



Paris, 26 February 2014

Bouygues press release

Full-year 2013 results

- **Operating performances in line with objectives**
- **Excellent commercial performance by the construction businesses**
- **Very sound financial structure**
- **Net profit reflects the write-down of Alstom**
- **Stable dividend at €1.60**

Key figures

(€ million)	2012	2013	Change
Sales	33,547	33,345	-1%
Current operating profit	1,286	1,344	+5%
Operating profit	1,120 ⁽¹⁾	1,253 ⁽²⁾	+12%
Net profit attributable to the Group before the write-down of Alstom	633	647 ⁽³⁾	+2%
Net profit/(loss) attributable to the Group	633	(757)	nm
Free cash flow	724 ⁽⁴⁾	821 ⁽⁴⁾	+€97m
Net debt ⁵	4,172	4,427	+€255m

¹ Including non-current charges of €200 million at Bouygues Telecom and TF1 and €34 million of capital gains on asset disposals at Bouygues Telecom

² Including non-current charges of €91 million (o/w €80 million at Bouygues Telecom and €11 million at Colas)

³ Before the write-down of Alstom for €1,404 million

⁴ Before change in working capital requirement. In 2012, excluding exceptional items related to Bouygues Telecom: 4G frequencies (800 MHz band) for €726 million (acquisition cost and capitalised interest) and asset disposals for €207 million. In 2013: excluding capitalised interest related to 4G frequencies for €33 million

⁵ At 31 December

Operating performances in 2013 were in line with objectives. The Bouygues group reported sales of €33.3 billion, down 1% on the previous year but stable like-for-like and at constant exchange rates. Current operating profit rose 5% on 2012 to €1,344 million. In keeping with the second- and third-quarters, profitability improved sharply in all sectors of activity in the fourth quarter. Operating profit, at €1,253 million, included non-current charges of €91 million related to the transformation plan at Bouygues Telecom and the reorganisation of Colas' roads activity in mainland France.

Net profit attributable to the Group amounted to €647 million before the write-down of Alstom, 2% higher than in 2012. As announced, an accounting write-down of €1,404 million against Bouygues' investment in Alstom was recognised in the fourth quarter of 2013, resulting in a net loss attributable to the Group of €757 million.

The write-down has no impact on the Group's financial structure, which remains very sound. Free cash flow⁽¹⁾ in 2013 amounted to €821 million, up 13% on 2012, and net debt remains under tight control at €4.4 billion.

The adaptation plans introduced in 2012 delivered the expected results. Bouygues Immobilier adjusted to the strong decline in the property market and Colas reorganised its roads activity in France. TF1 continued phase II of its optimisation plan, while savings from the transformation plan at Bouygues Telecom exceeded expectations.

In 2013, the Group once again confirmed its competitiveness and its innovation capacity to the benefit of customers. The construction businesses achieved an excellent commercial performance. TF1 strengthened its leadership position thanks to the renewal of programming, while in October 2013 Bouygues Telecom successfully launched 4G, taken up by close to 10% of customers.

⁽¹⁾ Before change in working capital requirement. In 2012, excluding exceptional items related to Bouygues Telecom: 4G frequencies in the 800 MHz band for €726 million (acquisition cost and capitalised interest) and asset disposals for €207 million. In 2013, excluding capitalised interest related to 4G frequencies for €33 million

The construction businesses achieved an excellent commercial performance and improved their financial results

The order book for the construction businesses stood at €27.5 billion at end-December 2013, up 3% versus end-2012. Over three years, the order book grew by 22%. This achievement underlines the Group's competitiveness, driven by recognised know-how, notably in value-added projects, and a strong and selective international presence. 50% of the order books at Bouygues Construction and Colas is to be executed in international markets.

Bouygues Construction recorded an excellent level of order intake at €11.8 billion, including contracts for the Tuen Mun-Chek Lap Kok tunnel in Hong Kong, the L2 bypass in Marseille and Zagreb Airport in Croatia. The order book thus rose by 4% versus end-December 2012 to €17.8 billion at end-December 2013. It provides strong visibility, with €8.9 billion in sales secured for 2014 and €8.9 billion from 2015.

