

First-half 2014 results presentation

Paris – 32 Hoche
28 August 2014



BUILDING THE FUTURE IS OUR GREATEST ADVENTURE



This presentation contains forward-looking information and statements about the Bouygues group and its businesses. Forward-looking statements may be identified by the use of words such as “will”, “expects”, “anticipates”, “future”, “intends”, “plans”, “believes”, “estimates” and similar statements.

Forward-looking statements are statements that are not historical facts, and include, without limitation: financial projections, forecasts and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance of the Group. Although the Group’s senior management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Group, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and undue reliance should not be placed on such statements. The following factors, among others set out in the Group’s Registration Document (*Document de Référence*) in the chapter headed Risk factors (*Facteurs de risques*), could cause actual results to differ materially from projections: unfavourable developments affecting the French and international telecommunications, audiovisual, construction and property markets; the costs of complying with environmental, health and safety regulations and all other regulations with which Group companies are required to comply; the competitive situation on each of our markets; the impact of tax regulations and other current or future public regulations; exchange rate risks and other risks related to international activities; industrial and environmental risks; aggravated recession risks; compliance failure risks; brand or reputation risks; information systems risks; risks arising from current or future litigation. Except to the extent required by applicable law, the Bouygues group makes no undertaking to update or revise the projections, forecasts and other forward-looking statements contained in this presentation.

Reminder: change of accounting methods in 2014



As announced

- The figures published in 2013 have been restated for IFRS 11
- Following the sale of a controlling stake to Discovery Communications on 30 May 2014, TF1's remaining 49% interest in Eurosport International is consolidated by the equity method from 1 June 2014
- To simplify the accounting method, Alstom's contribution to Bouygues' net profit is now booked only in respect of Bouygues' Q1 and Q3; it is calculated from the net results reported by Alstom for the six months ended 31 March and 30 September

HIGHLIGHTS AND KEY FIGURES

BUSINESS AREAS

ALSTOM

FINANCIAL STATEMENTS

OUTLOOK

Highlights



In a challenging economic and competitive environment in H1 2014 in France, **Bouygues continues to demonstrate**

- Its **competitiveness** and its **innovation capacity to the benefit of customers**
 - ✓ **Robust commercial performance** of the construction businesses
 - ✓ **Good audience ratings** at TF1
 - ✓ **Success of the new commercial offers** at Bouygues Telecom
 - **No. 1 in the fixed activity** for the third consecutive quarter¹
 - **4G** taken up by **16%** of mobile **customers**

- Its **ability to ensure the strength of its financial structure** while operating conditions were more difficult, in particular for Bouygues Telecom and Colas in France
 - ✓ Ability to sell assets at the right moment in order to **finance new developments**
 - ✓ Ability to find the financial resources to improve **free cash flow generation**

(1) Company estimate for Q2 2014 and Arcep figures for Q4 2013 and Q1 2014

Group key figures



€m	H1 2013 restated	H1 2014	Change
Sales	15,094	15,182	+1% ¹
Current operating profit	347	134	-€213m
Operating profit	347	523 ⁽²⁾	+€176m
Net profit attributable to the Group	188	410 ⁽³⁾	+€222m

(1) Up 1% like-for-like and at constant exchange rates (2) Including non-current operating income of €81m related to Bouygues Telecom and a capital gain of €308m on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%) (3) Including a net capital gain of €240m on the sale by Colas of its stake in Cofiroute

- Sales were driven by **international growth** (up 8% vs H1 2013)
- Current operating profit mainly reflects the expected **decline in profitability** at **Bouygues Telecom**
- Operating profit includes **non-current items** giving a positive **€389m**
 - ✓ **Non-current income of €737m** related to the sale of the controlling interest in **Eurosport International** in Q2 2014 and to **litigation settlements** at Bouygues Telecom
 - ✓ **Non-current charges of €348m** mainly related to the **cost of the transformation plan** at Bouygues Telecom
- Net profit attributable to the Group includes a **net capital gain of €240m on the sale** of the stake in **Cofiroute** in Q1 2014

Group free cash flow



€m	H1 2013 restated	H1 2014	Change
Cash flow	1,002	1,044	+€42m
- Cost of net debt	(157)	(163)	-€6m
- Income tax expense	(98)	(59)	+€39m
- Net capital expenditure	(592) ⁽²⁾	(592)	=
Free cash flow ⁽¹⁾	155 ⁽²⁾	230	+€75m

(1) Before change in WCR (2) Excluding capitalised interest related to 4G frequencies for €21m at Group level

- **Tight control of capital expenditure**
- The Group managed to find the financial resources to withstand the decline in H1 current operating profit and **maintain free cash flow generation**
 - ✓ Cash flow benefited from non-current income at Bouygues Telecom

Group financial position



€m	End-Dec 2013 restated	End-June 2014	Change	End-June 2013 restated
Shareholders' equity	8,669	8,952	+€283m	9,603
Net debt	4,435	5,174	+€739m	5,757
Net gearing	51%	58%	+7 pts	60%

- Change in net debt between end-December 2013 and end-June 2014 reflects
 - ✓ The usual **seasonal** effect at **Colas'** business
 - ✓ **Proceeds from the sale of the stakes in Cofiroute** for €780m in Q1 2014 and in **Eurosport International** for €256m in Q2 2014
 - ✓ A **particularly unfavourable trend in WCR** not representative of the full-year

HIGHLIGHTS AND KEY FIGURES

BUSINESS AREAS

ALSTOM

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OUTLOOK

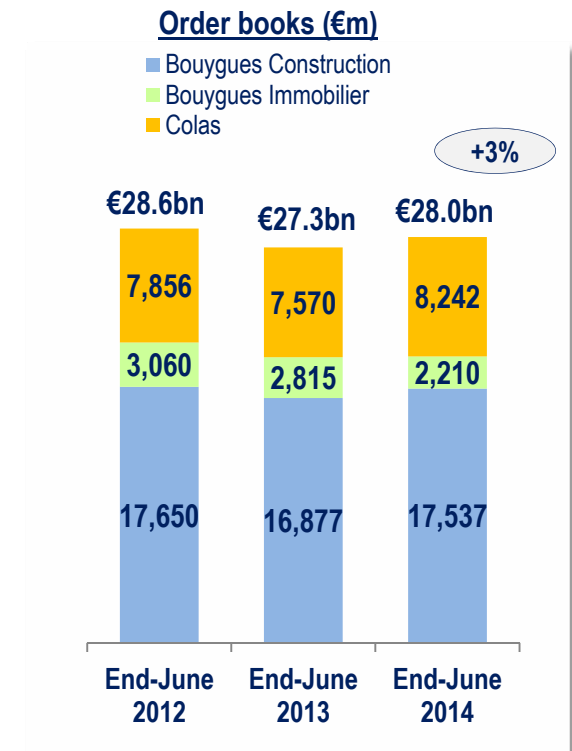
Construction businesses



Robust commercial performance of the construction businesses



- Order book: **€28.0bn** at end-June 2014, **up 3%** year-on-year
- **Increased international presence**
 - ✓ **50%** of the order book at Bouygues Construction and Colas on international markets (vs 46% at end-June 2013): **€12.9bn**, **up 15%** year-on-year



A tougher environment in France



■ The French market was tougher in H1 2014

- ✓ **Slowdown in public-sector orders** since the municipal elections, particularly in roads
- ✓ Scarcity of very large contracts
- ✓ No recovery in the property market

■ However

- ✓ **Bouygues Construction's** order book provides good **visibility**
 - A number of large contracts were booked in H1 2014: Paris-Bercy sports stadium, 'City of Music' on Seguin island at Boulogne-Billancourt and new hospital buildings in Strasbourg
- ✓ **Government measures** to **stimulate residential property** are set to be taken in Q4 2014 (impact in 2015)
- ✓ **Colas' railways** activity is growing
- ✓ The **potential for large infrastructure projects** remains strong in the medium term, notably as part of "Grand Paris" infrastructure programme
 - Example: contract for package 2 of the Paris metro line 14 extension, booked in July 2014

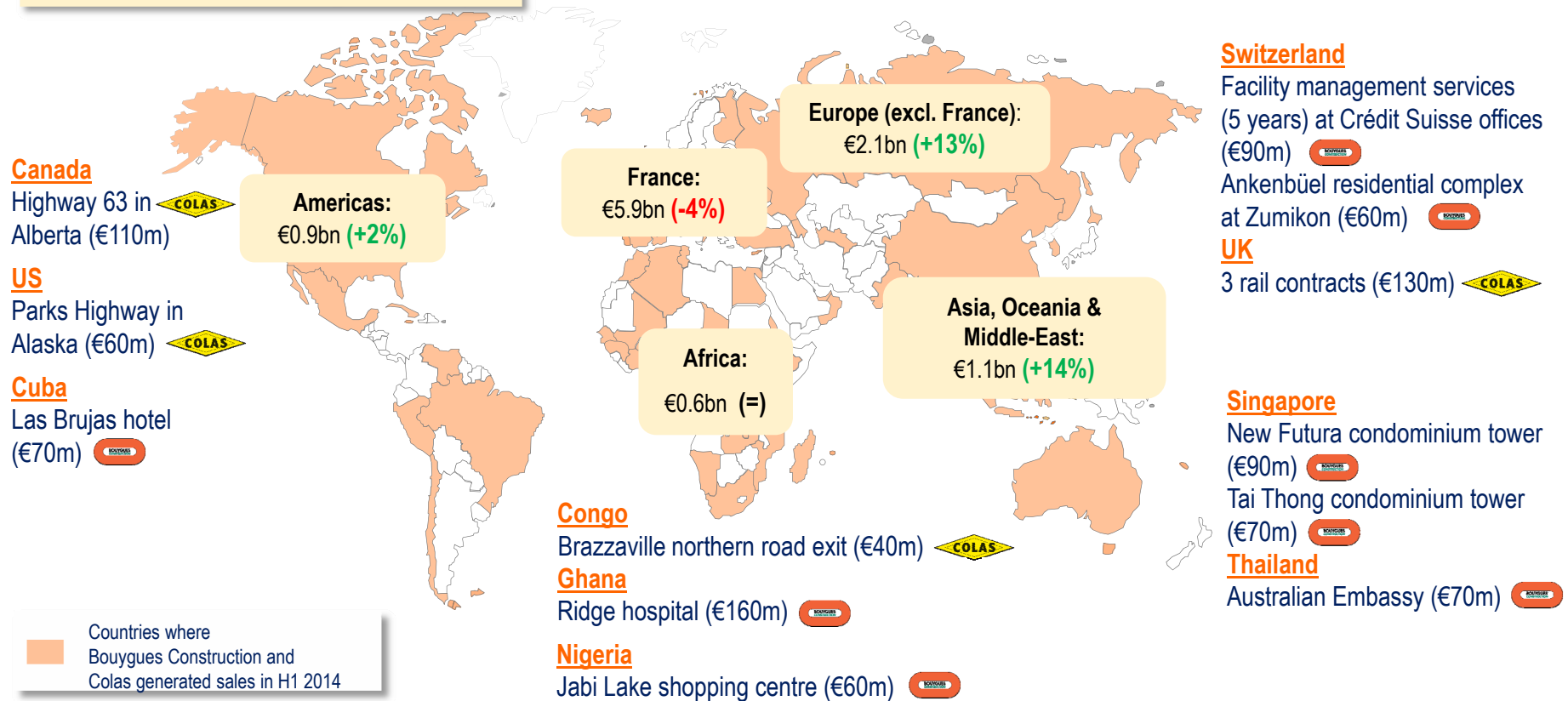
Dynamic international activity

BOUYGUES

Operations in more than 100 countries

Sales generated by Bouygues Construction and Colas in H1 2014 (and change vs H1 2013)

Main international orders taken in H1 2014
(rounded up/down)



International momentum: the example of Canada (1/2)



■ **Bright economic prospects** in the short- and medium terms

- ✓ One of the countries in the world the least affected by the crisis
- ✓ Civil engineering infrastructure needs in Canada estimated at more than CAD170bn¹

■ **Operations by Colas since 1962 and Bouygues Construction since 2008**

- ✓ 2013 sales of over €1bn
- ✓ Average annual sales growth of 7% since 2007

■ **New developments in Canada**

- ✓ At end-2013, **Colas** set up operations in Ontario with the **acquisition** of **Furfari Paving**, a roadworks company
- ✓ In July 2014, Bouygues Construction took an **85% interest in Canadian company Plan Group, specialising in electrical engineering** (design, installation, maintenance and related services)
 - 2013 order book: ~€260m. 2013 sales: ~€240m
 - Consolidated in Bouygues Construction's financial statements from the financial close (scheduled end-Q3 2014)

(1) Source: Ernst and Young report, '2013 infrastructure', *Global Priorities, Global Insights*

International momentum: the example of Canada (2/2)

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Examples of completed or ongoing projects



Surrey hospital (British Columbia)

- 30-year PPP to finance, design, build, operate and maintain a hospital building
- Contract worth €114m for Bouygues Construction
- Duration of the works: 2008-2011

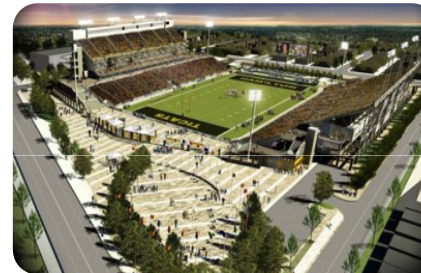
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CONSTRUCTION



Motorway and rail contracts (Quebec and Alberta)

- Construction and upgrading of sections of Highways 73 and 85 in Quebec
 - Construction of an intermodal rail logistics hub in Calgary
- Contract worth €160m for Colas
- Duration of the works: 2012-2015

COLAS



Sports facilities for Pan American Games (Ontario)

- Financing, design and construction of sports facilities in Ontario for the 2015 Pan American Games
- Contract worth €111m for Bouygues Construction
- Duration of the works: 2012-2014

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CONSTRUCTION



Iqaluit International Airport (Arctic North)

- Financing, design and construction of a new terminal
- Works valued at €160m for Bouygues Construction and Colas
- Handover scheduled for end-2017

BOUYGUES
CONSTRUCTION

COLAS

Business activity at Bouygues Construction



■ Good level of order intake

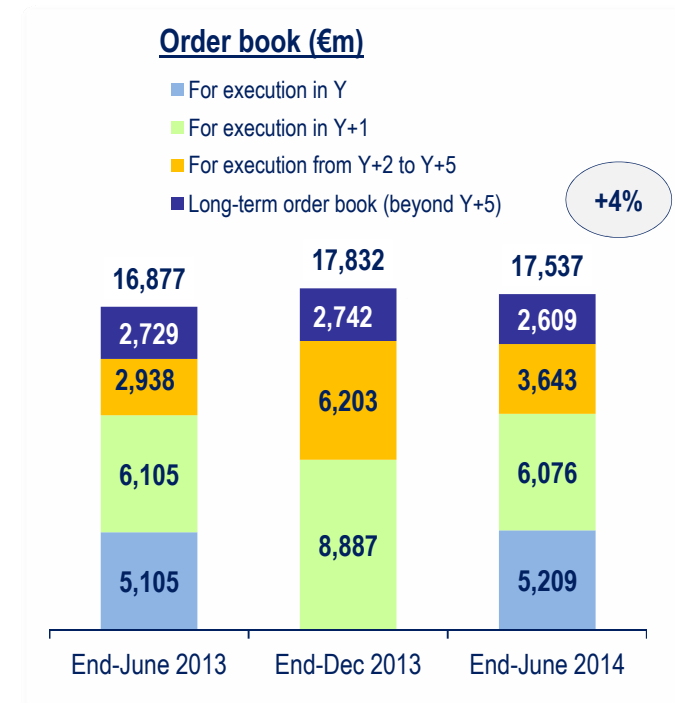
- ✓ €5.2bn in H1 2014, up 2% year-on-year
- ✓ Includes the 'City of Music' contract on Seguin island for around €200m in Q2 2014

■ Order book at a high level of €17.5bn at end-June 2014, up 4% year-on-year

- ✓ Strong visibility on full-year 2014 with €10.8bn in sales secured at 30 June 2014



*'City of Music' on Seguin Island,
Boulogne-Billancourt*



Business activity at Bouygues Immobilier



■ Residential property reservations reflect a market in crisis

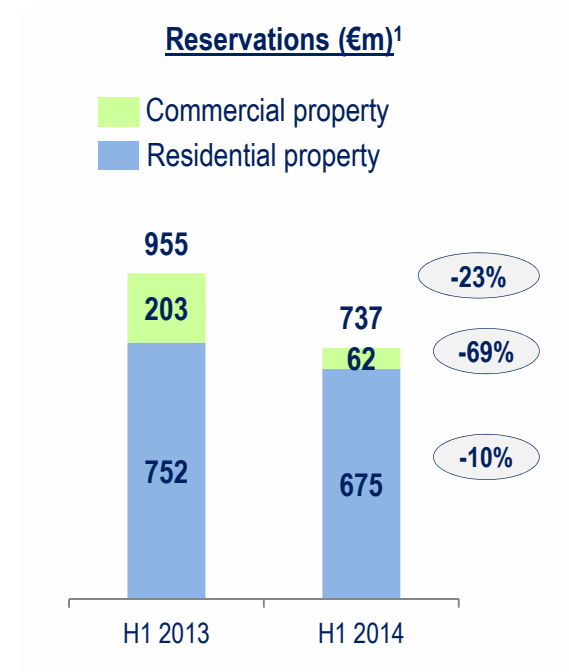
- ✓ Increased **wait-and-see** attitude since Q2 2014 and **market contraction expected in 2014**
- ✓ **Commercial efforts** stepped up
- ✓ Necessary **trade-off** between volumes and margins

■ Decline in reservations in H1 2014 **not representative** of the full year

- ✓ A number of **commercial property** projects and **significant residential block sales** expected in **H2 2014**

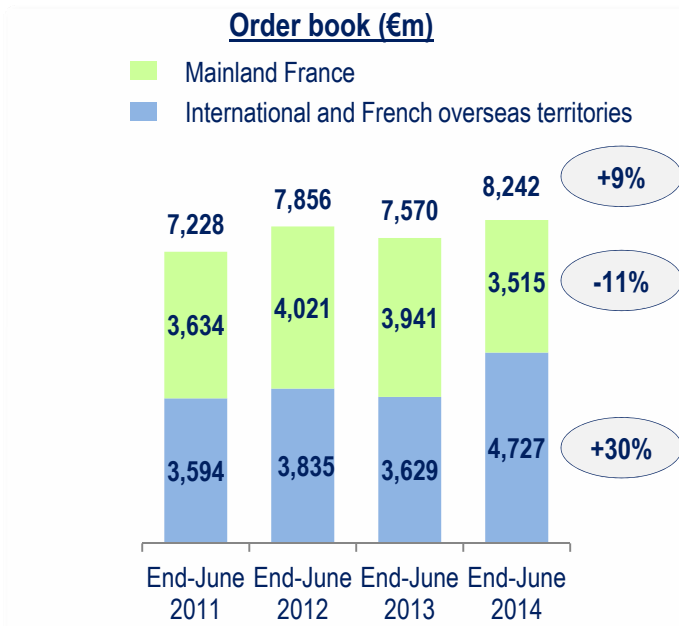


*Les Lodges, Chanteloup-en-Brie,
labelled as an “exceptional building”
by Ademe*



(1) Definition: residential property reservations are reported net of cancellations. Commercial property reservations are firm orders which cannot be cancelled (notarised deeds of sale)

Business activity at Colas



- Order book at a high level of **€8.2bn**, up **9%** year-on-year
 - ✓ Decline in order intake in France following the **slowdown in local authority spending** after the municipal elections
 - ✓ Strong **momentum in French overseas territories and international markets**
- **Longer order book**
 - ✓ Orders to be executed **beyond 2014** were up **35%** year-on-year (up €945m) at end-June 2014
 - ✓ Orders to be executed **in 2014** were **down 5%** year-on-year at end-June 2014

*Roland-Garros airport,
Reunion island*



Financial results of the construction businesses



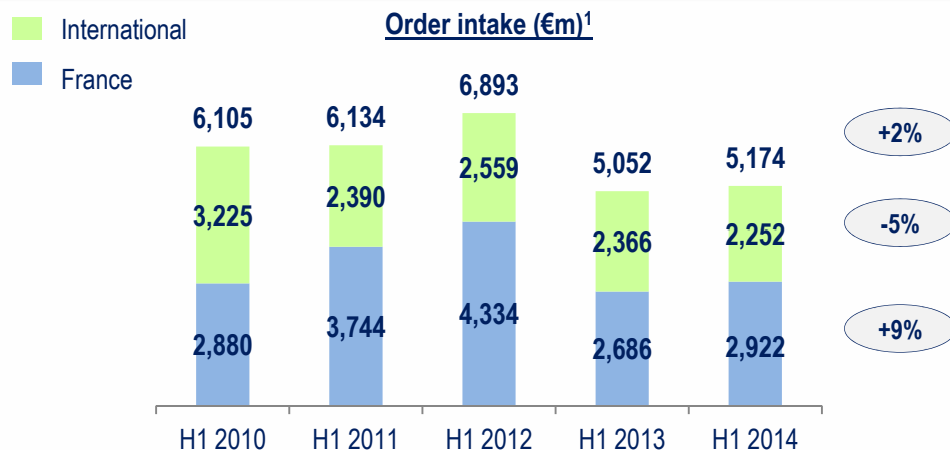
€m	H1 2013 restated	H1 2014	Change
Sales	11,632	11,854	+2% ¹
<i>o/w France</i>	7,209	7,040	-2%
<i>o/w international</i>	4,423	4,814	+9%
Current operating profit/(loss)	201	137	-€64m
<i>o/w Bouygues Construction</i>	204	180	-€24m
<i>o/w Bouygues Immobilier</i>	84	71	-€13m
<i>o/w Colas</i>	(87)	(114)	-€27m
Current operating margin	1.7%	1.2%	-0.5 pts

(1) Up 3% like-for-like and at constant exchange rates (down 3% in France and up 11% internationally)

- **Sales growth** driven by **international activities**
- **Start** of a number of **major projects** at **Bouygues Construction**
- **Tougher French roads market** for **Colas** and increase in the current operating **loss** at the **sales of refined products activity**
 - ✓ Options are currently being reviewed to stem recurrent losses at the sales of refined products activity (operating loss of €30m in H1 2014 vs €23m in H1 2013 and €46m in 2013)

Key figures at Bouygues Construction

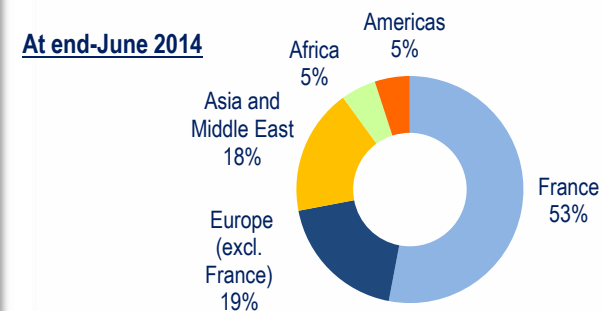
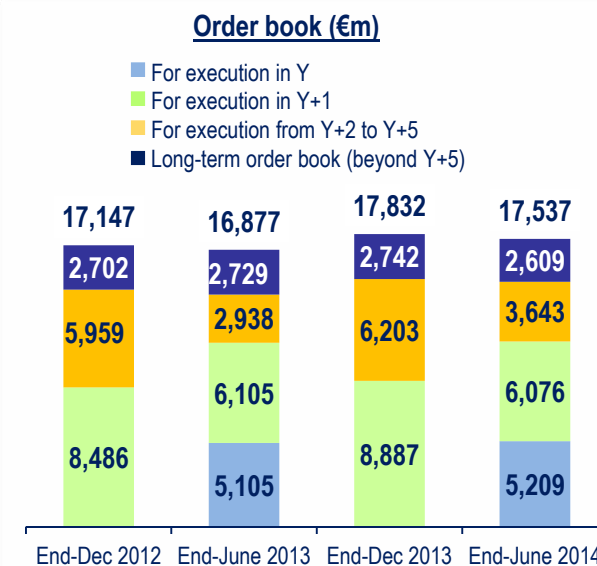
BOUYGUES



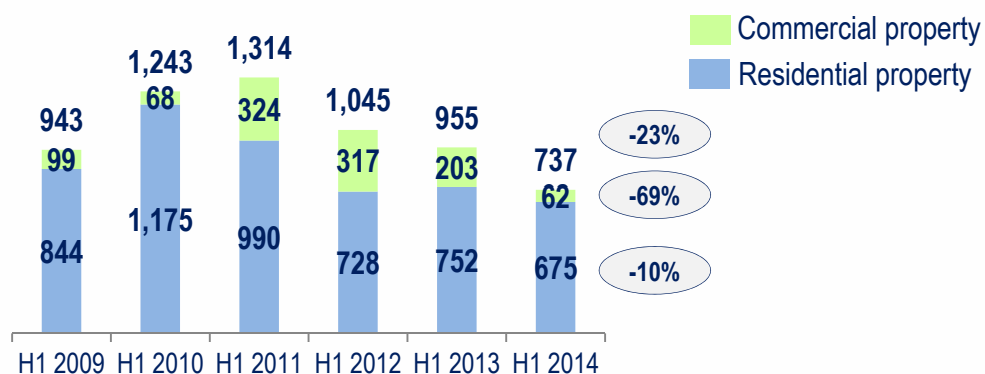
(1) Definition: contracts are booked as order intakes at the date they take effect

€m	H1 2013 restated	H1 2014	Change
Sales	5,228	5,558	+6% ²
o/w France	2,901	2,909	=
o/w international	2,327	2,649	+14%
Current operating profit	204	180	-€24m
Current operating margin	3.9%	3.2%	-0.7 pts
Net profit attributable to the Group	131	123	-€8m

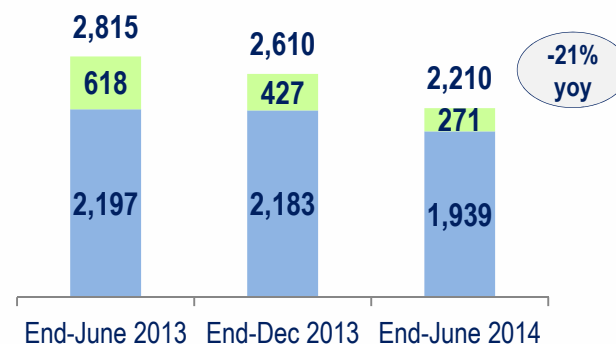
(2) Up 7% like-for-like and at constant exchange rates



Key figures at Bouygues Immobilier

Reservations (€m)¹

Order book (€m)



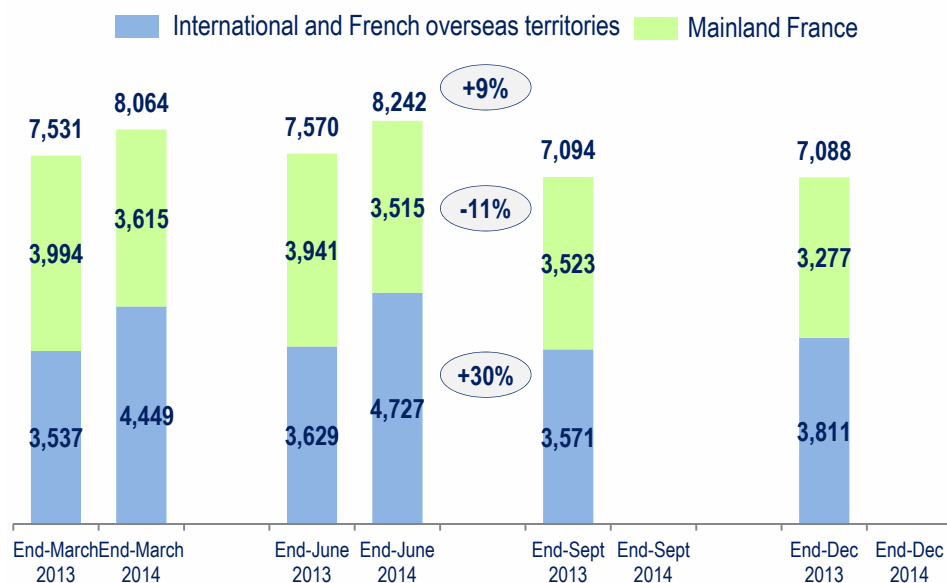
(1) Definition: residential property reservations are reported net of cancellations. Commercial property reservations are firm orders which cannot be cancelled (notarised deeds of sale)

€m	H1 2013 restated	H1 2014	Change
Sales	1,143	1,192	+4% ²
o/w residential	973	986	+1%
o/w commercial	170	206	+21%
Current operating profit	84	71	-€13m
Current operating margin	7.3%	6.0%	-1.3 pts
Net profit attributable to the Group	45	42	-€3m

(2) Up 3% like-for-like and at constant exchange rates

Key figures at Colas

Order book (€m)



€m	H1 2013 restated	H1 2014	Change
Sales	5,456	5,294	-3% ⁽¹⁾
<i>o/w France</i>	3,377	3,155	-7%
<i>o/w international</i>	2,079	2,139	+3%
Current operating profit/(loss)	(87)	(114)	-€27m
Net profit/(loss) attributable to the Group	(32)	317⁽²⁾	+€349m

(1) Down 2% like-for-like and at constant exchange rates

(2) Including a net capital gain of €385m on the sale of the stake in Cofiroute



H1 highlights at TF1



■ Stable audience ratings at the TF1 group in H1 2014

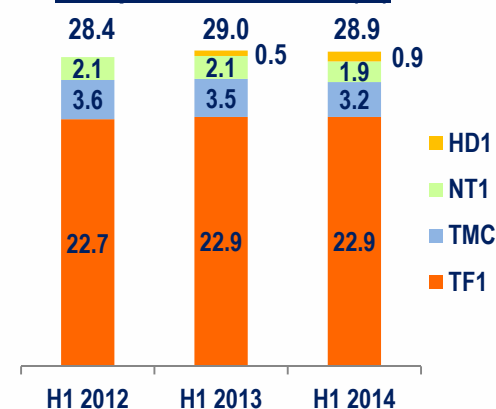
- ✓ TF1 channel audience ratings progressed in Q2 2014 (up 0.8 pts vs Q2 2013) spurred by the 2014 FIFA World Cup
- ✓ 16.9m viewers for the France/Germany quarter-final, a record figure all programmes included since October 2007

■ Sale of an additional 31% interest in Eurosport International to Discovery Communications on 30 May 2014

- ✓ Consolidation by the equity method of TF1's remaining 49% interest from 1 June 2014

■ On 29 July 2014, CSA rejected LCI's request to migrate to free-to-air DTT

Group audience share¹ (%)



2014 FIFA World Cup show,
Denis Brogniart, Estelle Denis and Franck Leboeuf ²⁴

(1) Individuals aged 4 and over – Source: Médiamétrie

Financial results at TF1



€m	Q1 2014 ⁽¹⁾	Change vs 2013	Q2 2014 ⁽¹⁾	Change vs 2013	H1 2014 ⁽¹⁾	Change vs 2013
Sales	556	-1%	619	-3%	1,175	-2% ²
<i>o/w group advertising</i>	369	=	430	-5%	799	-2%
Current operating profit	23	+€39m	27	-€60m	50	-€21m
<i>Current operating margin</i>	4.1%	+6.9 pts	4.4%	-9.2 pts	4.3%	-1.6 pts
Operating profit	23	+€39m	350 ⁽³⁾	+€263m	373 ⁽³⁾	+€302m
Net profit attributable to the Group	15	+€21m	308	+€260m	323	+€281m

(1) At Bouygues group level, the sales and operating profit of Eurosport International remained included in the results of TF1 until the sale of the additional 31% stake in Eurosport International to Discovery Communications on 30 May 2014

(2) Down 2% like-for-like and at constant exchange rates

(3) Including a capital gain of €323m on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%)

- Current operating profit includes the **cost of screening the FIFA World Cup** and the **savings from the optimisation plan**
 - ✓ **€56m** in programming costs related to the 2014 **FIFA World Cup** in Q2 2014
 - ✓ **€10m of recurrent savings** generated in H1 2014 with a **total of €66m** generated since 2012 and a targeted €85m by end-2014
- Q2 2014 operating profit includes a **capital gain of €323m** on the sale of the 31% stake in Eurosport International and the remeasurement of the remaining 49%



Bouygues Telecom's strategy



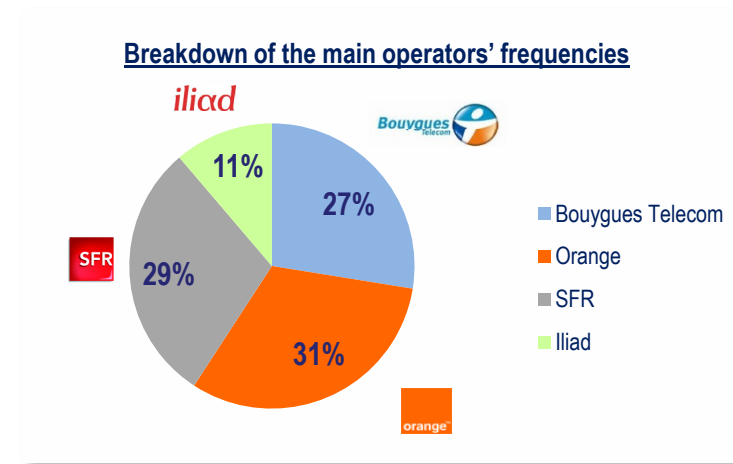
- Given the prospect of exponential **growth** in **digital services**, Bouygues Telecom is implementing an **aggressive strategy** around **three main priorities**
 - ✓ **Creating value** by developing **mobile data** use
 - ✓ Pursuing **growth in the fixed broadband business** by making services and very-high-speed broadband accessible to as many people as possible
 - ✓ Accelerating the company's **transformation** while reasserting its **positioning**

- Bouygues Telecom has the **necessary strengths** to regain increased **competitiveness** on a market with four operators
 - ✓ A **state-of-the-art mobile network**, and a comprehensive **portfolio** of **frequencies**
 - ✓ **Attractive offers** and a **technological breakthrough** in the fixed activity
 - ✓ A **cost structure** adapted to the **changed market**

Creating value by developing mobile data use (1/2)



- A **quality** mobile network requires a large quantity of **spectrum**
 - ✓ In **4G**, the **speeds** available to customers are directly **correlated** to an operator's **quantity of frequencies**
 - ✓ In the long term, all frequency bands will be used for 4G (technological neutrality)
- Bouygues Telecom has invested in a **portfolio of frequencies**, giving it a **long-term competitive advantage**, in order to implement its strategy of **winning high-value customers**
 - ✓ Acquisition of nearly a **1/3 of available spectrum** in order to prepare for an **explosion in data usages**
 - ✓ **€1.5bn invested** in acquiring frequencies and **€70m of annual 4G licence fee** related to the 1800 MHz refarming
 - ✓ A diversified spectrum portfolio containing **all the frequency bands**

