



Paris, 14 November 2014

Bouygues press release

Results for the first nine months of 2014

- **Good commercial performance**
- **Current operating profit: €554 million**
- **Net profit: €728 million, benefiting from exceptional items**
- **Robust financial structure**

For information, as announced, reported results for 2013 have been restated for IFRS 11.

Key figures (€ million)	9-month 2013 restated	9-month 2014	Change
Sales	24,088	24,223	+1%
Current operating profit	878	554	-€324m
Operating profit	878	949 ^a	+€71m
Net profit attributable to the Group	548	728 ^b	+€180m
Free cash flow ^c	660 ^d	515	-€145m
Net debt ^e	5,599	4,989	-€610m

(a) Including non-current operating income of €81 million related to Bouygues Telecom and a capital gain of €314 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(b) Including a net capital gain of €240 million on the sale by Colas of its stake in Cofiroute

(c) Before change in working capital requirement

(d) Excluding capitalised interest related to 4G frequencies for €33 million

(e) At 30 September

Key figures and highlights

Third-quarter 2014 results were in line with the trends observed in the first half of the year.

The Bouygues group reported consolidated sales of €24.2 billion in the first nine months of the year, up 1% year-on-year. Growth in international sales, up 7% on the first nine months of 2013 to €8.6 billion, offset the decline in sales in France, down 3% on the first nine months of 2013 to €15.7 billion.

Current operating profit amounted to €554 million, €324 million less than in the first nine months of 2013, mainly due to the expected decline in profitability at Bouygues Telecom. Net profit attributable to the Group amounted to €728 million, €180 million more than in the first nine months of 2013, and benefited from the sale of a controlling interest in Eurosport International and of Colas' stake in Cofiroute.

Although operating results continue to reflect a tough economic and competitive environment in France, the Bouygues group demonstrated its responsiveness during the first nine months of 2014.

- Construction businesses can rely on international momentum, competitiveness thanks to differentiated know-how, and a great capability to adapt in order to cope with a challenging French environment.

Drawing on their technical expertise and diverse mix of offerings, the construction businesses were able to differentiate themselves on the French market and expand abroad. As a result, the order book stood at a high level of €27.4 billion at end-September 2014, stable year-on-year. International orders now account for 51% of the order book at Bouygues Construction and Colas, compared with 49% a year earlier.

- Bouygues Telecom's strategy is beginning to bear fruit, showing the first positive signs.

Bouygues Telecom is continuing its transformation in accordance with its road map and is seeing the first signs of the success of its strategy. On the mobile market, 22% of customers now use 4G, compared with 9% at end-December 2013, and consume 2GB of data per month on average. In addition, nearly 80% of retail plan customers subscribe to a value-added plan, compared with 68% at end-December 2013. Positive momentum continued in the fixed broadband market. For the fourth consecutive quarter, Bouygues Telecom was No. 1 in terms of net adds^a, acquiring 104,000 new customers in the third quarter of 2014.

- The Group's financial situation remains robust.

Having found the necessary resources to strengthen its financial structure in the first half of the year despite the decline in current operating profit, the Group was able to consolidate its financial situation in the third quarter, in particular due to the resilience of the working capital requirement.

(a) Company estimate for the third quarter of 2014 and Arcep figures for the previous quarters

Outlook

Group sales in 2014 should be about stable versus 2013 (between -1% and stable versus 2013).

The international environment remains supportive for the Group's construction businesses. While conditions on the French market are tougher, the construction businesses have as usual shown a great capability to adapt by introducing adjustment measures and cost controls. Colas in particular has presented a redundancy plan at Société de Raffinerie de Dunkerque (SRD), aiming to refocus the company solely on bitumen production and hence to stem recurrent operating losses in the activity.

Bouygues Telecom has confirmed its target of generating an "EBITDA minus Capex" item close to zero in 2014. A new stage in the transformation plan has just been reached with the simplification of plans and of customer experience, a reinforced positioning and the rollout of a redundancy plan involving 1,404 employees. As a result, Bouygues Telecom can confirm its target of improving competitiveness and saving €300 million a year by 2016.

Review by sector of activity

Construction businesses^a

The order book at the **construction businesses** remained at a high level of €27.4 billion at end-September 2014, stable year-on-year.

At **Bouygues Construction**, order intake came to €8.0 billion in the first nine months of 2014, down 7% year-on-year. The order book at end-September 2014 stood at €17.6 billion, stable in comparison with end-September 2013, but did not yet include the contract for a new motorway link in Melbourne, Australia, worth €975 million.

In the first nine months of 2014, reservations at **Bouygues Immobilier** amounted to €1.4 billion, up 9% year-on-year. As expected, they included a major commercial property project, the sale of SMA's future head office. The order book at end-September 2014 stood at €2.1 billion.

At **Colas**, the order book rose 8% year-on-year and stood at €7.7 billion at end-September 2014. The order book in international and French overseas markets was up 24% year-on-year to €4.4 billion, whereas the order book in mainland France was down 8% year-on-year to €3.2 billion, mainly due to a decline in orders from local authorities.

Sales in the **construction businesses** were up 2% in the first nine months of 2014 to €19.3 billion, driven by strong momentum on international markets (up 9% year-on-year to €8.4 billion), which offset a decline in sales in France (down 3% year-on-year to €11.0 billion). Current operating profit amounted to €541 million, down €94 million on the first nine months of 2013. This was mainly due to a number of major projects at

Bouygues Construction being at the start or in their early stages, a tougher French roads market and an increase in the current operating loss at Colas' sales of refined products activity.

(a) Construction businesses: Bouygues Construction, Bouygues Immobilier and Colas

TF1^a

The audience share of the **TF1** group's four freeview channels was stable in the first nine months of 2014 at 28.8%^b.

Sales in the first nine months of 2014 amounted to €1.6 billion, down 7% in comparison with end-September 2013 but up 2% like-for-like and at constant exchange rates. Current operating profit amounted to €58 million. The €46-million decline in the first 9 months of 2014 versus the first 9 months of 2013 reflects the deconsolidation of Eurosport International from 1 June 2014 and the impact of the 2014 FIFA World Cup, partly offset by savings from the optimisation plan. Operating profit at €387 million for the first nine months of 2014 – up €283 million year-on-year – included a capital gain of €329 million on the sale of the 31% stake in Eurosport International and the remeasurement of the residual interest (49%).

(a) At Bouygues group level, the sales and operating profit of Eurosport International remained included in the results of TF1 until the sale of an additional 31% stake in Eurosport International to Discovery Communications on 30 May 2014

(b) Individuals aged 4 and over. Source: Médiamétrie

Bouygues Telecom

Bouygues Telecom had a total customer base of 13,367,000 at end-September 2014, 128,000 more than at end-June 2014 and 332,000 more than at end-September 2013.

24,000 new mobile customers were added in the third quarter of 2014, giving a total of 11,048,000 mobile customers at end-September 2014. The company added 47,000 retail plan customers in the third quarter, bringing the total at end-September 2014 to 10,031,000.

In the fixed broadband market^a, Bouygues Telecom acquired 104,000 new customers in the third quarter of 2014 and 378,000 year-on-year, giving a total of 2,319,000 customers at end-September 2014, a year-on-year increase of nearly 20%.

As expected, financial results in the third quarter of 2014 were in line with the trend in the first half of the year. Sales amounted to €3.3 billion and sales from network to €2.9 billion in the first nine months of 2014, down 5% and 8% respectively year-on-year. EBITDA stood at €538 million, down €189 million year-on-year. The company reported a current operating loss of €26 million and operating profit of €60 million after factoring in non-current income of €86 million^b. The "EBITDA minus Capex" item stood at €44 million over the first nine months of 2014.

(a) Includes high-speed and very-high-speed fixed broadband subscriptions

(b) €432 million from litigation settlements and other minus €346 million in provisions for adaptation costs and other

Alstom

As announced on 5 November 2014, Alstom's contribution to Bouygues' net profit over the first nine months of 2014 amounted to €128 million, versus €168 million over the first nine months of 2013.

Following the publication of its results for the first half of FY2014/15, Alstom announced that the project with General Electric was moving ahead: works council consultations have been completed, the sale contract and other agreements have been signed and French foreign investment authorisation have been obtained. Alstom's General Meeting, where the approval of the transaction will be submitted to the shareholders' vote, is to be convened on 19 December 2014.

Financial position

Group cash flow amounted to €1.9 billion for the first nine months of 2014 and free cash flow^a amounted to €515 million, down €131 million and €145 million respectively year-on-year. This reflects the decrease in current operating profit, partly offset by non-current income at Bouygues Telecom.

Net debt at end-September 2014 stood at €5.0 billion, versus €5.6 billion at end-September 2013, and benefited from the proceeds of the sale of the Group's interests in Cofiroute and Eurosport International.

(a) Before change in working capital requirement. Excluding capitalised interest related to 4G frequencies for €33 million in the first nine months of 2013

Highlights since 30 June 2014

- 29 July 2014: The French broadcasting regulator CSA refuses to allow LCI to migrate to free-to-air digital terrestrial TV
- 1 September 2014: Closing of the acquisition of Plan Group brings the Canadian company into the Bouygues Construction group
- 9 September 2014: Bouygues Construction is awarded a contract worth approximately €490 million to construct two tunnels for the Hong Kong metro
- 10 September 2014: The TF1 and ITAS groups enter into exclusive negotiations for the change of control of OneCast
- 15 September 2014: Bouygues Telecom is to offer Netflix on its boxes from November 2014
- 22 September 2014: Française Real Estate Managers (REM) buys the Higashi office building in the Hikari positive-energy mixed-use development in Lyon-Confluence from Bouygues Immobilier
- 23 September 2014: LCI announces that it is appealing to the Conseil d'Etat (Supreme Administrative Court), seeking to have the CSA's decision overturned, and suspended during ongoing summary proceedings
- 7 October 2014: Bouygues Immobilier completes the sale of SMA's future head office in the 15th arrondissement of Paris
- 10 October 2014: Bouygues Immobilier and Steria announce the launch of Si@go, an innovative energy management software solution for commercial properties
- 15 October 2014: Bouygues Construction is to build a new motorway link in Australia under a PPP
- 23 October 2014: LCI's petition for suspension of the CSA's decision of 29 July 2014 is dismissed
- 27 October 2014: Bouygues Telecom offers fibre at speeds of up to 1GB/s from 17 November and expands its VDSL offer

Financial calendar:

25 February 2015: full-year 2014 results

7.30am: press release

9.00am: press conference

11am: analysts' meeting

The financial statements have been subject to a limited review by the statutory auditors and the corresponding report has been issued.

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

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9-month 2014 business activity

Order books at the construction businesses (€ million)	End-September		
	2012	2013	2014
Bouygues Construction	17,051	17,711	17,626
Bouygues Immobilier	2,879	2,615	2,144
Colas	7,006	7,094	7,671
TOTAL	26,936	27,420	27,441

Bouygues Construction order intake (€ million)	9-month		% change
	2013	2014	
France	3,859	4,076	+6%
International	4,752	3,972	-16%
TOTAL	8,611	8,048	-7%

Bouygues Immobilier reservations (€ million)	9-month		% change
	2013	2014	
Residential property	1,090	992	-9%
Commercial property	210	420	x2
TOTAL	1,300	1,412	+9%

Colas order book (€ million)	End-September		% change
	2013	2014	
Mainland France	3,523	3,226	-8%
International and French overseas territories	3,571	4,445	+24%
TOTAL	7,094	7,671	+8%

TF1 audience share ^a	9-month		Pts change
	2013	2014	
TF1	22.7%	22.9%	+0.2 pts
TMC	3.5%	3.2%	-0.3 pts
NT1	2.1%	1.8%	-0.3 pts
HD1	0.5%	0.9%	+0.4 pts
TOTAL	28.8%	28.8%	=

(a) Source: Médiamétrie, Individuals aged 4 and over

Bouygues Telecom customer base (‘000 customers)	End-June 2014	End-Sept 2014	Change (‘000 customers)
	Plan subscribers	9,984	10,031
<i>o/w B&YOU subscribers</i>	1,966	2,044	+78
Prepaid customers	1,040	1,017	-23
Total mobile customers	11,024	11,048	+24
Total fixed customers	2,215	2,319	+104

9-month 2014 financial performance

Condensed consolidated income statement (€ million)	9-month		Change (€m)
	2013 restated	2014	
Sales	24,088	24,223	+1%
Current operating profit	878	554	-€324m
Other operating income and expenses	0	395 ^a	+€395m
Operating profit	878	949	+€71m
Cost of net debt	(222)	(238)	-€16m
Other financial income and expenses	(16)	16	+€32m
Income tax expense	(242)	(185)	+€57m
Investments in joint ventures and associates	212	407	+€195m
<i>o/w share of profits</i>	212	154	-€58m
<i>o/w net capital gain on Cofiroute disposal</i>	-	253 ^b	+€253m
Net profit	610	949	+€339m
Net profit attributable to non-controlling interests ^c	(62)	(221)	-€159m
Net profit attributable to the Group	548	728	+€180m

