

Paris, 13 May 2015

Bouygues press release

First-quarter 2015

- **Good performance by Bouygues Telecom, validating its strategy**
- **Continued commercial momentum in the construction businesses**
- **Net result not indicative of full-year performance (net loss of €145 million vs net loss of €111 million in Q1 2014, excluding exceptional items)**
- **Full-year outlook confirmed**

As announced, reported figures for first-quarter 2014 have been restated for IFRIC 21 impacts.

Key figures

(€ million)	First-quarter 2014 restated	First-quarter 2015	Change
Sales	6,841	6,731	-2%
Current operating profit/(loss)	(178)	(194)	-€16m
Operating profit/(loss)	18 ^a	(216) ^e	-€234m
Net profit/(loss) attributable to the Group	238 ^b	(157)	-€395m
Net profit/(loss) attributable to the Group excl. exceptional items ^c	(111)	(145)	-€34m
Net debt ^d	4,725	4,264	-€461m

(a) Including non-current 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 (reconciliation on page 8)

(c) Restated notably for the net capital gain on Cofiroute and non-current items

(d) At 31 March

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

The first quarter of 2015 was marked by the good performance of Bouygues Telecom in both the mobile and fixed segments, thereby validating its strategy. Commercial momentum continued in the construction businesses, driven by their competitiveness and international expansion.

As every year, first-quarter operating performances are not indicative of full-year performance, mainly because of the highly seasonal nature of Colas' business and, from now on, the application of IFRIC 21.

The Group reported a net loss of €157 million in the first quarter of 2015, compared with net profit of €238 million in the first quarter of 2014. Excluding exceptional items, net loss attributable to the Group would have been €145 million in the first quarter of 2015 versus a net loss of €111 million a year earlier. For information, the first quarter of 2014 included non-current operating income of €196 million related to Bouygues Telecom and a €240 million net capital gain on the sale of Colas' stake in Cofiroute.

In this context, the outlook for 2015 given with the full-year 2014 release is confirmed.

Construction businesses

The order book for the **construction businesses** at end-March 2015 reached the very high level of €30.1 billion, up 5% year-on-year and stable at constant exchange rates. The dynamism in international markets, amplified by a favourable exchange rate effect, offset the weakness of the French market.

As expected, the environment in France remained tough, both in building and civil works and, even more so, in the roads activity. At end-March 2015, Bouygues Construction's order book in France was down 9% year-on-year, while Colas' order book in its mainland France roads activity was down 13% year-on-year.

The residential property market, while starting from a low base, benefited from the gradual return of private investors, who accounted for 51% of reservations taken by Bouygues Immobilier in the first quarter of 2015, compared with 38% in the first quarter of 2014.

In this context, the construction businesses continued to adjust their organisation.

International activities continued to show strong momentum. Bouygues Construction's order book at end-March 2015 stood at €11.2 billion, up 27% year-on-year, and included the contract worth approximately €900 million for the NorthConnex motorway link in Australia. Colas' order book in international and French overseas territories rose 3% to €4.6 billion.

Sales in the construction businesses in the first quarter of 2015 amounted to €5.2 billion, stable in relation to the first quarter of 2014, but down 6% like-for-like and at constant exchange rates. The current operating loss of €146 million mainly reflects the highly seasonal nature of Colas' business and was similar to the figure for the first quarter of 2014.

TF1^a

Against a background of intensified competition, the **TF1** group's four freeview channels achieved an aggregate audience share^b of 27.7% of individuals aged 4 and over, down 1.1 points year-on-year. The audience share of "women aged under 50 purchasing decision-makers" held up well at 31.8%, down 0.2 points year-on-year, as the group focussed on the prime-time pulling power of its core TF1 TV channel and on its target markets.

Excluding the impact of the deconsolidation of Eurosport International, sales at TF1 rose 1% to €475 million and advertising sales of the four freeview channels increased 3%. Current operating profit amounted to €28 million, including a gain on the deconsolidation of Eurosport France.

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

(b) Source: Médiamétrie

Bouygues Telecom

Bouygues Telecom's good commercial performance validated its strategy to develop mobile data usage by capitalising on a high-quality 4G offering and to make home internet available to as many people as possible.

The company added 197,000 plan customers in the first quarter of 2015, and 146,000 excluding MtoM. 3.5 million customers were 4G users^a at end-March 2015, representing 31% of the mobile customer base, compared with 13% at end-March 2014. This growth in new customers was accompanied by an ongoing increase in usage. 4G customers consume 2.2GB of mobile internet data per month on average and, each month, 25% of 4G customers with a 3GB plan reach their data limit.

Bouygues Telecom was No.1 on the fixed broadband market^b in terms of net growth for the sixth consecutive quarter^c, adding 96,000 new customers in the first quarter of 2015.

At the same time, Bouygues Telecom continued to roll out its transformation plan; close to 90% of customers have already been migrated to the company's new range of products and services at end-March 2015.

Bouygues Telecom's sales in the first quarter of 2015 fell by 2% to €1.1 billion, while sales from network decreased 4% to €932 million. EBITDA remained stable at €118 million as the effect of repricing within the customer base was offset by cost savings. The company reported a current operating loss of €62 million, a reduction of €2 million in the loss versus the first quarter of 2014. The change in operating profit (a decrease of €220 million year-on-year) factored in non-current income of €200 million in the first quarter of 2014, compared with €22 million in non-current charges related to the start of the network sharing agreement with Numericable-SFR in the first quarter of 2015.

(a) Customers who have used the 4G network in the last three months (Arcep definition)

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

(c) Company estimate for Q1 2015 and Arcep data for preceding quarters

Alstom

As announced on 6 May 2015, **Alstom**'s contribution to the Group's net profit in first-quarter 2015 was €0 million, versus €50 million^a in first-quarter 2014.

This contribution included two items:

- the contribution to Bouygues' net profit from Alstom's second-half FY2014/15, which stood at -€288 million^b;
- a partial reversal, for €288 million, of the Alstom write-down recognised in 2013. In light of the information published by Alstom and the progress of the planned sale of its Energy activities to General Electric, there is no need to adjust the valuation of Bouygues' interest in Alstom used for previous closes.

(a) Alstom's contribution of €53 million to Bouygues' net profit and a negative impact of €3 million for the amortisation of fair value remeasurements of identifiable intangible assets and other items

(b) Including a negative impact of €3 million for the amortisation of fair value remeasurements of Alstom's identifiable intangible assets and other items

Financial situation

Net debt at end-March 2015 amounted to €4.3 billion versus €3.2 billion at end-December 2014. The difference mainly reflects the usual seasonal effect of Colas' business.

Outlook

The Group confirms the outlook given with the full-year 2014 release.

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 are continuing to expand in international markets and to adapt in France. Financial results are likely to remain solid in 2015 with, excluding exchange rate effects, a 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 will 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 are realised, and as a result of €300 million in savings versus end-2013.

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

Highlights since 1 January 2015

- 9 January 2015: Bouygues Immobilier's Ginko eco-neighbourhood is awarded France's ÉcoQuartier label, the first time the label has been given to an operation developed by a private developer for a public-sector client.
- 15 January 2015: Bouygues Telecom enhances Sensation plans for its customers with four bonus options (Spotify Premium, Gameloft, CanalPlay Start and unlimited TV).
- 21 January 2015: Bouygues Construction, via Bouygues Energies & Services, signs a contract worth nearly €100 million to design, build and equip a state-of-the-art power station in Gibraltar.
- 29 January 2015: Bouygues Construction launches Phase 2 of the Canning Town urban regeneration project in London, a contract worth approximately €160 million.
- 5 February 2015: Bouygues Construction signs a contract worth approximately €900 million to build a nine-kilometre twin-tube tunnel for the NorthConnex motorway link project in Sydney, Australia.
- 3 March 2015: Philippe Bonnave is appointed Chairman and CEO of Bouygues Construction, succeeding Yves Gabriel.
- 12 March 2015: Bouygues Immobilier launches innovative and collaborative workspaces under the Nextdoor brand.
- 26 March 2015: Bouygues Telecom announces the launch in June of France's first "Internet-of-Things" network based on LoRa technology.
- 13 April 2015: Bouygues Construction is chosen, as a member of a consortium, to design and build a new phase of Star City in the suburbs of Yangon (Rangoon) in Myanmar (formerly Burma). Its share of the contract is worth approximately €65 million.
- 13 April 2015: NBCUniversal International Television Production, Mediengruppe RTL Deutschland and TF1 enter a ground-breaking partnership to produce US procedural dramas.
- 29 April 2015: Cairo chooses Bouygues Construction and Vinci to build the extension of Line 3 of its metro system. The contract is worth a total of €264 million.