Bouygues Immobilier gained market share in a residential property market in crisis in 2013, recording a 9% increase in reservations to €1.8 billion. In a sluggish commercial property market, reservations amounted to €236 million, versus €581 million in 2012 due to the postponement of some projects until 2014. The order book at end-December 2013 stood at €2.6 billion, representing 13 months of sales.

At **Colas**, the order book at end-December 2013 stood at a high level of €7.1 billion, up 6% year-on-year. This reflects strong momentum in international markets and the signing of several large contracts in the railways and roads activities. Successes included the Tangier-Kenitra high-speed rail link in Morocco, the Santiago metro in Chile and a roads maintenance contract in London, UK. The order book has yet to include a €318-million contract for an elevated section of the New Coastal Road on Reunion Island.

The construction businesses improved their financial results in 2013. Consolidated sales rose 2% on 2012 to €26.3 billion. Current operating profit rose 9% and the current operating margin improved 0.2 points to 3.9%. Free cash flow⁽¹⁾ of €821 million remained at a high level.

The very good execution of ongoing projects and the completion of major large-scale contracts enabled **Bouygues Construction** to report a 20% increase in current operating profit versus 2012 to €435 million, giving a current operating margin of 3.9%. Current operating profit at **Bouygues Immobilier** was stable at €178 million thanks to adaptation measures taken as early as 2012 in response to pricing pressure. As expected, the current operating margin in 2013 was 7.1%. Current operating profit at **Colas** amounted to €417 million, up 3% on 2012, giving a current operating margin of 3.2%. Good profitability in the roads activity in France, which benefited from the positive impact of the new organisation, and the improvement in the railways and pipelines activities helped offset the current loss of €46 million incurred at the sales of refined oil products activity as well as the decline in profitability in North America.

⁽¹⁾ Before change in working capital requirement

TF1 strengthened its leadership position and demonstrated its ability to adapt in a market affected by strong pricing pressure

Buoyed by the policy of programming renewal and innovating in digital technology, **TF1** became France's leading television group in 2013, with its four freeview channels taking an audience share of 28.9%⁽¹⁾, up 0.5 points in a year.

Sales in 2013 amounted to €2.5 billion, €151 million lower than in 2012 and a decrease of 6%, due to a contracting net television advertising market and heightened competition. However, current operating profit fell only €35 million to €223 million as a result of lower programming costs and a fall in other operating charges. Phase II of the optimisation plan has generated recurring savings of €56 million since 2012, out of a planned €85 million by the end of 2014.

⁽¹⁾ Source: Médiamétrie, individuals aged 4 and over

Bouygues Telecom implemented its strategic priorities and accomplished its financial objectives thanks to its transformation plan

In keeping with 2012, Bouygues Telecom continued with its two strategic priorities: overhauling its business model and repositioning its offering.

Thus, the company optimised its distribution channels at the same time as negotiating a network sharing agreement with SFR and launching the largest 4G network in France, covering 40 million people. With a new range of plans, a wide choice of 4G handsets and a new, transparent and attractive way of financing them, Bouygues Telecom is committed to making 4G accessible to as many people as possible. The launch has been a success: as well as enhancing the brand image, close to 10% of Bouygues Telecom customers now use 4G⁽¹⁾.

Bouygues Telecom had 9,910,000 plan customers at end-2013, a year-on-year increase of 482,000, including 1,750,000 B&YOU customers, a year-on-year increase of 726,000. The company had a total of 11,143,000 mobile customers at end-2013, down 108,000 customers over the year. This commercial performance resulted from two trends: the loss of some mobile prepaid and basic plan customers attracted by ultra low-cost plans, and the growth in high value-added plans, a priority segment for Bouygues Telecom. Growth in this segment was particularly apparent in the fourth quarter of 2013 following the launch of 4G.

On the fixed broadband market, Bouygues Telecom gained 72,000 new customers in the fourth quarter of 2013 to give a total of 2,013,000⁽²⁾ customers at end-December 2013, a year-on-year increase of 167,000 new customers.

Bouygues Telecom's financial results were in line with objectives.

Total sales amounted to €4.7 billion in 2013, 11% lower than in 2012, and sales from network to €4.2 billion, 10% lower than in 2012. EBITDA amounted to €880 million in 2013, close to the 2012 level, while the "EBITDA minus capex" item⁽³⁾ improved €102 million to €141 million in 2013. The results of the transformation plan introduced in early 2012 significantly exceeded expectations, generating savings of €599 million on the mobile activity costs since the end of 2011.

Current operating profit amounted to €125 million (up 2% versus 2012) and operating profit came to €45 million, compared with €4 million in 2012, after a non-current charge of €80 million related to the transformation plan.

⁽¹⁾ Customers with a 4G plan and a 4G-compatible handset

⁽²⁾ Encompasses both broadband and very-high-speed subscriptions

⁽³⁾ Capital expenditure. In 2012, excluding 4G frequencies in the 800 MHz band for €696 million (acquisition cost and capitalised interest) and asset disposals for €207 million. In 2013, excluding capitalised interest related to 4G frequencies for €13 million

Alstom

As announced on 17 February 2014, an accounting write-down of €1,404 million against Bouygues' investment in Alstom was recognised in the Bouygues group's financial statements for the fourth quarter of 2013, with no impact on its cash position.

Alstom contributed €168 million to Bouygues' net profit in 2013, compared with €240 million in 2012, Bouygues not having recognised any profit or loss in the fourth quarter of 2013.

Financial situation

The Group's financial situation is very sound. Cash flow was virtually the same as in 2012, at €2.7 billion. As a result of tight control over net capital expenditure⁽¹⁾, down €188 million versus 2012, free cash flow⁽²⁾ rose by €97 million to €821 million in 2013.

Net debt was under tight control at €4.4 billion at end-December 2013, compared with €4.2 billion at end-December 2012. This figure has yet to benefit from the sale by Colas of its stake in Cofiroute for €780 million on 31 January 2014.

The Group also has good liquidity (available cash and undrawn confirmed facilities) of €8.7 billion.

⁽¹⁾ Excluding impact of 4G frequencies

⁽²⁾ Before change in working capital requirement. In 2012, excluding exceptional items related to Bouygues Telecom: 4G frequencies in the 800 MHz band for €726 million (acquisition cost and capitalised interest) and asset disposals for €207 million. In 2013: excluding capitalised interest related to 4G frequencies for €33 million

Events after the 2013 reporting period

Colas sold its 16.67% stake in Cofiroute to Vinci Autoroutes on 31 January 2014. Bouygues will recognise a capital gain of around €240 million after tax in 2014.

In January 2014, TF1 and Discovery Communications signed an agreement which should enable Discovery to lift its interest in Eurosport International from 20% to 51%. Finalisation of the transaction will depend on approval from the relevant authorities and is expected to take place in the coming months. After the sale of the 31% stake in Eurosport International is completed, TF1's remaining interest will be accounted for using the equity method.

The Bouygues group will apply IFRS 11 on joint arrangements in its financial statements from 1 January 2014. The Group's 2013 sales and operating profit will therefore be restated. The restatements are not material at Group level.

Dividend

As the Group has achieved its operating objectives for 2013 and is in sound financial health, and as the write-down of Alstom has no impact on the Group's cash position, the Board of Directors will ask the Annual General Meeting on 24 April 2014 to approve the payment of a dividend of €1.60 per share, stable versus 2012. The ex-date, record date and payment date have been set at 29 April, 2 May and 5 May 2014 respectively.

The stable dividend therefore reflects the Group's financial strength and confidence in the success of the strategies implemented.

Board of Directors

The Board of Directors will ask the next Annual General Meeting to renew the terms of office of Hervé Le Bouc, Helman le Pas de Sécheval and Nonce Paolini. Pursuant to a provision of the French Employment Security Act (Act 2013-504 of 14 June 2013), the Board of Directors will ask the next Annual General Meeting to amend the company's by-laws in order to permit the appointment of two directors representing employees to the Board of Directors.

Outlook for 2014

Group sales⁽¹⁾ in 2014 should be close to the 2013 level.

The construction businesses enjoy major strengths: strong momentum in international markets, good visibility thanks to their order book, a wide range of business activities and expertise and great capacity to adapt. The financial results of the construction businesses should therefore remain robust in 2014.

In a context of low visibility on the television advertising market, TF1 will continue to transform its business model and will prioritise growth.

Bouygues Telecom has faced heightened competition on the mobile market since late 2013, characterised by intense price competition and a war of words surrounding 4G which has intensified repricing of the customer base and limited the potential for value creation. And there is no leeway on the fixed broadband market in terms of offer and prices. Under these circumstances, Bouygues Telecom's priorities are to continue to capitalise on the increase in data use encouraged by 4G and to launch multiple breakthroughs in the fixed segment.

Given its strategy, its commercial performance in 2013 and the uncertainty weighing on the telecoms market in terms of both pricing and regulation, Bouygues Telecom is initially calling for slightly positive cash flow generation (EBITDA minus capex) in 2014 and is stepping up its transformation plan, which should improve short- and medium-term visibility from the second quarter of 2014.

Martin Bouygues, Chairman and CEO of Bouygues, stated: "The upheaval in the telecoms market is having a negative impact on Bouygues' performance. However, the Group's fundamentals remain intact, in particular the capacity to generate cash flows on a regular basis thanks to the diversified range of our business activities. In addition, Bouygues can draw on its strong capacity to adapt and on the expertise of its employees. I am confident in the Group's mid-term prospects and in its ability to meet the challenges of today."

⁽¹⁾ At constant accounting methods after application of IFRS 11 and reclassification of Eurosport International

Remuneration of corporate officers

In accordance with the Afep/Medef recommendations, information about the remuneration of corporate officers and the award of stock options is published today on the www.bouygues.com website under Finance/Shareholders, Regulated information.

Financial calendar:

15 May 2014: First-quarter 2014 results (5.45pm)
28 August 2014: First-half 2014 results (7.30am)
28 August 2014: First-half 2014 results presentation

The financial statements have been audited and the statutory auditors have issued a report certifying them without reserve.

You will find the full financial statements and notes to the financial statements on www.bouygues.com.

The full-year results presentation to financial analysts will be webcast live on 26 February 2014 at 11.15am on www.bouygues.com.

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2013 business activity

Order books at the construction businesses (€ million)

	End-December		
	2011	2012	2013
Bouygues Construction	15,283	17,147	17,832
Bouygues Immobilier	3,051	2,957	2,610
Colas	6,472	6,704	7,088
TOTAL	24,806	26,808	27,530

Bouygues Construction order intake (€ million)

	2012	2013	% change
France	7,199	5,706	-21%
International	4,777	6,133	+28%
TOTAL	11,976	11,839	-1%

Bouygues Immobilier reservations (€ million)

	2012	2013	% change
Residential property	1,687	1,844	+9%
Commercial property	581	236	-59%
TOTAL	2,268	2,080	-8%

Colas order book (€ million)

	End-December		% change
	2012	2013	
Mainland France	3,467	3,277	-5%
International and overseas territories	3,237	3,811	+18%
TOTAL	6,704	7,088	+6%

TF1 audience share¹

	2012	2013	Pts change
TF1	22.7%	22.8%	+0.1 pts
TMC	3.6%	3.4%	-0.2 pts
NT1	2.1%	2.1%	=
HD1	NA	0.6%	+0.6 pts
TOTAL	28.4%	28.9%	+0.5 pts

¹ Source: Médiamétrie, individuals aged 4 and over

Bouygues Telecom customer base ('000 customers)

	End-December		Change ('000 customers)
	2012	2013	
Plan subscribers	9,428	9,910	+482
<i>o/w B&YOU subscribers</i>	<i>1,024⁽¹⁾</i>	<i>1,750</i>	<i>+726</i>
Prepaid customers	1,823	1,233	-590
Total mobile customers	11,251	11,143	-108
Total fixed subscribers	1,846	2,013	+167

¹ Excluding B&YOU prepaid customers, accounted for under the Simyo brand from Q3 2013. At end-December 2012, the reported B&YOU subscriber base, including prepaid, had 1,078,000 subscribers