(a) Including non-current operating income of €81 million related to Bouygues Telecom and a capital gain of €314 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(b) Net capital gain at 100%

(c) Formerly "Minority interests"

Third-quarter consolidated income statement (€ million)	Third-quarter		Change (€m)
	2013 restated	2014	
Sales	8,994	9,041	+1%
Current operating profit	531	420	-€111m
Operating profit	531	426 ^a	-€105m
Net profit attributable to the Group	360	318	-€42m

(a) Including non-current operating income of €6 million related to TF1 and Bouygues Telecom

Sales by business segment (€ million)	9-month		% change	Change l-f-l and at constant exchange rates
	2013 restated	2014		
Bouygues Construction	7,992	8,492	+6%	+6%
Bouygues Immobilier	1,710	1,942	+14%	+12%
Colas	9,511	9,184	-3%	-3%
<i>Sub-total of construction businesses^a</i>	<i>18,934</i>	<i>19,347</i>	<i>+2%</i>	<i>+2%</i>
TF1	1,739	1,613	-7%	+2%
Bouygues Telecom	3,453	3,294	-5%	-5%
Holding company and other	89	98	nm	nm
Intra-Group elimination	(406)	(400)	nm	nm
TOTAL	24,088	24,223	+1%	+1%
<i>o/w France</i>	<i>16,115</i>	<i>15,664</i>	<i>-3%</i>	<i>-3%</i>
<i>o/w international</i>	<i>7,973</i>	<i>8,559</i>	<i>+7%</i>	<i>+10%</i>

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

Contribution to EBITDA by business segment ^a (€ million)	9-month		Change (€m)
	2013 restated	2014	
Bouygues Construction	398	353	-€45m
Bouygues Immobilier	131	113	-€18m
Colas	469	446	-€23m
TF1	145	58	-€87m
Bouygues Telecom	727	538	-€189m
Holding company and other	(21)	(20)	+€1m
TOTAL	1,849	1,488	-€361m

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

Contribution to current operating profit by business segment (€ million)	9-month		Change (€m)
	2013 restated	2014	
Bouygues Construction	311	244	-€67m
Bouygues Immobilier	123	124	+€1m
Colas	201	173	-€28m
<i>Sub-total of construction businesses</i>	<i>635</i>	<i>541</i>	<i>-€94m</i>
TF1	104	58	-€46m
Bouygues Telecom	160	(26)	-€186m
Holding company and other	(21)	(19)	+€2m
TOTAL	878	554	-€324m

Contribution to operating profit by business segment (€ million)	9-month		Change (€m)
	2013 restated	2014	
Bouygues Construction	311	244	-€67m
Bouygues Immobilier	123	124	+€1m
Colas	201	173	-€28m
<i>Sub-total of construction businesses</i>	<i>635</i>	<i>541</i>	<i>-€94m</i>
TF1	104	387 ^a	+€283m
Bouygues Telecom	160	60 ^b	-€100m
Holding company and other	(21)	(39) ^c	-€18m
TOTAL	878	949	+€71m

(a) Including a capital gain of €329 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(b) Including non-current income of €86 million: €432 million from litigation settlements and other minus €346 million in provisions for adaptation costs and other

(c) Including non-current charges of €5 million related to Bouygues Telecom and €15m for derecognition of goodwill related to the sale of Eurosport International

Contribution to net profit attributable to the Group by business segment (€ million)	9-month		Change (€m)
	2013 restated	2014	
Bouygues Construction	204	184	-€20m
Bouygues Immobilier	70	74	+€4m
Colas	181	497 ^a	+€316m
<i>Sub-total of construction businesses</i>	455	755	+€300m
TF1	27	149 ^b	+€122m
Bouygues Telecom	86	29	-€57m
Alstom	168	128	-€40m
Holding company and other	(188)	(333) ^c	-€145m
TOTAL	548	728	+€180m

(a) Including a net capital gain of €372 million related to the sale of Cofiroute

(b) Including a net capital gain of €130 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(c) Including €147 million for derecognition of goodwill at Holding company and other: €132 million related to the sale by Colas of Cofiroute and €15 million related to the sale of Eurosport International

