholder loans.

  This disposal is taking place in two stages:
  - 23.17% of the share capital of Alis and shareholder loans on 30 September 2015 for €76.1 million;
  - 10% of the capital of Alis and shareholder loans at a future date (expected to be in June 2016) for €35 million.

  The gain on disposal is recognised in "Share of profits/(losses) of joint ventures and associates" in the income statement.

- Plan Group, a Canadian electrical and mechanical engineering group that has been a subsidiary of Bouygues Energies & Services since 2014, acquired 100% of the Quebec-based company Gastier in mid-July 2015. In preparing the consolidated financial statements for the year ended 31 December 2015, the opening balance sheets as of mid-July 2015 were used.

  The excess of the purchase price over the carrying amount of the net assets acquired was recognised as goodwill.

1.2. Significant events and changes in scope of consolidation since 31 December 2015

There have been no significant events since 31 December 2015.

Note 2. Group accounting policies

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. The financial statements are presented in millions of euros, and take account of Recommendation 2013-03 on the presentation of financial statements, issued on 7 November 2013 by the *Autorité des Normes Comptables* (ANC), the French national accounting standard-setter.

They were adopted by the Board of Directors on 18 February 2016.

The consolidated financial statements for the year ended 31 December 2015 were prepared in accordance with international financial reporting standards ("IFRS") using the historical cost convention, except for certain financial assets and liabilities measured at fair value where this is a requirement under IFRS. They include comparatives as at and for the year ended 31 December 2014.

The Bouygues Construction group applied the same standards, interpretations and accounting policies for the year ended 31 December 2015 as were applied in its consolidated financial statements for the year ended 31 December 2014, except for new IFRS requirements applicable from 1 January 2015 as mentioned below.

Principal new standards, amendments and interpretations effective within the European Union and mandatorily applicable or permitted for early adoption with effect from 1 January 2015:

- **IFRIC 21, "Levies"**
  This interpretation was endorsed by the European Union on 13 June 2014. The effects of IFRIC 21, which was mandatorily applicable from 1 January 2015, are not material as regards consolidated equity. However, they alter the timing of the recognition of certain levies, such as C3S and land tax in France, during interim accounting periods.

- **IFRS 15, "Revenue from Contracts with Customers"**
  On 28 May 2014, the IASB issued a new standard on revenue recognition intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 11 and IAS 18. IFRS 15, which has not yet been endorsed by the European Union, is applicable from 1 January 2018.

- **IFRS 9, "Financial Instruments"**
  On 24 July 2014, the IASB issued a new standard on financial instruments intended to replace most of the current IFRS pronouncements on this subject, in particular IAS 39. The new standard, which has not yet been endorsed by the European Union, is applicable from 1 January 2018.

The financial statements for the year ended 31 December 2015 have been prepared using the historical cost convention, with the exception of certain items – in particular some financial assets and financial liabilities – which are measured at fair value.

Preparing financial statements to comply with IFRS requires the use of estimates and assumptions which may have affected the amounts reported for assets and liabilities at the end of the reporting period, and the amounts of income and expenses reported for the financial year. Those 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 areas in which estimates and assumptions are involved are the measurement of provisions, and forecast data regarding the completion of construction contracts in progress.

2.1. Consolidation methods

2.1.1. Consolidation methods and scope of consolidation

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

Joint operations are recognised in proportion to the interest held by the Group in the assets, liabilities, income and expenses of the joint operation.

Companies over which Bouygues Construction exercises significant influence, and joint ventures, are accounted for by the equity method.

Changes in the scope of consolidation	31/12/2015	31/12/2014
Companies controlled by the Group	233	236
Joint operations	97	103
Joint ventures and associates	20	20
	350	359

2.1.2. 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.

2.1.3. Translation of transactions denominated in foreign currencies

Entities that have the euro as their functional currency translate foreign-currency transactions into euros at the exchange rate prevailing on the transaction date. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated at the closing exchange rate, with the resulting translation differences recognised in profit or loss for the period.

2.1.4. 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; or
  - 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 at the tax rate applicable at the end of the reporting period, adjusted as necessary for the effect of changes in tax legislation.

The effects of changes in corporate income tax rates are recognised in profit or loss for the period, in accordance with the liability method.

The estimated amount of non-recoverable taxes on dividends payable by French or foreign subsidiaries is covered by a provision where material.

2.1.5. 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.

2.2. Accounting policies and valuation methods

The Bouygues Construction group applies Recommendation 2013-03 on the presentation of financial statements, issued on 7 November 2013 by the *Autorité des Normes Comptables* (ANC), the French national accounting standard-setter.

2.2.1. Assets

a. Non-current assets

– Property, plant and equipment

Property, plant and equipment is measured at acquisition cost less accumulated depreciation and impairment.

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 and depreciated 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, including import duties and non-refundable taxes and any costs directly attributable to bringing the asset to the location and 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, 20 or 30 years, depending on whether the building is of lightweight or durable construction;
- plant, equipment and tooling: 3 to 8 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.

Finance leases

A finance lease is a contract under which substantially all the risks and rewards of ownership are transferred to the lessee, whether or not title is ultimately transferred to the lessee.

Assets acquired under finance leases are, if material, recognised as an asset in the balance sheet under “Property, plant and equipment”, with a matching liability recognised under “Debt” on the liabilities side of the balance sheet.

These assets are depreciated over their expected useful lives.

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.

Investment properties

The Bouygues Construction group has not identified any asset that qualifies as an investment property.

– Intangible assets

IAS 38 defines an intangible asset as an identifiable non-monetary asset without physical substance.

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 at the end of each reporting period.

Development expenses

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.

Intangible assets with no legal protection

Acquired intangible assets with no legal protection are included in goodwill.

– 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 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 fair value 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.

Goodwill 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.

It is recognised as "goodwill" when positive whereas negative goodwill (i.e. gain from bargain purchase) is taken to the income statement in the period in wich the acquisition is made.

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 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.

Bouygues Construction has identified two CGUs:

- **A CGU comprising French and international Building and Civil Engineering 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 and Civil Engineering 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 and civil engineering 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.
  Discount rate applied: 7.01%/6.42%, depending on the assumptions used. Growth rate applied: 0%.
  There were no events or circumstances requiring the recognition of an impairment loss in 2015.

- **A CGU comprising French and international Energy and 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 Energy and 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 Energy and 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.
  Discount rate applied: 5.58%/5.10%, depending on the assumptions used. Growth rate applied: 1%.
  There were no events or circumstances requiring the recognition of an impairment loss in 2015.

– Financial assets

Investments in non-consolidated companies and other long-term investment securities

Investments in non-consolidated companies and other long-term investment securities are classified as available-for-sale financial assets, and are recognised at fair value in the balance sheet.

Changes in fair value are recognised in equity except in the case of other-than temporary impairment, in which case the impairment loss is recognised in profit or loss for the period. When an asset is derecognised, the change in fair value previously recognised in equity is reclassified to profit or loss.

Non-current loans receivable

Loans, advances to non-consolidated companies, and deposits and caution money are measured at fair value on initial recognition, and subsequently at amortised cost.

b. Current assets

– Inventories

Inventories are stated at the lower of cost (weighted average unit cost) or market price.

Where the realisable value of inventory is lower than cost, an impairment loss is recognised.

– Trade and other receivables

Trade receivables are essentially short-term, and are carried at face value net of impairment allowances recorded to reflect the probability of recovery.

In line with the percentage of completion method of accounting for long-term contracts, trade receivables include:

- statements issued as works are executed or services provided, and accepted by the project owner;
- unbilled receivables, arising where works are entitled to acceptance but billing or acceptance by the project owner has been temporarily delayed.

– Cash and cash equivalents

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

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

2.2.2. LIabilities and shareholders' equity

a. Non-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.

This provision is calculated using the projected unit credit method based on final salary, projected to the retirement date.

The amount of the provision is determined on the basis of the relevant collective agreement, and taking account of the following factors:

- classification of employees into groups with common characteristics in terms of status, 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 2006-2008 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.

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).

The provision is determined by applying a statistical rate (determined annually by reference to warranty information specific to each entity) to sales.

b. Current liabilities

– Trade and other payables

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.

– Advances and down-payments received on orders

This item comprises advances and down-payments received from customers on construction contract starts.

– Current provisions

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

2.2.3. Income statement

a. Consolidated sales

Consolidated sales represent the aggregate amount of contract revenues, sales of products and sales of services, including sales generated by entities controlled by Bouygues Construction and by joint operations (after eliminating intercompany transactions).

Sales are broken down into construction contracts, sales of goods, and sales of services.

b. Accounting for construction contracts

All activities related to construction contracts are accounted for using the percentage of completion method.

Under this method, the revenue recognised equals the latest estimate of the total selling price of the contract multiplied by the actual completion rate determined by reference to the physical state of progress of the works. The latest estimate of the total selling price takes account of claims accepted by the client.

If it is regarded as probable that a contract will generate a loss on completion, a provision for expected losses on completion is recognised as a current provision in the balance sheet. The loss is provided for in full as soon as it can be reliably measured, irrespective of the completion rate.

c. 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".

d. 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.

e. 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, "Change in net surplus cash"), including gains and losses on related interest rate and currency hedges.

f. Other financial income and expenses

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

2.2.4. Financial instruments

Some Group entities use hedging 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 hedging purposes are:
- forward currency purchases and sales, currency swaps and currency options for currency risk hedging purposes;
- interest rate swaps and purchases of caps and collars for interest rate risk hedging purposes.

These instruments:
- are used solely for hedging purposes;
- are contracted solely with high-grade French and foreign banks;
- 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.

a. Risks to which the Group is exposed, and principles applied to the management of those risks

– Currency 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 construction projects executed outside France, on which local-currency expenses (sub-contracting and supplies) represent a much higher proportion than euro-denominated expenses. Particular attention is paid 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.

b. Hedge accounting policies and rules

The Group accounts for hedges in accordance with IAS 39.

Hedge accounting is applied where a derivative instrument wholly or partly offsets changes in the fair value or cash flows of a hedged item. Hedge effectiveness is assessed on a regular basis, and at least once a quarter.

To qualify for hedge accounting, financial instruments must meet the following conditions:
- formal designation and documentation of the hedging relationship on inception of the hedge;
- hedge effectiveness demonstrated throughout the life of the financial instrument.

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.

No embedded derivatives within the meaning of IAS 39 have been identified within the Bouygues Construction group.

– 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.

– Hedges 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.

2.2.5. Cash flow statement

The cash flow statement is presented in accordance with IAS 7 and with ANC recommendation 2013-03 of 7 November 2013 (indirect method).

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

Cash flow as reported in the cash flow statement is defined as follows:

Net profit from consolidated entities before: net depreciation and amortisation expense, net changes in provisions and impairment losses, gains and losses on asset disposals, income from net surplus cash/ cost of net debt (included in financing activities in the cash flow statement), and net income tax expense for the period.

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.

No cash or cash equivalents were unavailable as of 31 December 2015.

2.2.6. Off balance sheet commitments

A summary of off balance sheet commitments is provided in Note 18.

2.2.7. EBITDA

EBITDA equals "Current operating profit" after stripping out "Net depreciation and amortisation expense", "Net charges to provisions and impairment losses", and reversals of unused provisions and impairment losses reported in "Other income from operations".

The competitiveness and employment tax credit ("CICE") to which French companies are entitled is recognised in current operating profit, as a reduction in personnel costs.

2.2.8. Free cash flow

Free cash flow equals cash flow after income from net surplus cash (or cost of net debt) and income tax expense, less net capital expenditure for the period.

Net capital expenditure equals the purchase price of property, plant and equipment and intangible assets acquired during the period, net of proceeds from disposals and investment grants obtained.

2.2.9. Net surplus cash

Net surplus cash is the sum total of 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).

2.3. Other information

2.3.1. Comparability of the financial statements

The impact of changes in the scope of consolidation between 1 January and 31 December 2015 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:
- an income statement;
- 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.

2.3.2. Other operating expenses recognised in the income statement

€35 million relating to costs arising from the new operating organisation implemented by Bouygues Construction during the first half of 2015.

Note 3. Non-current assets

For a breakdown of non-current assets by business segment see Note 16, "Segment Information".

Acquisitions of non-current assets during the year, net of disposals	2015	2014
Acquisitions of property, plant and equipment (1)	244	229
Acquisitions of intangible assets (1)	8	11
CAPITAL EXPENDITURE	252	240
Acquisitions of non-current financial assets (investments in consolidated and non-consolidated companies, other long-term investments)	16	93
ACQUISITIONS OF NON-CURRENT ASSETS	268	333
Disposals of non-current assets	(99)	(77)
ACQUISITIONS OF NON-CURRENT ASSETS, NET OF DISPOSALS	169	256

(1) Net of investment grants obtained (netted off the asset in the balance sheet).