2013 financial performance

Condensed consolidated income statement (€ million)	2012	2013	% change
Sales	33,547	33,345	-1%
Current operating profit	1,286	1,344	+5%
Other operating income and expenses	(166) ¹	(91) ²	nm
Operating profit	1,120	1,253	+12%
Cost of net debt	(290)	(309)	+7%
Other financial income and expenses	11	(26)	nm
Income tax expense	(330)	(367)	+11%
Share of profits and losses from associates	217 ⁽³⁾	205 ⁽⁴⁾	-6%
Net profit from continuing operations	728	756	+4%
Net profit attributable to non-controlling interests	(95)	(109)	+15%
Net profit attributable to the Group before the write-down	633	647	+2%
Write-down of Alstom	-	(1,404)	nm
Net profit/(loss) attributable to the Group	633	(757)	nm

¹ Including non-current charges of €200 million at Bouygues Telecom and TF1 and €34 million of capital gains on asset disposals at Bouygues Telecom

² €80 million at Bouygues Telecom and €11 million at Colas

³ Including non-current charges of €53 million related to the dilution loss further to the capital increase at Alstom

⁴ Before the write-down of Alstom for €1,404 million

Fourth-quarter consolidated income statement (€ million)	Q4		% change
	2012	2013	
Sales	8,950	9,090	+2%
Current operating profit	332	446	+34%
Operating profit	261 ⁽¹⁾	355 ⁽²⁾	+36%
Net profit attributable to the Group before the write-down	69	99 ⁽³⁾	+43%
Write-down of Alstom	-	(1,404)	nm
Net profit/(loss) attributable to the Group	69	(1,305)	nm

¹ Including non-current charges of €105 million at Bouygues Telecom and TF1 and €34 million of capital gains on asset disposals at Bouygues Telecom

² Including non-current charges of €91 million (o/w €80 million at Bouygues Telecom and €11 million at Colas)

³ Before the write-down of Alstom for €1,404 million

Condensed consolidated balance sheet (€ million)	End-2012	End-2013
Non-current assets	20,170	17,684 ⁽¹⁾
Current assets	16,584	15,469
Held-for-sale assets and operations	-	1,151 ⁽²⁾
TOTAL ASSETS	36,754	34,304
Shareholders' equity	10,078	8,684 ⁽¹⁾
Non-current liabilities	9,845	8,959
Current liabilities	16,831	16,495
Liabilities related to held-for-sale operations	-	166 ⁽³⁾
TOTAL LIABILITIES	36,754	34,304
Net debt	4,172	4,427

¹ Including impact of the write-down of Alstom

² Relating to Eurosport International and Cofiroute

³ Relating to Eurosport International

Sales by business area (€ million)	2012	2013	% change	% change like-for-like and at constant exchange rates
Bouygues Construction	10,640	11,111	+4%	+5%
Bouygues Immobilier	2,396	2,510	+5%	+5%
Colas	13,036	13,049	=	=
<i>Sub-total of construction businesses¹</i>	<i>25,753</i>	<i>26,275</i>	<i>+2%</i>	<i>+2%</i>
TF1	2,621	2,470	-6%	-6%
Bouygues Telecom	5,226	4,664	-11%	-10%
Holding company and other	123	119	nm	nm
Intra-Group elimination	(495)	(578)	nm	nm
TOTAL	33,547	33,345	-1%	=
<i>o/w France</i>	<i>22,308</i>	<i>22,118</i>	<i>-1%</i>	<i>-1%</i>
<i>o/w international</i>	<i>11,239</i>	<i>11,227</i>	<i>=</i>	<i>+1%</i>

¹ Total of the sales contributions (after eliminations within the construction businesses)

Contribution of business areas to EBITDA¹ (€ million)	2012	2013	% change
Bouygues Construction	614	668	+9%
Bouygues Immobilier	186	191	+3%
Colas	832	823	-1%
TF1	318	300	-6%
Bouygues Telecom	908	880	-3%
Holding company and other	(36)	(27)	nm
TOTAL	2,822	2,835	=

¹ EBITDA = current operating profit + net depreciation and amortisation expense + net provisions and impairment losses
- reversals of unutilised provisions and impairment losses

Contribution of business areas to current operating profit (€ million)	2012	2013	% change
Bouygues Construction	364	435	+20%
Bouygues Immobilier	179	178	-1%
Colas	406	417	+3%
<i>Sub-total of construction businesses</i>	<i>949</i>	<i>1,030</i>	<i>+9%</i>
TF1	258	223	-14%
Bouygues Telecom	122	125	+2%
Holding company and other	(43)	(34)	nm
TOTAL	1,286	1,344	+5%

Contribution of business areas to operating profit (€ million)	2012	2013	% change
Bouygues Construction	364	435	+20%
Bouygues Immobilier	179	178	-1%
Colas	406	406	=
<i>Sub-total of construction businesses</i>	<i>949</i>	<i>1,019</i>	<i>+7%</i>
TF1	210	223	+6%
Bouygues Telecom	4	45	x11
Holding company and other	(43)	(34)	nm
TOTAL	1,120	1,253	+12%

Contribution of business areas to net profit attributable to the Group (€ million)	2012	2013	% change
Bouygues Construction	267	277	+4%
Bouygues Immobilier	107	101	-6%
Colas	291	301	+3%
<i>Sub-total of construction businesses</i>	<i>665</i>	<i>679</i>	<i>+2%</i>
TF1	59	60	+2%
Bouygues Telecom	(14)	11	nm
Alstom	240	168	-30%
Holding company and other	(317) ¹	(271) ²	nm
Net profit attributable to the Group before the write-down	633	647	+2%
Write-down of Alstom	-	(1,404)	nm
Net profit attributable to the Group	633	(757)	nm

¹ Including €53 million related to the dilution loss further to the capital increase at Alstom

² Before the write-down of Alstom

Net cash by business area (€ million)	At end-December		Change (€m)
	2012	2013	
Bouygues Construction	3,093	3,006	-€87m
Bouygues Immobilier	358	271	-€87m
Colas	(170)	39	+€209m
TF1	237	188 ⁽¹⁾	-€49m
Bouygues Telecom	(650)	(783)	-€133m
Holding company and other	(7,040)	(7,148)	-€108m
TOTAL	(4,172)	(4,427)	-€255m

¹ After reclassification of net cash for €67 million at Europort International to held-for-sale operations

Contribution of business areas to net capital expenditure (€ million)	2012	2013	Change (€m)
Bouygues Construction	159	159	=
Bouygues Immobilier	13	10	-€3m
Colas	345	296	-€49m
TF1	45	39	-€6m
Bouygues Telecom	869 ⁽¹⁾	739 ⁽²⁾	-€130m
Holding company and other	2 ⁽¹⁾	2 ⁽²⁾	=
TOTAL EXCLUDING EXCEPTIONAL ITEMS	1,433⁽¹⁾	1,245⁽²⁾	-€188m
Exceptional items	519	33	-€486m
TOTAL	1,952	1,278	-€674m

¹ Excluding exceptional items related to Bouygues Telecom: acquisition cost and capitalised interest related to 4G frequencies for €726 million at Group level (o/w €696 million at Bouygues Telecom level and €30 million at Holding company level) and asset disposals for €207 million

² Excluding capitalised interest related to 4G frequencies for €33 million at Group level (o/w €13 million at Bouygues Telecom level and €20 million at Holding company level)

Contribution of business areas to free cash flow³ Before change in working capital requirement (€ million)	2012	2013	Change (€m)
Bouygues Construction	327	329	+€2m
Bouygues Immobilier	107	110	+€3m
Colas	378	382	+€4m
<i>Sub-total of construction businesses</i>	<i>812</i>	<i>821</i>	<i>+€9m</i>
TF1	161	149	-€12m
Bouygues Telecom	(89) ⁽¹⁾	24 ⁽²⁾	+€113m
Holding company and other	(160) ¹	(173) ²	-€13m
TOTAL	724⁽¹⁾	821⁽²⁾	+€97m

¹ Excluding exceptional items related to Bouygues Telecom: acquisition cost and capitalised interest related to 4G frequencies for €726 million at Group level (o/w €696 million at Bouygues Telecom level and €30 million at Holding company level) and asset disposals for €207 million

² Excluding capitalised interest related to 4G frequencies for €33 million at Group level (o/w €13 million at Bouygues Telecom level and €20 million at Holding company level)

³ Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure