



Paris, 6 September 2006

BOUYGUES PRESS RELEASE

SHARP INCREASE IN NET PROFIT IN FIRST-HALF 2006 565 MILLION EUROS (+47%)

A good start to the year

Bouygues reported strong financial and commercial performances in the first half of 2006. Sales rose by 9% and net profit by 47%. All the Group's businesses generated significant commercial momentum.

Key figures

(€ million)	30 June 2005	30 June 2006	Change
Sales	11,043	12,052	+9%
Operating profit	844	862	+2%
Net profit attributable to the Group	384	565	+47%

Net debt before ALSTOM	3,980	2,923	-€1,057m
Net debt	3,980	5,115	+€1,135m

Bouygues Construction sales increased by 11% in the first half of 2006, driven by a robust market, particularly the housing sector in France, and by external growth in the electrical contracting/maintenance businesses.

Bouygues Construction's profitability remained high with a current operating margin of 4.3%. The order book stood at 7.6 billion euros at end-June 2006, up 27% compared with end-June 2005.

Despite a 5% decline in sales in the first half of 2006, **Bouygues Immobilier** is targeting a rise of 6% in full-year sales. Profitability improved further; net profit climbed 24% to total 52 million euros. Commercial activity in the first half of 2006 continued to hold up well, with a 22% increase in reservations compared with the first half of 2005.

Colas reported an excellent first half. Sales and net profit rose 13% and 52%, respectively. Fuelled by a buoyant market environment, commercial activity was brisk and the order book increased by 16%.

The Football World Cup affected **TF1's** performances in the first half of 2006. Sales gained 8%, while profitability at 30 June 2006 was impacted by costs related to the event. The audience and advertising market share both remained at a high level.

Bouygues Telecom's earnings in the first half of 2006 were driven by the success of the new Neo and Exprima unlimited offers. At 30 June 2006, Neo contracts had 671,000 customers.

The EBITDA margin was 30.4% of net sales from network, down 2.1 points on the first half of 2005. Net profit rose 39% to 305 million euros.

Bouygues Telecom will make significant commercial investments in 2006. This will adversely affect margins, but will strengthen Bouygues Telecom's position in the years ahead.

Bouygues' stake in ALSTOM

During the summer, Bouygues acquired ALSTOM shares on the market, taking its stake to 24.4% at 1 September 2006. Operating and commercial cooperation is being established.

Financial situation

At 30 June 2006, Bouygues' net debt came to 5.1 billion euros, including 2.2 billion euros for the acquisition of ALSTOM shares. Excluding this investment, net debt would have been 2.9 billion euros, down 1.1 billion euros compared with 30 June 2005.

The Group's free cash flow in the first half of 2006 totalled 341 million euros, down on the first half of 2005 due notably to higher investments in the construction businesses.

Sales target for 2006

On the basis of Group sales in the first half and business indicators, the sales target for 2006 can again be raised to 26 billion euros (from 25.8 billion euros announced on 8 June 2006).

SALES TARGET Contribution of business areas (€ million)	2005 *	2006 target		% change
		Published in June	Published in September	
Bouygues Construction	5,815	6,450	6,550	+13%
Bouygues Immobilier	1,557	1,720	1,650	+6%
Colas	9,424	10,180	10,370	+10%
TF1	2,489	2,640	2,650	+6%
Bouygues Telecom	4,434	4,500	4,460	+1%
Holding company and other	264	260	270	ns
TOTAL	23,983	25,750	25,950	+8%
o/w France	16,856	18,200	18,350	+9%
o/w International	7,127	7,550	7,600	+7%

* Excluding Bouygues Telecom Caraïbe (91 million euros).

Outlook

At the Board of Directors meeting on 5 September 2006, Martin Bouygues declared:

"Since I was appointed Group Chairman and CEO, never before have we witnessed such a favourable situation concurrently in all our businesses in terms of both sales and commercial activity."

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CONDENSED CONSOLIDATED INCOME STATEMENT (€ million)	1 st half		% change
	2005	2006	
Sales	11,043	12,052	+9%
Current operating profit	844	848	=
Other operating income and expenses	-	14	ns
Operating profit	844	862	+2%
Cost of net financial debt	(90)	(77)	-14%
Other financial income and expenses	1	(15)	ns
Income tax expense	(258)	(249)	-3%
Share of profits/losses of associates	24	39	+63%
Net profit before results of discontinued and held-for-sale operations	521	560	+7%
Net profit of discontinued and held-for-sale operations	4	140	ns
Total net profit	525	700	+33%
Minority interests	(141)	(135)	-4%
Net profit attributable to the Group	384	565	+47%

Contribution of business areas to SALES (€ million)	1 st half		% change
	2005	2006	
Bouygues Construction	2,790	3,155	+13%
Bouygues Immobilier	758	721	-5%
Colas	3,928	4,496	+14%
TF1	1,277	1,377	+8%
Bouygues Telecom	2,144	2,175	+1%
Holding company and other	146	128	ns
TOTAL	11,043	12,052	+9%
<i>o/w France</i>	<i>8,100</i>	<i>8,865</i>	<i>+9%</i>
<i>o/w International</i>	<i>2,943</i>	<i>3,187</i>	<i>+8%</i>

Contribution of business areas to EBITDA (€ million)	1 st half		Change
	2005	2006	
Bouygues Construction	201	215	+€14m
Bouygues Immobilier	88	69	-€19m
Colas	183	215	+€32m
TF1	306	246	-€60m
Bouygues Telecom	660	618	-€42m
Holding company and other	(11)	59	+€70m
TOTAL	1,427	1,422	=

Contribution of business areas to OPERATING PROFIT (€ million)	1 st half		Change
	2005	2006	
Bouygues Construction	137	152	+€15m
Bouygues Immobilier	73	80	+€7m
Colas	38	74	+€36m
TF1	264	209	-€55m
Bouygues Telecom	351	298	-€53m
Holding company and other	(19)	49	+€68m
TOTAL	844	862	+2%

Contribution of business areas to NET PROFIT ATTRIBUTABLE TO THE GROUP (€ million)	1 st half		Change
	2005	2006	
Bouygues Construction	96	121	+€25m
Bouygues Immobilier	42	52	+€10m
Colas	44	68	+€24m
TF1	76	74	-€2m
Bouygues Telecom	182	273	+€91m
Holding company and other	(56)	(23)	+€33m
TOTAL	384	565	+47%

NET CASH BY BUSINESS AREA (€ million)	End-June		Change
	2005	2006	
Bouygues Construction	1,470	1,757	+€287m
Bouygues Immobilier	160	97	-€63m
Colas	(292)	(398)	-€106m
TF1	(537)	(391)	+€146m
Bouygues Telecom	(1,001)	(398)	+€603m
Holding company and other before ALSTOM	(3,780)	(3,590)	+€190m
TOTAL before ALSTOM	(3,980)	(2,923)	+€1,057m
Investment in ALSTOM	-	(2,192)	ns
TOTAL	(3,980)	(5,115)	-€1,135m