3.1. Property, plant and equipment €743m

Gross value	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 JANUARY 2014	**344**	**794**	**291**	**26**	**1,455**
Translation adjustments	7	25	7	6	45
Transfers between accounts	44	3	9	(57)	(1)
Changes in scope of consolidation	–	1	6	4	11
Acquisitions during the period	17	77	39	96	229
Disposals and other reductions	(2)	(119)	(34)	–	(155)
31 DECEMBER 2014	**410**	**781**	**318**	**75**	**1,584**
Of which finance leases	5	1	–	–	6
MOVEMENTS DURING 2015					
Translation adjustments	7	27	6	7	47
Transfers between accounts	3	44	1	(48)	–
Changes in scope of consolidation	1	–	2	–	3
Acquisitions during the period	5	155	33	51	244
Disposals and other reductions	(3)	(126)	(41)	(1)	(171)
31 DECEMBER 2015	**423**	**881**	**319**	**84**	**1,707**
Of which finance leases	5	1	–	–	6

Depreciation and impairment	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
1 JANUARY 2014	**(77)**	**(554)**	**(204)**	**–**	**(835)**
Translation adjustments	(4)	(18)	(5)	–	(27)
Transfers between accounts	(1)	2	–	–	1
Changes in scope of consolidation	–	(1)	(3)	–	(4)
Disposals and other reductions	2	99	32	–	133
Depreciation expense	(35)	(95)	(38)	–	(168)
Impairment losses charged	–	–	–	–	–
Impairment losses reversed	–	–	–	–	–
31 DECEMBER 2014	**(115)**	**(567)**	**(218)**	**–**	**(900)**
Of which finance leases	(3)	–	–	–	(3)
MOVEMENTS DURING 2015					
Translation adjustments	(5)	(20)	(5)	–	(30)
Transfers between accounts	–	–	–	–	–
Changes in scope of consolidation	–	–	(3)	–	(3)
Disposals and other reductions	2	107	37	–	146
Depreciation expense	(19)	(123)	(35)	–	(177)
Impairment losses charged	–	–	–	–	–
Impairment losses reversed	–	–	–	–	–
31 DECEMBER 2015	**(137)**	**(603)**	**(224)**	**–**	**(964)**
Of which finance leases	(4)	–	–	–	(4)

Carrying amount	Land and buildings	Plant, equipment and tooling	Other property, plant and equipment	PP&E under construction and advance payments	Total
31 DECEMBER 2014	**295**	**214**	**100**	**75**	**684**
Of which finance leases	2	1	–	–	3
31 DECEMBER 2015	**286**	**278**	**95**	**84**	**743**
Of which finance leases	1	1	–	–	2

Analyses by business segment and geographical area of the carrying amount of intangible assets and property, plant and equipment, and of capital expenditure, are provided in Note 16, "Segment Information".

3.2. Intangible assets €46m

Gross value	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
1 JANUARY 2014	**–**	**119**	**20**	**139**
Translation adjustments	–	–	–	–
Transfers between accounts	–	5	(4)	1
Changes in scope of consolidation	–	–	3	3
Acquisitions during the period	–	3	8	11
Disposals and other reductions	–	(1)	–	(1)
31 DECEMBER 2014	**–**	**126**	**27**	**153**
MOVEMENTS DURING 2015				
Translation adjustments	–	1	–	1
Transfers between accounts	–	–	–	–
Changes in scope of consolidation	–	–	–	–
Acquisitions during the period	–	7	1	8
Disposals and other reductions	–	(5)	–	(5)
31 DECEMBER 2015	**–**	**129**	**28**	**157**

Amortisation and impairment	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
1 JANUARY 2014	**–**	**(82)**	**(7)**	**(89)**
Translation adjustments	–	–	–	–
Transfers between accounts	–	(1)	–	(1)
Changes in scope of consolidation	–	–	–	–
Disposals and other reductions	–	1	–	1
Amortisation expense	–	(11)	(2)	(13)
Impairment losses charged	–	–	–	–
Impairment losses reversed	–	–	–	–
31 DECEMBER 2014	**–**	**(93)**	**(9)**	**(102)**
MOVEMENTS DURING 2015				
Translation adjustments	–	(1)	–	(1)
Transfers between accounts	–	–	–	–
Changes in scope of consolidation	–	–	–	–
Disposals and other reductions	–	5	–	5
Amortisation expense	–	(11)	(2)	(13)
Impairment losses charged	–	–	–	–
Impairment losses reversed	–	–	–	–
31 DECEMBER 2015	**–**	**(100)**	**(11)**	**(111)**

Carrying amount	Development expenses	Concessions, patents and similar rights	Other intangible assets	Total
31 DECEMBER 2014	**–**	**33**	**18**	**51**
31 DECEMBER 2015	**–**	**29**	**17**	**46**

3.3. Goodwill €557m

	Gross value	Impairment	Carrying amount	Building & Civil Engineering	Energy & Services
1 JANUARY 2014	**483**	**–**	**483**	**233**	**250**
Changes in scope of consolidation, translation adjustments & other movements	45	–	45	6	39
Impairment losses	–	–	–	–	–
31 DECEMBER 2014	**528**	**–**	**528**	**239**	**289**
Changes in scope of consolidation, translation adjustments & other movements	29	–	29	12	17
Impairment losses	–	–	–	–	–
31 DECEMBER 2015	**557**	**–**	**557**	**251**	**306**

3.4. Non-current financial assets €277m

	Investments in joint ventures and associates	Other non-current financial assets		Total gross value	Amortisation and impairment	Carrying amount
		Investments in non-consolidated companies	Other non-current assets			
1 JANUARY 2014	**75**	**154**	**296**	**525**	**(147)**	**378**
Translation adjustments	1	8	8	17	(1)	16
Transfers between accounts	5	1	(1)	5	(3)	2
Changes in scope of consolidation	3	(6)	4	1	9	10
Acquisitions and other increases	9	2	56	67	–	67
Disposals and other reductions	(18)	(12)	(140)	(170)	–	(170)
Amortisation and impairment, net	–	–	–	–	11	11
31 DECEMBER 2014	**75**	**147**	**223**	**445**	**(131)**	**314**
Translation adjustments	1	7	6	14	–	14
Transfers between accounts	10	(24)	(11)	(25)	(3)	(28)
Changes in scope of consolidation	(14)	38	–	24	38	62
Acquisitions and other increases	10	3	39	52	–	52
Disposals and other reductions	(13)	(12)	(51)	(76)	–	(76)
Amortisation and impairment, net	–	–	–	–	(61)	(61)
31 DECEMBER 2015	**69**	**159**	**206**	**434**	**(157)**	**277**

3.4.1. Investments in joint ventures and associates €26m

	Share of net assets held	Goodwill on joint ventures and associates	Carrying amount
1 JANUARY 2014	**75**	**–**	**75**
Translation adjustments	1	–	1
Transfers between accounts	5	–	5
Changes in scope of consolidation	3	–	3
Acquisitions and other increases	9	–	9
Disposals and other reductions	(18)	–	(18)
Impairment losses	–	–	–
31 DECEMBER 2014	**75**	**–**	**75**
Translation adjustments	1	–	1
Transfers between accounts	10	–	10
Changes in scope of consolidation	(14)	–	(14)
Acquisitions and other increases	10	–	10
Disposals and other reductions	(13)	–	(13)
Impairment losses	(43)	–	(43)
31 DECEMBER 2015	**26**	**–**	**26**

The Bouygues Construction group owns a number of investments in joint ventures and associates, a list of which is provided in Note 24, "List of principal consolidated entities".

Summary information about the assets, liabilities, income and expenses of the Bouygues Construction group's principal joint ventures and associates is provided below.

Figures are for 100% of the joint venture/associate	31/12/2015		31/12/2014		
	Stade de France	Adelac	Alis	Stade de France	Adelac
Non-current assets [1]	197	813	529	189	812
Current assets	53	38	86	59	40
TOTAL ASSETS	**250**	**851**	**615**	**248**	**852**
Shareholders' equity	43	(65)	(160)	43	(71)
Non-current liabilities	148	854	729	149	840
Current liabilities	59	62	46	56	83
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	**250**	**851**	**615**	**248**	**852**
Sales	56	47	63	70	44
Operating profit/(loss)	(1)	26	34	1	26
NET PROFIT/(LOSS)	**–**	**(12)**	**–**	**–**	**(14)**

(1) Net of investment grants obtained.

Movements during the period	01/01/2014	Net movements during 2015 [1]	31/12/2015
Stade de France	14	(3)	11
Adelac	–	–	–
Alis	–	–	–
Warnowquerung	12	(12)	–
Bina (Fincom and Istra)	8	(8)	–
Transjamaican	11	(10)	1
Socoprim	14	(14)	–
VSL Corée	7	(1)	6
Other	9	(1)	8
TOTAL	**75**	**(49)**	**26**

(1) Includes the Group's share of: net profit/loss for the period, acquisitions, changes in scope of consolidation, translation adjustments, dividends paid, capital increases, and changes in the fair value of financial instruments.
Accumulated unrecognised losses on associates: €(19)million.

3.4.2. Investments in non-consolidated companies €89m

Investments in non-consolidated companies (1)	31/12/2015 Gross value	Impairment	Carrying amount	% interest	Total assets (2)	Total current & non-current liabilities (2)	Total sales (2)	Net profit/(loss) (2)
FRENCH COMPANIES								
Foncière Point du Jour	10	(8)	2	100%	2	–	–	–
Fichallenge	2	(1)	1	100%	1	5	–	2
Other investments in French companies	18	(3)	15					
SUB-TOTAL	**30**	**(12)**	**18**					
FOREIGN COMPANIES								
Hong Kong IEC Limited	65	–	65	15%	140	31	48	(13)
VSL Corporation (United States)	22	(22)	–	100%	–	–	–	–
C.C.I.B (Romania)	6	(6)	–	22%	29	57	8	(1)
Frog Electr. Cont (South Africa)	5	(5)	–	100%	–	–	–	–
Equiby Limited (Jersey)	5	(5)	–	68%	10	–	–	–
Vorspanntechnik (Germany)	2	(2)	–	100%	–	–	–	–
VSL Offshore (Singapore)	2	(1)	1	100%	1	1	2	–
Other investments in foreign companies	22	(17)	5					
SUB-TOTAL	**129**	**(58)**	**71**					
TOTAL	**159**	**(70)**	**89**					

Investments in non-consolidated companies (1)	31/12/2014 Gross value	Impairment	Carrying amount	% interest	Total assets (2)	Total current & non-current liabilities (2)	Total sales (2)	Net profit/(loss) (2)
FRENCH COMPANIES								
Foncière Point du Jour	10	(8)	2	100%	2	–	–	–
Other investments in French companies	21	(3)	18					
SUB-TOTAL	**31**	**(11)**	**20**					
FOREIGN COMPANIES								
Hong Kong IEC Limited	58	–	58	15%	115	22	34	(11)
VSL Corporation (United States)	22	(22)	–	100%	–	–	–	–
C.C.I.B (Romania)	6	(6)	–	22%	29	65	8	(1)
Equiby Limited (Jersey)	5	(5)	–	68%	9	–	–	–
Frog Electr. Cont (South Africa)	5	(5)	–	100%	–	–	–	–
Vorspanntechnik (Germany)	2	(2)	–	100%	–	–	–	–
VSL Offshore (Singapore)	2	(2)	–	100%	–	–	–	(1)
Other investments in foreign companies	16	(3)	13					
SUB-TOTAL	**116**	**(45)**	**71**					
TOTAL	**147**	**(56)**	**91**					

(1) Not consolidated because:
- the Group does not exercise control or significant influence over the entity;
- the potential contribution of the entity to the consolidated financial statements is immaterial.

(2) Based on available annual information.

3.4.3. Other non-current assets €162m

The main items included in this heading are:

Advances to non-consolidated companies	64
Non-current loans and receivables	68
Other long-term investments:	30
comprising:	
Deposits and caution money	23
Other long-term investment securities	7

3.4.4. Analysis of investments in non-consolidated companies and other non-current assets by type €251m

The figures below do not include joint ventures or associates.

	Available-for-sale financial assets	Loans and receivables	Financial assets at fair value through profit or loss	Held-to-maturity financial assets	Total
31 DECEMBER 2014	**98**	**141**	**–**	**–**	**239**
Movements during 2015	(2)	14	–	–	12
31 DECEMBER 2015	**96**	**155**	**–**	**–**	**251**
Due within less than 1 year	–	12	–	–	12
Due within 1 to 5 years	–	67	–	–	67
Due after more than 5 years	96	76	–	–	172

3.4.5. Joint operations

The Bouygues Construction group owns a number of investments in joint operations. A list of the principal consolidated entities as of 31 December 2015 is provided in Note 24.

