



Paris, 28 August 2013

## Bouygues press release

### First-half 2013

- **Good commercial performance in construction businesses**
- **Adaptation plans producing the expected results**
- **Improvement in the Group's profitability in the second quarter**

### Key figures

(€ million)	Q1 2013	Change vs. 2012	Q2 2013	Change vs. 2012	H1 2013	Change vs. 2012
Sales	6,698	-4%	8,509	=	15,207	-2%
Current operating profit/(loss)	(76)	-€158m	432	+€38m	356	-€120m
Net profit/(loss) attributable to the Group	(42)	-€77m	230	-€13m	188	-€90m
Net debt (end of period)	5,007	-€317m	5,758	-€457m	5,758	-€457m

**The Bouygues group's construction businesses posted a good commercial performance in the first half of 2013, while TF1 and Bouygues Telecom showed resilience in a highly competitive environment. Adaptation plans are producing the expected results and the Group's profitability improved in the second quarter.**

The Bouygues group reported consolidated sales of €15.2 billion in the first half of 2013, down 2% year-on-year. Current operating profit amounted to €356 million, down €120 million on the first half of 2012, and net profit to €188 million, down €90 million on the first half of 2012. These figures are still impacted by the decline in profitability in the first quarter of 2013 and are not indicative of the Group's expected full-year performance.

### Good commercial performance in the construction businesses

In a still-challenging economic environment, especially in Europe, order books continued to run at a high level, standing at €27.3 billion. This figure is down €1.3 billion, or 5%, on end-June 2012 but up €2 billion, or 8%, on end-June 2011 and does not yet include a number of recent major contracts, notably the Tuen Mun-Chek Lap Kok tunnel in Hong Kong, worth €1.15 billion.

This resilience of order books is the result of a strong and selective presence on international markets and recognised know-how in complex projects.

At **Bouygues Construction**, order intake amounted to €5.1 billion in the first half of 2013, compared with €6.9 billion in the first half of 2012, a figure which included €2.1 billion from major contracts worth more than €600 million<sup>1</sup> each. The order book at end-June 2013 stood at €16.9 billion, giving good visibility for future activity.

At **Bouygues Immobilier**, first-half residential property reservations rose 3% year-on-year to €752 million in a market expected to shrink in 2013. In a sluggish market, commercial property reservations amounted to €203 million in the first half of the year. The order book at end-June 2013 stood at €2.8 billion, representing 14 months of sales.

At **Colas**, the order book at end-June 2013 stood at €7.6 billion and does not yet include the project for Morocco's first high-speed rail line, worth €124 million. The order book remains at a high level and gives good visibility for the second half of the year.

<sup>1</sup> Paris law courts complex (€823 million), Nîmes-Montpellier railway bypass (€683 million), Hong Kong-Zhuhai-Macao bridge (€607 million)

## TF1 and Bouygues Telecom showed resilience in a highly competitive environment

TF1's four freeview channels achieved an audience share of 29.0%<sup>1</sup> in the first six months of 2013, a year-on-year improvement of 0.6 points. The TF1 TV channel took 22.9% of the audience, 0.2 points better than in the first half of 2012. In an expanded freeview TV market which now numbers 25 channels, TF1 was the only major broadcaster to improve its audience share.

At **Bouygues Telecom**, B&YOU continued to grow, gaining 523,000 new customers in the first half of 2013 to give a base of 1,601,000 customers at end-June 2013. The plan subscriber base increased by 374,000 new customers, bringing the total base to 9,802,000. The total mobile customer base stabilised at 11,286,000 at end-June 2013.

On the fixed broadband market, Bouygues Telecom gained 55,000 new customers in the first half of 2013 to give a total of 1.9 million customers<sup>2</sup>.

<sup>1</sup> Target audience: individuals aged four years and over. Source: Médiamétrie

<sup>2</sup> Includes fixed broadband and very-high-speed subscriptions

## Adaptation plans are producing the expected results

The Bouygues group is continuing to implement adaptation plans in its various business areas. These efforts are bearing fruit, enabling the Group to improve its profitability in the second quarter of 2013.

TF1 has achieved €31 million of recurrent savings since 30 June 2012, out of a planned €85 million by the end of 2014 under phase II of its optimisation plan.

