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**BOUYGUES PRESS RELEASE  
2003 FIRST-HALF EARNINGS**

**FURTHER SHARP RISE IN EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS  
NET EARNINGS: 130 MILLION EUROS**

The Board of Directors, meeting on 9 September 2003 under the chairmanship of Martin Bouygues, reviewed the accounts at end-June and forecasts for the year as a whole.

**First-half sales in 2003**

The Bouygues group's consolidated sales for the first half of 2003 amounted to 10.2 billion euros, down 5.8% on the same period in 2002 due to the disposal of Bouygues Offshore at the end of June 2002. Excluding the impact of this disposal, group sales were stable, as sales growth at Bouygues Telecom and TF1 offset declining activity in the construction business area.

**Net earnings attributable to the Group like-on-like: +12%**

The Group reported earnings before tax and exceptional items of 402 million euros compared with 356 million euros in the first half of 2002, an increase of 13%. Like-on-like, the figure was up 19%.

Net earnings for the first half of 2003 amounted to 130 million euros versus 465 million euros in the same period last year. The comparable figure for the first half of 2002 was 116 million euros after deduction of capital gains on the disposal of securities, including the sale of Bouygues Offshore for 337 million euros, and factoring in the change in the scope of consolidation. On this basis, net earnings rose by 12%.

This performance was fuelled by growth in profits at Bouygues Telecom, TF1, Bouygues Immobilier and Saur.

**Bouygues Construction: recovery under way**

At end-June 2003, Bouygues Construction booked a loss of 5 million euros. However, second quarter results confirm the recovery already noted in the first quarter of 2003 in comparison with the second half of 2002. The restructuring measures implemented in the company as of the end of 2002 are starting to pay off.

At end-August 2003, the order book stood at 5.3 billion euros, a higher level than at end-2002. This confirms Bouygues Construction's expertise and commercial drive.

## **Bouygues Telecom: excellent commercial and financial results**

Bouygues Telecom's sales in the first half of 2003 rose by 13% to 1,583 million euros. Net sales from network operations also rose by 13% to 1,465 million euros. EBITDA increased by 12% to 464 million euros, operating income by 31% to 200 million euros and net earnings by 48% to 96 million euros.

Bouygues Telecom has stepped up its marketing and increased its share of the contract market, taking 26.6% of new customers in this segment in the first half-year. i-mode continues to be successful, with 260,000 active customers and generating a highly satisfactory level of service use.

## **Solid financial structure**

The Group continues to enjoy a solid financial structure, with a debt-to-equity ratio of 68%, compared with 60% at end-June 2002. Net debt at end-June 2003 amounted to 4.2 billion euros, compared with 3.2 billion euros at end-2002. This rise is mainly due to the increase of Bouygues' stake in Bouygues Telecom (it acquired E.ON's shares for 394 million euros) and the usual seasonal variations in cash flow, especially at Colas.

Standard & Poor's has maintained Bouygues' credit rating: A- with stable outlook.

## **Cash flow: +25%**

The Group's cash flow increased by 25% in the first half of the year to 878 million euros. This is considerably more than its operating investment, which amounted to 374 million euros compared with 655 million euros in the first half of 2002.

An increase in the Group's working capital requirement in the first half of the year to 844 million euros was due partly to seasonal factors in certain businesses, an annually recurring feature, but also to a one-off payment of tax on capital gains from the sale of its stake in Bouygues Offshore. For those reasons, free cash flow at end-June was negative. Over the year as a whole, however, it is expected to be positive and to exceed the 2002 figure, excluding changes in the working capital requirement.

## **Cancellation of stock**

As announced after the Board of Directors meeting on 17 June, Bouygues has cancelled 9,685,825 shares, representing 2.8% of the capital.

There were 334,863,504 shares at 31 August, of which 544,734 are split into investment certificates and voting certificates.

## **Co-optation of a director**

Charles de Croisset, Chairman and CEO of CCF (HSBC group), has been co-opted to the Bouygues Board.

## **Outlook for 2003**

Based on the Group's performance in the first six months of the year, projected sales for the year as a whole are expected to amount to 21.5 billion euros, stable in relation to the comparable figure for 2002. Net earnings are expected to increase significantly in relation to the 2002 figure of 319 million euros, excluding the capital gain from the sale of Bouygues Offshore.

<b>CONDENSED CONSOLIDATED INCOME STATEMENT</b> (million euros)	<b>1<sup>st</sup> half 2002</b>	<b>1<sup>st</sup> half 2002 comparable <sup>(1)</sup></b>	<b>1<sup>st</sup> half 2003</b>	<b>Change</b>
<b>Consolidated sales</b>	<b>10,813</b>	<b>10,272</b>	<b>10,191</b>	<b>-0.8%</b>
Operating income	506	478	524	+€46m
Net financial items	(150)	(141)	(122)	+€19m
<b>Earnings before tax and exceptional items</b>	<b>356</b>	<b>337</b>	<b>402</b>	<b>+ €65m</b>
Net exceptional items	416	(24)	12	+€36m
Income tax	(205)	(112)	(178)	-€66m
Share in earnings of companies accounted for by the equity method	29	25	19	-€6m
Amortisation of goodwill	(26)	(25)	(18)	+€7m
<b>Total net earnings</b>	<b>570</b>	<b>201</b>	<b>237</b>	<b>+€36m</b>
Minority interests	105	85	107	+€22m
<b>Net earnings attributable to the Group</b>	<b>465</b>	<b>116</b>	<b>130</b>	<b>+12%</b>

<sup>(1)</sup> Excluding capital gains on disposal of securities, like-on-like

<b>CONDENSED CONSOLIDATED BALANCE SHEET</b> (million euros)	<b>30 June 2002</b>	<b>31 Dec. 2002</b>	<b>30 June 2003</b>
<b>ASSETS</b>	<b>25,055</b>	<b>24,783</b>	<b>24,845</b>
Fixed assets	11,585	12,357	12,225
Current assets	11,619	10,520	11,758
Cash and equivalents	1,851	1,906	862
<b>LIABILITIES</b>	<b>25,055</b>	<b>24,783</b>	<b>24,845</b>
Stockholders' equity	6,026	6,379	6,151
Provisions	1,791	1,882	1,832
Financial liabilities	5,172	4,825	4,675
Current liabilities	11,749	11,415	11,807
Cash and equivalents	317	282	380
<b>Net debt</b>	<b>3,638</b>	<b>3,201</b>	<b>4,193</b>
% of stockholders' equity	60%	50%	68%

<b>FREE CASH FLOW</b> (million euros)	<b>1<sup>st</sup> half 2002</b>	<b>1<sup>st</sup> half 2003</b>	<b>Change</b>	<b>2002</b>
Cash flow	<b>700</b>	<b>878</b>	<b>+25%</b>	<b>1,713</b>
Net operating investments	<u>-655</u>	<u>-374</u>	-43%	<u>-1,226</u>
Free cash flow before WCR	+45	+504	x11.2	+487
Change in WCR	<u>-264</u>	<u>-844</u>	x3.2	<u>+434</u>
Free cash flow	-219	-340	-55%	+921

<b>SALES BY BUSINESS AREAS</b> (million euros)	<b>1<sup>st</sup> half 2002</b>	<b>1<sup>st</sup> half 2002 comparable <sup>(1)</sup></b>	<b>1<sup>st</sup> half 2003</b>	<b>Change</b>
Bouygues Telecom	1,390	1,390	1,577	+13%
TF1	1,343	1,380	1,402	+2%
Saur	1,232	1,232	1,210	-2%
Bouygues Construction	3,060	2,482	2,245	-10%
Colas	3,174	3,174	3,150	-1%
Bouygues Immobilier	599	599	596	-1%
Holding and other	15	15	11	ns
<b>TOTAL</b>	<b>10,813</b>	<b>10,272</b>	<b>10,191</b>	<b>-0.8%</b>

<sup>(1)</sup> like-on-like

<b>OPERATING INCOME BY BUSINESS AREA</b> (million euros)	<b>1<sup>st</sup> half 2002</b>	<b>1<sup>st</sup> half 2002 comparable <sup>(1)</sup></b>	<b>1<sup>st</sup> half 2003</b>	<b>Change</b>
Bouygues Telecom	153	153	200	+€47m
TF1	202	201	232	+€31m
Saur	46	46	34	-€12m
Bouygues Construction	63	36	5	-€31m
Colas	25	25	11	-€14m
Bouygues Immobilier	31	31	52	+€21m
Holding and other	(14)	(14)	(10)	+€4m
<b>TOTAL</b>	<b>506</b>	<b>478</b>	<b>524</b>	<b>+10%</b>

<sup>(1)</sup> like-on-like

<b>EARNINGS BEFORE TAX AND EXCEPTIONAL ITEMS BY BUSINESS AREA</b> (million euros)	<b>1<sup>st</sup> half 2002</b>	<b>1<sup>st</sup> half 2002 comparable <sup>(1)</sup></b>	<b>1<sup>st</sup> half 2003</b>	<b>Change</b>
Bouygues Telecom	70	70	127	+€57m
TF1	184	183	221	+€38m
Saur	34	34	24	-€10m
Bouygues Construction	58	40	17	-€23m
Colas	22	22	12	-€10m
Bouygues Immobilier	26	26	46	+€20m
Holding and other	(38)	(38)	(45)	-€7m
<b>TOTAL</b>	<b>356</b>	<b>337</b>	<b>402</b>	<b>+19%</b>

<sup>(1)</sup> like-on-like

<b>NET EARNINGS BY BUSINESS AREA CONTRIBUTION TO GROUP EARNINGS</b> (million euros)	<b>1<sup>st</sup> half 2002</b>	<b>1<sup>st</sup> half 2002 comparable <sup>(1)</sup></b>	<b>1<sup>st</sup> half 2003</b>	<b>Change</b>
Bouygues Telecom	36	41	70	+€29m
TF1	47	46	57	+€11m
Saur	8	(1)	10	+€11m
Bouygues Construction	179	27	(11)	-€38m
Colas	19	19	15	-€4m
Bouygues Immobilier	18	18	26	+€8m
Holding and other	158	(34)	(37)	-€3m
<b>TOTAL</b>	<b>465</b>	<b>116</b>	<b>130</b>	<b>+12%</b>

<sup>(1)</sup> Excluding capital gains on disposal of securities, like-on-like

<b>NET DEBT BY BUSINESS AREA</b> (million euros)	<b>30 June 2002</b>	<b>31 Dec. 2002</b>	<b>30 June 2003</b>
Bouygues Telecom	1,806	1,486	1,401
TF1	514	481	508
Saur	621	549	489
Bouygues Construction	(918)	(1,011)	(891)
Colas	440	(144)	369
Bouygues Immobilier	(18)	(30)	(59)
Holding and other	1,193	1,870	2,376
<b>TOTAL</b>	<b>3,638</b>	<b>3,201</b>	<b>4,193</b>

The figures in brackets represent a positive cash position.

<b>FORECAST SALES FOR 2003</b> (million euros)	<b>2002</b>	<b>2002</b> comparable <sup>(1)</sup>	<b>2003</b> (e)	<b>Change</b>
Bouygues Telecom	2,932	2,932	3,280	+12%
TF1	2,608	2,645	2,740	+4%
Saur	2,514	2,514	2,460	-2%
Bouygues Construction	5,511	4,933	4,580	-7%
Colas	7,376	7,376	7,300	-1%
Bouygues Immobilier	1,283	1,283	1,120	-13%
Holding and other	23	23	20	ns
<b>TOTAL</b> of which International	<b>22,247</b> 7,195	<b>21,706</b> 6,750	<b>21,500</b> 6,085	<b>-0.9%</b> -10%

<sup>(1)</sup> like-on-like

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