Summary information about the assets, liabilities, income and expenses of joint operations is provided below.

Bouygues Construction share	31/12/2015	31/12/2014
Non-current assets	112	61
Current assets	902	825
TOTAL ASSETS	**1,014**	**886**
Shareholders' equity	(203)	(253)
Non-current liabilities	35	32
Current liabilities	1,182	1,107
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**1,014**	**886**
Sales	1,426	1,329
Operating profit/(loss)	(62)	(54)
NET PROFIT/(LOSS)	**(65)**	**(54)**

3.5. Non-current tax assets €116m

	31/12/2015	31/12/2014
Deferred tax assets [1]	116	108
Other non-current tax assets	–	–
TOTAL NON-CURRENT TAX ASSETS [1]	**116**	**108**

(1) See Note 7 for details.

Note 4. Current assets

4.1. Inventories €345m

Inventories	31/12/2015			31/12/2014		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Raw materials and supplies, finished goods and property development inventories	360	(15)	345	328	(13)	315
TOTAL	**360**	**(15)**	**345**	**328**	**(13)**	**315**

Impairment of inventories	Charged during the year		Reversed during the year	
	2015	2014	2015	2014
Raw materials and supplies, finished goods and property development inventories	(4)	(4)	2	3
TOTAL	**(4)**	**(4)**	**2**	**3**

4.2. Advances and down-payments made on orders €184m

	31/12/2015			31/12/2014		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Advances and down-payments made on orders	184	–	184	154	–	154
TOTAL	184	–	184	154	–	154

4.3. Trade and other receivables €3,697m

	31/12/2015			31/12/2014		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Trade receivables (including unbilled receivables)	2,926	(222)	2,704	3,043	(211)	2,832
Current tax assets (tax receivable)	67	–	67	55	–	55
Other current receivables & prepaid expenses:						
Other operating receivables (employees, social security, government and other)	369	(5)	364	364	(8)	356
Sundry receivables (including current accounts)	494	(41)	453	444	(35)	409
Prepaid expenses	109	–	109	87	–	87
TOTAL TRADE AND OTHER RECEIVABLES	3,965	(268)	3,697	3,993	(254)	3,739

4.4. Split of trade receivables between non past due and past due balances as of 31 December 2015 (ageing of trade receivables)

	Non past due balances	Balances past due by			Total
		0-6 months	6-12 months	> 12 months	
Trade receivables	2,127	406	85	308	2,926
Impairment	(7)	(5)	(6)	(204)	(222)
TOTAL TRADE RECEIVABLES	2,120	401	79	104	2,704
COMPARATIVE AS OF 31 DECEMBER 2014	2,268	424	57	83	2,832

4.5. Other current financial assets €10 m

See Note 17, "Financial instruments".

4.6. Cash and cash equivalents €4,392m

	31/12/2015			31/12/2014		
	Gross value	Impairment	Carrying amount	Gross value	Impairment	Carrying amount
Bouygues Relais	2,298	–	2,298	2,132	–	2,132
Uniservice	1,234	–	1,234	1,010	–	1,010
Other cash	849	–	849	702	–	702
Cash equivalents	11	–	11	64	–	64
TOTAL	4,392	–	4,392	3,908	–	3,908

Split by currency: 2015	Euro	Pound sterling	Swiss franc	Hong Kong dollar	Singapore dollar	Canadian dollar	Australian dollar	US dollar	CFA franc	Qatari riyal	Other	Total
Cash	2,728	267	456	336	100	49	51	220	20	47	107	4,381
Cash equivalents	11	–	–	–	–	–	–	–	–	–	–	11
TOTAL	2,739	267	456	336	100	49	51	220	20	47	107	4,392

Split by currency: 2014	Euro	Pound sterling	Swiss franc	Hong Kong dollar	Singapore dollar	Canadian dollar	Australian dollar	US dollar	CFA franc	Other	Total
Cash	2,382	196	425	299	90	58	50	202	27	115	3,844
Cash equivalents	63	–	–	–	–	–	–	–	1	–	64
TOTAL	2,445	196	425	299	90	58	50	202	28	115	3,908

Cash equivalents have a maturity of less than 3 months, or are readily convertible into cash.

Split by category	31/12/2015	31/12/2014
Available-for-sale	4,392	3,908
TOTAL	4,392	3,908

The net cash position shown in the cash flow statement comprises the following items:

	31/12/2015	31/12/2014
Cash	4,381	3,844
Cash equivalents	11	64
TOTAL	4,392	3,908
Overdrafts and short-term bank borrowings	(538)	(459)
NET CASH POSITION	3,854	3,449

Note 5. Shareholders' equity

5.1. Share capital €127,967,250

As of 31 December 2015, the share capital amounted to €127,967,250, comprising 1,706,230 shares with a par value of €75. Movements during the period were as follows:

	01/01/2015	Movements during 2015		31/12/2015
		Reductions	Increases	
Shares	1,706,230	–	–	1,706,230
Investment certificates	–	–	–	–
Number of shares	1,706,230	–	–	1,706,230
Par value	€75	–	–	€75
SHARE CAPITAL (€)	**127,967,250**	**–**	**–**	**127,967,250**

5.2. Items recognised directly in equity

5.2.1. Translation reserve €107m

The translation reserve represents translation differences arising since 1 January 2004, when the reserve was deemed to be zero under the option allowed by IFRS 1.

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

The table below shows the principal translation differences in the year ended 31 December 2015 arising on foreign companies reporting in:

Currency	31/12/2014	Movements during 2015	31/12/2015
Pound sterling	(1)	(1)	(2)
Swiss franc	(3)	8	5
US dollar	(6)	(2)	(8)
Hong Kong dollar	2	3	5
Singapore dollar	–	1	1
Australian dollar	2	–	2
South African rand	59	44	103
Other currencies	1	–	1
TOTAL	**54**	**53**	**107**

5.2.2. Fair value remeasurement reserve €(45)m

The fair value remeasurement reserve is used to record changes in fair value that will be reclassified to profit or loss at a future date. It includes fair value remeasurements of financial instruments used as cash flow hedges and available-for-sale financial assets.

	31/12/2014	Movements during 2015	31/12/2015
Fair value remeasurement reserve	(43)	(2)	(45)
TOTAL	**(43)**	**(2)**	**(45)**

5.2.3. Other reserves €(33)m

	31/12/2014	Movements during 2015	31/12/2015
Revaluation reserve	4	–	4
Actuarial gains/(losses)	(33)	(4)	(37)
TOTAL	**(29)**	**(4)**	**(33)**

Note 6. Non-current and current provisions

6.1. Non-current provisions €828m

	Employee benefits	Litigation and claims	Customer warranties	Risks on subsidiaries and affiliates	Miscellaneous foreign risks	Other non-current provisions	Total
1 JANUARY 2014	**180**	**174**	**296**	**49**	**74**	**115**	**888**
Translation adjustments	–	–	1	–	–	3	4
Transfers between accounts	–	–	–	–	–	(1)	(1)
Changes in method and in scope of consolidation, other movements	–	(1)	–	(12)	–	–	(13)
Recognised directly in equity	15	–	–	–	–	–	15
Charges to provisions	9	58	79	3	8	17	174
Reversals (provisions used)	(2)	(18)	(56)	–	(2)	(5)	(83)
Reversals (provisions not used)	(3)	(44)	(28)	(5)	–	(42)	(122)
31 DECEMBER 2014	**199**	**169**	**292**	**35**	**80**	**87**	**862**
MOVEMENTS DURING 2015							
Translation adjustments	1	–	3	–	–	3	7
Transfers between accounts	–	(1)	–	3	(1)	2	3
Changes in method and in scope of consolidation, other movements	–	(1)	–	(1)	–	–	(2)
Recognised directly in equity	5	–	–	–	–	–	5
Charges to provisions	6	50	78	1	3	60	198
Reversals (provisions used)	(9)	(12)	(51)	–	(52)	(4)	(128)
Reversals (provisions not used)	(4)	(32)	(24)	(6)	(24)	(27)	(117)
31 DECEMBER 2015	**198**	**173**	**298**	**32**	**6**	**121**	**828**

6.2. Current provisions €655m

	Risks on completed projects	Project completion expenses	Expected losses to completion	Other current provisions	Total
1 JANUARY 2014	**46**	**197**	**106**	**78**	**427**
Translation adjustments	1	10	4	3	18
Transfers between accounts	–	(7)	9	–	2
Changes in method and in scope of consolidation, other movements	–	–	–	(1)	(1)
Charges to provisions	35	156	130	38	359
Reversals (provisions used)	(5)	(58)	(40)	(18)	(121)
Reversals (provisions not used)	(12)	(51)	(13)	(9)	(85)
31 DECEMBER 2014	**65**	**247**	**196**	**91**	**599**
MOVEMENTS DURING 2015					
Translation adjustments	4	16	(7)	(3)	10
Transfers between accounts	5	(4)	–	–	1
Changes in method and in scope of consolidation, other movements	–	(1)	4	–	3
Charges to provisions	27	106	137	35	305
Reversals (provisions used)	(14)	(68)	(70)	(17)	(169)
Reversals (provisions not used)	(14)	(58)	(15)	(7)	(94)
31 DECEMBER 2015	**73**	**238**	**245**	**99**	**655**

Note 7. Non-current tax assets and liabilities Assets €116m/Liabilities €28m

7.1. Non-current tax assets

Movement in deferred tax assets in the consolidated balance sheet	31/12/2014	Movements during 2015		31/12/2015
		Net gain	Other movements	
Deferred tax assets	108	9	(1)	116

7.2. Deferred tax assets by business segment

Type of deferred taxation by business segment	Deferred tax assets 31/12/2014	Changes in scope of consolidation	Translation adjustments	Movements during 2015		Other	Deferred tax assets 31/12/2015
				Gain	Expense		
(A) TAX LOSSES AVAILABLE FOR CARRY-FORWARD							
Building & Civil Engineering	2	–	–	5	–	–	7
Energy & Services	3	1	–	–	(1)	–	3
SUB-TOTAL: TAX LOSSES	**5**	**1**	**0**	**5**	**(1)**	**0**	**10**
(B) TEMPORARY DIFFERENCES (1)							
Building & Civil Engineering	91	–	–	6	–	(2)	95
Energy & Services	12	–	–	–	(1)	0	11
SUB-TOTAL: TEMPORARY DIFFERENCES	**103**	**0**	**0**	**6**	**(1)**	**(2)**	**106**
TOTAL DEFERRED TAX ASSETS	**108**	**1**	**0**	**11**	**(2)**	**(2)**	**116**

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

7.3. Non-current tax liabilities

Movement in deferred tax liabilities in the consolidated balance sheet	31/12/2014	Movements during 2015		31/12/2015
		Net gain	Other movements	
Deferred tax liabilities	29	0	(1)	28

7.4. Deferred tax liabilities by business segment

Type of deferred taxation by business segment	Deferred tax liabilities 31/12/2014	Changes in scope of consolidation	Translation adjustments	Movements during 2015		Other	Deferred tax liabilities 2015
				Gain	Expense		
TEMPORARY DIFFERENCES [1]							
Building & Civil Engineering	28	–	–	(4)	4	(1)	27
Energy & Services	1	–	–	–	–	–	1
SUB-TOTAL: TEMPORARY DIFFERENCES	**29**	**0**	**0**	**(4)**	**4**	**(1)**	**28**
TOTAL DEFERRED TAX LIABILITIES	**29**	**0**	**0**	**(4)**	**4**	**(1)**	**28**

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

7.5. Main sources of deferred taxation

	31/12/2015	31/12/2014
DEFERRED TAX ASSETS	**116**	**108**
Employee benefits	45	51
Customer warranties	14	14
Expected losses to completion	45	31
Provisions for customer disputes and bad debts	4	5
Tax losses available for carry-forward	10	5
Other sources of deferred tax assets	(2)	2
DEFERRED TAX LIABILITIES	**28**	**29**
TOTAL	**88**	**79**

7.6. Period to recovery of deferred tax assets

31 December 2015	Less than 2 years	2 to 5 years	More than 5 years	Total
DEFERRED TAX ASSETS	**74**	**20**	**22**	**116**

7.7. Unrecognised deferred tax assets

	2015	2014
Bouygues group tax election	78	74
Other assets	144	123
TOTAL	**222**	**197**

