



Paris, 16 May 2011

Bouygues press release

First-quarter 2011

- **Sales up 4%**
- **Good commercial activity**
- **Net profit of €34 million impacted by non-recurring items**
- **2011 sales target revised upwards to €31.9 billion**

The first quarter of 2011 was in line with expectations. The Construction division started the year well, the recovery at TF1 was confirmed and Bouygues Telecom continued its growth strategy.

The Bouygues group's consolidated first-quarter sales amounted to €6.7 billion, up 4% (1% like-for-like and at constant exchange rates). Current operating profit stood at €153 million, down 10%. Net profit came to €34 million, €147 million less than in Q1 2010. This was essentially due to two factors: a fall in Alstom's contribution (€23 million in Q1 2011 compared with €115 million in Q1 2010) and the inclusion in the Q1 2010 figure of a non-recurring net financial gain of €41 million from the Alstom Hydro Holding transaction.

The net debt and net gearing were stable on end-March 2010, confirming the very sound financial situation.

Key figures

(€ million)	Q1 2010	Q1 2011	Change
Sales	6,443	6,686	+4%
Current operating profit	170 ¹	153	-10%
Operating profit	162	153	-6%
Net profit attributable to the Group	181	34	-81%
Net debt ²	3,230	3,293	+€63m
Net gearing ²	32%	31%	-1 pts

¹ The published figure on 1 June 2010 was €162 million. -€8 million were reclassified as other operating income and expenses at Colas

² End of period

Business areas

Bouygues Construction reported stable sales at €2,169 million, up 9% in France and down 10% internationally. The operating margin of 3.6% was unchanged on Q1 2010 and net profit amounted to €46 million.

Commercial activity was strong in Q1 2011: the order intake, which includes Leadbitter's order book, amounted to €2.8 billion. Bouygues Construction's order book continued to grow, standing at €14.7 billion, 4% more than at end-December 2010 and 15% more than at end-March 2010. These figures do not yet include the Balard project, for which Bouygues Construction has been designated preferred bidder.

Bouygues Immobilier's performance in Q1 2011 is not representative of expectations for the year as a whole, given a particularly unfavourable comparison basis with Q1 2010. Sales amounted to €443 million, a decrease of 29% (down 14% in residential property, down 73% in commercial property). Operating profit was down 36% at €36 million and net profit down 27% at €22 million. The operating margin held up well at 8.1%, in line with the level in FY2010.

After a record year in 2010, commercial activity in the residential property segment remained at a good level in Q1 2011, with reservations amounting to €406 million. Reservations in the commercial property segment remained low in a market that should gradually start to pick up again. Total reservations in Q1 2011 were down 13% at €433 million. The order book stood at €2.3 billion, 8% higher than at end-March 2010.

Colas benefited from good weather in France. Sales in Q1 2011 rose 16% to €2.1 billion, up 21% in France and 5% internationally. Results, traditionally negative in the first quarter, showed an improvement. The current operating loss amounted to €165 million, compared with a loss of €194 million in Q1 2010, and the net loss to €117 million, compared with a loss of €129 million in Q1 2010. While these results are not representative of the year as a whole, given the strong seasonal nature of Colas' activities, they bolster expectations of improved profitability in 2011.

Good commercial activity in Q1 2011 kept the order book high at €7 billion, the same level as at end-March 2010, despite the sharp rise in sales.

TF1 reported a 3% increase in sales in Q1 2011 to €614 million. The operating margin improved significantly, by 2.7 points to 10.1%, and net profit jumped 39% to €46 million. In keeping with 2010, TF1 is reaping the benefit of the adaptation of its business model and its cost control policy.

Bouygues Telecom reported a 5% rise in sales to €1,404 million and a 2% increase in sales from network to €1,264 million. Stripping out the effect of the cut in voice and SMS call termination rates, growth in sales from network would have reached 10%. As expected, EBITDA reflects the commercial growth strategy (including the decision not to pass on the rise in VAT to customers) and is affected by the cut in the call termination rate differentials. EBITDA fell 10% to €321 million and net profit declined 23% to €99 million.

