



Paris, 28 August 2012

## Bouygues press release

### First-half 2012

- **Sales: €15.5 billion (+2%)**
- **Net profit: €278 million (-29%), impacted by Bouygues Telecom**
- **Order book in the construction businesses at a record level**

The Bouygues group reported consolidated sales of €15.5 billion in the first half of 2012, a rise of 2% (stable like-for-like and at constant exchange rates).

Operating profit amounted to €476 million, down 37% on the first half of 2011, and net profit to €278 million, down 29%. These results are mainly due to lower profitability at Bouygues Telecom.

The financial position remains very sound and net debt is under tight control.

### Key figures

(€ million)	First half 2011	First half 2012	Change
Sales	15,214	15,505	+2%
Operating profit	752	476	-37%
Net profit attributable to the Group	391	278	-29%
Net debt <sup>1</sup>	4,341	6,215 <sup>2</sup>	+€1,874m
Net gearing	42%	66%	+24 pts

<sup>1</sup> End of period

<sup>2</sup> Net debt of €4,033 million before factoring in two one-off events: share repurchase tender offer (€1,250 million) and 4G frequencies (€932 million)

### Business areas

**The construction businesses posted a good commercial performance. The order book stood 13% higher than at end-June 2011 at a new record level of €28.6 billion, thus giving significant visibility on future business activity.**

**Bouygues Construction** reported first-half sales of €5,028 million, up 7% overall (up 2% in France and 13% on international markets) and 2% like-for-like and at constant exchange rates. The current operating margin was a robust 3.2% and net profit amounted to €107 million.

Order intake was very high, both in France and on international markets, boosted by the contracts for the Nimes-Montpellier high-speed railway bypass and for the Hong Kong-Macao bridge. Overall, Bouygues Construction took orders worth €6.9 billion in the first half of the year, up 12%. The order book stood 14% higher than at end-June 2011 at €17.7 billion, with international markets accounting for 46%.

**Bouygues Immobilier** reported first-half sales of €1,066 million, down 3% overall (up 5% in residential property, down 46% in commercial property). The operating margin held up well at 7.8%. Net profit amounted to €51 million.

A 26% drop in residential property reservations to €728 million in the first half of 2012 reflected the wait-and-see stance on the property market and a fall in buy-to-let investment. Commercial property reservations reached a sound €317 million, down only 2% despite a sluggish market.

The order book rose 21% in comparison with end-June 2011 to €3,060 million, increasing by 9% in the residential segment and by a factor of 2.6 in the commercial segment.

**Colas** reported an overall 4% increase in first-half sales to €5,594 million, down 3% in France and up 15% on international markets. First-half results, of limited significance given the seasonal nature of Colas' businesses, were hard hit by poor weather conditions in Europe, especially in France. The current operating loss stood at €34 million and net loss at €19 million, compared with €0 and +€2 million respectively in the first half of 2011. A good commercial performance took the order book to €7.9 billion, 9% higher than at end-June 2011 (up 11% in mainland France and 7% in French overseas territories and international markets).

#### **TF1 is continuing to adjust its business model**

**TF1** reported a 2% increase in first-half sales to €1,301 million. The fall in advertising revenue in the second quarter of 2012 was offset by the buoyancy of diversification activities, up 9% on the first half of 2011. Current operating profit amounted to €134 million, a fall of 28%, due to an increase in programming costs at the TF1 channel in the first quarter of 2012 and the cost of sporting events in the second quarter of 2012. Net profit amounted to €94 million.

#### **Bouygues Telecom is facing deep-seated changes in the mobile market**

**Bouygues Telecom** reported a 7% drop in first-half 2012 sales to €2,676 million. The steeper decline in second-quarter sales, down 10%, reflects the introduction of new price plans and a smaller customer base in the mobile segment, while sales in the fixed broadband segment were up 40%.

Current operating profit in the first half of 2012 amounted to €148 million. The €183-million fall versus the first half of 2011 was due to a €106-million drop in EBITDA, a context-related increase in provisions in the first half of 2012 and higher amortisation expense. Net profit amounted to €92 million.

After a net loss of 379,000 mobile customers for Bouygues Telecom in the first quarter of 2012, the mobile market gradually settled down after a turbulent start to the year. In this context, the number of Bouygues Telecom's mobile customers dropped 71,000 in the second quarter. This shrinkage was caused by the departure of prepaid customers whereas the company added a net 55,000 plan customers.

B&YOU continued to flourish, with a total of 452,000 customers at end-June 2012.

Bouygues Telecom continued its expansion on the fixed broadband market, with 70,000 net additions in the second quarter to give a base of 1.4 million customers<sup>1</sup> at 30 June 2012.

<sup>1</sup>Includes broadband and very-high-speed broadband subscribers. Customers gained following the acquisition of Darty Telecom, effective as of 24 July 2012, will be included in Q3 2012 financial statements

#### **Alstom**

As announced, Alstom contributed €114 million to the Group's first-half 2012 net profit, compared with €94 million in the first half of 2011.

Alstom put in a good commercial performance in the first quarter of FY2012/13, recording a 20% rise in order intake in comparison with the first quarter of FY2011/12, giving a book-to-bill of 1.3.

#### **Financial position**

Free cash flow<sup>1</sup> in the first half of 2012 amounted to €410 million<sup>2</sup>. The €84-million fall in comparison with the first half of 2011 was mainly due to lower free cash flow at Bouygues Telecom.

Net debt amounted to €6.2 billion at end-June 2012. This represents an improvement of €308 million in comparison with end-June 2011, excluding the purchase of two blocks of 4G frequencies (€932 million) and the share repurchase tender offer (€1,250 million). The Group has a high level of liquidity (€6.9 billion) and an evenly-spread redemption schedule.

<sup>1</sup> Before the change in working capital requirement

<sup>2</sup> Before a €704-million investment in 4G frequencies in the first half of 2012 (acquisition cost and capitalised interest)

## Sales target and outlook

The 2012 sales target has been raised by €150 million to €32,800 million to take account of the consolidation of Thomas Vale by Bouygues Construction and of the acquisition of Darty Telecom by Bouygues Telecom.

Sales by business area (€ million)	Actual 2011	2012 target			% change
		Reported in March	Reported in May	Reported in August	
Bouygues Construction	9,802	10,000	10,100	10,200	+4%
Bouygues Immobilier	2,465	2,450	2,450	2,450	=
Colas	12,412	12,500	12,700	12,700	+2%
TF1	2,620	2,620	2,620	2,620	=
Bouygues Telecom	5,741	5,140	5,140	5,180	-10%
Holding company and other	120	120	120	120	=
Intra-Group elimination	(454)	(480)	(480)	(470)	nm
<b>TOTAL</b>	<b>32,706</b>	<b>32,350</b>	<b>32,650</b>	<b>32,800</b>	=
<i>o/w France</i>	<i>22,601</i>	<i>22,050</i>	<i>21,950</i>	<i>22,050</i>	-2%
<i>o/w international</i>	<i>10,105</i>	<i>10,300</i>	<i>10,700</i>	<i>10,750</i>	+6%

Bouygues Telecom is facing deep-seated changes on the mobile market, significantly denting its financial performance. As a result, Bouygues Telecom's EBITDA is expected to be around €900 million<sup>1</sup> in 2012. In this context, a €300-million adjustment and savings plan to reduce marketing and operating costs in the mobile business is in progress and is expected to have a full impact in 2013. A voluntary redundancy plan concerning 556 employees was proposed to social partners in early July.

At the same time, TF1 is stepping up its adjustment by continuing to cut costs and by launching a review of processes and organisational structures.

In an uncertain global economic environment, the construction businesses have a record order book that gives them significant visibility on future activity. They benefit from a wide range of activities, skills and geographical locations and, as in the past, will prove capable of adapting.

The Bouygues group has a number of strengths to help it deal with the challenges facing Bouygues Telecom:

- its position as a diversified industrial group, backed by its strong construction businesses;
- the ability of its business areas to generate cash flows on a regular basis;
- its very healthy financial position.

<sup>1</sup>Excluding the cost of the adjustment plan, which is estimated to date at around €150 million

### Financial calendar:

14 November 2012: nine-month 2012 sales and earnings, 5.45pm (CET)

You will find the full financial statements and notes to the financial statements on [www.bouygues.com](http://www.bouygues.com).

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

The Half-year Review is available on [www.bouygues.com](http://www.bouygues.com).

The first-half 2012 results presentation to financial analysts will be webcast live on 29 August 2012 from 11am (CET) on [www.bouygues.com](http://www.bouygues.com).

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**Condensed consolidated  
income statement**  
(€ million)

First half		% change
2011	2012	

Sales	15,214	15,505	+2%
<b>Current operating profit</b>	<b>752</b>	<b>476</b>	<b>-37%</b>
<b>Operating profit</b>	<b>752</b>	<b>476</b>	<b>-37%</b>
Cost of net debt	(134)	(142)	+6%
Other financial income and expenses	(2)	8	nm
Income tax expense	(223)	(130)	-42%
Share of profits and losses from associates	91	131	+44%
Net profit	484	343	-29%
Minority interests	(93)	(65)	-30%
<b>Net profit attributable to the Group</b>	<b>391</b>	<b>278</b>	<b>-29%</b>

**First-quarter condensed  
consolidated income statement**  
(€ million)

First quarter		% change
2011	2012	

Sales	6,686	6,985	+4%
Operating profit	153	82	-46%
Net profit attributable to the Group	34	35	+3%

**Second-quarter condensed  
consolidated income statement**  
(€ million)

Second quarter		% change
2011	2012	

Sales	8,528	8,520	=
Operating profit	599	394	-34%
Net profit attributable to the Group	357	243	-32%

**Sales by business area**  
(€ million)

	First half		% change	Change like-for-like and at constant exchange rates
	2011	2012		
Bouygues Construction	4,705	5,028	+7%	+2%
Bouygues Immobilier	1,098	1,066	-3%	-3%
Colas	5,400	5,594	+4%	+2%
TF1	1,278	1,301	+2%	+1%
Bouygues Telecom	2,866	2,676	-7%	-7%
Holding company and other	64	68	nm	nm
Intra-Group elimination	(197)	(228)	nm	nm
<b>Total</b>	<b>15,214</b>	<b>15,505</b>	<b>+2%</b>	<b>=</b>
o/w France	10,999 <sup>1</sup>	10,730	-2%	-3%
o/w international	4,215 <sup>1</sup>	4,775	+13%	+6%

<sup>1</sup> Export sales of refined oil products were reclassified according to their location

**Contribution of business areas to EBITDA**  
(€ million)

	First half		% change
	2011	2012	
Bouygues Construction	252	268	+6%
Bouygues Immobilier	86	69	-20%
Colas	190	131	-31%
TF1	234	174	-26%
Bouygues Telecom	665	559	-16%
Holding company and other	(19)	(21)	nm
<b>TOTAL</b>	<b>1,408</b>	<b>1,180</b>	<b>-16%</b>

**Contribution of business areas to current operating profit**  
(€ million)

	First half		% change
	2011	2012	
Bouygues Construction	165	163	-1%
Bouygues Immobilier	91	83	-9%
Colas	0	(34)	nm
TF1	187	134	-28%
Bouygues Telecom	331	148	-55%
Holding company and other	(22)	(18)	nm
<b>TOTAL</b>	<b>752</b>	<b>476</b>	<b>-37%</b>

**Contribution of business areas to net profit attributable to the Group**  
(€ million)

	First half		% change
	2011	2012	
Bouygues Construction	94	107	+14%
Bouygues Immobilier	56	51	-9%
Colas	2	(18)	nm
TF1	51	41	-20%
Bouygues Telecom	191	83	-57%
Alstom	94	114	+21%
Holding company and other	(97)	(100)	nm
<b>TOTAL</b>	<b>391</b>	<b>278</b>	<b>-29%</b>

**Net cash by business area**

(€ million)

	At end-June		Change €m
	2011	2012	
Bouygues Construction	2,236	2,531	+€295m
Bouygues Immobilier	390	305	-€85m
Colas	(1,046)	(1,074)	-€28m
TF1	11	(91)	-€102m
Bouygues Telecom	(619)	(1,462)	-€843m
Holding company and other	(5,313)	(6,424)	-€1,111m
<b>TOTAL</b>	<b>(4,341)</b>	<b>(6,215)</b>	<b>-€1,874m</b>

**Contribution of business areas to cash flow**

(€ million)

	First half		% change
	2011	2012	
Bouygues Construction	260	266	+2%
Bouygues Immobilier	94	81	-14%
Colas	220	189	-14%
TF1	220	164	-25%
Bouygues Telecom	659	507	-23%
Holding company and other	49	67	nm
<b>TOTAL</b>	<b>1,502</b>	<b>1,274</b>	<b>-15%</b>

**Contribution of business areas to net capital expenditure**

(€ million)

	First half		% change
	2011	2012	
Bouygues Construction	121	80	-34%
Bouygues Immobilier	4	6	+50%
Colas	159	125	-21%
TF1	18	13	-28%
Bouygues Telecom	348	366	+5%
Holding company and other	1	2	nm
<b>TOTAL EXCLUDING 4G FREQUENCIES</b>	<b>651</b>	<b>592</b>	<b>-9%</b>
<b>4G FREQUENCIES</b>	<b>-</b>	<b>704</b>	<b>nm</b>
<b>TOTAL</b>	<b>651</b>	<b>1,296</b>	<b>x2</b>