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## BOUYGUES PRESS RELEASE

**NET PROFIT FOR FIRST NINE MONTHS OF 2006: 923 MILLION EUROS (+42%)  
"BOUYGUES PARTAGE" CAPITAL INCREASE FOR GROUP EMPLOYEES**

Sales rose by 9% and operating profit by 10% in the first nine months of 2006. Net profit climbed 42%. Commercial activity remained strong in all Group businesses.

### Key figures

(€ million)	End-September 2005	End-September 2006	Change
Sales	17,499	19,127	+9%
Current operating profit	1,390	1,456	+5%
Operating profit	1,332	1,470	+10%
Net profit attributable to the Group	648	923*	+42%
Cash flow	2,359	2,311	-€48m
Total net debt	3,414	4,563	+€1,149m

\* Bouygues did not recognise its share in the net profit of Alstom. However, interest expense resulting from the acquisition of Alstom shares was booked.

**Bouygues Construction** posted a 12% increase in sales and maintained a high level of profitability in the first nine months of 2006, with a current operating margin of 4.3%. Net profit rose by 35% to 178 million euros.

**Bouygues Immobilier** turned in a very strong performance. Operating margin (10.2%) continued to grow and net profit came to 69 million euros (up 17%). The sales target for full-year 2006 was revised to 1.6 billion euros due to postponements in the delivery schedule.

**Colas** continued to report profitable growth. Sales rose by 12%, operating margin totalled 4.9% and net profit increased by 25% to 293 million euros.

The decline in **TF1's** earnings was related to the cost of the Football World Cup. Net profit amounted to 172 million euros, down 5%. The capital gain resulting from the disposal of TPS to the Canal+ France group will be recorded in the consolidated financial statements for the fourth quarter of 2006.

**Bouygues Telecom's** performances in the first nine months of 2006 were driven by the highly popular new Neo and Exprima unlimited offers. Net sales from network rose by 1.3% in the third quarter thanks to the commercial success of the two offers. The EBITDA margin was 30.9% of net sales from network in the first nine months of 2006, down 2.5 points due to the marketing investments related to these offers. For full-year 2006, the decline will remain limited to approximately 3 points. At end-September, net profit stood at 433 million euros, including the capital gain realised in the second quarter on the sale of Bouygues Telecom Caraïbe (110 million euros).

## **Bouygues to hire 35,000 new employees in 2006-2007**

To keep pace with development, Bouygues' different businesses will hire 35,000 new employees, including 20,000 in France, in the 2006-2007 period.

## **Stake in Alstom**

At 1 December 2006, Bouygues' stake in Alstom was 25.1%.

Bouygues did not recognise its share in the three-month consolidated results of Alstom at 30 September 2006 because the process of adjusting and allocating goodwill is still under way. However, interest expense resulting from the acquisition of Alstom shares was booked.

Bouygues will include the net contribution in its consolidated earnings at 31 December 2006.

Furthermore, the two groups are stepping up commercial and operating cooperation. The joint venture in hydropower – equally owned by Alstom and Bouygues since end-October – has been established.

## **Appointment of Patrick Kron to Bouygues' Board of Directors**

Patrick Kron, Chairman and CEO of Alstom, has been appointed to Bouygues' Board of Directors.

## **"Bouygues Partage": an employee-only capital increase**

Prompted by the Group's healthy nine-month results and the positive outlook for 2007, Martin Bouygues proposed to the Board of Directors that employees should share the benefits through a share ownership plan in early 2007, subject to the approval of the French stock market regulator, the AMF. The plan, accessible on equal terms, combines three advantages:

- a 20% discount for the subscription of three Bouygues shares;
- an employer's matching contribution equivalent to the purchase price of nine shares per investor;
- gearing, which brings the number of subscribed shares to 120.

In summary, for the purchase price of three shares, eligible employees can own 12 shares, plus a portion of the capital gain on 108 other shares after five years.

The Board of Directors approved the "Bouygues Partage" capital increase, which involves issuing shares reserved for employees of the Group's French companies. To mitigate dilution, share buybacks will be equal to the amount of equity raised.

That decision is consistent with the Group's core belief that employees are its key asset and should therefore share in its success. The issue will allow employees to boost their savings at attractive terms and thus to strengthen their position as key shareholders of Bouygues.

"Bouygues Partage" has been made possible thanks to shareholders, who approved a 20% discount for an employee-only capital increase.

## **Share cancellation**

The Board of Directors decided to cancel all shares acquired between 1 January and 30 November 2006 – equivalent to 6,410,706 shares – within the scope of the share buyback programme. Following the cancellation, the number of shares totalled 334,170,832 and the number of voting rights came to 430,847,712.

## Outlook

On the basis of Group business indicators at end-September, the sales target for full-year 2006 can again be raised to 26.16 billion euros, from 25.95 billion euros announced on 6 September 2006.

SALES TARGET Contribution of business areas (€million)	2005*	2006 target			2006/2005 change
		Published in March	Published in September	Published in December	
Bouygues Construction	5,815	6,100	6,550	6,570	+13%
Bouygues Immobilier	1,557	1,750	1,650	1,610	+3%
Colas	9,424	10,050	10,370	10,590	+12%
TF1	2,489	2,600	2,650	2,620	+5%
Bouygues Telecom	4,434	4,560	4,460	4,500	+1%
Holding company and other	264	240	270	270	ns
<b>TOTAL</b>	<b>23,983</b>	<b>25,300</b>	<b>25,950</b>	<b>26,160</b>	<b>+9%</b>
o/w France	16,856	17,900	18,350	18,480	+10%
o/w International	7,127	7,400	7,600	7,680	+8%

\* Excluding Bouygues Telecom Caraïbe (91 million euros).

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CONDENSED CONSOLIDATED INCOME STATEMENT (€ million)	End-September		Change
	2005	2006	
<b>Sales</b>	<b>17,499</b>	<b>19,127</b>	<b>+9%</b>
<b>Current operating profit</b>	<b>1,390</b>	<b>1,456</b>	<b>+5%</b>
Other operating income and expenses	(58) <sup>(1)</sup>	14	ns
<b>Operating profit</b>	<b>1,332</b>	<b>1,470</b>	<b>+10%</b>
Cost of net financial debt	(142)	(144)	+1%
Other financial income and expenses	(1)	(19)	ns
Income tax expense	(437)	(434)	-1%
Share of profits/losses of associates	41	59	+44%
<b>Net profit before results of discontinued and held-for-sale operations</b>	<b>793</b>	<b>932</b>	<b>+18%</b>
Net profit of discontinued and held-for-sale operations	17	152 <sup>(2)</sup>	ns
<b>Total net profit</b>	<b>810</b>	<b>1,084</b>	<b>+34%</b>
Minority interests	(162)	(161)	-1%
<b>Net profit attributable to the Group</b>	<b>648</b>	<b>923</b>	<b>+42%</b>

<sup>(1)</sup> Bouygues Telecom fine.

<sup>(2)</sup> 110 million euros from the sale of Bouygues Telecom Caraïbe and 42 million euros from TPS, a held-for-sale operation.

### THIRD-QUARTER TABLE

CONSOLIDATED INCOME STATEMENT (€ million)	Third quarter		Change
	2005	2006	
Sales	6,456	7,075	+10%
Current operating profit	546	608	+11%
Net profit attributable to the Group	264	358	+36%

Contribution of business areas to SALES (€ million)	End-September		Change
	2005	2006	
Bouygues Construction	4,204	4,801	+14%
Bouygues Immobilier	1,125	1,076	-4%
Colas	6,891	7,823	+14%
TF1	1,768	1,875	+6%
Bouygues Telecom	3,289	3,349	+2%
Holding company and other	222	203	ns
<b>Total</b>	<b>17,499</b>	<b>19,127</b>	<b>+9%</b>
o/w France	12,275	13,415	+9%
o/w International	5,224	5,712	+9%

Contribution of business areas to <b>EBITDA</b> (€ million)	End-September		Change (€ million)
	2005	2006	
Bouygues Construction	304	310	+6
Bouygues Immobilier	127	100	-27
Colas	544	637	+93
TF1	335	255	-80
Bouygues Telecom	1,036	962	-74
Holding company and other	5	75	+70
<b>TOTAL</b>	<b>2,351</b>	<b>2,339</b>	<b>-12</b>

Contribution of business areas to <b>CURRENT OPERATING PROFIT</b> (€ million)	End-September		Change
	2005	2006	
Bouygues Construction	190	211	+11%
Bouygues Immobilier	102	110	+8%
Colas	290	382	+32%
TF1	258	195	-24%
Bouygues Telecom	570	497	-13%
Holding company and other	(20)	61	ns
<b>TOTAL</b>	<b>1,390</b>	<b>1,456</b>	<b>+5%</b>

Contribution of business areas to <b>NET PROFIT ATTRIBUTABLE TO THE GROUP</b> (€ million)	End-September		Change
	2005	2006	
Bouygues Construction	132	178	+35%
Bouygues Immobilier	59	69	+17%
Colas	225	282	+25%
TF1	78	74	-5%
Bouygues Telecom*	254	388	+53%
Holding company and other	(100)	(68)	ns
<b>TOTAL</b>	<b>648</b>	<b>923</b>	<b>+42%</b>

\* In 2005, Bouygues consolidated 83% of Bouygues Telecom in the first half and 89.5% from the third quarter.

NET CASH BY BUSINESS AREA (€ million)	2006		Change (€ million)
	End-June	End-Sept.	
Bouygues Construction	1,757	1,791	+34
Bouygues Immobilier	97	60	-37
Colas	(398)	(80)	+318
TF1	(391)	(314)	+77
Bouygues Telecom	(398)	(64)	+334
Holding company and other	(5,782)	(5,956)	-174
<b>TOTAL</b>	<b>(5,115)</b>	<b>(4,563)</b>	<b>+552</b>