In a particularly competitive environment, Bouygues Telecom has continued to gain market share in both the mobile and fixed segments. 121,000 new mobile contract customers signed up with Bouygues Telecom in Q1 2011, representing 30% of net market growth¹. Bouygues Telecom had a total of 11,191,000 customers at 31 March 2011, 79.4% of them on call plans, up 1.7 points over one year.

The company achieved an excellent performance on the fixed broadband market. Bouygues Telecom led the way in terms of net growth for the fourth consecutive quarter, gaining 132,000 new customers². Bouygues Telecom had 940,000 fixed broadband customers at 31 March 2011.

¹ Arcep data

² The number of fixed broadband customers includes xDSL and cable subscriptions.

Alstom

Alstom's financial contribution to Bouygues' net profit in the first quarter of 2011 was heavily impacted by non-recurring expenses booked by Alstom in the second half of FY2010/2011. It amounted to €23 million, compared with €115 million in Q1 2010.

On the basis of currently available information, Alstom's financial contribution to Bouygues' net profit in Q2 2011 is estimated at €71 million, compared with €101 million in Q2 2010.

Alstom bounced back in terms of commercial performance in the second half of FY2010/2011, winning major contracts in emerging countries that accounted for about 60% of its total order intake for the year.

Alstom has confirmed an operating margin target of between 7% and 8% for FY2011/2012.

Financial situation

Cash flow was stable at €458 million. As expected, net capital expenditure rose 37% to €273 million, generating free cash flow¹ of €82 million.

Net debt was stable in relation to end-March 2010 at €3.3 billion. The Group bought back 4.6 million Bouygues shares in Q1 2011 at a total cost of €150 million.

¹ Before change in working capital requirement

Highlights since 1 January 2011

- 11 January 2011: Alstom and Bouygues, the latter through Bouygues Immobilier and ETDE, announced the creation of Embix, a joint venture that will develop and provide energy management services for eco-communities.
- 13 January 2011: Bouygues Telecom announced its decision not to pass on the rise in VAT, effective from 1 January 2011, to its mobile contract customers.
- 24 January 2011: The French government and the Atlandes consortium, which includes Colas, signed a 40-year concession contract for the financing, design, development, widening, maintenance and operation of a section of the A63 motorway in southwest France.
- 17 February 2011: The consortium led by Bouygues Construction was designated by the Ministry of Defence as the preferred bidder for the project to bring together the Ministry's central administration and the armed forces general staff on the Balard site in the south of Paris.
- 24 February 2011: A consortium including Bouygues Construction subsidiary Bouygues Bâtiment Ile-de-France signed a contract to build the Paris Philharmonia concert hall in La Villette Park in the north of Paris and to operate and maintain it for a period of 15 years. The project's total cost is €219 million, of which €107 million for Bouygues Bâtiment Ile-de-France.
- 8 April 2011: TF1 signed an agreement to sell 100% of the shares of its online gaming and betting company SPS to SOLFIVE.

2011 sales target

Sales by business area (€ million)	2010 actual	2011 target		% change
		Published in March	Published in May	
Bouygues Construction	9,235	9,400	9,600	+4%
Bouygues Immobilier	2,418	2,440	2,440	+1%
Colas	11,661	11,800	11,800	+1%
TF1	2,622	2,630	2,630	=
Bouygues Telecom	5,636	5,730	5,730	+2%
Holding company and other	132	120	120	-9%
Intra-Group elimination	(479)	(420)	(420)	ns
TOTAL	31,225	31,700	31,900	+2%
o/w France	21,576 ¹	22,000	22,100	+2%
o/w international	9,649 ¹	9,700	9,800	+2%

¹ Following the change in status of Mayotte, which has become a French *département*, sales there have been reclassified as sales in France.

Financial calendar:

30 August 2011: first-half 2011 results (5.45pm CET)

31 August 2011: first-half 2011 results presentation

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

Find the full financial statements and notes to the financial statements on www.bouygues.com.

