



Paris, 13 November 2013

Bouygues press release

Results for the third quarter and first nine months of 2013

- **Second-quarter trends continue in the third quarter**
 - Good commercial performance in the construction businesses
 - Improvement in the Group's profitability
- **Full-year target confirmed**

Key figures

(€ million)	Q3 2012	Q3 2013	Change vs. 2012	9-month 2012	9-month 2013	Change vs. 2012
Sales	9,092	9,048	=	24,597	24,255	-1%
Current operating profit	478	542	+€64m	954	898	-€56m
Operating profit	383 ⁽¹⁾	542	+€159m	859 ⁽¹⁾	898	+€39m
Net profit attributable to the Group	286	360	+€74m	564	548	-€16m
Net debt ²				5,832	5,593	-€239m

¹ Including €95 million related to the cost of the adaptation plans at Bouygues Telecom and TF1

² End of period

The Bouygues group's third-quarter results confirmed second-quarter trends.

The construction businesses demonstrated a good commercial performance, while TF1 and Bouygues Telecom strengthened their offerings in a highly competitive environment. The adaptation plans delivered the expected results and the Group's profitability continued to improve.

The Bouygues group reported consolidated sales of €9 billion in the third quarter of 2013, stable compared to the previous year. Current operating profit amounted to €542 million, up €64 million on the third quarter of 2012, and net profit was €360 million, up €74 million versus the third quarter of 2012.

The Group's results for the first nine months of 2013 are still impacted by the decline in profitability in the first quarter of 2013.

Good commercial performance in the construction businesses

In a still challenging economic environment, order books continued to run at a very high level, standing at €27.4 billion, 2% higher than at end-September 2012 and 12% higher than at end-September 2011.

After an excellent third quarter, order intake at **Bouygues Construction** amounted to €8.6 billion, taking the order book to a record €17.7 billion at end-September 2013, 4% higher than at end-September 2012. The order book provides good visibility on future activity and it has yet to include the contracts for the L2 Marseille bypass, the new Terminal 1 at Lyon-Saint Exupéry Airport and part of the Brickell CityCentre in Miami.

At **Bouygues Immobilier**, residential property reservations in the first nine months of 2013 rose 5% year-on-year to €1.1 billion in a shrinking market. Commercial property reservations in the first nine months of 2013 amounted to €210 million in a very sluggish market. The order book at end-September 2013 stood at €2.6 billion, representing 13 months of sales.

At **Colas**, the order book at end-September 2013 stood at a high €7.1 billion, up 1% year-on-year. It has yet to include the contracts for the L2 Marseille bypass and the Santiago metro in Chile.

TF1 and Bouygues Telecom strengthened their offerings in a highly competitive environment

Buoyed by the channel renewal policy and digital innovation, **TF1** confirmed its position as France's leading TV channel and saw its audience share rise to 22.7%¹, a year-on-year improvement of 0.2 points.

TF1's four freeview channels achieved an audience share of 28.8%¹, a year-on-year improvement of 0.6 points.

At **Bouygues Telecom**, B&YOU's total base² stood at 1,634,000 at end-September 2013, up by 610,000 new customers in the first nine months of 2013. The plan subscriber base increased by 332,000 in the first nine months of 2013, bringing it to 9,760,000. The total mobile customer base stood at 11,094,000 at end-September 2013.

On the fixed broadband market, Bouygues Telecom gained 95,000 new customers in the first nine months of 2013 to reach a total of 1,941,000⁽³⁾ customers at end-September 2013.

In a much-changed competitive environment, Bouygues Telecom launched France's largest 4G network⁴ on 1 October 2013. There are currently 500,000 active⁵ 4G customers on this network. Bouygues Telecom also launched a new B&YOU double-play service (Internet and fixed telephony) on 5 November 2013, thus demonstrating its commitment to widen access to both mobile and home-based Internet. These launches aim to retake the lead to the benefit of customers, in order to revitalise growth.

¹ Target audience: individuals aged four years and over. Source: Médiamétrie

² Excluding B&YOU prepaid customers, accounted for under the Simyo brand from the third quarter of 2013. At end-June 2013, B&YOU had 1,509,000 customers excluding prepaid customers

³ Includes fixed broadband and very-high-speed subscriptions

⁴ Covering 63% of the population, or 40 million people

⁵ Customers with a 4G plan and a 4G-compatible handset

Profitability continued to improve in the third quarter in the Group's three business sectors

Current operating profit/(loss) (€ million)	Q3 2013	Change vs. 2012	Q2 2013	Change vs. 2012	Q1 2013	Change vs. 2012	9-month 2013	Change vs. 2012
Construction businesses ¹	445	+€38m	289	+€5m	(79)	-€7m	655	+€36m
TF1	33	+€13m	87	+€9m	(16)	-€72m	104	-€50m
Bouygues Telecom	69	+€11m	63	+€22m	28	-€79m	160	-€46m
Group total	542	+€64m	432	+€38m	(76)	-€158m	898	-€56m

¹ Bouygues Construction, Bouygues Immobilier and Colas

The construction businesses posted a robust financial performance in the first nine months of 2013. Consolidated sales rose 1% versus the first nine months of 2012 to €19.1 billion despite an unfavourable foreign exchange effect representing 1 point of growth.

Current operating profit in the construction businesses amounted to €655 million in the first nine months of 2013, €36 million more than in the same period of 2012.

Thanks to the good execution of ongoing projects, current operating profit at **Bouygues Construction** rose €49 million to €309 million in the first nine months of 2013. Current operating profit at **Bouygues Immobilier** remained stable at €123 million over the same period. In the first nine months of 2013, **Colas'** current operating profit declined €13 million versus the first nine months of 2012 to €223 million. The good third-quarter performance by Colas, which reported a €29-million increase in current operating profit in relation to the third quarter of 2012, has not yet entirely offset the first-half delays in activity, losses on sales of refined oil products and lower profitability in North America.

TF1 reported sales of €1.7 billion in the first nine months of 2013, down 6%, and current operating profit of €104 million, down €50 million versus the previous year. Current operating profit in the third quarter of 2013 rose €13 million to €33 million despite a €14-million drop in sales. The third-quarter current operating margin thus showed a year-on-year improvement of 2.5 points. As in the second quarter, TF1 demonstrated its ability to adapt and has achieved €44 million of recurrent savings since 30 June 2012, out of the planned €85 million by the end of 2014 under phase II of its optimisation plan.

Bouygues Telecom reported sales of €3.5 billion in the first nine months of 2013, a decline of 13% versus the first nine months of 2012, and sales from network of €3.2 billion, down 10% year-on-year.

In keeping with the second-quarter trend, and thanks to the effectiveness of the transformation plan, EBITDA in the third quarter of 2013 amounted to €258 million, up €10 million versus 2012. EBITDA over the first nine months of 2013 amounted to €727 million, €80 million less than in the same period of the previous year. As announced, the results of the transformation plan implemented in early 2012 have exceeded the target of €400 million, reaching savings on mobile costs at end-September 2013 of €455 million since the end of 2011. In this context, full-year EBITDA should be around €900 million and the "EBITDA minus Capex" item should improve in comparison with 2012.

Alstom

Alstom contributed €51 million to Bouygues' net profit in the third quarter of 2013, versus €67 million in the third quarter of 2012. Based on currently available information, Alstom's contribution to Bouygues' fourth-quarter 2013 net profit is estimated at €55 million.

In order to improve competitiveness and adjust its cost base, Alstom announced in its first-half results release for FY2013/14 that it was accelerating ongoing savings plans and taking action to increase its strategic mobility. Alstom is thus studying the sale of a minority stake in Alstom Transport to industrial partners or financial investors and intends to dispose of non-strategic assets.

Alstom maintains its guidance of a low-single digit sales growth on an organic basis and of a stable operating margin in 2013/14, which should then gradually increase to around 8% over the next two to three years. Free cash flow should be positive year after year over this period.

Financial position

Group cash flow stood at €2 billion and was €113 million lower than in the first nine months of 2012. Thanks to the tight control of net capital expenditure¹, €93 million less than in the first nine months of 2012, the Group's free cash flow² deteriorated by only €51 million compared to the first nine months of 2012 and reached €662 million in the first nine months of 2013.