Impacts of exceptional items on net profit attributable to the Group (€ million)	9-month		Change (€m)
	2013 restated	2014	
Net profit attributable to the Group	548	728	+€180m
Non-current operating income of €81m related to Bouygues Telecom, net of taxes	-	(45)	-€45m
Net capital gain on the sale by Colas of its stake in Cofiroute	-	(240)	-€240m
Net capital gain on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)	-	(115)	-€115m
Cofiroute contribution to 9-month 2013 net profit	-	41	+€41m
Net profit attributable to the Group before exceptional items	548	369	-€179m

Impacts of exceptional items on net profit attributable to the Group of the construction businesses (€ million)	9-month		Change (€m)
	2013 restated	2014	
Net profit attributable to the Group of the construction businesses	455	755	+€300m
Net capital gain on the sale by Colas of its stake in Cofiroute	-	(372)	-€372m
Cofiroute contribution to 9-month 2013 net profit	-	41	+€41m
Net profit attributable to the Group of the construction businesses before exceptional items	455	424	-€31m

Impacts of the sale of the stake in Cofiroute on the income statement (€ million – 9-month 2014)	Colas income statement	Colas contribution ^a	Bouygues income statement
	Net capital gain on disposal	385	385
- Goodwill at Holding company level	0	0	-132
Net capital gain on disposal after goodwill	385	385	253
- Net capital gain attributable to non-controlling interests ^b (3.4%)	0	-13	-13
Net capital gain attributable to the Group	385	372	240

(a) Colas contribution to net profit attributable to the Group
(b) Calculated on net capital gain (at 100%) before goodwill

Impacts of the sale of the 31% stake in Eurosport International on the income statement (€ million – 9-month 2014)	TF1 income statement	TF1 contribution ^a	Bouygues income statement
	Capital gain and remeasurement ^b before tax	329	329
- Income tax expense	-30	-30	-30
Capital gain and remeasurement ^b after tax	299	299	299
- Goodwill at Holding company level	0	0	-15
Net capital gain on disposal and remeasurement ^b after goodwill	299	299	284
- Net capital gain attributable to non-controlling interests ^c (56.5%)	0	-169	-169
Net capital gain and remeasurement^b attributable to the Group	299	130	115

(a) TF1 contribution to net profit attributable to the Group
(b) Net capital gain on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)
(c) Calculated on net capital gain (at 100%) before goodwill

Net cash by business segment (€ million)	At end-September		Change (€m)
	2013 restated	2014	
Bouygues Construction	2,693	2,231	-€462m
Bouygues Immobilier	155	93	-€62m
Colas	(839)	(143) ^a	+€696m
TF1	189	436 ^b	+€247m
Bouygues Telecom	(745)	(890)	-€145m
Holding company and other	(7,052)	(6,716)	+€336m
TOTAL	(5,599)	(4,989)	+€610m

(a) Including €780 million related to the sale by Colas of its stake in Cofiroute

(b) Including €256 million related to the sale of the additional 31% stake in Eurosport International

Contribution to net capital expenditure by business segment (€ million)	9-month		Change (€m)
	2013 restated	2014	
Bouygues Construction	96	139	+€43m
Bouygues Immobilier	7	9	+€2m
Colas	165	249	+€84m
<i>Sub-total of construction businesses</i>	<i>268</i>	<i>397</i>	<i>+€129m</i>
TF1	30	23	-€7m
Bouygues Telecom	561 ^a	494	-€67m
Holding company and other	1 ^a	1	nm
TOTAL EXCLUDING EXCEPTIONAL ITEMS	860^a	915	+€55m
Exceptional items	33	-	-€33m
TOTAL	893	915	+€22m

(a) 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 to free cash flow ^a by business segment Before change in working capital requirement (€ million)	9-month		Change (€m)
	2013 restated	2014	
Bouygues Construction	261	122	-€139m
Bouygues Immobilier	78	58	-€20m
Colas	292	152	-€140m
<i>Sub-total of construction businesses</i>	<i>631</i>	<i>332</i>	<i>-€299m</i>
TF1	85	26	-€59m
Bouygues Telecom	34 ^b	327	+€293m
Holding company and other	(90) ^b	(170)	-€80m
TOTAL	660^b	515	-€145m

(a) Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure

(b) 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)