Press contact:

+33 (0)1 44 20 12 01 – presse@bouygues.com

Investors & analysts contact:

+33 (0)1 44 20 10 79 – investors@bouygues.com

www.bouygues.com

Condensed consolidated income statement (€ million)	First quarter		% change
	2010	2011	
Sales	6,443	6,686	+4%
Current operating profit	170¹	153	-10%
Other operating income and expenses	(8)	0	ns
Operating profit	162	153	-6%
Cost of net debt	(82)	(74)	-10%
Other financial income and expenses	33	(5)	ns
Income tax expense	(24)	(29)	+21%
Share of profits and losses from associates	121	24	-80%
Net profit	210	69	-67%
Minority interests	(29)	(35)	+21%
Net profit attributable to the Group	181	34	-81%

¹ The published figure on 1 June 2010 was €162 million. -€8 million were reclassified as other operating income and expenses at Colas.

Sales by business area (€ million)	First quarter		% change	Change like-for-like and at constant exchange rates
	2010	2011		
Bouygues Construction	2,161	2,169	=	-1%
Bouygues Immobilier	624	443	-29%	-29%
Colas	1,828	2,119	+16%	+10%
TF1	597	614	+3%	-1%
Bouygues Telecom	1,340	1,404	+5%	+5%
Holding company and other	38	35	ns	ns
Intra-Group elimination	(145)	(98)	ns	ns
Total	6,443	6,686	+4%	+1%
<i>France</i>	<i>4,718¹</i>	<i>5,037</i>	<i>+7%</i>	<i>+5%</i>
<i>International</i>	<i>1,725¹</i>	<i>1,649</i>	<i>-4%</i>	<i>-8%</i>

¹ Following the change in status of Mayotte, which has become a French *département*, sales there have been reclassified as sales in France.

Contribution of business areas to EBITDA (€ million)	First quarter		% change
	2010	2011	
Bouygues Construction	113	112	-1%
Bouygues Immobilier	47	25	-47%
Colas	(129)	(85)	ns
TF1	58	94	+62%
Bouygues Telecom	357	321	-10%
Holding company and other	(12)	(10)	ns
TOTAL	434	457	+5%

Contribution of business areas to Current operating profit (€ million)	First quarter		% change
	2010	2011	
Bouygues Construction	76	77	+1%
Bouygues Immobilier	56	36	-36%
Colas	(194) ¹	(165)	ns
TF1	44	62	+41%
Bouygues Telecom	197	153	-22%
Holding company and other	(9)	(10)	ns
TOTAL	170¹	153	-10%

¹ Published on 1 June 2010: €162 million for the Group and -€202 million for Colas. -€8 million were reclassified as other operating income and expenses at Colas.

Contribution of business areas to Net profit attributable to the Group (€ million)	First quarter		% change
	2010	2011	
Bouygues Construction	47	46	-2%
Bouygues Immobilier	30	22	-27%
Colas	(125)	(113)	ns
TF1	14	20	+43%
Bouygues Telecom	115	89	-23%
Alstom	115	23	-80%
Holding company and other	(15)	(53)	ns
TOTAL	181	34	-81%

Net cash by business area (€ million)	First quarter		Change €m
	2010	2011	
Bouygues Construction	3,202	2,615	-€587m
Bouygues Immobilier	108	346	+€238m
Colas	(407)	(509)	-€102m
TF1	167	133	-€34m
Bouygues Telecom	(270)	(201)	+€69m
Holding company and other	(6,030)	(5,677)	+€353m
TOTAL	(3,230)	(3,293)	-€63m

Contribution of business areas to Cash flow (€ million)	First quarter		% change
	2010	2011	
Bouygues Construction	119	118	-1%
Bouygues Immobilier	51	34	-33%
Colas	(116)	(79)	ns
TF1	58	79	+36%
Bouygues Telecom	357	311	-13%
Holding company and other	(7)	(5)	ns
TOTAL	462	458	-1%

Contribution of business areas to Net capital expenditure (€ million)	First quarter		Change €m
	2010	2011	
Bouygues Construction	61	44	-€17m
Bouygues Immobilier	1	2	+€1m
Colas	33	71	+€38m
TF1	14	8	-€6m
Bouygues Telecom	90	148	+€58m
Holding company and other	1	0	-€1m
TOTAL	200	273	+€73m