At **Bouygues Telecom**, the far-reaching transformation under way since early 2012 has been stepped up in 2013. The company has embarked on an overhaul of its business model in order to cope with market upheaval. With a change in the way plans are marketed and a reduction in operating costs, overall costs in the mobile business in the first half of 2013 were €282 million lower than in the first half of 2011. Total savings of €339 million have been made on mobile costs since the end of 2011. The transformation plan target of €400 million will therefore be exceeded. Bouygues Telecom is also repositioning its products and services in order to differentiate the company from its competitors and revitalise growth. The launch of 4G on 1 October offers the company a very good opportunity to retake the leadership in terms of innovation on the mobile market.

## The Group's profitability improved in the second quarter

Current operating profit/(loss) (€ million)	Q1 2013	Change vs. 2012	Q2 2013	Change vs. 2012	H1 2013	Change vs. 2012
Construction businesses <sup>1</sup>	(79)	-€7m	289	+€5m	210	-€2m
TF1	(16)	-€72m	87	+€9m	71	-€63m
Bouygues Telecom	28	-€79m	63	+€22m	91	-€57m
<b>Group total</b>	<b>(76)</b>	<b>-€158m</b>	<b>432</b>	<b>+€38m</b>	<b>356</b>	<b>-€120m</b>

<sup>1</sup> Bouygues Construction, Bouygues Immobilier and Colas

The construction businesses posted a robust financial performance in the first half of 2013, reporting consolidated sales of €11.7 billion, up 2% on the first half of 2012, and a current operating profit of €210 million, virtually the same as a year earlier.

**Bouygues Construction** reported operating profit of €202 million in the first half of 2013, up €39 million on the first half of 2012, reflecting good execution of ongoing projects. Operating profit at **Bouygues Immobilier** was stable at €84 million. In the first half of 2013, the decline in the operating margin was limited to 0.5 points at 7.3% thanks to the adaptation measures taken in 2012. **Colas** reported an operating loss of €76 million in the first half of 2013, €42 million more than in the first half of 2012, mainly due to very unfavourable weather conditions in the first half, especially in mainland France and North America.

**TF1** reported sales of €1.2 billion in the first half of 2013, down 7%, and operating profit of €71 million, €63 million down on the first half of 2012. Current operating profit rose by €9 million in the second quarter of 2013 despite a €30-million drop in sales, giving an operating margin of 13.5% against 11.6% in the second quarter of 2012, a year-on-year improvement of 1.9 points.

**Bouygues Telecom** reported total sales of €2,287 million in the first half of 2013, down 15% on the first half of 2012, and sales from network of €2,113 million, down 11%. The greater-than-expected fall in sales was due to a moderate commercial performance and the growing share of SIM-only sales. Thanks to the effectiveness of the savings plan and a reduction in marketing costs, EBITDA amounted to €257 million in the second quarter of 2013 and fell by only €6 million in relation to 2012. It reached €469 million in the first half of 2013, down €90 million on the previous year.

## Financial position

Group free cash flow<sup>1</sup> in the first half of 2013 amounted to €152 million, down €258 million on the first half of 2012. The decline reflects the lower results and the postponement of Alstom's general meeting, which approves the dividend, from 26 June in 2012 to 2 July in 2013. The Group's net capital expenditure<sup>2</sup> in the first half of 2013 amounted to €596 million, equivalent to the level in 2012.

Net debt amounted to €5.8 billion at end-June 2013, down €457 million in relation to end-June 2012. This is due to tight control of net debt despite the fall in first-half results and asset disposals<sup>3</sup> at end-2012 of €426 million. Net gearing improved by six points to 60%. The Group has a high level of liquidity (€6.9 billion) after the redemption of a €709-million bond issue in May 2013.

<sup>1</sup> Before the change in working capital requirement. Excluding the impact of 4G frequencies

<sup>2</sup> Excluding the impact of 4G frequencies

<sup>3</sup> Disposal of 20% stake in Eurosport and the theme channels at TF1 as well as divestment of tower business and 3 data centres at Bouygues Telecom

## Outlook

Bouygues Telecom has revised its sales target for 2013 downwards from the previously announced €4.85 billion to €4.6 billion in order to take account of strong growth in SIM-only sales and a moderate commercial performance in the first half of 2013.

Order books in the construction businesses secure their sales targets for 2013.

Depending on final sales figure of the construction businesses, the Group's consolidated sales could range between €33.2 billion, down 1% on 2012, and €33.4 billion, stable in relation to 2012.

The Group's business areas are continuing to implement their adaptation plans. Thanks to the effectiveness of its transformation plan, Bouygues Telecom is able to confirm its objective for 2013 of stabilising EBITDA at €900 million and improving its "EBITDA minus Capex" item.

In keeping with the second quarter of 2013, profitability should improve in the second half of 2013, meaning that 2012 should mark the low point in the Bouygues group's profitability.

### **Financial calendar**

13 November 2013: nine-month 2013 sales and earnings, 5.45pm (CET)

You will find the full financial statements and notes to the financial statements on [www.bouygues.com](http://www.bouygues.com).  
The financial statements have been subject to a limited review by the statutory auditors and the corresponding report has been issued.

The Half-year Review is available on [www.bouygues.com](http://www.bouygues.com).

The first-half results presentation to financial analysts will be webcast live on 28 August 2013 at 11am on [www.bouygues.com](http://www.bouygues.com).

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Condensed consolidated income statement (€ million)	First half		% change
	2012	2013	
<b>Sales</b>	<b>15,505</b>	<b>15,207</b>	<b>-2%</b>
<b>Current operating profit</b>	<b>476</b>	<b>356</b>	<b>-25%</b>
Other operating income and expenses	0	0	nm
<b>Operating profit</b>	<b>476</b>	<b>356</b>	<b>-25%</b>
Cost of net debt	(142)	(157)	+11%
Other financial income and expenses	8	(7)	nm
Income tax expense	(130)	(102)	-22%
Share of profits and losses from associates	131	134	+2%
<b>Net profit</b>	<b>343</b>	<b>224</b>	<b>-35%</b>
Net profit/(loss) attributable to non-controlling interests <sup>1</sup>	(65)	(36)	nm
<b>Net profit attributable to the Group</b>	<b>278</b>	<b>188</b>	<b>-32%</b>

<sup>1</sup> Formerly "Minority interests"

First-quarter consolidated income statement (€ million)	First quarter		% change
	2012	2013	
Sales	6,985	6,698	-4%
Operating profit/(loss)	82	(76)	nm
Net profit/(loss) attributable to the Group	35	(42)	nm

Second-quarter consolidated income statement (€ million)	Second quarter		% change
	2012	2013	
Sales	8,520	8,509	=
Operating profit	394	432	+10%
Net profit attributable to the Group	243	230	-5%

**Order books at the construction businesses**

(€ million)

	At end-June		
	2011	2012	2013
Bouygues Construction	15,538	17,650	16,877
Bouygues Immobilier	2,537	3,060	2,815
Colas	7,228	7,856	7,570
<b>TOTAL</b>	<b>25,303</b>	<b>28,566</b>	<b>27,262</b>

**Sales by business area**

(€ million)

	First half		% change	Change like-for-like and at constant exchange rates
	2012	2013		
Bouygues Construction	5,028	5,232	+4%	+3%
Bouygues Immobilier	1,066	1,143	+7%	+7%
Colas	5,594	5,560	-1%	-1%
TF1	1,301	1,208	-7%	-7%
Bouygues Telecom	2,676	2,287	-15%	-14%
Holding company and other	68	62	nm	nm
Intra-Group elimination	(228)	(285)	nm	nm
<b>Total</b>	<b>15,505</b>	<b>15,207</b>	<b>-2%</b>	<b>-2%</b>
<i>o/w France</i>	<i>10,730</i>	<i>10,493</i>	<i>-2%</i>	<i>-2%</i>
<i>o/w international</i>	<i>4,775</i>	<i>4,714</i>	<i>-1%</i>	<i>-3%</i>

**Contribution of business areas to EBITDA**

(€ million)

	First half		% change
	2012	2013	
Bouygues Construction	268	239	-11%
Bouygues Immobilier	69	88	+28%
Colas	131	74	-44%
TF1	174	92	-47%
Bouygues Telecom	559	469	-16%
Holding company and other	(21)	(17)	nm
<b>TOTAL</b>	<b>1,180</b>	<b>945</b>	<b>-20%</b>

**Contribution of business areas to current operating profit**

(€ million)

	First half		% change
	2012	2013	
Bouygues Construction	163	202	+24%
Bouygues Immobilier	83	84	+1%
Colas	(34)	(76)	nm
TF1	134	71	-47%
Bouygues Telecom	148	91	-39%
Holding company and other	(18)	(16)	nm
<b>TOTAL</b>	<b>476</b>	<b>356</b>	<b>-25%</b>

Contribution of business areas to net profit attributable to the Group (€ million)	First half		% change
	2012	2013	
Bouygues Construction	107	131	+22%
Bouygues Immobilier	51	45	-12%
Colas	(18)	(31)	nm
TF1	41	18	-56%
Bouygues Telecom	83	49	-41%
Alstom	114	117	+3%
Holding company and other	(100)	(141)	nm
<b>TOTAL</b>	<b>278</b>	<b>188</b>	<b>-32%</b>

Net cash by business area (€ million)	At end-June		Change €m
	2012	2013	
Bouygues Construction	2,531	2,845	+€314m
Bouygues Immobilier	305	239	-€66m
Colas	(1,074)	(1,142)	-€68m
TF1	(91)	166	+€257m
Bouygues Telecom	(1,462)	(774)	+€688m
Holding company and other	(6,424)	(7,092)	-€668m
<b>TOTAL</b>	<b>(6,215)</b>	<b>(5,758)</b>	<b>+€457m</b>

Contribution of business areas to free cash flow <sup>1</sup> Before change in working capital requirement (€ million)	First half		Change €m
	2012	2013	
Bouygues Construction	123	181	+€58m
Bouygues Immobilier	48	53	+€5m
Colas	53	8	-€45m
TF1	107	60	-€47m
Bouygues Telecom	90 <sup>(2)</sup>	(22) <sup>(3)</sup>	-€112m
Holding company and other	(11) <sup>(2)</sup>	(128) <sup>(3)</sup>	-€117m
<b>TOTAL</b>	<b>410<sup>(2)</sup></b>	<b>152<sup>(3)</sup></b>	<b>-€258m</b>

<sup>1</sup> Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure

Contribution of business areas to net capital expenditure (€ million)	First half		Change €m
	2012	2013	
Bouygues Construction	80	55	-€25m
Bouygues Immobilier	6	4	-€2m
Colas	125	112	-€13m
TF1	13	17	+€4m
Bouygues Telecom	366 <sup>(2)</sup>	407 <sup>(3)</sup>	+€41m
Holding company and other	2 <sup>(2)</sup>	1 <sup>(3)</sup>	-€1m
<b>TOTAL EXCL. 4G FREQUENCIES</b>	<b>592<sup>(2)</sup></b>	<b>596<sup>(3)</sup></b>	<b>+€4m</b>
<b>4G FREQUENCIES</b>	<b>704</b>	<b>21</b>	<b>-€683m</b>
<b>TOTAL</b>	<b>1,296</b>	<b>617</b>	<b>-€679m</b>

<sup>2</sup> Excluding acquisition cost and capitalised interest related to 4G frequencies for €704 million at Group level (for €687 million at Bouygues Telecom level and €17 million at holding company level)

<sup>3</sup> Excluding capitalised interest related to 4G frequencies for €21 million at Group level (for €8 million at Bouygues Telecom level and €13 million at holding company level)

Sales target by business area (€ million)	Actual 2012	2013 target			% change
		Reported in February	Reported in May	Reported in August	
Bouygues Construction	10,640	10,700	10,750	10,750	+1%
Bouygues Immobilier	2,396	2,500	2,500	2,500	+4%
Colas	13,036	13,200	13,200	13,200	+1%
TF1	2,621	2,540	2,500	2,500	-5%
Bouygues Telecom	5,226	4,850	4,850	4,600	-12%
Holding company and other	123	120	120	120	nm
Intra-Group elimination	(495)	(460)	(470)	(470)	nm
<b>TOTAL</b>	<b>33,547</b>	<b>33,450</b>	<b>33,450</b>	<b>33,200</b>	<b>-1%</b>

The Group's consolidated sales could range between €33.2 billion (-1% vs. 2012) and €33.4 billion (flat vs. 2012) depending on the final sales figure of the construction businesses.