Net debt amounted to €5.6 billion at end-September 2013, an improvement of €239 million versus end-September 2012. Excluding €426 million of asset disposals³ at end-2012, net debt increased by €187 million. The Group has a high level of liquidity (€7.5 billion).

¹ Excluding the impact of 4G frequencies

² Before the change in working capital requirement. Excluding the impact of 4G frequencies

³ Disposal of a 20% stake in Eurosport and theme channels at TF1 as well as divestment of the tower business and three data centres at Bouygues Telecom

2013 outlook

The Group confirmed that its consolidated sales for 2013 are expected to range between flat and -1% versus 2012.

In keeping with the second- and third-quarter trend, the Group's profitability is expected to continue to improve in the fourth quarter of 2013, meaning that 2012 should mark a low point in the Bouygues group's profitability.

Highlights since 30 June 2013

- **Launch of new offers**

- 4 November 2013: B&YOU announced the launch of its “la Box Internet” double-play offer (Internet and fixed telephony) for €15.99/month.
- 25 September 2013: Bouygues Telecom announced that its 4G service would cover 63% of the population from 1 October and offered a one-month free trial period to everyone in France.
- 28 August 2013: Bouygues Telecom announced its new Sensation 4G plans.

- **On 22 July 2013, Bouygues Telecom and SFR entered into exclusive negotiations to share part of their mobile networks**

- **New contracts announced in the construction businesses**

- 23 October 2013: contract to build and maintain lines 3 and 6 of the Santiago metro in Chile.
- 21 October 2013: €142-million contract to design and build the future Terminal 1 at Lyon-Saint Exupéry Airport.
- 14 October 2013: contract worth about €220 million to modernise Iqaluit International Airport, in the Arctic North of Canada.
- 8 October 2013: partnership contract for the L2 Marseille bypass for an investment of €620 million.
- 11 September 2013: major residential complex in Singapore for over €100 million.
- 28 August 2013: Brickell CityCentre, the largest private-sector property development project in Miami, worth nearly €400 million, of which around 50% for Bouygues.
- 28 August 2013: €1.15-billion contract to build a 4.2-km subsea road tunnel in Hong Kong.
- 29 July 2013: contract worth over €100 million to renovate the Hôtel de Crillon in Paris.
- 11 July 2013: contract for the City of Music on Seguin Island in Boulogne-Billancourt. The value of the works will amount to €170 million.

Financial calendar:

26 February 2014: full-year 2013 results

7.30am: press release

9am: press conference

11am: analysts' meeting

The financial statements have been subject to a limited review by the statutory auditors and the corresponding report has been issued.

You will find the full financial statements and notes to the financial statements on www.bouygues.com.

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Condensed consolidated income statement (€ million)	9-month		% change
	2012	2013	
Sales	24,597	24,255	-1%
Current operating profit	954	898	-6%
Other operating income and expenses	(95) ¹	0	nm
Operating profit	859	898	+5%
Cost of net debt	(212)	(226)	+7%
Other financial income and expenses	8	(15)	nm
Income tax expense	(232)	(249)	+7%
Share of profits and losses from associates	210	203	-3%
Net profit	633	611	-3%
Net profit/(loss) attributable to non-controlling interests	(69)	(63)	-9%
Net profit attributable to the Group	564	548	-3%

¹ Costs related to the adaptation plans for €70 million at Bouygues Telecom and €25 million at TF1

Third-quarter consolidated income statement (€ million)	Third-quarter		% change
	2012	2013	
Sales	9,092	9,048	=
Current operating profit	478	542	+13%
Operating profit	383 ⁽¹⁾	542	+42%
Net profit attributable to the Group	286	360	+26%

⁽¹⁾ Including €95 million related to the cost of the adaptation plans at Bouygues Telecom and TF1

Order books at the construction businesses (€ million)	At end-September		
	2011	2012	2013
Bouygues Construction	15,262	17,051	17,711
Bouygues Immobilier	2,630	2,879	2,615
Colas	6,669	7,006	7,094
TOTAL	24,561	26,936	27,420