Financial calendar:

27 August 2015: First-half 2015 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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First-quarter 2015 business activity

Order books at the construction businesses
(€ million)

	End-March		
	2013	2014	2015
Bouygues Construction	17,331	18,243	19,830
Bouygues Immobilier	2,890	2,485	2,421
Colas	7,531	8,064	7,849
TOTAL	27,752	28,792	30,100

Bouygues Construction order intake
(€ million)

	First-quarter		% change
	2014	2015	
France	1,497	1,243	-17%
International	1,487	2,380	+60%
TOTAL	2,984	3,623	+21%

Bouygues Immobilier reservations
(€ million)

	First-quarter		% change
	2014	2015	
Residential property	324	382	+18%
Commercial property	40	160	x4
TOTAL	364	542	+49%

Colas order book
(€ million)

	End-March		% change
	2014	2015	
Mainland France	3,615	3,262	-10%
International and French overseas territories	4,449	4,587	+3%
TOTAL	8,064	7,849	-3%

TF1 audience share^a

	First-quarter		Pts change
	2014	2015	
TF1	22.8%	21.8%	-1.0 pt
TMC	3.2%	3.1%	-0.1 pts
NT1	1.9%	1.8%	-0.1 pts
HD1	0.9%	1.0%	+0.1 pts
TOTAL	28.8%	27.7%	-1.1 pts

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

Bouygues Telecom customer base
('000 customers)

	End-Dec	End-March	Change ('000 customers)
	2014	2015	
Plan subscribers	10,130	10,327	+197
Prepaid customers	991	946	-45
Total mobile customers	11,121	11,273	+152
Total fixed customers	2,428	2,524	+96

First-quarter 2015 financial performance

Condensed consolidated income statement (€ million)	First-quarter		% change
	2014 restated	2015	
Sales	6,841	6,731	-2%
Current operating profit/(loss)	(178)	(194)	-€16m
Other operating income and expenses	196 ^a	(22) ^c	-€218m
Operating profit/(loss)	18	(216)	-€234m
Cost of net debt	(81)	(72)	+€9m
Other financial income and expenses	(3)	13	+€16m
Income tax expense	25	118	+€93m
Associates and joint ventures	302	9	-€293m
o/w share of profits	49	9	-€40m
o/w net capital gain on Cofiroute	253	-	-€253m
Net profit/(loss)	261	(148)	-€409m
Net profit attributable to non-controlling interests	(23)	(9)	+€14m
Net profit/(loss) attributable to the Group	238	(157)	-€395m
Net profit/(loss) attributable to the Group excl. exceptional items^b	(111)	(145)	-€34m

(a) Non-current income related to Bouygues Telecom

(b) Restated notably for the net capital gain on Cofiroute and non-current items (reconciliation on page 8)

(c) Non-current charges at Bouygues Telecom mainly related to the roll-out of the network sharing agreement with Numericable-SFR

Sales by business segment (€ million)	First-quarter		% change	Change I-f-I and at constant exchange rates
	2014 restated	2015		
Bouygues Construction	2,596	2,779	+7%	-2%
Bouygues Immobilier	536	513	-4%	-4%
Colas	2,165	1,979	-9%	-12%
Sub-total of construction businesses ^a	5,208	5,203	0%	-6%
TF1	556	475	-15%	+1%
Bouygues Telecom	1,085	1,063	-2%	-2%
Holding company and other	38	37	nm	nm
Intra-Group elimination	(135)	(115)	nm	nm
TOTAL	6,841	6,731	-2%	-5%
o/w France	4,719	4,503	-5%	-5%
o/w international	2,122	2,228	+5%	-5%

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

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

	First-quarter		% change
	2014 restated	2015	
Bouygues Construction	76	72	-5%
Bouygues Immobilier	22	15	-32%
Colas	(176)	(173)	-2%
TF1	26	26	0%
Bouygues Telecom	118	118	0%
Holding company and other	(12)	(14)	nm
TOTAL	54	44	-19%

(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-quarter		% change
	2014 restated	2015	
Bouygues Construction	81	71	-12%
Bouygues Immobilier	28	27	-4%
Colas	(235)	(244)	+4%
<i>Sub-total of construction businesses</i>	<i>(126)</i>	<i>(146)</i>	<i>+16%</i>
TF1	19	28	+47%
Bouygues Telecom	(64)	(62)	-3%
Holding company and other	(7)	(14)	nm
TOTAL	(178)	(194)	+9%

**Contribution to operating profit
by business segment
(€ million)**

	First-quarter		% change
	2014 restated	2015	
Bouygues Construction	81	71	-12%
Bouygues Immobilier	28	27	-4%
Colas	(235)	(244)	+4%
<i>Sub-total of construction businesses</i>	<i>(126)</i>	<i>(146)</i>	<i>+16%</i>
TF1	19	28	+47%
Bouygues Telecom	136 ^a	(84) ^b	nm
Holding company and other	(11) ^a	(14)	nm
TOTAL	18	(216)	nm

(a) Including non-current income of €196 million (non-current income of €200 million at Bouygues Telecom and non-current charges of €4 million at Holding company level)

(b) Including non-current charges of €22 million at Bouygues Telecom mainly 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-quarter		% change
	2014 restated	2015	
Bouygues Construction	58	51	-12%
Bouygues Immobilier	18	15	-17%
Colas	225 ^a	(164)	nm
<i>Sub-total of construction businesses</i>	<i>301</i>	<i>(98)</i>	<i>nm</i>
TF1	5	14	x3
Bouygues Telecom	75	(49)	nm
Alstom	53	(285)	nm
Holding company and other	(196) ^a	261 ^b	nm
TOTAL	238	(157)	nm

(a) Including €240 million at Group level related to the net capital gain on the sale by Colas of its stake in Cofiroute (net capital gain of €372 million in the Colas line item minus derecognition of goodwill of €132 million at Holding company level)

(b) Including a partial reversal, for €288 million, of the write-down against Bouygues' investment in Alstom recognised in 2013

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

	First-quarter		Change (€m)
	2014 restated	2015	
Net profit/(loss) attributable to the Group	238	(157)	-€395m
Non-current income/charges related to Bouygues Telecom, net of taxes	(109)	+12	+€121m
Net capital gain on the sale by Colas of its stake in Cofiroute	(240)	-	+€240m
Net profit/(loss) attributable to the Group excl. exceptional items	(111)	(145)	-€34m

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

	First-quarter		Change (€m)
	2014 restated	2015	
Net profit/(loss) attributable to the Group of the construction businesses	301	(98)	-€399m
Net capital gain on the sale by Colas of its stake in Cofiroute	(372)	-	+€372m
Net profit/(loss) attributable to the Group of the construction businesses excl. exceptional items	(71)	(98)	-€27m

Net cash by business segment
(€ million)

	At end-March		Change (€m)
	2014 restated	2015	
Bouygues Construction	2,787	2,733	-€54m
Bouygues Immobilier	157	94	-€63m
Colas	184 ^a	20	-€164m
TF1	254	572 ^b	+€318m
Bouygues Telecom	(894)	(902)	-€8m
Holding company and other	(7,213)	(6,781)	+€432m
TOTAL	(4,725)	(4,264)	+€461m

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

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

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

	First-quarter		Change (€m)
	2014 restated	2015	
Bouygues Construction	40	32	-€8m
Bouygues Immobilier	4	2	-€2m
Colas	46	38	-€8m
<i>Sub-total of construction businesses</i>	90	72	-€18m
TF1	9	5	-€4m
Bouygues Telecom	180	207	+€27m
Holding company and other	0	3	+€3m
TOTAL	279	287	+€8m

**Contribution to free cash flow^a
by business segment**
Before change in working capital requirement
(€ million)

	First-quarter		Change (€m)
	2014 restated	2015	
Bouygues Construction	51	72	+€21m
Bouygues Immobilier	12	15	+€3m
Colas	(136)	(170)	-€34m
<i>Sub-total of construction businesses</i>	(73)	(83)	-€10m
TF1	23	0	-€23m
Bouygues Telecom	80	(91)	-€171m
Holding company and other	(57)	(26)	+€31m
TOTAL	(27)	(200)	-€173m

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