Note 8. Non-current and current debt

8.1. Interest-bearing debt by maturity

€582m

Debt	Current		Non-current						Total 31/12/2015	Total 31/12/2014
	0-3 months 2016	3-12 months 2016	1-2 years 2017	2-3 years 2018	3-4 years 2019	4-5 years 2020	5-6 years 2021	6 years 2022 + later		
Bond issues	–	–	–	–	–	–	–	–	–	–
Bank borrowings	1	5	7	3	–	–	–	–	16	15
Finance lease obligations	–	–	1	1	–	–	–	–	2	3
Other borrowings	–	–	6	19	3	5	9	7	49	50
Participating debt	–	–	–	–	–	–	–	–	–	–
Uniservice debt	1	2	110	131	226	45	–	–	515	481
TOTAL INTEREST-BEARING DEBT	**2**	**7**	**124**	**154**	**229**	**50**	**9**	**7**	**582**	**549**
COMPARATIVE: 31/12/2014	**6**	**4**	**133**	**25**	**65**	**297**	**9**	**10**	**549**	**–**

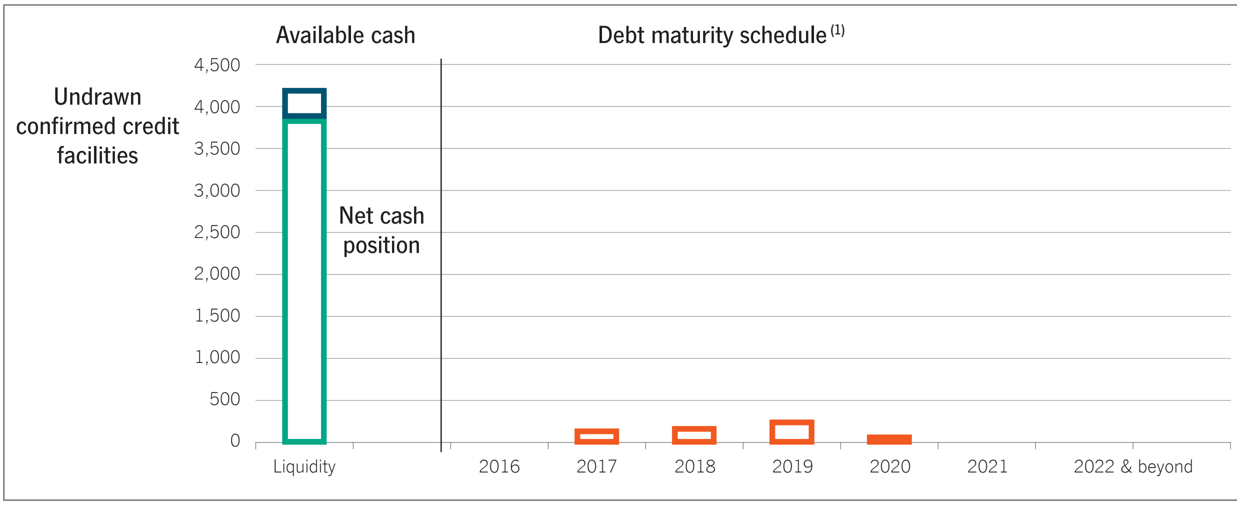
Finance lease obligations by business segment	Building & Civil Engineering	Energy & Services	Total
NON-CURRENT: 31/12/2015	**2**	**–**	**2**
CURRENT: 31/12/2015	**–**	**–**	**–**
Non-current: 31/12/2014	3	–	3
Current: 31/12/2014	–	–	–

8.2. Confirmed credit facilities and drawdowns

	Confirmed facilities - Maturity				Drawdowns - Maturity			
	< 1 year	1-5 years	> 5 years	Total	< 1 year	1-5 years	> 5 years	Total
Bond issues	–	–	–	–	–	–	–	–
Bank borrowings	6	10	–	16	6	10	–	16
Other borrowings	159	724	16	899	3	547	16	566
Participating debt	–	–	–	–	–	–	–	–
Intra-group borrowings	–	–	–	–	–	–	–	–
TOTAL	**165**	**734**	**16**	**915**	**9**	**557**	**16**	**582**

8.3. Liquidity at 31 December 2015

As of 31 December 2015, the net cash position was €3,854 million, plus €333 million of undrawn confirmed credit facilities as of that date. See Note 4.6 for more details about cash and cash equivalents.



(1) Non-current debt (€573 million) and current debt (€9 million).

Consequently, the Bouygues Construction group is not exposed to liquidity risk.

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

8.4. Split of current and non-current debt by interest rate type

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

	31/12/2015	31/12/2014
Fixed rate [1]	1%	1%
Floating rate	99%	99%

(1) Rates fixed for more than one year.

8.5. Split of debt by currency

	Euro	Pound sterling	Swiss franc	US dollar	Czech koruna	Polish zloty	Hong Kong dollar	Canadian dollar	Other	Total
NON-CURRENT: 31/12/2015	**4**	**147**	**168**	**53**	**26**	**32**	**25**	**115**	**3**	**573**
CURRENT: 31/12/2015	**–**	**–**	**–**	**–**	**–**	**–**	**6**	**–**	**3**	**9**
Non-current: 31/12/2014	5	139	151	46	26	32	25	114	1	539
Current: 31/12/2014	1	4	–	–	–	–	4	–	1	10

An analysis of debt by business segment is provided in Note 16, “Segment information”.

Note 9. Change in net surplus cash €3,272m

9.1. Change in net surplus cash

	31/12/2014	Movements during the period	31/12/2015
Cash and cash equivalents	3,908	484	4,392
Overdrafts and short-term bank borrowings	(459)	(79)	(538)
NET CASH POSITION	**3,449**	**405** (1)	**3,854**
Non-current debt	(539)	(34)	(573)
Current debt	(10)	1	(9)
Financial instruments - hedging of debt	–	–	–
DEBT	**(549)**	**(33)**	**(582)**
NET SURPLUS CASH	**2,900**	**372**	**3,272**

(1) Net cash position as analysed in the cash flow statement.

9.2. Principal movements during the period

NET SURPLUS CASH AT 31 DECEMBER 2014	**2,900**
Net cash generated by operating activities	647
Net cash used in investing activities	(127)
Dividends paid	(254)
Income from net surplus cash	9
Effect of changes in scope of consolidation on debt	4
Effect of exchange rates on net cash position and debt	96
Other movements	(3)
NET SURPLUS CASH AT 31 DECEMBER 2015	**3,272**

Note 10. Other current liabilities

10.1. Trade payables and other current liabilities €6,786m

	31/12/2015	31/12/2014
ADVANCES AND DOWN-PAYMENTS RECEIVED ON ORDERS	**630**	**535**
CURRENT TAXES PAYABLE	**53**	**65**
TRADE PAYABLES	**2,945**	**2,888**
OTHER CURRENT LIABILITIES	**3,158**	**2,945**
Employee-related and social security liabilities	444	458
Amounts due to government and local authorities	520	488
Other current liabilities	597	464
Deferred income	1,597	1,535

10.2. Overdrafts and short-term bank borrowings €538m

Split by currency: 31/12/2015	Euro	Hong Kong dollar	CFA franc	Pound sterling	US dollar	Canadian dollar	Swiss franc	Other	Total
Overdrafts and short-term bank borrowings	122	147	45	39	12	28	111	34	538

Split by currency: 31/12/2014	Euro	Hong Kong dollar	CFA franc	Pound sterling	US dollar	Canadian dollar	Other	Total
Overdrafts and short-term bank borrowings	59	142	47	37	13	68	93	459

10.3. Other current financial liabilities €49m

See Note 17, “Financial instruments”.

Note 11. Sales and other revenues from operations

11.1. Analysis by accounting classification

	2015 (1)	2014 (1)
Sales of goods	152	118
Sales of services	2,724	2,267
Construction contracts	9,099	9,341
SALES	11,975	11,726
OTHER REVENUES FROM OPERATIONS	91	106
TOTAL	12,066	11,832

(1) There were no exchanges of goods or services during the period.

Information about construction contracts as at 31 December 2015	
ASSETS	
Unbilled works	547
Warranty retentions	220
LIABILITIES	
Works billed in advance	1,376
Advance payments received	462
COSTS INCURRED SINCE INCEPTION ON CONTRACTS IN PROGRESS (plus recognised profits, minus recognised losses)	18,345

11.2. Analysis of sales by business segment

Business segment	2015 sales				2014 sales			
	France	International	Total	% of total sales	France	International	Total	% of total sales
Building & Civil Engineering	4,613	5,244	9,857	82%	4,893	5,156	10,049	86%
Energy & Services	1,076	1,042	2,118	18%	1,066	611	1,677	14%
TOTAL SALES	5,689	6,286	11,975	100%	5,959	5,767	11,726	100%
% CHANGE 2015 VS. 2014	(5%)	9%	2%	–	–	–	–	–

11.3. Analysis of sales by geographical area

Analysis of sales by geographical area	2015 sales		2014 sales	
	Total	% of total sales	Total	% of total sales
France	5,689	47.5%	5,959	50.8%
European Union	1,745	14.6%	1,635	13.9%
Rest of Europe	955	8.0%	864	7.4%
Africa	780	6.5%	825	7.0%
Middle East	120	1.0%	186	1.6%
Americas	869	7.3%	563	4.8%
Asia-Pacific	1,817	15.1%	1,694	14.5%
TOTAL	**11,975**	**100.0%**	**11,726**	**100.0%**

11.4. Analysis of sales by type of contract (%)

Type of contract	2015			2014		
	France	International	Total	France	International	Total
Public-sector contracts (1)	45%	41%	43%	47%	54%	51%
Private-sector contracts	55%	59%	57%	53%	46%	49%

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

Note 12. Operating profit

Current operating profit	2015	2014
Sales	11,975	11,726
Other revenues from operations	91	106
Purchases used in production and external charges	(8,689)	(8,505)
Personnel costs	(2,749)	(2,593)
Taxes other than income tax	(153)	(157)
Net depreciation & amortisation expense	(190)	(181)
Net charges to provisions & impairment losses	(238)	(350)
Change in production and property development inventories	19	3
Other income and expenses on operations:		
Reversals of impairment losses and unused provisions	244	237
Net gains on disposals of non-current assets	15	14
Net foreign exchange gains/(losses)	(24)	10
Other income/(expenses)	48	25
SUB-TOTAL: CURRENT OPERATING PROFIT	**349**	**335**
OTHER OPERATING INCOME AND EXPENSES	**(35)**	**–**
OPERATING PROFIT	**314**	**335**

An analysis by business segment is provided in Note 16.

Note 13. Income from net surplus cash and other financial income and expenses

13.1. Components of income from net surplus cash

	2015	2014
Cost of debt	(6)	(6)
Income from cash and cash equivalents	15	21
INCOME FROM NET SURPLUS CASH	**9**	**15**

Income from net surplus cash comprises:

Net interest expense on debt	(6)	(6)
Interest expense on finance leases	–	–
Impact of financial instruments on debt	–	–
SUB-TOTAL	**(6)**	**(6)**
Net interest income from cash and cash equivalents	15	21
Impact of financial instruments on net cash position	–	–
Income from available-for-sale financial assets and cash equivalents	–	–
SUB-TOTAL	**15**	**21**

13.2. Breakdown of other financial income and expenses

	2015	2014
Dividends from non-consolidated companies	15	8
Net (increase)/decrease in financial provisions	(10)	8
Net discounting expense	–	–
Change in fair value of other financial assets and liabilities	–	–
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	12	5
OTHER FINANCIAL INCOME/(EXPENSES), NET	**17**	**21**

An analysis by business segment is provided in Note 16.

Note 14. Income tax expense

14.1. Analysis of income tax expense

	2015			2014		
	France	Other countries	Total	France	Other countries	Total
Tax payable to the tax authorities	(61)	(52)	(113)	(94)	(41)	(135)
Change in deferred tax liabilities [(1) (2)]	–	–	–	2	2	4
Change in deferred tax asset [(1) (2)]	8	1	9	9	–	9
Dividend taxes	–	(4)	(4)	–	(2)	(2)
TOTAL	**(53)**	**(55)**	**(108)**	**(83)**	**(41)**	**(124)**

An analysis by business segment is provided in Note 16.

	2015	2014
(1) Includes deferred taxes arising from:		
temporary differences;	5	14
tax loss carry-forwards;	4	(1)
changes in tax rates or new taxes.	–	–
(2) Includes tax charges/credits on temporary differences from prior periods not previously recognised:		
current taxes;	–	–
deferred taxes.	–	–

14.2. 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:

	2015	2014
Standard tax rate in France	34.43%	34.43%
Differences in tax rates between France and other countries	(1.05%)	(1.47%)
Unrecognised deferred tax assets and creation/utilisation of tax loss carry-forwards	7.05%	7.05%
Effect of permanent differences	(12.60%)	(8.08%)
Flat-rate and reduced-rate taxes	(1.66%)	3.02%
Dividend taxes	0.95%	0.60%
Other	0.19%	(2.55%)
EFFECTIVE TAX RATE	**27.31%**	**33.00%**

Note 15. Basic and diluted earnings per share

Basic earnings per share is calculated by dividing net profit 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.