Sales by business area (€ million)	9-month		% change	Change like-for-like and at constant exchange rates
	2012	2013		
Bouygues Construction	7,748	7,999	+3%	+3%
Bouygues Immobilier	1,631	1,710	+5%	+5%
Colas	9,670	9,664	=	=
TF1	1,853	1,746	-6%	-6%
Bouygues Telecom	3,951	3,453	-13%	-12%
Holding company and other	94	89	nm	nm
Intra-Group elimination	(350)	(406)	nm	nm
Total	24,597	24,255	-1%	-1%
o/w France	16,367	16,156	-1%	-1%
o/w international	8,230	8,099	-2%	-1%

Contribution of business areas to EBITDA (€ million)	9-month		% change
	2012	2013	
Bouygues Construction	432	396	-8%
Bouygues Immobilier	117	131	+12%
Colas	538	497	-8%
TF1	201	146	-27%
Bouygues Telecom	807	727	-10%
Holding company and other	(24)	(19)	nm
TOTAL	2,071	1,878	-9%

Contribution of business areas to current operating profit (€ million)	9-month		% change
	2012	2013	
Bouygues Construction	260	309	+19%
Bouygues Immobilier	123	123	=
Colas	236	223	-6%
TF1	154	104	-32%
Bouygues Telecom	206	160	-22%
Holding company and other	(25)	(21)	nm
TOTAL	954	898	-6%

Contribution of business areas to net profit attributable to the Group (€ million)	9-month		% change
	2012	2013	
Bouygues Construction	174	204	+17%
Bouygues Immobilier	75	70	-7%
Colas	172	181	+5%
TF1	38	27	-29%
Bouygues Telecom	68	86	+26%
Alstom	181	168	-7%
Holding company and other	(144)	(188)	nm
TOTAL	564	548	-3%

Net cash by business area (€ million)	At end-September		Change (€m)
	2012	2013	
Bouygues Construction	2,700	2,697	-€3m
Bouygues Immobilier	168	155	-€13m
Colas	(786)	(834)	-€48m
TF1	(18)	189	+€207m
Bouygues Telecom	(1,475)	(745)	+€730m
Holding company and other	(6,421)	(7,055)	-€634m
TOTAL	(5,832)	(5,593)	+€239m

Contribution of business areas to net capital expenditure (€ million)	9-month		Change (€m)
	2012	2013	
Bouygues Construction	117	96	-€21m
Bouygues Immobilier	10	7	-€3m
Colas	223	170	-€53m
TF1	18	30	+€12m
Bouygues Telecom	586 ⁽¹⁾	561 ⁽²⁾	-€25m
Holding company and other	4 ⁽¹⁾	1 ⁽²⁾	-€3m
TOTAL EXCL. 4G FREQUENCIES	958⁽¹⁾	865⁽²⁾	-€93m
4G FREQUENCIES	715	33	-€682m
TOTAL	1,673	898	-€775m

¹ Excluding acquisition cost and capitalised interest related to 4G frequencies for €715 million at Group level (o/w €693 million at Bouygues Telecom and €22m at Holding company level)

² Excluding capitalised interest related to 4G frequencies for €33 million at Group level (o/w €13 million at Bouygues Telecom and €20 million at Holding company level)

Contribution of business areas to free cash flow ³ Before change in working capital requirement (€ million)	9-month		Change (€m)
	2012	2013	
Bouygues Construction	203	260	+€57m
Bouygues Immobilier	72	78	+€6m
Colas	296	296	=
TF1	109	85	-€24m
Bouygues Telecom	84 ⁽¹⁾	34 ⁽²⁾	-€50m
Holding company and other	(51) ¹	(91) ²	-€40m
TOTAL	713⁽¹⁾	662⁽²⁾	-€51m

¹ Excluding acquisition cost and capitalised interest related to 4G frequencies for €715 million at Group level (o/w €693 million at Bouygues Telecom and €22m at Holding company level)

² Excluding capitalised interest related to 4G frequencies for €33 million at Group level (o/w €13 million at Bouygues Telecom and €20 million at Holding company level)

³ Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure