



Paris, 27 August 2015

Bouygues press release

First-half 2015

- **Good commercial performance and improved financial results at Bouygues Telecom**
- **Strong international momentum of construction businesses**
- **Improvement in the Group's profitability in the second quarter**
- **Outlook for 2015 revised upwards for Bouygues Telecom and confirmed for the construction businesses and TF1**

For information, as announced, reported results for the first half of 2014 have been restated for IFRIC 21 impacts.

Key figures (€ million)	First-half 2014 restated	First-half 2015	Change
Sales	15,182	15,098	-1%
Current operating profit	79	119	+€40m
Operating profit	468 ^a	45 ^e	-€423m
Net profit/(loss) attributable to the Group	378 ^b	(42)	-€420m
Net profit/(loss) attributable to the Group excl. exceptional items ^c	(20)	(4)	+€16m
Net debt ^d	5,174	5,209	+€35m

(a) Including non-current operating income of €81 million related to Bouygues Telecom and a capital gain of €308 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) Restated for the net capital gain on Cofiroute and the capital gain on Eurosport International (31%) and non-current items (reconciliation on page 9)

(d) At 30 June

(e) Including non-current charges of €74 million at Bouygues Telecom, TF1 and Bouygues Construction

Sales in the first half of 2015 amounted to €15.1 billion, down 1% on the first half of 2014. The 5% decline in France was offset by a 9% increase in sales on international markets, benefiting from a favourable exchange rate effect.

Current operating profit amounted to €119 million, €40 million more than in the first half of 2014 driven by TF1 and Bouygues Telecom. Operating profit amounted to €45 million, including €74 million of non-current charges, of which €52 million related to roll-out of the network sharing agreement with Numericable-SFR. For information, operating profit in the first half of 2014 included non-current income of €389 million.

The net loss attributable to the Group excluding exceptional items was €4 million, an improvement of €16 million despite a €47-million decline in the net contribution from Alstom.

Improvement in the Group's profitability in the second quarter

The Group's results improved in the second quarter of 2015:

Current operating profit/(loss) € million	Q1 2015	Change vs 2014 restated	Q2 2015	Change vs 2014 restated	H1 2015	Change vs 2014 restated
Construction businesses ^a	(146)	-€20m	234	-€7m	88	-€27m
TF1	28	+€9m	69	+€41m	97	+€50m
Bouygues Telecom	(62)	+€2m	8	+€15m	(54)	+€17m
Group	(194)	-€16m	313	+€56m	119	+€40m

(a) Bouygues Construction, Bouygues Immobilier and Colas

In a tough economic and competitive environment in France, the Group's transformation strategy started to have a positive effect on operating performances.

- The construction businesses showed strong international momentum and competitiveness, driven by a wide-range of offers and services and extensive technical expertise. The current operating margin in the second quarter of 2015 remained close to the level of the second quarter of 2014.
- TF1 adapted to its environment and continued to optimise programming costs.
- A good commercial performance and execution of the transformation plan enabled Bouygues Telecom to improve its results, with EBITDA starting to grow again in the second quarter.

Outlook

The Group has revised its outlook for Bouygues Telecom upwards and confirmed it for its construction businesses and TF1.

The construction businesses are continuing to expand in international markets and to adapt in France. Financial results are likely to remain robust in 2015, with a current operating margin at the level of 2014, excluding the exchange rate effect.

TF1 intends to maintain its leading position in freeview TV and will continue to adapt its business model to changes in its markets. Its current operating margin should improve in 2015, excluding the effect of the deconsolidation of Eurosport International in 2014.

Thanks to a good commercial performance and tight control of marketing and operating costs, the outlook for Bouygues Telecom has been revised upwards.

- EBITDA is expected to rise to around €750 million in 2015, compared with €694 million in 2014 and the stable target announced on 13 May 2015.
- The target of €300 million of savings in 2016 versus end-2013 will be significantly outstripped.

The Group's ongoing transformation strategy and the roll-out of network sharing between Bouygues Telecom and the Numericable-SFR group is likely to generate non-current charges of around €200 million in 2015, which will affect the Group's operating profit.

Martin Bouygues, Chairman and CEO of the Bouygues group, said:

“The Group's business segments are reinventing themselves to seize all opportunities on their markets. We are beginning to see the first positive effects of that transformation. The Group's return to growth in 2016 remains the priority.”

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Other information

Detailed analysis by business segment

Construction businesses^a

The order book of the construction businesses reached a very high level of €29.8 billion at end-June 2015, up 6% year-on-year (1% at constant exchange rates).

As expected, the environment remained tough in France, both in building & civil works and, even more so, in the roads activity. However, the gradual return of private investors to the French residential property market was confirmed and Bouygues Immobilier took residential property reservations worth €832 million in the first half of 2015, a 23% increase. Overall, the order book for construction businesses in France was down 9% year-on-year at €13.6 billion.

In contrast, the momentum in international markets continued. The order book at end-June 2015 stood at €16.2 billion, up 24% year-on-year and 43% over the last two years. International orders accounted for 58% of the total order book at Bouygues Construction and Colas, compared with 50% at end-June 2014. In particular, international order intake at Bouygues Construction in the first half of 2015 amounted to €3.7 billion, a very high level representing a year-on-year rise of 64%.

Sales of the construction businesses in the first half of 2015 amounted to €12.0 billion, up 1% on the first half of 2014 but down 5% like-for-like and at constant exchange rates. The current operating margin reflected the impact of the usual seasonal effect of Colas' business and was slightly lower than in the first half of 2014, some major projects at Bouygues Construction being managed with a low margin at the current percentage of completion.

(a) Bouygues Construction, Bouygues Immobilier and Colas

TF1^a

The TF1 group's four freeview channels had a combined audience share of 27.8%^b for individuals aged four years and over in the first half of 2015 (1.1 points down on the first half of 2014) but held up well at 32.0% for women under 50 who are purchasing decision-makers (0.2 points down on the first half of 2014).

TF1 reported sales of €981 million in the first half of 2015. The 17% fall versus the first half of 2014 essentially reflects the deconsolidation of Eurosport International. Group advertising sales amounted to €775 million, and would be up 1% excluding this deconsolidation effect.

Current operating profit amounted to €97 million, €50 million more than in the first half of 2014. The improvement was particularly evident in the second quarter due to a favourable comparative (no FIFA World Cup) and the optimisation of programming costs.

Operating profit in the first half of 2015 amounted to €85 million and included non-current charges of €12 million related to adaptation costs at the TF1 group's news operations.

On 22 July 2015, TF1 announced that by mutual agreement with Discovery Communications it had decided to exercise its put option over its 49% equity interest in Eurosport for €491 million. TF1 will also buy back Discovery Communication's 20% interest in the pay-TV channels (TV Breizh, Histoire and Ushuaïa) for €15 million.

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

(b) Source: Médiamétrie

Bouygues Telecom

The relevance of Bouygues Telecom's strategy enabled it to achieve a good commercial performance and improve its financial results.

The company added 160,000 new mobile customers in the second quarter of 2015 and 312,000 over the first half of the year to give a total of 11.4 million mobile customers at end-June 2015. The number of plan customers excluding MtoM^a rose by 293,000 in the first half of 2015, with 147,000 new adds in the second quarter of 2015. Growing numbers of customers were attracted to Bouygues Telecom's 4G services. The company had 4.1 million 4G customers^b at end-June 2015, representing 42% of the mobile base excluding MtoM, compared with 19% at end-June 2014. Growth in the number of new customers was accompanied by an

increase in usage, in keeping with the previous quarters. 4G customers consumed 2.4GB of mobile data per month on average, and 25% of 4G customers with a 3GB plan reach this limit every month.

Bouygues Telecom continued to expand on the fixed broadband^c market, adding 78,000 new customers in the second quarter of 2015 and 174,000 over the first half of the year to give a total of 2.6 million at end-June 2015. Bouygues Telecom also started to market FTTH^d services on its own network and had 23,000 FTTH customers at end-June 2015 out of a total of 398,000 very-high-speed broadband^e customers.

Bouygues Telecom's sales remained stable in the second quarter 2015 at €1.1 billion and were down by only 1% to €2.2 billion in the first half of 2015. Sales from network were down 2% in the second quarter of 2015 to €952 million and by 3% in the first half of 2015 to €1.9 billion.

First-half 2015 EBITDA rose €21 million to €323 million despite the impact of the end of the mobile customer base repricing. The EBITDA margin^f was up 1.5 points over the half-year to 17.1%. The company reported a current operating loss of €54 million, €17 million better than in the first half of 2014, and an operating loss of €109 million, which included €55 million in non-current charges essentially related to the roll-out of network sharing with Numericable-SFR in the first half of the year.

(a) Machine-to-Machine

(b) Customers who have used the 4G network during the last three months (Arcep definition)

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

(d) Fibre-to-the-Home: roll-out of optical fibre from the optical connection node (place where the operator's transmission equipment is installed) to homes or business premises (Arcep definition)

(e) Subscriptions with a peak download speed of 30 Mbit/s or more. Encompasses FTTH, FTTLA and VDSL2 subscriptions (Arcep definition)

(f) EBITDA/sales from network

Alstom

As announced on 20 July 2015, Alstom's net contribution to Bouygues' net profit was €0 million in the first half of 2015, compared with €47 million^a in the first half of 2014.

(a) Alstom's contribution of €53 million to Bouygues' net profit minus €6 million for the amortisation of fair value remeasurements of identifiable intangible assets and other items

Financial situation

Net debt at end-June 2015 amounted to €5.2 billion, stable on end-June 2014, despite a €428-million increase in the cash component of Bouygues' dividend. The €2-billion increase in net debt versus end-December 2014 was due to the usual impact of the seasonal effect of Colas' business.

Net debt at end-June 2015 did not take account of the completion of the agreements between TF1 and Discovery (a net positive impact of €476 million).

Financial calendar

13 November 2015: Nine-month 2015 sales and earnings (7.30am CET)

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 First-half 2015 Financial Report and full financial statements and notes to the financial statements on www.bouygues.com.

The first-half 2015 results presentation to financial analysts will be webcast live on 27 August 2015 from 11am (CET) on www.bouygues.com.

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First-half 2015 business activity

Order book at the construction businesses

(€ million)

	End-June		% change
	2014	2015	
Bouygues Construction	17,537	19,317	+10%
Bouygues Immobilier	2,210	2,372	+7%
Colas	8,242	8,079	-2%
TOTAL	27,989	29,768	+6%

Bouygues Construction order intake

(€ million)

	First-half		% change
	2014	2015	
France	2,922	2,153	-26%
International	2,252	3,699	+64%
TOTAL	5,174	5,852	+13%

Bouygues Immobilier reservations

(€ million)

	First-half		% change
	2014	2015	
Residential property	675	832	+23%
Commercial property	62	165	x3
TOTAL	737	997	+35%

Colas order book

(€ million)

	End-June		% change
	2014	2015	
Mainland France	3,515	3,169	-10%
International and French overseas territories	4,727	4,910	+4%
TOTAL	8,242	8,079	-2%

TF1 audience share^a

	First-half		Pts change
	2014	2015	
TF1	22.9%	21.6%	-1.3 pts
TMC	3.2%	3.1%	-0.1 pts
NT1	1.9%	2.0%	+0.1 pts
HD1	0.9%	1.1%	+0.2 pts
TOTAL	28.9%	27.8%	-1.1 pts

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

Bouygues Telecom customer base

('000 customers)

	End-March 2015	End-June 2015	Change ('000 customers)
Plan subscribers	10,327	10,537	+210
Prepaid customers	946	896	-50
Total mobile customers	11,273	11,433	+160
Total fixed customers	2,524	2,602	+78

First-half 2015 financial performance

Condensed consolidated income statement (€ million)	First-half		Change
	2014 restated	2015	
Sales	15,182	15,098	-1%
Current operating profit	79	119	+€40m
Other operating income and expenses	389 ^a	(74) ^d	-€463m
Operating profit	468	45	-€423m
Cost of net debt	(163)	(146)	+€17m
Other financial income and expenses	3	25	+€22m
Income tax	(39)	36	+€75m
Joint ventures and associates	307	29	-€278m
<i>o/w share of profits</i>	54	29	-€25m
<i>o/w net capital gain on Cofiroute</i>	253 ^b	0	-€253m
Net profit/(loss)	576	(11)	-€587m
Net profit attributable to non-controlling interests	(198)	(31)	+€167m
Net profit/(loss) attributable to the Group	378	(42)	-€420m
Net profit attributable to the Group excl. exceptional items^c	(20)	(4)	+€16m

(a) Including non-current operating income of €81 million related to Bouygues Telecom and a capital gain of €308 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(b) Net capital gain at 100%

(c) Restated for the net capital gain on Cofiroute and the capital gain on Eurosport International (31%) and non-current items (reconciliation on page 9)

(d) Non-current charges of €55 million at Bouygues Telecom, non-current charges of €12 million at TF1 and non-current charges of €7 million at Bouygues Construction

First-quarter consolidated income statement (€ million)	First-quarter		Change
	2014 restated	2015	
Sales	6,841	6,731	-2%
Current operating profit/(loss)	(178)	(194)	-€16m
Operating profit/(loss)	18 ^a	(216) ^c	-€234m
Net profit/(loss) attributable to the Group	238 ^b	(157)	-€395m

(a) Including net non-current operating income of €196 million related to Bouygues Telecom

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

(c) Including non-current charges of €22 million at Bouygues Telecom essentially related to the roll-out of the network sharing agreement with Numericable-SFR

Second-quarter consolidated income statement (€ million)	Second-quarter		Change
	2014 restated	2015	
Sales	8,341	8,367	0%
Current operating profit	257	313	+€56m
Operating profit	450 ^a	261 ^b	-€189m
Net profit attributable to the Group	140	115	-€25m

(a) Including a capital gain of €308 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%) and non-current charges of €115 million at Bouygues Telecom

(b) Including non-current charges of €52 million at Bouygues Telecom, TF1 and Bouygues Construction

Sales by business segment (€ million)	First-half		% change	Change l-f-l and at constant exchange rates
	2014 restated	2015		
Construction businesses ^a	11,854	11,983	+1%	-5%
<i>o/w Bouygues Construction</i>	5,558	5,850	+5%	-4%
<i>o/w Bouygues Immobilier</i>	1,192	1,058	-11%	-12%
<i>o/w Colas</i>	5,294	5,204	-2%	-6%
TF1	1,175	981	-17%	-2%
Bouygues Telecom	2,177	2,156	-1%	-1%
Holding company and other	70	75	nm	nm
Intra-Group elimination	(284)	(226)	nm	nm
TOTAL	15,182	15,098	-1%	-4%
<i>o/w France</i>	10,193	9,637	-5%	-5%
<i>o/w international</i>	4,989	5,461	+9%	-2%

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

Contribution to EBITDA by business segment ^a (€ million)	First-half		Change (€m)
	2014 restated	2015	
Construction businesses	291	315	+€24m
<i>o/w Bouygues Construction</i>	206	228	+€22m
<i>o/w Bouygues Immobilier</i>	64	38	-€26m
<i>o/w Colas</i>	21	49	+€28m
TF1	33	102	+€69m
Bouygues Telecom	302	323	+€21m
Holding company and other	(15)	(12)	+€3m
TOTAL	611	728	+€117m

(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)	First-half		Change (€m)
	2014 restated	2015	
Construction businesses	115	88	-€27m
<i>o/w Bouygues Construction</i>	173	148	-€25m
<i>o/w Bouygues Immobilier</i>	69	59	-€10m
<i>o/w Colas</i>	(127)	(119)	+€8m
TF1	47	97	+€50m
Bouygues Telecom	(71)	(54)	+€17m
Holding company and other	(12)	(12)	€0m
TOTAL	79	119	+€40m

Contribution to operating profit by business segment (€ million)	First-half		Change (€m)
	2014 restated	2015	
Construction businesses	115	81	-€34m
<i>o/w Bouygues Construction</i>	173	141 ^d	-€32m
<i>o/w Bouygues Immobilier</i>	69	59	-€10m
<i>o/w Colas</i>	(127)	(119)	+€8m
TF1	370 ^a	85 ^e	-€285m
Bouygues Telecom	14 ^b	(109) ^f	-€123m
Holding company and other	(31) ^c	(12)	+€19m
TOTAL	468	45	-€423m

(a) Including a capital gain of €323 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(b) Including non-current income of €85 million: €429 million from litigation settlements and other minus €344 million in provisions for adaptation costs and other

(c) Including non-current charges of €4 million related to Bouygues Telecom and €15 million for derecognition of goodwill related to the sale of Eurosport International

(d) Including non-current charges of €7 million related to the new organisational structure

(e) Including non-current charges of €12 million related to the adaptation of the news operations

(f) Including non-current charges of €55 million essentially related to the roll-out of the network sharing agreement with Numericable-SFR

Contribution to net profit attributable to the Group by business segment (€ million)	First-half		Change (€m)
	2014 restated	2015	
Construction businesses	457	78	-€379m
<i>o/w Bouygues Construction</i>	118	110	-€8m
<i>o/w Bouygues Immobilier</i>	41	34	-€7m
<i>o/w Colas</i>	298 ^a	(66)	-€364m
TF1	140 ^b	27	-€113m
Bouygues Telecom	5	(66)	-€71m
Alstom	53	(285)	-€338m
Holding company and other	(277) ^c	204 ^e	+€481m
Net profit/(loss) attributable to the Group	378	(42)	-€420m
Net profit/(loss) attributable to the Group excl. exceptional items^d	(20)	(4)	+€16m

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

(b) Including a net capital gain of €128 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: €132 million related to the sale by Colas of Cofiroute and €15 million related to the sale of Eurosport International

(d) Restated for the net capital gain on Cofiroute and the capital gain on Eurosport International (31%) and non-current items (reconciliation on page 9)

(e) Including a partial reversal for €291 million of the write-down against Bouygues' interest in Alstom recognised in 2013

Impacts of exceptional items on net profit attributable to the Group

(€ million)

	First-half		Change (€m)
	2014 restated	2015	
Net profit/(loss) attributable to the Group	378	(42)	-€420m
Non-current income/charges related to Bouygues Telecom, TF1 and Bouygues Construction	(81)	74	+€155m
Capital gain on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)	(308)	-	+€308m
Net capital gain on the sale by Colas of its stake in Cofiroute	(253)	-	+€253m
Tax on non-current income/charges and Eurosport International	60	(28)	-€88m
Exceptional items attributable to non-controlling interests	184	(8)	-€192m
Net profit/(loss) attributable to the Group excl. exceptional items	(20)	(4)	+€16m

Impacts of exceptional items on net profit attributable to the Group of the construction businesses

(€ million)

	First-half		Change (€m)
	2014 restated	2015	
Net profit attributable to the Group of the construction businesses	457	78	-€379m
Non-current charges related to Bouygues Construction	-	7	+€7m
Net capital gain on the sale by Colas of its stake in Cofiroute	(385)	-	+€385m
Tax on non-current charges	-	(3)	-€3m
Net capital gain on the sale by Colas of its stake in Cofiroute attributable to non-controlling interests	13	-	-€13m
Net profit attributable to the Group of the construction businesses excl. exceptional items	85	82	-€3m

Net cash by business segment

(€ million)

	At end-June		Change (€m)
	2014 restated	2015	
Bouygues Construction	2,338	2,433	+€95m
Bouygues Immobilier	26	(82)	-€108m
Colas	(331) ^a	(569)	-€238m
TF1	425 ^b	308	-€117m
Bouygues Telecom	(971)	(977)	-€6m
Holding company and other	(6,661)	(6,322)	+€339m
TOTAL	(5,174)	(5,209)	-€35m

(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)

	First-half		Change (€m)
	2014 restated	2015	
Construction businesses	238	156	-€82m
<i>o/w Bouygues Construction</i>	87	66	-€21m
<i>o/w Bouygues Immobilier</i>	6	6	€0m
<i>o/w Colas</i>	145	84	-€61m
TF1	17	15	-€2m
Bouygues Telecom	337	380	+€43m
Holding company and other	0	2	+€2m
TOTAL	592	553	-€39m

Contribution to free cash flow^a by business segment

Before change in working capital requirement
(€ million)

	First-half		Change (€ million)
	2014 restated	2015	
Construction businesses	54	123	+€69m
<i>o/w Bouygues Construction</i>	85	125	+€40m
<i>o/w Bouygues Immobilier</i>	36	24	-€12m
<i>o/w Colas</i>	(67)	(26)	+€41m
TF1	14	50	+€36m
Bouygues Telecom	243	(67)	-€310m
Holding company and other	(116)	(79)	+€37m
TOTAL	195	27	-€168m

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