	2015	2014
Net profit attributable to the Group	€276m	€254m
Weighted average number of shares outstanding	1,706,230	1,706,230
BASIC EARNINGS PER SHARE	**€161.76**	**€148.87**

Diluted earnings per share is calculated by reference to the weighted average number of shares outstanding, adjusted for the conversion of all potentially dilutive shares. Because Bouygues Construction does not use dilutive instruments, there is no difference between basic earnings per share and diluted earnings per share.

	2015	2014
Net profit used to calculate diluted earnings per share	€276m	€254m
Weighted average number of shares outstanding used to calculate diluted earnings per share	1,706,230	1,706,230
DILUTED EARNINGS PER SHARE	**€161.76**	**€148.87**

Note 16. Segment information

The operating segments used are those reviewed by the chief operational decision-maker of the Group, and are not aggregated for segment reporting purposes. The table below shows the contribution made by each business segment to key items in the income statement, balance sheet and cash flow statement:

16.1. Analysis by business segment: year ended 31 December 2015

2015	Building & Civil Engineering	Energy & Services	Total
INCOME STATEMENT			
Total sales	9,928	2,216	12,144
Inter-segment sales	(71)	(98)	(169)
THIRD-PARTY SALES	**9,857**	**2,118**	**11,975**
CURRENT OPERATING PROFIT	**292**	**57**	**349**
Other operating income and expenses	(26)	(9)	(35)
OPERATING PROFIT	**266**	**48**	**314**
Income from net surplus cash/(cost of net debt)	12	(3)	9
Other financial income/(expenses), net	16	1	17
Income tax expense	(94)	(14)	(108)
Share of profits/(losses) of joint ventures and associates	55	1	56
NET PROFIT FROM CONTINUING OPERATIONS	**255**	**33**	**288**
Net profit from discontinued and held-for-sale operations	–	–	–
NET PROFIT	**255**	**33**	**288**
NET PROFIT ATTRIBUTABLE TO THE GROUP	**244**	**32**	**276**
BALANCE SHEET			
Property, plant and equipment (1)	703	40	743
Intangible assets	25	21	46
Goodwill	251	306	557
Investments in joint ventures and associates	25	1	26
Deferred tax assets and non-current tax receivable	102	14	116
Current tax assets (tax receivable)	43	24	67
Cash and cash equivalents	4,181	211	4,392
Other segmental assets	3,668	787	4,455
Unallocated assets	–	–	–
TOTAL ASSETS	**–**	**–**	**10,402**
Non-current debt	546	27	573
Non-current provisions	743	85	828
Deferred tax liabilities and non-current tax liabilities	28	–	28
Current taxes payable	48	5	53
Overdrafts and short-term bank borrowings	506	32	538
Other segmental liabilities (2)	6,407	1,039	7,446
Unallocated liabilities	–	–	936
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**–**	**–**	**10,402**
CASH FLOW STATEMENT			
Cash flow	395	72	467
Purchase price of property, plant & equipment and intangible assets (3)	(237)	(15)	(252)
Purchase price of non-consolidated companies and other investments	(1)	(1)	(2)
Purchase price of investments in consolidated companies (4)	–	(12)	(12)
Depreciation of property, plant & equipment and amortisation of intangible assets	172	18	190
Other non-cash expenses/(income) (5)	11	7	18
OTHER INDICATORS			
EBITDA	**456**	**77**	**533**
NET SURPLUS CASH/(NET DEBT) (6)	**3,131**	**141**	**3,272**
FREE CASH FLOW	**113**	**41**	**154**

(1) Including assets held under finance leases.
(2) Trade payables, advance payments received, current provisions, etc.
(3) Net of investment grants obtained.
(4) Net of cash acquired and debt assumed on acquisitions.
(5) Net charges to non-current provisions and impairment losses.
(6) Segment-level contribution.

16.2. Analysis by business segment: year ended 31 December 2014

2014	Building & Civil Engineering	Energy & Services	Total
INCOME STATEMENT			
Total sales	10,110	1,789	11,899
Inter-segment sales	(61)	(112)	(173)
THIRD-PARTY SALES	**10,049**	**1,677**	**11,726**
CURRENT OPERATING PROFIT	**310**	**25**	**335**
Other operating income and expenses	–	–	–
OPERATING PROFIT	**310**	**25**	**335**
Income from net surplus cash/(cost of net debt)	17	(2)	15
Other financial income/(expenses), net	18	3	21
Income tax expense	(115)	(9)	(124)
Share of profits/(losses) of joint ventures and associates	(9)	15	6
NET PROFIT FROM CONTINUING OPERATIONS	**221**	**32**	**253**
Net profit from discontinued and held-for-sale operations	–	–	–
NET PROFIT	**221**	**32**	**253**
NET PROFIT ATTRIBUTABLE TO THE GROUP	**221**	**33**	**254**
BALANCE SHEET			
Property, plant and equipment (1)	642	42	684
Intangible assets	30	21	51
Goodwill	239	289	528
Investments in joint ventures and associates	75	–	75
Deferred tax assets and non-current tax receivable	93	15	108
Current tax assets (tax receivable)	38	17	55
Cash and cash equivalents	3,780	128	3,908
Other segmental assets	3,652	745	4,397
Unallocated assets	–	–	–
TOTAL ASSETS	**–**	**–**	**9,806**
Non-current debt	513	26	539
Non-current provisions	782	80	862
Deferred tax liabilities and non-current tax liabilities	29	–	29
Current taxes payable	60	5	65
Overdrafts and short-term bank borrowings	439	20	459
Other segmental liabilities (2)	6,094	917	7,011
Unallocated liabilities	–	–	841
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**–**	**–**	**9,806**
CASH FLOW STATEMENT			
Cash flow	443	37	480
Purchase price of property, plant & equipment and intangible assets (3)	(217)	(23)	(240)
Purchase price of non-consolidated companies and other investments	(1)	–	(1)
Purchase price of investments in consolidated companies (4)	–	(55)	(55)
Depreciation of property, plant & equipment and amortisation of intangible assets	165	16	181
Other non-cash expenses/(income) (5)	(31)	(8)	(39)
OTHER INDICATORS			
EBITDA	**585**	**44**	**629**
NET SURPLUS CASH/(NET DEBT) (6)	**2,838**	**62**	**2,900**
FREE CASH FLOW	**195**	**4**	**199**

(1) Including assets held under finance leases.
(2) Trade payables, advance payments received, current provisions, etc.
(3) Net of investment grants obtained.
(4) Net of cash acquired and debt assumed on acquisitions.
(5) Net charges to non-current provisions and impairment losses.
(6) Segment-level contribution.

16.3. Analysis by geographical area

2015	France (incl. overseas departments)	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
INCOME STATEMENT								
Third-party sales	5,689	1,745	955	780	1,817	869	120	**11,975**
BALANCE SHEET								
Property, plant and equipment (1)	394	23	33	82	187	18	6	**743**
Intangible assets	40	6	–	–	–	–	–	**46**
CASH FLOW STATEMENT								
Acquisitions of property, plant & equipment and intangible assets	(76)	(5)	(12)	(21)	(128)	(5)	(5)	**(252)**
Acquisitions of investments in non-consolidated companies and other investments	(2)	–	–	–	–	–	–	**(2)**
Acquisitions of investments in consolidated companies, net of acquired cash	–	–	–	–	–	(12)	–	**(12)**

(1) Including assets held under finance leases.

2014	France (incl. overseas departments)	European Union	Rest of Europe	Africa	Asia-Pacific-Oceania	Americas	Middle East	Total
INCOME STATEMENT								
Third-party sales	5,959	1,635	864	825	1,694	563	186	11,726
BALANCE SHEET								
Property, plant and equipment (1)	385	25	29	106	119	18	2	684
Intangible assets	44	6	–	–	–	1	–	51
CASH FLOW STATEMENT								
Acquisitions of property, plant & equipment and intangible assets	(81)	(6)	(7)	(43)	(94)	(8)	(1)	(240)
Acquisitions of investments in non-consolidated companies and other investments	(1)	–	–	–	–	–	–	(1)
Acquisitions of investments in consolidated companies, net of acquired cash	–	–	–	–	–	(55)	–	(55)

(1) Including assets held under finance leases.

Note 17. Financial instruments

The disclosures presented below show aggregate notional amounts at 31 December 2015 for each type of financial instrument used, split by residual maturity for interest rate hedges and by currency for currency hedges.

17.1. Interest rate and currency hedges

17.1.1. Analysis by business segment

(€ million)	Building & Civil Engineering	Energy & Services	Total 31/12/2015	Total 31/12/2014
Forward purchases	443	84	527	572
Forward sales	276	25	301	243
Currency swaps	5	–	5	17
Interest rate swaps [1]	3	–	3	3
Interest rate options (caps, floors)	–	–	–	–
Commodities derivatives	1	–	1	8
TOTAL	**728**	**109**	**837**	**843**

(1) Rate paid: fixed rate 0.77%.

17.1.2. Analysis by maturity and original currency

(€ million)	Maturity			Total	Original currency							
	< 1 year	1 to 5 years	> 5 years		EUR	CHF	GBP	USD	CNY	HRK	HKD	Other
Forward purchases	471	56	–	527	345	11	2	63	34	30	6	36
Forward sales	227	74	–	301	33	2	16	174	–	–	47	29
Currency swaps	5	–	–	5	–	–	–	–	–	–	–	5
Interest rate swaps	–	3	–	3	3	–	–	–	–	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	–	–	–	–	–	–
Commodities derivatives	1	–	–	1	1	–	–	–	–	–	–	–
TOTAL	**704**	**133**	**–**	**837**	**382**	**13**	**18**	**237**	**34**	**30**	**53**	**70**

17.2. Market value of hedging instruments

Derivatives recognised as assets (€ million)	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net inv. in foreign op.
	EUR	USD	GBP	CHF	Other currencies				
Forward purchases	1	3	–	–	1	5	–	5	–
Forward sales	5	–	–	–	–	5	–	5	–
Currency swaps	–	–	–	–	–	–	–	–	–
Interest rate swaps	–	–	–	–	–	–	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	–	–	–
Commodities derivatives	–	–	–	–	–	–	–	–	–
TOTAL RECOGNISED AS ASSETS	**6**	**3**	**–**	**–**	**1**	**10**	**–**	**10**	**–**

Derivatives recognised as liabilities (€ million)	Original currency					Total	Fair value hedge	Cash flow hedge	Hedge of net inv. in foreign op
	EUR	USD	GBP	CHF	Other currencies				
Forward purchases	(24)	–	–	–	(3)	(27)	(5)	(22)	–
Forward sales	–	(16)	–	–	(6)	(22)	(4)	(18)	–
Currency swaps	–	–	–	–	–	–	–	–	–
Interest rate swaps	–	–	–	–	–	–	–	–	–
Interest rate options (caps, floors)	–	–	–	–	–	–	–	–	–
Commodities derivatives	–	–	–	–	–	–	–	–	–
TOTAL RECOGNISED AS LIABILITIES	**(24)**	**(16)**	**–**	**–**	**(9)**	**(49)**	**(9)**	**(40)**	**–**
TOTAL NET ASSET/ (LIABILITY)	**(18)**	**(13)**	**–**	**–**	**(8)**	**(39)**	**(9)**	**(30)**	**–**

In the event of a +1.00% movement in the yield curve, the hedging instruments portfolio would have a negative market value of **€38.2** million; in the event of a -1.00% movement, it would have a negative market value of **€38.4** million.

In the event of a 1% adverse movement in the euro against each of the other currencies, the hedging instruments portfolio would have a negative market value of **€43.4** million.

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

Note 18. Off balance sheet commitments at 31 December 2015

This note discloses information about guarantee commitments, sundry contractual commitments, and lease commitments.

18.1. Guarantee commitments

	31/12/2015	Less than 1 year	1 to 5 years	More than 5 years
Pledges, mortgages and collateral	5	–	1	4
Guarantees and endorsements given (1)	50	4	46	–
TOTAL GUARANTEE COMMITMENTS GIVEN	**55**	**4**	**47**	**4**
Pledges, mortgages and collateral	–	–	–	–
Guarantees and endorsements received	–	–	–	–
TOTAL GUARANTEE COMMITMENTS RECEIVED	**–**	**–**	**–**	**–**

(1) In connection with its ordinary activities, the Bouygues Construction 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 Group's consolidated balance sheet.

