

Paris, 25 February 2015

Bouygues press release

Full-year 2014 results

- **Results in line with expectations**
- **Good commercial performance**
- **Current operating profit: €888 million**
- **Net profit: €807 million benefiting from exceptional items**
- **Strengthened financial structure**
- **Dividend maintained at €1.60**

As announced, the figures published in 2013 have been restated for IFRS 11.

Furthermore, the Group starts to apply IFRIC 21 from 1 January 2015, which will affect the timing of recognition of certain taxes such as C3S and IFER. The impact of IFRIC 21 on the 2014 interim results is described in Note 23.2 of the Group's consolidated financial statements.

Key figures (€ million)	2013 restated	2014	Change
Sales	33,121	33,138	=
Current operating profit	1,319	888	-€431m
Operating profit	1,228 ^a	1,133 ^b	-€95m
Net profit/(loss) attributable to the Group	(757)	807 ^c	nm
Net profit attributable to the Group excl. exceptional items ^d	650	492	-€158m
Net debt ^e	4,435	3,216	-€1,219m

(a) Including non-current charges of €80 million at Bouygues Telecom and of €11 million at Colas

(b) Including non-current charges of €68 million at Colas and Bouygues Telecom and a capital gain of €313 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

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

(d) Restated notably for capital gains, non-current items and the Alstom write-down (reconciliation on page 9)

(e) At 31 December

2014 overview

Full-year results were in line with expectations.

The Bouygues group reported consolidated sales of €33.1 billion, stable versus 2013. International activities continued to show strong momentum with sales growth of 8% to €11.9 billion versus 2013, offsetting a decline in sales in France, down 4% on 2013 to €21.3 billion.

Current operating profit amounted to €888 million, €431 million less than in 2013.

Net profit attributable to the Group stood at €807 million, benefiting from the sale of a controlling interest in Eurosport International and of Colas' stake in Cofiroute.

Stripping out exceptional items (disposals, non-current items and the Alstom write-down), net profit attributable to the Group would be €492 million, versus €650 million in 2013.

Looking beyond operating performances which reflect a challenging economic and competitive environment in France, the Bouygues group demonstrated its responsiveness and strengthened in 2014.

- The construction businesses showed strong momentum in international activities, their competitiveness thanks to differentiated know-how and a great capability to adapt.

The order book for the construction businesses stood at a high level of €27.6 billion at end-December 2014, stable year-on-year. International markets now account for over half of the order book at Bouygues Construction and Colas (53% at end-December 2014, versus 50% a year earlier).

- Bouygues Telecom continued its transformation in accordance with its road map and saw the first signs of the success of its strategy.

Bouygues Telecom's 4G network continued to attract more and more customers. 28% of the operator's mobile customers now use 4G, versus 9% at end-December 2013, and consume 2.2GB of data per month on average. Bouygues Telecom's 4G customers are the leaders in terms of mobile data consumption on the French market and account for 34% of 4G customers in France.

The company also continued to gain ground in the fixed broadband segment. Adding 415,000 new customers in 2014, including 110,000 in the fourth quarter, Bouygues Telecom is No. 1 in terms of net growth^a.

- The Group strengthened its financial structure, sharply reducing net debt.

Net debt at end-December 2014 amounted to €3.2 billion, versus €4.4 billion a year earlier, benefiting from the proceeds of the sale of the Group's interests in Cofiroute and Eurosport International and from tight management of the working capital requirement in all the Group's business segments in the second half of the year.

- The plan to sell Alstom's Energy activities creates growth and medium-term upside potential for Bouygues.

Alstom will be a global leader on a growing transport market, with strong international operations and a range of products and services covering all its customers' needs.

(a) Company estimate for Q4 2014 and Arcep figures for the previous quarters

Outlook

In an economic and competitive environment that will remain challenging in France in 2015, all the Group's business segments will prioritise a return to growth in 2016.

The Group's construction businesses will continue to expand on international markets and to adapt in France. Financial results are likely to remain solid in 2015 with the current operating margin at the level of 2014 despite a decline in sales.

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

At Bouygues Telecom, EBITDA should remain stable in 2015, with capital expenditure rising slightly as the company implements the agreement to share part of the mobile network with the Numericable-SFR group and expands its fixed network.

Free cash flow will turn positive again in 2016 as the full effects of the transformation plan entirely rolled out in 2015 work through, and as a result of savings of €300 million versus end-2013.

In addition in 2015, the Group will continue to adapt its business segments and Bouygues Telecom will implement the network sharing agreement with the Numericable-SFR group, which will result in a write-down of assets. This could generate non-current charges of around €200 million, which will affect the Group's operating profit in 2015.

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

“I'm confident in the ability of each of the Group's business segments to reinvent itself in order to seize the opportunities on its markets and return to growth in 2016.”

* * *

Detailed review by business segment

Construction businesses^a

Bouygues Construction took orders worth €11.6 billion in 2014, down 2% on the previous year, with a good performance on international markets. The order book stood at €18.1 billion at end-December 2014, up 1% on end-December 2013. It has yet to include the new NorthConnex motorway contract in Sydney, Australia, worth around €900 million.

Bouygues Immobilier took reservations worth €2.5 billion, up 20% year-on-year. This strong growth in a challenging market was driven by the conclusion of some major turnkey projects in the commercial property segment (the company took commercial reservations worth €603 million in 2014, versus €236 million in 2013) and a 2% rise in residential reservations to €1.9 billion. The order book at end-December 2014 stood at €2.4 billion.

The order book at **Colas** stood at €7.2 billion at end-December 2014, a high level and 1% more than at the end of the previous year. The international and French overseas order book grew 8% year-on-year to €4.1 billion, offsetting a 7% decline in mainland France to €3.0 billion, mainly caused by a decline in orders from local authorities.

Sales in the **construction businesses** rose 2% in 2014 to €26.5 billion, driven by a 10% year-on-year increase on international markets to €11.6 billion which offset a decline in sales in France, down 4% year-on-year to €14.9 billion. Current operating profit amounted to €841 million, €164 million lower than in 2013. Profitability remained solid: the current operating margin was 3.2% despite the start or early stages of a number of major projects at Bouygues Construction, a sharp decline in the French roads market and an operating loss in Colas' sales of refined products activity (a loss of €64 million in 2014 versus a loss of €46 million in 2013). Operating profit in the construction businesses amounted to €774 million in 2014, including non-current charges of €67 million at Colas mainly related to the new configuration of the Dunkirk refinery.

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

TF1^a

The audience share of the **TF1** group's four freeview channels in 2014 was virtually stable at 28.7%^b.

Sales in 2014 amounted to €2.2 billion, down 9% on 2013 but up 1% like-for-like and at constant exchange rates. Current operating profit amounted to €143 million. The €80-million decline versus 2013 was due to the deconsolidation of Eurosport International from 1 June 2014 and the impact of the 2014 FIFA World Cup and concealed the positive impact on profitability from transformation of the group's business model. Operating profit included a capital gain of €328 million on the sale of a 31% interest in Eurosport International and remeasurement of the residual interest (49%). It amounted to €471 million over the full year, €248 million more than in 2013.

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

(b) Source: Médiamat by Médiamétrie – Individuals aged 4 and over

Bouygues Telecom

Bouygues Telecom had a total of 13,549,000 customers at end-December 2014, 393,000 more than at the end of the previous year.

The number of mobile customers rose by 73,000 in the fourth quarter of 2014 to 11,121,000 at year-end. The number of plan customers rose by 99,000 in the fourth quarter to a total of 10,130,000.

On the fixed broadband market^a, 415,000 customers signed up to Bouygues Telecom in 2014, including 110,000 in the fourth quarter, to give a total of 2,428,000 customers at end-December 2014, a year-on-year increase of 21%.

Bouygues Telecom continued to implement its transformation plan in 2014. A new positioning based on the quality of the customer experience was announced in November 2014, together with the launch of a simplified range of plans to which all customers will have been gradually migrated by the end of the first half of 2015. These changes are being implemented alongside a far-reaching reorganisation and a redundancy plan for nearly 1,400 employees, which was completed in late January 2015.

Bouygues Telecom achieved its target of a positive “EBITDA minus Capex” item, which amounted to €10 million for 2014. Sales amounted to €4.4 billion and sales from network to €3.9 billion, down 5% and 7% respectively on 2013. EBITDA totalled €694 million, down €186 million year-on-year. The company reported a current operating loss of €65 million and an operating loss of €62 million after factoring in non-current income of €400 million from litigation settlements and a non-current charge of €397 million for adaptation costs and other.

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

Alstom

As announced on 5 November 2014, Alstom’s contribution to the Bouygues group’s net profit in 2014 was €128 million, versus €168 million in 2013.

On release of its sales figures for the third quarter of FY2014/15, Alstom recalled that its shareholders had overwhelmingly approved the transaction with General Electric at an extraordinary general meeting on 19 December 2014 and that the process of obtaining the necessary regulatory and merger control approvals was under way.

Dividend

The Board of Directors will ask the Annual General Meeting on 23 April 2015 to approve the payment of a dividend of €1.60 per share, the same as for 2013. The ex-date, record date and payment date have been set at 28, 29 and 30 April 2015 respectively.

The stable dividend reflects the Group’s confidence in the success of the measures taken in all its business segments in order to secure a return to growth in 2016, backed up by a stronger financial situation.

For information, on 19 February 2015 TF1 announced the payment of a dividend of €1.50 per share, consisting of an ordinary part of €0.28 per share and an exceptional part of €1.22 per share following the sale of a controlling interest in its Eurosport International subsidiary. On 25 February 2015, Colas announced the payment of a dividend of €15.40 per share, consisting of an ordinary part of €4.00 per share and an exceptional part of €11.40 per share following the sale of its interest in Cofiroute.

Board of Directors

The Board of Directors will ask the next Annual General Meeting to renew the terms of office of François Bertiére, Martin Bouygues and Anne-Marie Idrac and to appoint Clara Gaymard as a director.

Remuneration of corporate officers

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

Financial calendar:

13 May 2015: First-quarter 2015 results (7.30am CET)
27 August 2015: First-half 2015 results (7.30am CET)

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 25 February 2015 at 11am (CET) on www.bouygues.com.

Press contact:

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

Investors and analysts contact:

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

2014 business activity

Order books at the construction businesses (€ million)

	End-December		
	2012	2013	2014
Bouygues Construction	17,147	17,832	18,067
Bouygues Immobilier	2,957	2,610	2,390
Colas	6,704	7,088	7,158
TOTAL	26,808	27,530	27,615

Bouygues Construction order intake (€ million)

	2013	2014	% change
France	5,706	5,441	-5%
International	6,133	6,140	=
TOTAL	11,839	11,581	-2%

Bouygues Immobilier reservations (€ million)

	2013	2014	% change
Residential property	1,844	1,886	+2%
Commercial property	236	603	x3
TOTAL	2,080	2,489	+20%

Colas order book (€ million)

	End-December		% change
	2013	2014	
Mainland France	3,277	3,035	-7%
International and French overseas territories	3,811	4,123	+8%
TOTAL	7,088	7,158	+1%

TF1 audience share^a

	2013	2014	Pts change
TF1	22.8%	22.9%	+0.1 pts
TMC	3.4%	3.1%	-0.3 pts
NT1	2.1%	1.8%	-0.3 pts
HD1	0.6%	0.9%	+0.3 pts
TOTAL	28.9%	28.7%	-0.2 pts

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

Bouygues Telecom customer base ('000 customers)

	End-December		Change ('000 customers)
	2013	2014	
Plan subscribers	9,910	10,130	+220
Prepaid customers	1,233	991	-242
Total mobile customers	11,143	11,121	-22
Total fixed customers	2,013	2,428	+415

2014 financial performance

Condensed consolidated income statement (€ million)

	2013 restated	2014	Change (€m)
Sales	33,121	33,138	=
Current operating profit	1,319	888	-€431m
Other operating income and expenses	(91) ^a	245 ^b	+€336m
Operating profit	1,228	1,133	-€95m
Cost of net debt	(304)	(311)	-€7m
Other financial income and expenses	(26)	10	+€36m
Income tax expense	(360)	(188)	+€172m
Investments in joint ventures and associates	(1,187)	420	+€1,607m
<i>o/w share of profits</i>	217	167	-€50m
<i>o/w net capital gain on Cofiroute disposal</i>	-	253 ^c	+€253m
<i>o/w write-down of Alstom</i>	(1,404)	-	+€1,404m
Net profit/(loss)	(649)	1,064	nm
Net profit attributable to non-controlling interests ^d	(108)	(257)	-€149m
Net profit/(loss) attributable to the Group	(757)	807	nm
Net profit attributable to the Group excl. exceptional items^e	650	492	-€158m

(a) Including non-current charges of €80 million at Bouygues Telecom and of €11 million at Colas

(b) Including non-current charges of €68 million at Colas and Bouygues Telecom and a capital gain of €313 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(c) Net capital gain at 100%

(d) Formerly "Minority interests"

(e) Restated notably for capital gains, non-current items and the Alstom write-down (reconciliation on page 9)

Fourth-quarter consolidated income statement

(€ million)

	Fourth-quarter		Change (€m)
	2013 restated	2014	
Sales	9,033	8,915	-1%
Current operating profit	441	334	-€107m
Operating profit	350 ^a	184 ^c	-€166m
Net profit/(loss) attributable to the Group	(1,305) ^b	79	nm

(a) Including non-current charges of €80 million at Bouygues Telecom and of €11 million at Colas

(b) Including Alstom write-down for €1,404 million

(c) Including non-current charges of €83 million at Bouygues Telecom and of €67 million at Colas

Condensed consolidated balance sheet
(€ million)

	End-2013 restated	End-2014
Non-current assets	17,690 ^a	18,504
Current assets	15,374	16,364
Held-for-sale assets and operations	1,151 ^b	-
TOTAL ASSETS	34,215	34,868
Shareholders' equity	8,669 ^a	9,455
Non-current liabilities	8,941	8,308
Current liabilities	16,439	17,105
Liabilities related to held-for-sale operations	166 ^c	-
TOTAL LIABILITIES	34,215	34,868
Net debt	4,435	3,216

(a) Including impact of the Alstom write-down
(b) Relating to Eurosport International and Cofiroute
(c) Relating to Eurosport International

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

	2013 restated	2014	% change	Change I-f-I and at constant exchange
Bouygues Construction	11,101	11,726	+6%	+4%
Bouygues Immobilier	2,510	2,775	+11%	+10%
Colas	12,845	12,396	-3%	-3%
<i>Sub-total of construction businesses^a</i>	<i>26,061</i>	<i>26,515</i>	<i>+2%</i>	<i>+1%</i>
TF1	2,460	2,243	-9%	+1%
Bouygues Telecom	4,664	4,432	-5%	-5%
Holding company and other	119	128	nm	nm
Intra-Group elimination	(578)	(562)	nm	nm
TOTAL	33,121	33,138	=	=
<i>o/w France</i>	<i>22,086</i>	<i>21,271</i>	<i>-4%</i>	<i>-4%</i>
<i>o/w international</i>	<i>11,035</i>	<i>11,867</i>	<i>+8%</i>	<i>+9%</i>

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

**Contribution to EBITDA^a
by business segment**
(€ million)

	2013 restated	2014	Change (€m)
Bouygues Construction	670	629	-€41m
Bouygues Immobilier	191	173	-€18m
Colas	786	770	-€16m
TF1	299	178	-€121m
Bouygues Telecom	880	694	-€186m
Holding company and other	(27)	(26)	+€1m
TOTAL	2,799	2,418	-€381m

(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)

	2013 restated	2014	Change (€m)
Bouygues Construction	437	335	-€102m
Bouygues Immobilier	178	174	-€4m
Colas	390	332	-€58m
<i>Sub-total of construction businesses</i>	<i>1,005</i>	<i>841</i>	<i>-€164m</i>
TF1	223	143	-€80m
Bouygues Telecom	125	(65)	-€190m
Holding company and other	(34)	(31)	+€3m
TOTAL	1,319	888	-€431m

Contribution to operating profit by business segment
(€ million)

	2013 restated	2014	Change (€m)
Bouygues Construction	437	335	-€102m
Bouygues Immobilier	178	174	-€4m
Colas	379 ^a	265 ^c	-€114m
<i>Sub-total of construction businesses</i>	<i>994</i>	<i>774</i>	<i>-€220m</i>
TF1	223	471 ^d	+€248m
Bouygues Telecom	45 ^b	(62) ^e	-€107m
Holding company and other	(34)	(50) ^f	-€16m
TOTAL	1,228	1,133	-€95m

(a) Including non-current charges of €11 million related to the reorganisation of the French roads activity

(b) Including non-current charges of €80 million related to the adaptation of the distribution model

(c) Including non-current charges of €67 million mainly related to the Dunkirk refinery

(d) Including a capital gain of €328 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(e) Including non-current income of €3 million: €400 million from litigation settlements minus €397 million for adaptation costs and other

(f) 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

Contribution to net profit attributable to the Group by business segment
(€ million)

	2013 restated	2014	Change (€m)
Bouygues Construction	277	254	-€23m
Bouygues Immobilier	101	102	+€1m
Colas	301	583 ^b	+€282m
<i>Sub-total of construction businesses</i>	<i>679</i>	<i>939</i>	<i>+€260m</i>
TF1	60	179 ^c	+€119m
Bouygues Telecom	11	(41)	-€52m
Alstom	168	128	-€40m
Holding company and other	(1,675) ^a	(398) ^d	nm
Net profit/(loss) attributable to the Group	(757)	807	nm
Net profit attributable to the Group excl. exceptional items^e	650	492	-€158m

(a) Including Alstom write-down for €1,404 million

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

(c) Including a net capital gain of €131 million on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)

(d) 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

(e) Restated notably for capital gains, non-current items and the Alstom write-down (reconciliation on page 9)

Impacts of exceptional items on net profit attributable to the Group
(€ million)

	2013 restated	2014	Change (€m)
Net profit/(loss) attributable to the Group	(757)	807	+1,564m
Alstom write-down	+1,404	-	-€1,404m
Net capital gain on the sale by Colas of its stake in Cofiroute	-	(240)	-€240m
Cofiroute contribution to net profit	(49)	-	+€49m
Net capital gain on the sale of Eurosport International (31%) and the remeasurement of the residual interest (49%)	-	(116)	-€116m
Non-current charges related to Colas, net of taxes	+7	+40	+€33m
Non-current charges related to Bouygues Telecom, net of taxes	+45	+1	-€44m
Net profit attributable to the Group excl. exceptional items	650	492	-€158m

Impacts of exceptional items on net profit attributable to the Group of the construction businesses
(€ million)

	2013 restated	2014	Change (€m)
Net profit attributable to the Group of the construction businesses	679	939	+€260m
Net capital gain on the sale by Colas of its stake in Cofiroute	-	(372)	-€372m
Cofiroute contribution to net profit	(49)	-	+€49m
Non-current charges related to Colas, net of taxes	+7	+40	+€33m
Net profit attributable to the Group of the construction businesses excl. exceptional items	637	607	-€30m

Impacts of the sale of the stake in Cofiroute on the income statement
(€ million – 2014)

	Colas income statement	Colas contribution ^a	Bouygues income statement
Net capital gain on disposal	385	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 – 2014)

	TF1 income statement	TF1 contribution ^a	Bouygues income statement
Capital gain and remeasurement^b before tax	328	328	328
- Income tax expense	(28)	(28)	(28)
Capital gain and remeasurement ^b after tax	300	300	300
- Goodwill at Holding company level	0	0	(15)
Net capital gain on disposal and remeasurement ^b after goodwill	300	300	285
- Net capital gain attributable to non-controlling interests ^c (56.5%)	0	(169)	(169)
Net capital gain and remeasurement^b attributable to the Group	300	131	116

(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)

	End-December		Change (€m)
	2013 restated	2014	
Bouygues Construction	3,006	2,900	-€106m
Bouygues Immobilier	271	203	-€68m
Colas	31	682 ^a	+€651m
TF1	189 ^b	497 ^c	+€308m
Bouygues Telecom	(783)	(765)	+€18m
Holding company and other	(7,149)	(6,733)	+€416m
TOTAL	(4,435)	(3,216)	+€1,219m

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

(b) After reclassification of net cash for €67 million at Eurosport International to held-for-sale operations

(c) Including €259 million related to the sale of the additional 31% stake in Eurosport International

**Contribution to net capital expenditure
by business segment**
(€ million)

	2013 restated	2014	Change (€m)
Bouygues Construction	159	172	+€13m
Bouygues Immobilier	10	13	+€3m
Colas	289	456	+€167m
<i>Sub-total of construction businesses</i>	<i>458</i>	<i>641</i>	<i>+€183m</i>
TF1	39	35	-€4m
Bouygues Telecom	739 ^a	684	-€55m
Holding company and other	2 ^a	2	=
TOTAL excluding impact of 4G frequencies	1,238^a	1,362	+€124m
Impact of 4G frequencies	33	-	-€33m
TOTAL	1,271	1,362	+€91m

(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)

	2013 restated	2014	Change (€m)
Bouygues Construction	331	199	-€132m
Bouygues Immobilier	110	84	-€26m
Colas	378	154	-€224m
<i>Sub-total of construction businesses</i>	<i>819</i>	<i>437</i>	<i>-€382m</i>
TF1	149	52	-€97m
Bouygues Telecom	24 ^b	138	+€114m
Holding company and other	(174) ^b	(230)	-€56m
TOTAL	818^b	397	-€421m

(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)