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BOUYGUES PRESS RELEASE

NET PROFIT IN FIRST HALF OF 2004 CLIMBS 92% TO 249 MILLION EUROS FURTHER SHARP RISE IN EARNINGS

The Board of Directors, meeting on 7 September 2004 under the chairmanship of Martin Bouygues, reviewed the accounts at end-June.

Very strong first half 2004

Financial and commercial indicators improved in all business areas.

Sales climbed 7% to 10.9 billion euros, while operating income rose by 38% to 721 million euros and net earnings by 92% to 249 million euros.

All business areas contributed to this performance, especially Bouygues Telecom, TF1 and Bouygues Construction. The Group's financial situation improved, with a net debt-to-equity ratio of 53% compared with 68% at end-June 2003.

(million euros)	1 st half 2003	1 st half 2004	Change	Full-year 2003
Sales	10,191	10,904	+7%	21,822
Operating income	524	721	+38%	1,238
Net earnings attributable to the Group	130	249	+92%	450
Cash flow	878	993	+13%	2,073
Net debt	4,193	3,322	-21%	2,786

Bouygues Telecom's EBITDA margin: 36%

Bouygues Telecom posted sales of 1,765 million euros (up 13%) and net sales from network of 1,603 million euros (up 11%) in the first half of 2004. EBITDA stood at 575 million euros, giving an EBITDA /net sales from network margin of 35.9% versus 32.2% for the same period in 2003. Operating income increased by 36% to 271 million euros and net profit by 65% to 158 million euros.

Bouygues Telecom confirmed its capacity for commercial innovation by launching Universal Mobile, a new service for young people, in partnership with Universal Music. The i-mode service, now available to all contract and mini-contract customers, has attracted 800,000 subscribers to date.

Good performance by construction businesses

Bouygues Construction confirmed its return to profitability, reporting a net profit of 63 million euros compared with a loss of 5 million euros in the first half of 2003. Order books at end-June amounted to 5.3 billion euros against 5 billion euros at end-2003.

Colas benefited from firm markets, reporting a 9% rise in sales and a net profit of 33 million euros compared with 15 million euros in the first half of 2003.

Fuelled by a buoyant housing market, Bouygues Immobilier's earnings continued to improve, rising to 32 million euros from 26 million euros in the first six months of 2003.

New IFRS standards

The Bouygues group's balance sheet at 1 January 2004 was drawn up according to the published IFRS standards. Since the standards relating to utilities management services are still under review, the prevailing French standards have been retained. The Group's auditors have nearly completed their audit of the balance sheet.

On the basis of this provisional balance sheet, the new accounting standards have no significant impact on the Group's key financial items.

Total shareholders' equity amounted to 6 billion euros, 0.2 billion euros less than under French standards.

Net debt stood at 3.1 billion euros, 0.3 billion euros higher.

As a result, the debt-to-equity ratio rose from 45 to 52%.

The new standards will reduce consolidated sales for 2004 as a whole by approximately 1 billion euros, mainly because they no longer include surtaxes billed by Saur. This change, which is offset by operating expenses, will not have any impact on the bottom line.

Bouygues has upgraded its accounting systems in recent years, regularly opting for methods that converge on international standards. The switch to IFRS standards therefore has a limited effect.

Invitation to tender for Saur

The tender procedure announced on 23 July 2004 with a view to selling some or all of Bouygues' stake in Saur is taking its course. A decision may be taken in late 2004 or early 2005.

Saur saw both sales and earnings increase in the first half of 2004.

Exceptional payout

The Ordinary Shareholders' Meeting on 7 October 2004 will be asked to approve the exceptional payout of 5 euros per share proposed by the Board of Directors on 23 July 2004. The payout is scheduled for 7 January 2005.

***On the basis of business indicators and Group sales in the first half of the year,
the sales target for 2004 can be set at 23 billion euros.***

CONDENSED CONSOLIDATED INCOME STATEMENT (million euros)	End-June 2003	End-June 2004	Change
Consolidated sales	10,191	10,904	+7%
Operating income	524	721	+38%
Net financial items	(122)	(98)	ns
Earnings before tax and exceptional items	402	623	+55%
Net exceptional items	12	21	+75%
Income tax	(178)	(258)	+45%
Shares in earnings of companies accounted for by the equity method	19	17	-11%
Depreciation of goodwill	(18)	(30)	+67%
Total net earnings	237	373	+57%
Minority interests	(107)	(124)	+16%
Net earnings attributable to the Group	130	249	+92%

CONDENSED CONSOLIDATED BALANCE SHEET (million euros)	30 June 2003	30 June 2004
ASSETS	24,845	24,522
Fixed assets	12,225	11,882
Current assets	11,758	11,829
Cash and equivalents	862	811
LIABILITIES	24,845	24,522
Shareholders' equity	6,151	6,217
Provisions	1,832	1,895
Financial liabilities	4,675	3,756
Current liabilities	11,807	12,277
Cash and equivalents	380	377
Net debt	4,193	3,322
% of shareholders' equity	68%	53%

Contribution of business areas to SALES (million euros)	End-June 2003	End-June 2004	Change
Bouygues Telecom	1,577	1,759	+12%
TF1	1,402	1,472	+5%
Saur	1,210	1,164	+2%*
Bouygues Construction	2,245	2,505	+12%
Colas	3,150	3,411	+8%
Bouygues Immobilier	596	582	-2%
Holding and other	11	11	=
TOTAL	10,191	10,904	+7%

* Excluding contribution of South East Water in H1 2003: 71 million euros

Contribution of business areas to OPERATING INCOME (million euros)	End-June 2003	End-June 2004	Change in million euros
Bouygues Telecom	200	271	+71
TF1	232	293	+61
Saur	34	26	+17*
Bouygues Construction	5	61	+56
Colas	11	22	+11
Bouygues Immobilier	52	63	+11
Holding and other	(10)	(15)	-5
TOTAL	524	721	+197

* Excluding contribution of South East Water in H1 2003: 25 million euros

Contribution of business areas to NET EARNINGS (million euros)	End-June 2003	End-June 2004	Change in million euros
Bouygues Telecom	70	131	+61
TF1	57	67	+10
Saur	10	9	+13*
Bouygues Construction	(5)	63	+68
Colas	15	32	+17
Bouygues Immobilier	26	32	+6
Holding and other	(43)	(85)	-42
TOTAL	130	249	+119

* Excluding contribution of South East Water in H1 2003: 14 million euros

TARGET FOR 2004 Contribution of business areas to SALES (million euros)	2003	2004 target	Change
Bouygues Telecom	3,271	3,590	+10%
TF1	2,727	2,790	+2% ⁽¹⁾
Saur	2,448	2,400	+2% ⁽²⁾
Bouygues Construction	4,742	5,050	+6%
Colas	7,387	7,900	+7%
Bouygues Immobilier	1,229	1,250	+2%
Holding and other	18	20	ns
TOTAL	21,822	23,000	+5%

⁽¹⁾ +6% using the same accounting method (third-party sales and other restated in 2004)

⁽²⁾ Excluding South East Water (105 million euros in 2003)

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