18.2. Sundry contractual commitments

	31/12/2015	Less than 1 year	1 to 5 years	More than 5 years
Lump-sum retirement benefit obligations	–	–	–	–
Unmatured bills	–	–	–	–
Other	–	–	–	–
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**–**	**–**	**–**	**–**
Lump-sum retirement benefit obligations	–	–	–	–
Unmatured bills	–	–	–	–
Other	–	–	–	–
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**–**	**–**	**–**	**–**

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

18.3. Operating leases

	31/12/2015	Less than 1 year	1 to 5 years	More than 5 years
Operating lease commitments (given/received)	41	8	26	7

These figures show the minimum future lease payments due until the normal renewal date of the lease (or earliest potential termination date) under operating leases relating to current operations (land, buildings, plant & equipment, etc.).

18.4. Finance leases (already recognised as liabilities in the balance sheet)

	31/12/2015	Less than 1 year	1 to 5 years	More than 5 years
Finance lease commitments	3	1	2	–

Note 18. Off balance sheet commitments at 31 December 2014

This note discloses information about guarantee commitments, sundry contractual commitments, and lease commitments.

18.5. Guarantee commitment

	31/12/2014	Less than 1 year	1 to 5 years	More than 5 years
Pledges, mortgages and collateral	5	–	4	1
Guarantees and endorsements given [1]	79	23	51	5
TOTAL GUARANTEE COMMITMENTS GIVEN	**84**	**23**	**55**	**6**
Pledges, mortgages and collateral	–	–	–	–
Guarantees and endorsements received	–	–	–	–
TOTAL GUARANTEE COMMITMENTS RECEIVED	**–**	**–**	**–**	**–**

(1) In connection with its ordinary activities, the Bouygues Construction 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 Group's consolidated balance sheet.

18.6. Sundry contractual commitments

	31/12/2014	Less than 1 year	1 to 5 years	More than 5 years
Lump-sum retirement benefit obligations	–	–	–	–
Unmatured bills	–	–	–	–
Other	–	–	–	–
TOTAL SUNDRY CONTRACTUAL COMMITMENTS GIVEN	**–**	**–**	**–**	**–**
Lump-sum retirement benefit obligations	–	–	–	–
Unmatured bills	–	–	–	–
Other	–	–	–	–
TOTAL SUNDRY CONTRACTUAL COMMITMENTS RECEIVED	**–**	**–**	**–**	**–**

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

18.7. Operating leases

	31/12/2014	Less than 1 year	1 to 5 years	More than 5 years
Operating lease commitments (given/received)	48	9	27	12

These figures show the minimum future lease payments due until the normal renewal date of the lease (or earliest potential termination date) under operating leases relating to current operations (land, buildings, plant & equipment, etc.).

18.8. Finance leases (already recognised as liabilities in the balance sheet)

	31/12/2014	Less than 1 year	1 to 5 years	More than 5 years
Finance lease commitments	3	–	3	–

Note 19. Employee benefit obligations

19.1. Employee benefit obligations

	31/12/2014	Movements during 2015	31/12/2015
Lump-sum retirement benefits	163	–	163
Long service awards	33	(3)	30
Other post-employment benefits (pensions)	2	–	2
TOTAL	198	(3)	195

These obligations are covered by provisions, recorded as non-current liabilities.

19.2. Employee benefit obligations: pensions and other post-employment benefits, excluding long-service awards

19.2.1. Defined-contribution plans

	2015	2014
AMOUNT RECOGNISED AS AN EXPENSE	191	197

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

19.2.2. Defined-benefit plans (retirement benefit obligations)

a. Net expense recognised in the income statement (as an operating item)

	Lump-sum retirement benefits		Pensions	
	2015	2014	2015	2014
Current service cost	(9)	(4)	1	1
Interest expense on obligation	3	5	1	1
Expected return on plan assets	–	–	(1)	(1)
Net recognised actuarial gains/(losses)	–	–	(1)	(1)
NET EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(6)**	**1**	**0**	**0**
Actual return on plan assets	–	–	–	–

b. Amounts recognised in the balance sheet

	Lump-sum retirement benefits		Pensions	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Present value of obligation	164	164	26	24
Fair value of plan assets	–	–	(24)	(22)
Net unrecognised actuarial gains/(losses)	(1)	(1)	–	–
NET OBLIGATION RECOGNISED	**163**	**163**	**2**	**2**

c. Movement in balance sheet items

	Lump-sum retirement benefits		Pensions	
	2015	2014	2015	2014
1 JANUARY	**163**	**148**	**2**	**1**
Expense recognised	(6)	1	–	–
Changes in scope of consolidation	–	–	–	–
Changes in accounting policy and other movements	–	–	–	–
Actuarial gains/(losses) recognised directly in equity	6	14	–	1
31 DECEMBER	**163**	**163**	**2**	**2**

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

	31/12/2015	31/12/2014
DISCOUNT RATE		
Lump-sum retirement benefits (1)	2.09% (iboxx € corporate A10+)	2.01% (iboxx € corporate A10+)
Pensions	4.0%	3.6%
MORTALITY TABLE	**INSEE**	**INSEE**
SALARY INFLATION RATE		
Lump-sum retirement benefits	1.3 to 2.5%	1.4 to 2.7%
Pensions	3.5%	3.4%

(1) A reduction of 50 basis points in the discount rate would increase the obligation by €9 million as of 31 December 2015. Under Group accounting policies, any such actuarial losses would have been recognised directly in equity.

Note 20. Related-party disclosures

20.1. Related-party disclosures

	Expenses		Income		Receivables		Payables	
	2015	2014	2015	2014	2015	2014	2015	2014
Parties with an ownership interest	(192)	(164)	214	306	3,604 [1]	3,234	911	834
Joint operations	(43)	(42)	199	151	265	238	205	146
Joint ventures and associates	(4)	(1)	25	95	18	33	4	4
Other related parties	(6)	(6)	29	29	60	44	57	43
TOTAL	**(245)**	**(213)**	**467**	**581**	**3,947**	**3,549**	**1,177**	**1,027**
Due within less than 1 year					3,913	3,521	771	547
Due within 1 to 5 years					19	17	406	480
Due after more than 5 years					15	11		
Of which bad debt write-offs					–	–		
Of which impairment of receivables					74	106		

(1) Includes Bouygues Relais: €2,298 million and Uniservice: €1,234 million.

The off balance sheet commitments disclosed in Note 18 to these consolidated financial statements include €46 million of commitments to related parties.

20.2. Disclosures about remuneration and benefits paid to directors and senior executives

- Disclosures about senior executives cover members of the Executive Committee in post on 31 December 2015.
- Direct remuneration amounted to €13,467 thousands, comprising €8,257 thousands of basic remuneration and €5,210 thousands of variable remuneration paid in 2016 on the basis of 2015 performance.
- Short-term benefits: none.
- Post-employment benefits: members of the Executive Committee belong to a top-up retirement plan based on 0.92% of their reference salary for each year's membership of the plan. This top-up plan is contracted out to an insurance company. Contributions paid into the fund managed by the insurance company amounted to €459 thousands in 2015.
- Long-term benefits: none.
- Termination benefits: these comprise lump-sum retirement benefits of €2,841 thousands as of 31 December 2015.
- Share-based payment: 277,400 stock options were awarded on 28 May 2015, at an exercise price of €37.106.
  The earliest exercise date is 29 May 2017.

Note 21. Additional cash flow statement information

21.1. Cash flows of acquired and divested subsidiaries

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

	Building & Civil Engineering	Energy & Services	Group total 2015
Property, plant and equipment	–	(2)	**(2)**
Intangible assets	–	–	**–**
Goodwill	–	(12)	**(12)**
Non-current financial assets	(30)	–	**(30)**
Deferred tax assets and non-current tax receivable	–	(1)	**(1)**
Cash and cash equivalents	–	(2)	**(2)**
Impact on equity	–	–	**–**
Non-current and current debt	–	3	**3**
Non-current provisions	–	4	**4**
Deferred tax liabilities and non-current tax liabilities	–	–	**–**
Overdrafts and short-term bank borrowings	–	–	**–**
Working capital needs	–	(4)	**(4)**
NET DIVESTMENT/(ACQUISITION) COST	**(30)**	**(14)**	**(44)**
Gains on divestments of consolidated companies	87	–	**87**
Receivables on disposals/liabilities on acquisitions	–	–	**–**
Cash divested or acquired	–	2	**2**
NET CASH FLOW ARISING FROM DIVESTMENTS AND ACQUISITIONS OF CONSOLIDATED COMPANIES	**57**	**(12)**	**45**

	Building & Civil Engineering	Energy & Services	Group total 2014
Property, plant and equipment	–	(8)	(8)
Intangible assets	–	(3)	(3)
Goodwill	–	(34)	(34)
Non-current financial assets	–	(1)	(1)
Deferred tax assets and non-current tax receivable	–	–	–
Cash and cash equivalents	–	(32)	(32)
Impact on equity	–	–	–
Non-current and current debt	–	19	19
Non-current provisions	–	–	–
Deferred tax liabilities and non-current tax liabilities	–	1	1
Overdrafts and short-term bank borrowings	–	–	–
Working capital needs	–	(34)	(34)
NET DIVESTMENT/(ACQUISITION) COST	**–**	**(92)**	**(92)**
Gains on divestments of consolidated companies	–	–	–
Receivables on disposals/liabilities on acquisitions	–	5	5
Cash divested or acquired	–	32	32
NET CASH FLOW ARISING FROM DIVESTMENTS AND ACQUISITIONS OF CONSOLIDATED COMPANIES	**–**	**(55)**	**(55)**

Note 22. Held-for-sale assets and operations €35m

Sale of 10% of the capital of Alis and shareholder loans at a future date (expected to be in June 2016) for €35 million. For more details about this transaction refer to Note 1, "Significant events".

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 consolidated companies (excluding joint ventures and associates), as expensed through the income statement in 2015.

Type of engagement	Mazars network			Ernst & Young network			Other firms			Total fee expense	
	2015	%	2014	2015	%	2014	2015	%	2014	2015	2014
A - AUDIT											
Audit of consolidated and individual company financial statements	2,237	98%	2,537	3,650	97%	3,897	272	55%	296	6,159	6,730
Related engagements	30	1%	6	48	1%	1	223	45%	321	301	328
SUB-TOTAL 1	**2,267**	**99%**	**2,543**	**3,698**	**98%**	**3,898**	**495**	**99%**	**617**	**6,460**	**7,058**
B - OTHER SERVICES											
Legal, tax, employment law	15	1%	15	65	2%	66	(1)	0%	92	79	173
Other	–	–	–	–	–	–	5	1%	202	5	202
SUB-TOTAL 2	**15**	**1%**	**15**	**65**	**2%**	**66**	**4**	**1%**	**294**	**84**	**375**
TOTAL FEE EXPENSE	**2,282**	**100%**	**2,558**	**3,763**	**100%**	**3,964**	**499**	**100%**	**911**	**6,544**	**7,433**

Note 24. List of principal consolidated entities at 31 December 2015

Company	City	Country	% interest		% control	
			2015	2014	2015	2014
FULLY CONSOLIDATED						
1 - BOUYGUES CONSTRUCTION						
Bouygues Construction SA	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
France						
Bouygues Construction Relais SNC	Guyancourt	France	99.50%	99.50%	99.50%	99.50%
Challenger Investissement SAS	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
Challenger SNC	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
Distrimo SNC	Cléon	France	99.93%	99.93%	100.00%	100.00%
Bouygues Construction 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%
Structis SNC	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%
Structis Maroc	Casablanca	Morocco	100.00%	100.00%	100.00%	100.00%
2 - BOUYGUES BÂTIMENT ILE-DE-FRANCE						
Bouygues Bâtiment Ile-de-France SA	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
France						
Bati Renov SA	Orly	France	99.35%	99.35%	99.35%	99.35%
Bouygues Bâtiment Ile-de-France PPP SA	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
Brézillon SA	Margny-Lès-Compiègne	France	99.35%	99.35%	99.35%	99.35%
Élan Sarl	Guyancourt	France	99.99%	99.99%	99.99%	99.99%
Sodéarif SA	Guyancourt	France	99.99%	99.99%	99.99%	99.99%
Cogemex SAS	Ivry-sur-Seine	France	100.00%	100.00%	100.00%	100.00%
3 - ENTREPRISES FRANCE-EUROPE SUBSIDIARIES						
France						
Cirmad Centre Sud-Ouest SNC	Mérignac	France	100.00%	100.00%	100.00%	100.00%
Cirmad Nord-Est SNC	Nancy	France	100.00%	99.90%	100.00%	100.00%
Cirmad Grand Sud SNC	Colombier Saugnieu	France	100.00%	100.00%	100.00%	100.00%
Cirmad Nord SNC	Villeneuve d'Ascq	France	0.00%	100.00%	0.00%	100.00%
Cirmad Prospectives SNC	Rouen	France	100.00%	99.99%	100.00%	100.00%
Bouygues Bâtiment Centre Sud-Ouest (formerly DV Construction)	Mérignac	France	100.00%	100.00%	100.00%	100.00%
Bouygues Bâtiment Sud-Est (formerly GFC Construction)	Colombier Saugnieu	France	100.00%	100.00%	100.00%	100.00%
Bouygues Bâtiment Grand Ouest (formerly Quille Construction)	Nantes	France	100.00%	100.00%	100.00%	100.00%
Norpac SA	Villeneuve d'Ascq	France	0.00%	100.00%	0.00%	100.00%
Bouygues Bâtiment Nord-Est (formerly Pertuy Construction)	Nancy	France	100.00%	100.00%	100.00%	100.00%
Quille SA	Rouen	France	100.00%	100.00%	100.00%	100.00%
Richelmi SA	Monaco	France	100.00%	100.00%	100.00%	100.00%
Other countries						
Acieroid SA	Barcelona	Spain	100.00%	100.00%	100.00%	100.00%
Bouygues Belgium	Brussels	Belgium	100.00%	100.00%	100.00%	100.00%
Colt España	L'Hospitalet de Llobregat	Spain	60.00%	60.00%	60.00%	60.00%
Losinger Holding AG	Lucerne	Switzerland	100.00%	100.00%	100.00%	100.00%
Losinger Marazzi AG	Köniz	Switzerland	100.00%	100.00%	100.00%	100.00%

Company	City	Country	% interest		% control	
			2015	2014	2015	2014
4 - BOUYGUES BÂTIMENT INTERNATIONAL						
Bouygues Bâtiment International SA	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
France						
Kohler Investment	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
Other countries						
Americaribe Inc.	Miami	United States	100.00%	100.00%	100.00%	100.00%
Americaribe Ghana	Accra	Ghana	100.00%	100.00%	100.00%	100.00%
Bouygues Bâtiment Guinée équatoriale SA	Malabo	Equatorial Guinea	99.96%	99.96%	99.96%	99.96%
Bouygues Bâtiment Trinidad & Tobago	Port of Spain	Trinidad & Tobago	100.00%	100.00%	100.00%	100.00%
Bouygues Construçaõ Brasil	Sao Paulo	Brazil	100.00%	100.00%	100.00%	100.00%
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 Perú	Lima	Peru	100.00%	100.00%	100.00%	100.00%
Bouygues Thai Ltd	Nonthaburi	Thailand	49.00%	49.00%	49.00%	49.00%
Bouygues UK Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Bouygues Building Canada	Vancouver	Canada	100.00%	100.00%	100.00%	100.00%
Bouygues Development Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Bouygues Thai/Vsl Australia Ltd	Bangkok	Thailand	92.32%	92.28%	99.97%	99.97%
Bymaro	Casablanca	Morocco	99.99%	99.99%	99.99%	99.99%
Byme Singapore Private Company Ltd	Singapore	Singapore	100.00%	100.00%	100.00%	100.00%
Byme Usa Inc.	Miami	United States	100.00%	100.00%	100.00%	100.00%
Bysolar Asia Ltd	Hong Kong	China	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%
Karmar SA	Warsaw	Poland	100.00%	100.00%	100.00%	100.00%
Leadbitter Bouygues Holding Limited and its subsidiaries	Abingdon	United Kingdom	100.00%	100.00%	100.00%	100.00%
Setao	Abidjan	Ivory Coast	78.61%	78.61%	78.61%	78.61%
Thomas Vale Group	Worcestershire	United Kingdom	100.00%	100.00%	100.00%	100.00%
Tower Hamlets LEP Ltd	London	United Kingdom	80.00%	80.00%	80.00%	80.00%
VCES Holding SRO and its subsidiaries	Prague	Czech Republic	100.00%	100.00%	100.00%	100.00%
Westminster Local Education Partnership Ltd	London	United Kingdom	90.00%	90.00%	90.00%	90.00%
Bypolska Property Developement	Warsaw	Poland	100.00%	100.00%	100.00%	100.00%
5 - OTHER BÂTIMENT INTERNATIONAL SUBSIDIARIES						
Other countries						
Asiaworld Expo Management Ltd	Hong Kong	China	100.00%	100.00%	100.00%	100.00%
Byme Engineering Hong Kong Limited	Hong Kong	China	90.00%	90.00%	90.00%	90.00%
Dragages et Travaux Publics (Hong Kong) Limited	Hong Kong	China	100.00%	100.00%	100.00%	100.00%
Dragages - Bouygues TP MTRC SCL 1128	Hong Kong	China	100.00%	100.00%	100.00%	100.00%
IEC Investments Ltd	Hong Kong	China	60.00%	60.00%	60.00%	60.00%
Dragages Construction Macau Ltd	Macau	China	100.00%	100.00%	100.00%	100.00%
6 - BOUYGUES TRAVAUX PUBLICS						
Bouygues TP SA	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
France						
Bouygues Construction Services Nucléaires	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
Bouygues Travaux Publics Régions France SA	Labège	France	100.00%	100.00%	100.00%	100.00%
Novi SAS	Limonest	France	0.00%	100.00%	0.00%	100.00%

Company	City	Country	% interest		% control	
			2015	2014	2015	2014
Other countries						
Bouygues Construction Australia PTY Ltd	Sydney	Australia	100.00%	100.00%	100.00%	100.00%
Bouygues Civil Works	Johannesburg	South Africa	100.00%	100.00%	100.00%	100.00%
Bouygues Civil Works Florida	Miami	United States	100.00%	100.00%	100.00%	100.00%
DCW	Hong Kong	China	100.00%	100.00%	100.00%	100.00%
Prader Losinger SA	Sion	Switzerland	99.67%	99.67%	99.67%	99.67%
Société de Construction du Pont Riviera Marcory	Abidjan	Ivory Coast	100.00%	100.00%	100.00%	100.00%
7 - VSL						
VSL International Ltd	Köniz	Switzerland	100.00%	99.90%	100.00%	99.90%
Other countries						
Bouygues Construction India Building Project	Mumbai	India	100.00%	0.00%	100.00%	0.00%
VSL Construction Systems	Barcelona	Spain	99.75%	99.65%	99.75%	99.75%
VSL Civil Works Ltd	Subingen	Switzerland	100.00%	0.00%	100.00%	0.00%
Intrafor Hong Kong Limited	Hong Kong	China	100.00%	99.90%	100.00%	100.00%
VSL Engineering (China)	Hefei	China	60.00%	59.94%	60.00%	60.00%
VSL Australia PTY Ltd	Sydney	Australia	100.00%	99.90%	100.00%	100.00%
VSL Annahutte System AG	Rapperswil-Jona	Switzerland	70.00%	69.84%	70.00%	70.00%
VSL Brasil Recuperaçaõ Construçaõ LTDA	Sao Paulo	Brazil	100.00%	99.90%	100.00%	100.00%
VSL Canada	Toronto	Canada	100.00%	0.00%	100.00%	0.00%
VSL Hong Kong	Hong Kong	China	100.00%	99.90%	100.00%	100.00%
VSL India	Chennai	India	100.00%	99.90%	100.00%	100.00%
VSL Indonesia	Jakarta	Indonesia	67.00%	66.93%	67.00%	67.00%
VSL Malaysia	Kuala Lumpur	Malaysia	100.00%	99.90%	100.00%	100.00%
VSL Mexico	Mexico D.F	Mexico	100.00%	99.90%	100.00%	100.00%
VSL Middle East LLC	Dubai	United Arab Emirates	80.00%	79.92%	80.00%	80.00%
VSL Middle East Qatar	Doha	Qatar	78.40%	78.32%	98.00%	98.00%
VSL Philippines	Mandaluyong	Philippines	80.00%	0.00%	80.00%	0.00%
VSL Polska	Warsaw	Poland	100.00%	99.90%	100.00%	99.90%
VSL Portugal	Paco de Arcos	Portugal	99.33%	91.08%	99.33%	91.17%
VSL Singapour	Singapore	Singapore	100.00%	99.90%	100.00%	100.00%
VSL Suisse	Subingen	Switzerland	99.88%	99.78%	99.88%	99.88%
VSL Systems (Brunei)	Darussalam	Brunei	60.00%	59.94%	60.00%	60.00%
VSL Systems Manufacturer (Spain)	Barcelona	Spain	100.00%	99.90%	100.00%	100.00%
VSL Taiwan	Taipei	Taiwan	0.00%	99.90%	0.00%	100.00%
VSL Tchequecz	Prague	Czech Republic	100.00%	99.90%	100.00%	100.00%
VSL Thailand	Bangkok	Thailand	82.15%	82.10%	88.00%	88.00%
VSL Vietnam Ltd	Ho Chi Minh City	Vietnam	100.00%	99.90%	100.00%	100.00%
8 - DTP						
DTP SAS	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
France						
Europe Fondations	Guyancourt	France	100.00%	100.00%	100.00%	100.00%
Other countries						
Gounkoto Mining Services	Bamako	Mali	100.00%	100.00%	100.00%	100.00%
Mining and Rehandling Services (Mars)	Bamako	Mali	100.00%	100.00%	100.00%	100.00%
Tongonaise des Mines	Korhogo	Ivory Coast	100.00%	100.00%	100.00%	100.00%
Kibali Minig Services (Kms) SPRL	Watsa Province Orientale	Dem. Rep. Congo	100.00%	100.00%	100.00%	100.00%
9 - BOUYGUES ENERGIES & SERVICES						
Bouygues Energies & Services SAS	Montigny-Le-Bretonneux	France	100.00%	100.00%	100.00%	100.00%

Company	City	Country	% interest		% control	
			2015	2014	2015	2014
France						
Axione	Malakoff	France	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Fondations	Montigny-Le-Bretonneux	France	100.00%	100.00%	100.00%	100.00%
Bouygues E&S FM France	Montigny-Le-Bretonneux	France	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Industrie et Logistique	Montigny-Le-Bretonneux	France	100.00%	100.00%	100.00%	100.00%
Bouygues E&S SPV Management	Montigny-Le-Bretonneux	France	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Maintenance Industrielle	Feyzin	France	100.00%	100.00%	100.00%	100.00%
Marc Favre SAS	Valleiry	France	100.00%	100.00%	100.00%	100.00%
Thiais Lumière SAS	Montigny-Le-Bretonneux	France	100.00%	100.00%	100.00%	100.00%
Other countries						
Bouygues E&S Technics Schweiz (formerly Balestra Galiotto TCC)	Grand-Lancy	Switzerland	100.00%	100.00%	100.00%	100.00%
Barking & Dagenham Schools Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Barnet Hospital Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
By Home Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Lewisham Schools Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Mid Essex Hospital Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
North Middlesex Hospital Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Central Middlesex Hospital Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Infrastructure UK	Hatfield	United Kingdom	100.00%	100.00%	100.00%	100.00%
Bouygues E&S FM UK	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Congo	Brazzaville	Congo	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Contracting UK	East Kilbride	Scotland	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Côte d'Ivoire	Abidjan	Ivory Coast	90.17%	90.17%	90.17%	90.17%
Bouygues E&S FM Canada	Vancouver BC	Canada	100.00%	100.00%	100.00%	100.00%
Bouygues E&S UK	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Europland Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Gastier and its subsidiaries	Montreal	Canada	85.00%	0.00%	85.00%	0.00%
GIE Lumen	Libreville	Gabon	63.31%	63.31%	75.00%	75.00%
ICEL Maidstone Ltd and its subsidiaries	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Bouygues E&S Fm Schweiz (formerly Mibag Property Facility Management)	Zurich	Switzerland	100.00%	100.00%	100.00%	100.00%
Mibag Property Managers AG	Zug	Switzerland	100.00%	100.00%	100.00%	100.00%
Mindful Experience Inc.	Toronto	Canada	43.35%	85.00%	51.00%	85.00%
Peterborough Schools Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
Plan Group Inc. and its subsidiaries	Toronto	Canada	85.00%	85.00%	85.00%	85.00%
Bouygues E&S Gabon	Libreville	Gabon	84.42%	84.42%	84.42%	84.42%
West Middlesex Hospital Project Ltd	London	United Kingdom	100.00%	100.00%	100.00%	100.00%
JOINT OPERATIONS						
1 - BOUYGUES BÂTIMENT ILE-DE-FRANCE						
Chrysalis Développement SAS	Paris	France	65.00%	65.00%	65.00%	65.00%
2 - ENTREPRISES FRANCE-EUROPE SUBSIDIARIES						
3 - BOUYGUES BÂTIMENT INTERNATIONAL						
Byma PTE	Singapore	Singapore	60.00%	60.00%	60.00%	60.00%
Byma Myanmar Ltd	Rangoon	Myanmar	60.00%	60.00%	60.00%	60.00%
4 - BOUYGUES TRAVAUX PUBLICS						
Bombela Civils JV Ltd	Johannesburg	South Africa	45.00%	45.00%	45.00%	45.00%
Société pour la réalisation du Port de Tanger Méditerranée	Tangier	Morocco	66.67%	66.67%	66.67%	66.67%
TMBYS SAS	Guyancourt	France	66.67%	66.67%	66.67%	66.67%

Company	City	Country	% interest		% control	
			2015	2014	2015	2014
Oc'via Maintenance SAS	Guyancourt	France	**49.00%**	49.00%	**49.00%**	49.00%
GIE Oc'via Construction	Nîmes	France	**49.00%**	49.00%	**49.00%**	49.00%
GIE L2 Construction	Marseille	France	**56.50%**	56.50%	**56.50%**	56.50%
GIE Constructeurs CSO Vichy	Lyon	France	**66.00%**	66.00%	**66.00%**	66.00%
GIE Prefa Réunion	Le Port	France	**33.00%**	0.00%	**33.00%**	0.00%
GIE Viaduc du Littoral	Le Port	France	**33.00%**	33.00%	**33.00%**	33.00%
5 - DTP						
Kas 1 Limited	Saint Helier	Jersey	**49.90%**	49.90%	**49.90%**	49.90%
6 - BOUYGUES ENERGIES & SERVICES						
Themis FM SAS	Versailles	France	**50.00%**	50.00%	**50.00%**	50.00%
Evesa SAS	Paris	France	**33.00%**	33.00%	**33.00%**	33.00%
Plessentiel GIE	Guyancourt	France	**28.50%**	28.50%	**28.50%**	28.50%
Plessentiel SAS	Guyancourt	France	**28.50%**	28.50%	**28.50%**	28.50%
JOINT VENTURES AND ASSOCIATES						
1 - BOUYGUES CONSTRUCTION						
Consortium Stade de France SA	Saint-Denis	France	**33.33%**	33.33%	**33.33%**	33.33%
2 - ENTREPRISES FRANCE-EUROPE SUBSIDIARIES						
Europerfil	L'Hospitalet de Llobregat	Spain	**50.00%**	50.00%	**50.00%**	50.00%
3 - BOUYGUES BÂTIMENT INTERNATIONAL						
Anfab21 SAS	Casablanca	Morocco	**15.00%**	15.00%	**15.00%**	15.00%
Bouygues Construction Qatar LLC	Doha	Qatar	**49.00%**	49.00%	**49.00%**	49.00%
Hermes Airports Ltd	Nicosia	Cyprus	**22.00%**	22.00%	**22.00%**	22.00%
Zaic A Limited	Leeds	United Kingdom	**20.77%**	20.77%	**20.77%**	20.77%
Bedford Riverside Regeneration	Bedford	United Kingdom	**50.00%**	0.00%	**50.00%**	0.00%
4 - BOUYGUES TRAVAUX PUBLICS						
Adelac SAS	Archamps	France	**39.20%**	39.20%	**39.20%**	39.20%
Autoroute de liaison Seine-Sarthe SA (Alis)	Bourg-Achard	France	**0.00%**	33.17%	**0.00%**	33.17%
Bina Fincom	Zagreb	Croatia	**45.00%**	45.00%	**45.00%**	45.00%
Bombela TKC JV PTY Ltd	Johannesburg	South Africa	**25.00%**	25.00%	**25.00%**	25.00%
Transjamaican Highway Limited	Kingston	Jamaica	**48.89%**	48.89%	**48.89%**	48.89%
Warnowquerung	Rostock	Germany	**30.00%**	30.00%	**30.00%**	30.00%
Société concessionnaire du Pont Riviera Marcory	Abidjan	Ivory Coast	**0.00%**	48.58%	**0.00%**	49.00%
5 - VSL						
GPN2	Rueil Malmaison	France	**48.00%**	0.00%	**48.00%**	0.00%
VSL Corée	Seoul	South Korea	**31.82%**	31.79%	**31.82%**	31.82%
VSL Japon	Tokyo	Japan	**25.00%**	24.98%	**25.00%**	25.00%
VSL Sistemas Especiales de Construccion	Santiago	Chile	**50.00%**	49.95%	**50.00%**	50.00%
6 - BOUYGUES ENERGIES & SERVICES						
Abakus BYES Solar UK	Hatfield	United Kingdom	**51.00%**	51.00%	**51.00%**	51.00%
Betron	Ottawa	Canada	**42.50%**	42.50%	**50.00%**	50.00%

Statutory auditors' report on the consolidated financial statements

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meetings, we hereby report to you, for the year ended 31 December 2015 on:
- the audit of the accompanying consolidated financial statements of Bouygues Construction;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the board of directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French commercial code (*Code de commerce*) relating to the justification of our assessments, we bring to your attention the following matters:
- Current and non-current provisions carried on the balance sheet were measured as described in Note 2.2.2 to the consolidated financial statements. In light of available information, our assessment of these provisions was based primarily on an analysis of the processes implemented by management to identify and evaluate risks.
- As indicated in Note 2.2.3 to the consolidated financial statements, the Group accounts for construction contracts using the percentage of completion method, which results in year-end margin being measured on the basis of the latest estimate of the total margin of the contract. Our work was namely to assess the appropriateness of the assumptions taken and of the recognized margin.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

Specific verification

As required by law we have also verified, in accordance with professional standards applicable in France, the information presented in the group's management report.

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

Courbevoie and Paris-La Défense, 16 March 2016

The statutory auditors

Mazars	**Ernst & Young Audit**
Olivier Thireau Guillaume Potel	Laurent Vitse

Parent company financial statements

Bouygues Construction SA: balance sheet at 31 December 2015

Assets (€ million)	31/12/2015 Gross	31/12/2015 Amortisation, depreciation & impairment	31/12/2015 Net	31/12/2014 Net
Intangible assets	77	56	22	27
Property, plant and equipment	26	14	12	13
Long-term investments:				
Holdings in subsidiaries and affiliates	666	20	646	643
Other	432	0	432	408
Sub-total	1,098	20	1,078	1,051
NON-CURRENT ASSETS	**1,201**	**90**	**1,111**	**1,091**
Inventories and work in progress	0	0	0	0
Advances and down-payments on orders	0	0	0	0
Trade receivables	20	0	20	20
Other receivables	314	7	307	276
Short-term investments	0	0	0	0
Cash	2,317	0	2,317	2,133
CURRENT ASSETS	**2,650**	**7**	**2,643**	**2,429**
Other assets	103	0	103	54
TOTAL ASSETS	**3,955**	**97**	**3,858**	**3,574**

Liabilities and equity (€ million)	31/12/2015	31/12/2014
Share capital	128	128
Share premium	15	15
Revaluation reserves	0	0
Other reserves	13	13
Retained earnings	236	233
Net profit for the year	249	257
SHAREHOLDERS' EQUITY	**640**	**645**
PROVISIONS	**48**	**45**
DEBT	**556**	**540**
ADVANCES AND DOWN-PAYMENTS RECEIVED	**0**	**0**
Trade payables	25	30
Other payables	68	57
NON-FINANCIAL LIABILITIES	**92**	**87**
Overdrafts and short-term bank borrowings	2,441	2,215
Accruals and deferred income	81	42
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**3,858**	**3,574**

Bouygues Construction SA: income statement for the year ended 31 December 2015

(€ million)	2015	2014
SALES	**174**	**170**
Other operating revenue	2	3
Purchases and changes in inventory	0	0
Taxes other than income tax	(3)	(5)
Personnel costs	(61)	(56)
Other operating expenses	(105)	(105)
Depreciation, amortisation, impairment & provisions, net	(8)	(10)
Profits/(losses) from shared operations	1	1
OPERATING PROFIT/(LOSS)	**(0)**	**(3)**
Financial income and expenses	251	264
PRE-TAX PROFIT ON ORDINARY ACTIVITIES	**250**	**261**
Exceptional items	0	(0)
Income tax expense	(2)	(4)
NET PROFIT FOR THE YEAR	**249**	**257**

Bouygues Construction SA: cash flow statement for the year ended 31 December 2015

(€ million)	2015	2014
A - OPERATING ACTIVITIES		
Cash flow:		
Net profit for the year	249	257
Depreciation and amortisation	9	9
Net change in impairment and provisions (1)	7	11
Net gains on asset disposals and other items (2)	(0)	0
Sub-total	265	277
Change in working capital:		
Current assets, other assets, accruals and deferred income	(80)	(71)
Net advances and down-payments received, non-financial liabilities & other items	44	(8)
NET CASH GENERATED BY/(USED IN) OPERATING ACTIVITIES	**229**	**198**
B - INVESTING ACTIVITIES		
Increases in non-current assets:		
Acquisitions of intangible assets and property, plant & equipment	(3)	(7)
Acquisitions of holdings in subsidiaries and affiliates	(6)	0
Sub-total	(10)	(7)
Disposals of non-current assets:		
Disposals of intangible assets and property, plant & equipment	0	0
Disposals of holdings in subsidiaries and affiliates	0	0
Other financial investments, net	(24)	(77)
Amounts receivable in respect of non-current assets, net	(0)	0
NET CASH GENERATED BY/(USED IN) INVESTING ACTIVITIES	**(34)**	**(84)**
C - FINANCING ACTIVITIES		
Increase in shareholders' equity	0	0
Dividends paid during the year	(253)	(276)
Change in net debt	16	93
NET CASH GENERATED BY/(USED IN) FINANCING ACTIVITIES	**(237)**	**(184)**
CHANGE IN NET CASH POSITION (A + B + C)	**(42)**	**(71)**
Net cash position at 1 January (3)	(82)	(11)
Net cash flows during the year, excluding transfers between accounts	(42)	(71)
Impact of transfers between accounts		
Net cash position at end of period (3)	(124)	(82)

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

Bouygues Construction SA: year ended 31 December 2015

(€ million)	Share capital (1)	Other equity (1) (4)	% interest	Gross carrying amount of shares held	Net carrying amount of shares held
DETAILED INFORMATION: SUBSIDIARIES (INTEREST ≥ 50%)					
FRENCH SUBSIDIARIES					
DTP	10	7	100.00	24	24
Bouygues Bâtiment International	25	41	89.32	75	75
Bouygues Bâtiment Ile-de-France	13	14	99.70	103	103
Bouygues Travaux Publics	38	22	98.07	93	93
Bouygues Energie & Services (3)	51	88	100.00	158	158
Quille	15	17	100.00	43	43
Bouygues Bâtiment Nord-Est	25	12	100.00	35	35
Bouygues Bâtiment Centre Sud-Ouest	7	8	100.00	11	11
Bouygues Bâtiment Sud-Est	3	20	100.00	6	6
Fichallenge	2	(5)	100.00	2	1
Challenger	0	–	99.99	15	15
TOTAL				**566**	**566**
FOREIGN SUBSIDIARIES					
VSL International (Switzerland)	2	0	100.00	32	32
Losinger Holding (Switzerland)	15	9	99.96	22	22
Dragages Hong Kong (Hong Kong)	50	120	100.00	6	6
Acieroid	5	0	93.81	7	7
TOTAL				**68**	**68**
DETAILED INFORMATION: AFFILIATES (INTEREST > 10%, ≤ 50%)					
	–	–	–	–	–
	–	–	–	–	–
	–	–	–	–	–
TOTAL				**–**	**–**
AGGREGATE INFORMATION ABOUT OTHER SUBSIDIARIES AND AFFILIATES					
FRENCH SUBSIDIARIES				**2**	**1**
FOREIGN SUBSIDIARIES				**0**	**0**
French affiliates				30	11
Foreign affiliates				0	0
OVERALL TOTAL				**666**	**646**

(1) In millions of units of the local functional currency.
(2) Exchange rate as of 31 December 2015.
(3) Consolidated reserves and consolidated net profit/(loss) for the year excluding non-controlling interests, and consolidated sales.
(4) Excluding net profit/(loss) for the year.
(5) Financial year ends on a date other than 31 December.

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
27	5	268	(5)	1	
59	5	469	36	46	
0	3	1,796	(1)	15	
–	15	624	116	64	
28	31	2,216	32	27	
–	–	4	35	18	
0	3	340	11	27	
0	15	300	10	9	
–	4	405	12	11	
–	–	–	(0)	–	
–	–	18	1	–	
115	**80**				
67	–	19	(22)	–	CHF 1 = €0.92293 (2)
–	–	–	47	37	CHF 1 = €0.92293 (2)
140	–	180	(16)	–	HKD 1 = €0.11852 (2)
–	–	47	(2)	–	
207	**–**				
–	–	–	–	–	
–	–	–	–	–	
–	–	–	–	–	
–	**–**				
8	**–**			**2**	
1	**–**			**0**	
0	–			–	
1	–			–	
331	**80**				

Bouygues Construction Corporate Communications department.
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