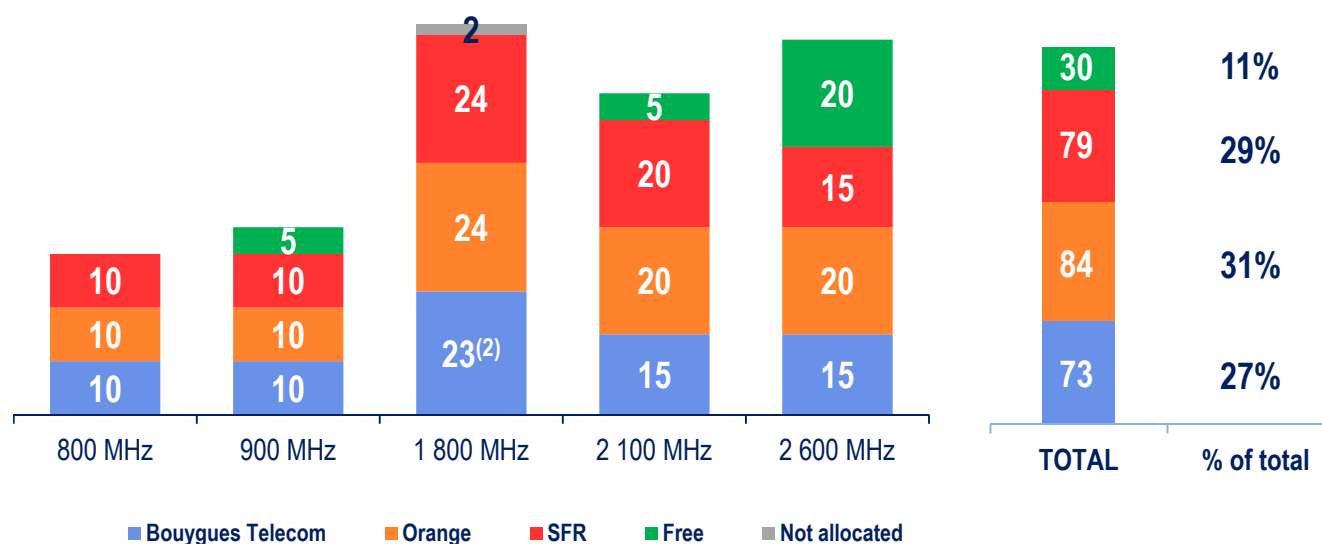


Breakdown of spectrum in France



Quantity of frequencies allocated to the various operators (MHz duplex)¹

As at 15 July 2014



- Bouygues Telecom has **31% of the low frequencies** (800 MHz and 900 MHz) which provide **quality 4G indoors** and facilitate data usages

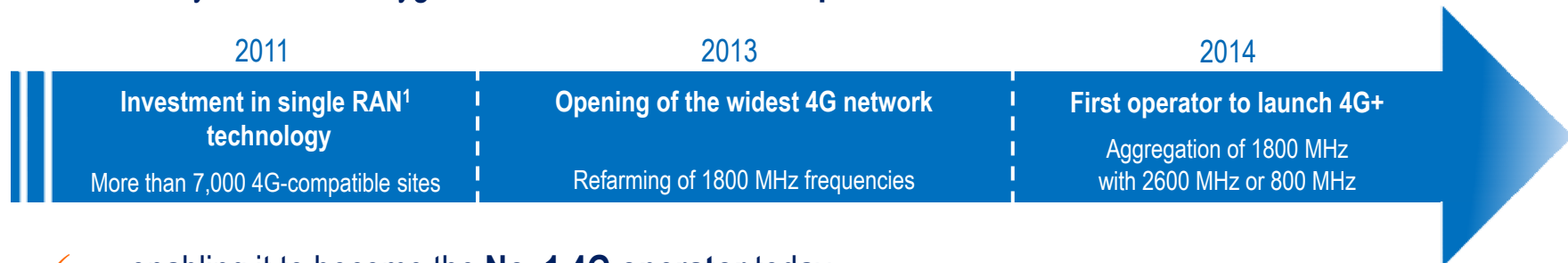
(1) The quantity of FDD (Frequency Division Duplexing - a technique where two separate frequency bands are used at the transmitter and receiver side) spectrum is rounded up or down.
Source: Arcep (2) The quantity of frequencies allocated to Bouygues Telecom in the 1800 MHz band, after the return of spectrum in certain towns and cities according to a timetable provided in Arcep decision No. 2013-0514.

Creating value by developing mobile data use (2/2)



■ A modern, high-quality mobile network

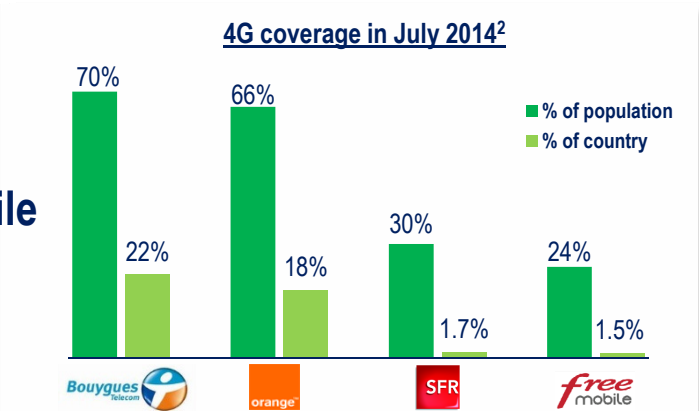
- ✓ As early as 2011, Bouygues Telecom initiated a **complete modernisation** of its network...



- ✓ ...enabling it to become the **No. 1 4G operator** today
 - No. 1 in 4G coverage with **70%** of the population covered²
 - No. 1 in speeds thanks to **4G+** (speeds of up to **220 Mbits/s**³)

■ Innovation to be launched in 2015: **Ultra High Speed Mobile**

- ✓ An offer competitors will find **difficult to match**
- ✓ Speeds close to **300 Mbits/s** thanks to the aggregation of 3 frequency bands



(1) Single RAN technology allows operators to support all existing mobile communication standards (from GSM to LTE) on one single network

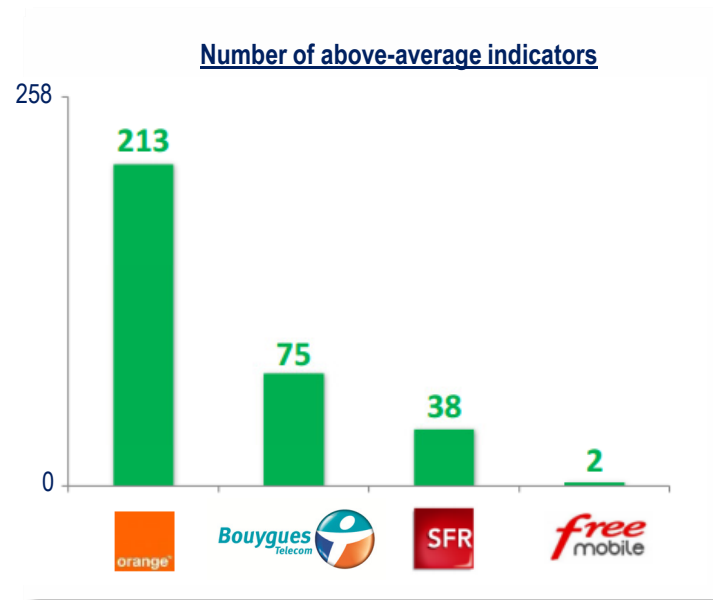
(2) Arcep observatory on the coverage and quality of mobile services (3) Maximum theoretical download speed

A modern, high-quality mobile network

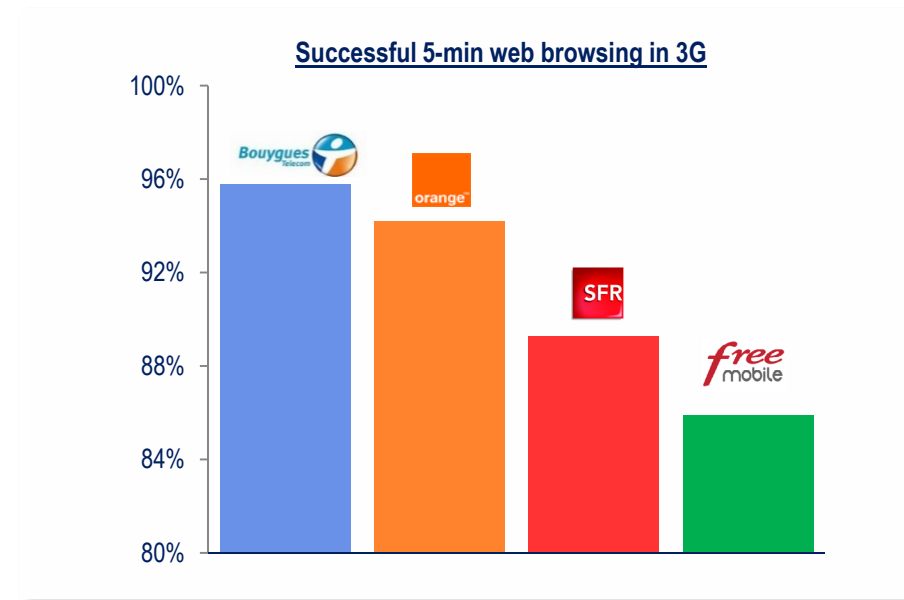
BOUYGUES

According to Arcep's survey of the quality of mobile services in mainland France in June 2014,
Bouygues Telecom is

■ No. 2 all criteria included



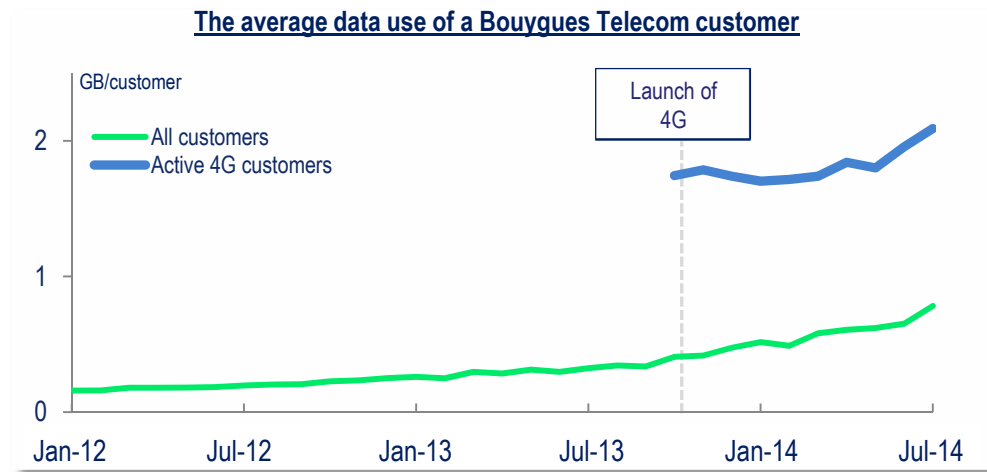
■ No. 1 for successful 5-min web browsing in 3G



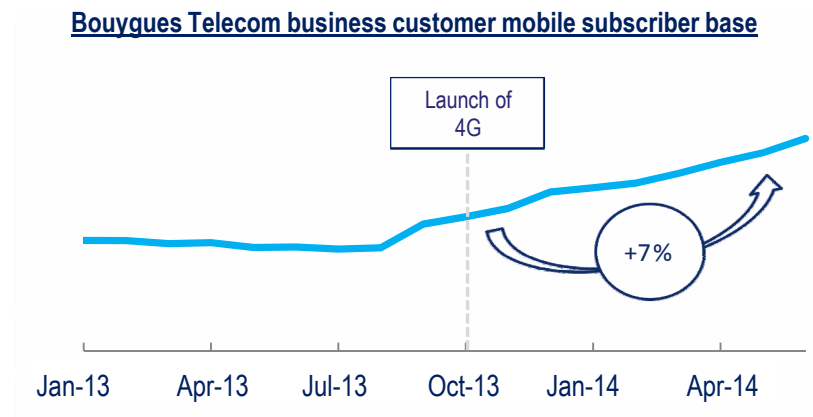
The positive impact of 4G for Bouygues Telecom

BOUYGUES

- The average data use of a Bouygues Telecom customer: **x2** since the launch of 4G



- Business customer mobile subscriber base up **7%** since the launch of 4G

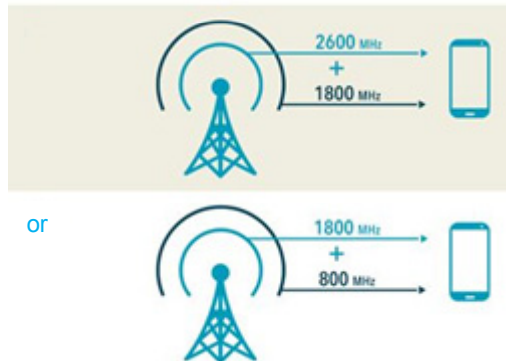


From 4G+ to Ultra High Speed Mobile

Bouygues Telecom already offers **4G+** and is preparing for **Ultra High Speed Mobile** which competitors will find difficult to match

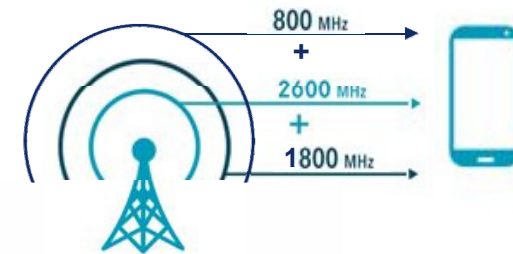
■ From 4G+...

- ✓ Aggregation of **2 frequency bands**: each new 2600 or 800 MHz base station can provide 4G+ directly thanks to the 1800 MHz already rolled out at 7,000 sites
- ✓ Speeds up to **twice as fast** as 4G
- ✓ **Available in France's 16 biggest towns and cities** from September 2014



■ ...to Ultra High Speed Mobile

- ✓ Aggregation of **3 frequency bands** (800 MHz/1800 MHz/2600 MHz) for an available total of **45 MHz**
- ✓ Speeds up to **3 times faster** than 4G



Pursuing growth in fixed broadband (1/3)

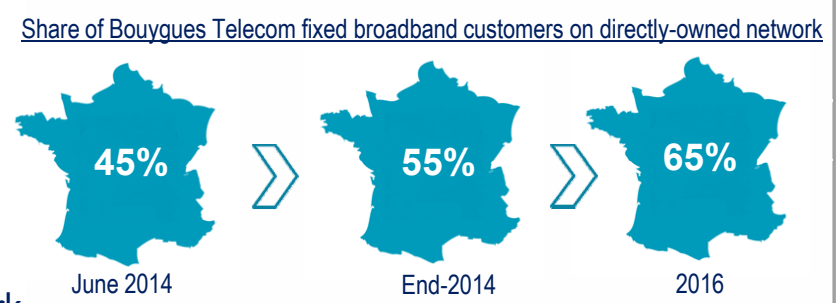


- **The network directly owned** by Bouygues Telecom is already accessible to **12m households in broadband** and to **1.1m households in FTTH¹**

- ✓ Enabling Bouygues Telecom to offer its customers **market-beating prices** (€15.99, €19.99 and €25.99)

- **Roll-out** is speeding up in order to **increase the number of customers that may benefit from these low prices**

- ✓ Winning new customers on the directly-owned network
- ✓ Coverage targets for directly-owned network at end-2015
 - **16m** eligible households for **broadband**
 - **2m households** with access to **FTTH¹**
- ✓ Agreements with SFR & Orange for a **target of 6.5m** households covered by **FTTH** in the long term

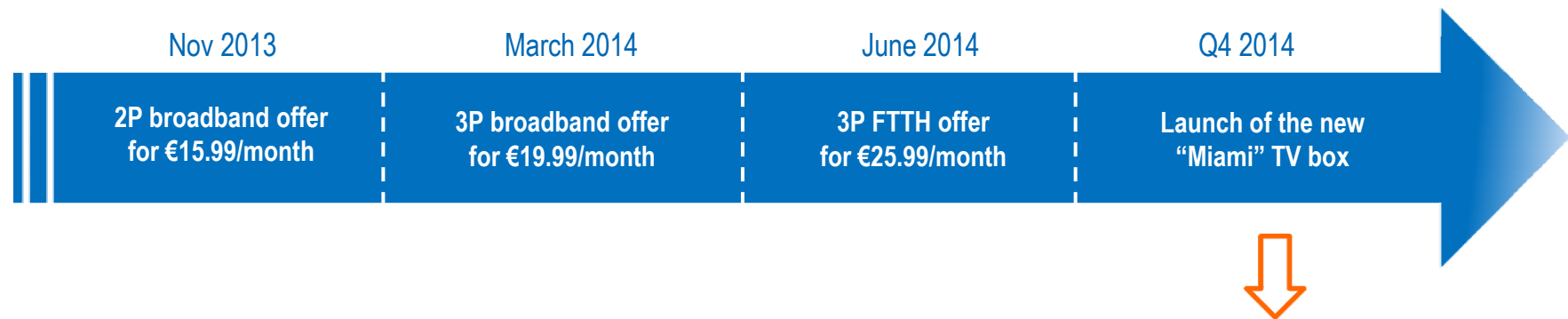


(1) Number of fibre optic horizontal and vertical connections by Bouygues Telecom

Pursuing growth in fixed broadband (2/3)



- Strategy of offering **low prices and technological breakthroughs** in fixed broadband since end-2013



- ✓ Bouygues Telecom is preparing for a **revolution**: bringing together **traditional television and web content**, responding to the growing appetite for consumption on demand
- ✓ Launch of a **major technological innovation** by the end of the year: the "Miami" TV Box

The “Miami” TV Box

BOUYGUES

A fast and pertinent
suggestion engine based on
user preferences



Partnership with **Google** and
access to the large
eco-system of
Android developers

One single box and
access to **three
technologies**
(DTT, IPTV, OTT)



The “Miami” TV Box

Connection possible from
**all Android-compatible
devices**



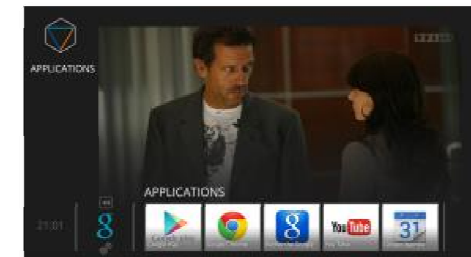
Comprehensive **catalogue of
applications** via access to
Google Play Store

**TV and web in a single
interface** (connected television,
games, VOD, etc.)

Pursuing growth in fixed broadband (3/3)



- A revolutionary **TV box** at an **affordable price** and a **reduced cost**
 - ✓ **TV box production cost halved** vs the Bbox Sensation...
 - ✓ ...benefitting from perpetual **app innovations** by **Android developers** at an affordable price...
 - ✓ ...and fully in line with the operator's **strategy of offering market-beating prices**
 - An attractively-priced premium offer (less than €30/month)
- **By integrating 3 technologies** (DTT, IPTV, OTT), the “Miami” TV Box offers television and the related services via a **3P offer to a larger number of customers**



Accelerating transformation while reasserting the positioning (1/2)

BOUYGUES

- **Helping customers** embrace the new uses of digital technology
 - ✓ **Redesigned stores**, more focused on the sale and use of connected objects
 - ✓ **Enhanced mobile customer relations** with advisers based in France

- **Simplification of offers and processes**
 - ✓ The **radical simplification of offers** will facilitate choice for customers: there will be fewer offers, they will be clearer and easier to compare
 - ✓ As early as the end of 2014, this far-reaching overhaul will **simplify processes** and automatically **reduce** the use of **support functions** (IT, marketing, etc.)

Accelerating transformation while reasserting the positioning (2/2)

BOUYGUES

- **Adapt the cost structure** to the fall in market value
 - ✓ Roll-out of a **plan to generate savings of €300m by end-2016** vs 2013, around half of which in 2015
 - ✓ These savings are to come from the **simplification of offers and processes** and the related downsizing
 - ✓ Terms of the draft **redundancy plan** currently being negotiated with social partners
 - Downsizing target: around 1,500 jobs
 - The first redundancies could take place at the beginning of November 2014

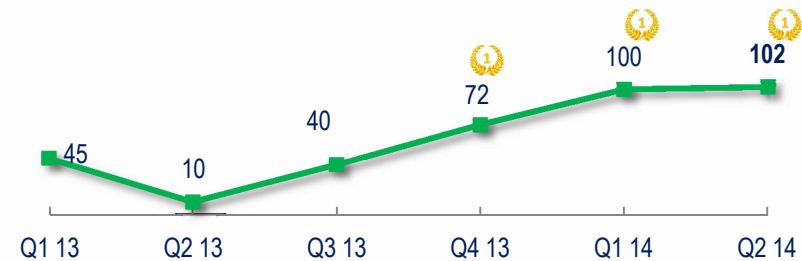
- The implementation of these transformations will trigger a **major change in the organisation** of the company and make it **more dynamic and more agile** to the benefit of customers

H1 commercial performance, a result of the strategy

BOUYGUES

'000	End-Dec 2013	End-March 2014	End-June 2014
Mobile customer base	11,143	11,064	11,024
<i>o/w B&YOU subscribers</i>	1,750	1,876	1,966
Fixed subscribers¹	2,013	2,113	2,215
Total subscriber base	13,156	13,177	13,239

Net growth of the fixed broadband business ('000)¹



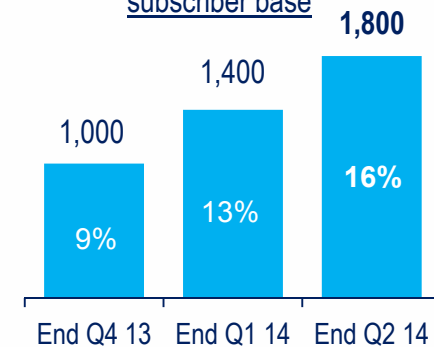
■ Growth in value-added plans

- ✓ More than 70% of retail plan customers subscribed to a **value-added plan²** at end-June 2014
- ✓ **16%³** of the mobile subscriber base **uses 4G** with average usage of **2GB/month**
- ✓ Nearly 60% of B&YOU customers were on a 4G plan \geq 3GB at end-June 2014

■ Confirmed success of the new fixed broadband offers

- ✓ Bouygues Telecom **No. 1 in terms of net adds⁴** for the third quarter running
- ✓ Net growth of **202,000 customers** in H1 2014

Active 4G³ subscribers ('000) and share of the total mobile subscriber base



(1) Includes broadband and very-high-speed subscriptions (2) Offer with data consumption higher or equal to 500MB/month

(3) Customers having used the 4G network in the last 3 months (Arcep definition) (4) Company estimate for Q2 14 and Arcep figures for Q4 13 & Q1 14

Financial results of Bouygues Telecom



€m	H1 2013	H1 2014	Change
Sales	2,287	2,177	-5% ¹
<i>Sales from network</i>	2,113	1,940	-8%
EBITDA	469	332	-€137m
Current operating profit/(loss)	91	(41)	-€132m
Operating profit	91	44⁽²⁾	-€47m
EBITDA minus Capex	62 ⁽³⁾	(5)	-€67m

(1) Down 5% like-for-like and at constant exchange rates (2) Including non-current income of €85m: €429m for litigation settlements and other minus €344m in provisions for adaptation costs and other (3) Excluding capitalised interest related to 4G frequencies for €8m

- As expected, sales and EBITDA reflect **commercial performances**, the **repricing of the subscriber base** and the growing share of **SIM-only plans**
 - ✓ Repricing⁴ rate of the retail plan subscriber base: 76% at end-June 2014 vs 60% at end-December 2013
 - ✓ EBITDA impacted by a €30m 4G licence fee related to the refarming of 1800 MHz in H1 2014
- Bouygues Telecom **finds its resources independently** to finance its ongoing transformation
 - ✓ The **costs** of the **transformation plan** are **offset** by litigation settlements
- The **"EBITDA minus Capex" item is positive** in Q2 2014: +€12m vs -€17m in Q1 2014

(4) Number of retail customers subscribing to a plan whose price has been revised since April 2013 as a percentage of the total retail plan subscriber base

Key figures at Bouygues Telecom



€m	Q1 2014	Change vs Q1 2013	Q2 2014	Change vs Q2 2013	H1 2014	Change vs H1 2013
Sales	1,085	-5%	1,092	-4%	2,177	-5%
<i>Sales from network</i>	966	-9%	974	-7%	1,940	-8%
EBITDA	163	-€49m	169	-€88m	332	-€137m
<i>EBITDA/sales from network</i>	16.9%	-3.0 pts	17.4%	-7.1 pts	17.1%	-5.1 pts
Current operating profit/(loss)	(19)	-€47m	(22)	-€85m	(41)	-€132m
Operating profit/(loss)	181 ⁽¹⁾	+€153m	(137) ⁽²⁾	-€200m	44	-€47m
Net profit/(loss) attributable to the Group	110	+€94m	(86)	-€125m	24	-€31m
EBITDA minus Capex	(17)	-€20m ³	12	-€47m ³	(5)	-€67m ³

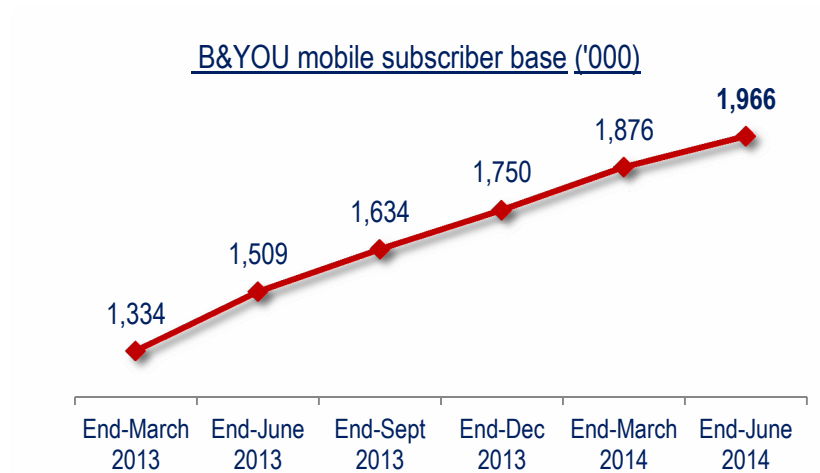
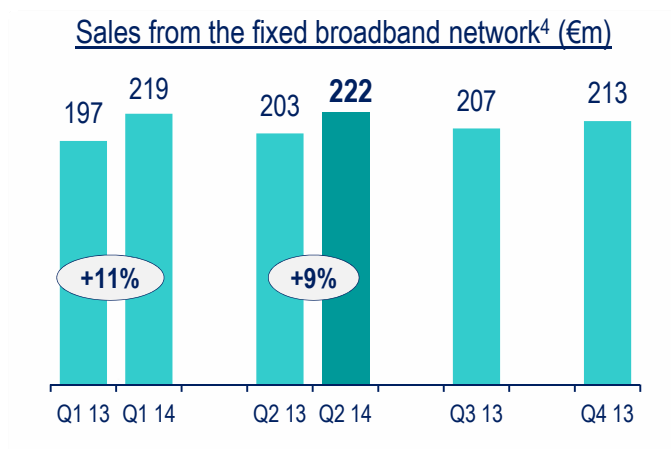
(1) Including non-current income of €200m related notably to litigation settlements

(2) Including non-current charges of €115m: €129m for litigation settlements and other minus €244m in provisions for adaptation costs and other

(3) Excluding capitalised interest related to 4G frequencies for €8m in H1 2013 (o/w €4m in Q1 2013 and €4m in Q2 2013)

Fixed and mobile business and financial performance

'000	End-June 2013	End-Sept 2013	End-Dec 2013	End-March 2014	End-June 2014
Mobile customer base	11,286	11,094	11,143	11,064	11,024
o/w plan subscribers ¹	9,802	9,760	9,910	9,940	9,984
o/w prepaid customers	1,484	1,334	1,233	1,124	1,040
Fixed broadband customer base²	1,901	1,941	2,013	2,113	2,215
o/w very-high-speed ³	320	334	363	378	368



(1) Plan subscribers: total customer base excluding prepaid customers according to the Arcep definition

(2) Includes broadband and very-high-speed subscriptions

(3) Arcep definition: subscriptions with peak downstream speed higher or equal to 30 Mbit/s

(4) Sales from network excluding the ideo discount

Key indicators at Bouygues Telecom



	Plan		Prepaid		Total subscriber base	
	Q1 2014	Q2 2014	Q1 2014	Q2 2014	Q1 2014	Q2 2014
Subscribers						
SIM cards ('000)	9,940	9,984	1,124	1,040	11,064	11,024
SIM cards (% mix)	89.8%	90.6%	10.2%	9.4%		
Fixed broadband subscriber base ¹ ('000)					2,113	2,215
Unit data – mobile subscribers						
ARPU (€/year/subscriber) ²	359	349	109	109	327	320
Data usage (MB/month/subscriber) ³					393	474
Text usage (texts/month/subscriber) ⁴	384	379	114	118	348	347
Voice usage (min/month/subscriber) ⁴	496	504	166	171	452	463
Unit data – fixed subscribers						
ARPU (€/year/subscriber) ²					402	396

Marketing costs⁵	Q2 2013	Q2 2014
Marketing costs (€m)	123	89
Marketing costs/sales from network	11.7%	9.1%

(1) Includes broadband and very-high-speed broadband subscriptions according to the Arcep definition

(2) Rolling 12-month period, stripping out the ideo discount, and excluding machine-to-machine SIM cards for mobile ARPU

(3) Rolling 12-month period, adjusted on a monthly basis, excluding machine-to-machine SIM cards

(4) Rolling 12-month period, adjusted on a monthly basis, excluding machine-to-machine SIM cards and excluding internet SIM cards

(5) Mobile and fixed subscriber acquisition and retention costs

HIGHLIGHTS AND KEY FIGURES

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OUTLOOK

- Following the sale of the Power businesses to General Electric, **Alstom** will be a **stronger company**
 - ✓ A **world leader** in the **growing transport market**
 - ✓ A portfolio of **products** at the cutting edge of **innovation**
 - ✓ A strong **international** dimension
 - ✓ A **strengthened balance sheet** allowing it to **develop further**

- Bouygues believes in the **growth** and **upside potential** of the "new Alstom"



Citadis tramway, Tours

HIGHLIGHTS AND KEY FIGURES

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OUTLOOK

Condensed consolidated income statement (1/2)



€m	H1 2013 restated	H1 2014	Change
Sales	15,094	15,182	+1%
Current operating profit	347	134	-€213m
Operating profit	347	523⁽¹⁾	+€176m
Cost of net debt	(157)	(163)	-€6m
<i>o/w financial income</i>	22	21	-€1m
<i>o/w financial expenses</i>	(179)	(184)	-€5m
Other financial income and expenses	(7)	3	+€10m

(1) Including non-current operating income of €81m related to Bouygues Telecom and a capital gain of €308m on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%)

Condensed consolidated income statement (2/2)



€m	H1 2013 restated	H1 2014	Change
Income tax expense	(98)	(59)	+€39m
Investments in joint ventures and associates	138	307	+€169m
<i>o/w share of profits</i>	138	54	-€84m
<i>o/w net capital gain on Cofiroute disposal</i>	-	253 ⁽¹⁾	+€253m
Net profit	223	611	+€388m
Net profit attributable to non-controlling interests ²	(35)	(201)	-€166m
Net profit attributable to the Group	188	410	+€222m

(1) Net capital gain at 100%

(2) Formerly 'Minority interests'

Sales by business area



€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	5,228	5,558	+6%
Bouygues Immobilier	1,143	1,192	+4%
Colas	5,456	5,294	-3%
<i>Sub-total of construction businesses¹</i>	11,632	11,854	+2%
TF1	1,203	1,175	-2%
Bouygues Telecom	2,287	2,177	-5%
Holding company and other	62	70	nm
Intra-Group elimination	(285)	(284)	nm
TOTAL	15,094	15,182	+1%
<i>o/w France</i>	10,466	10,193	-3%
<i>o/w international</i>	4,628	4,989	+8%

(1) Total of the sales contributions (after eliminations within the construction businesses)

Contribution of business areas to Group EBITDA



€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	241	213	-€28m
Bouygues Immobilier	88	66	-€22m
Colas	58	34	-€24m
TF1	90	36	-€54m
Bouygues Telecom	469	332	-€137m
Holding company and other	(17)	(15)	+€2m
TOTAL	929	666	-€263m

EBITDA = current operating profit + net depreciation and amortisation expense + net provisions and impairment losses - reversals of unutilised provisions and impairment losses

Contribution of business areas to Group current operating profit



€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	204	180	-€24m
Bouygues Immobilier	84	71	-€13m
Colas	(87)	(114)	-€27m
<i>Sub-total of construction businesses</i>	<i>201</i>	<i>137</i>	<i>-€64m</i>
TF1	71	50	-€21m
Bouygues Telecom	91	(41)	-€132m
Holding company and other	(16)	(12)	+€4m
TOTAL	347	134	-€213m

Contribution of business areas to Group operating profit

€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	204	180	-€24m
Bouygues Immobilier	84	71	-€13m
Colas	(87)	(114)	-€27m
<i>Sub-total of construction businesses</i>	<i>201</i>	<i>137</i>	<i>-€64m</i>
TF1	71	373 ⁽¹⁾	+€302m
Bouygues Telecom	91	44 ⁽²⁾	-€47m
Holding company and other	(16)	(31) ³	-€15m
TOTAL	347	523	+€176m

(1) Including a capital gain of €323m on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%)

(2) Including non-current income of €85m: €429m from litigation settlements and other minus €344m in provisions for adaptation costs and other

(3) Including non-current charges of €4m related to Bouygues Telecom and €15m for derecognition of goodwill related to the sale of Eurosport International

Contribution of business areas to Group net profit



€m	Attributable to the Group	H1 2013 restated	H1 2014	Change
Bouygues Construction		131	123	-€8m
Bouygues Immobilier		45	42	-€3m
Colas		(31)	306 ⁽¹⁾	+€337m
<i>Sub-total of construction businesses</i>		145	471	+€326m
TF1		18	141 ⁽²⁾	+€123m
Bouygues Telecom		49	22	-€27m
Alstom		117	53	-€64m
Holding company and other		(141)	(277) ⁽³⁾	-€136m
TOTAL		188	410	+€222m

(1) Including a net capital gain of €372m related to the sale of Cofiroute

(2) Including a net capital gain of €128m on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%)

(3) Including €147m for derecognition of goodwill at Holding company and other: €132m related to the sale by Colas of Cofiroute and €15m related to the sale of Eurosport International

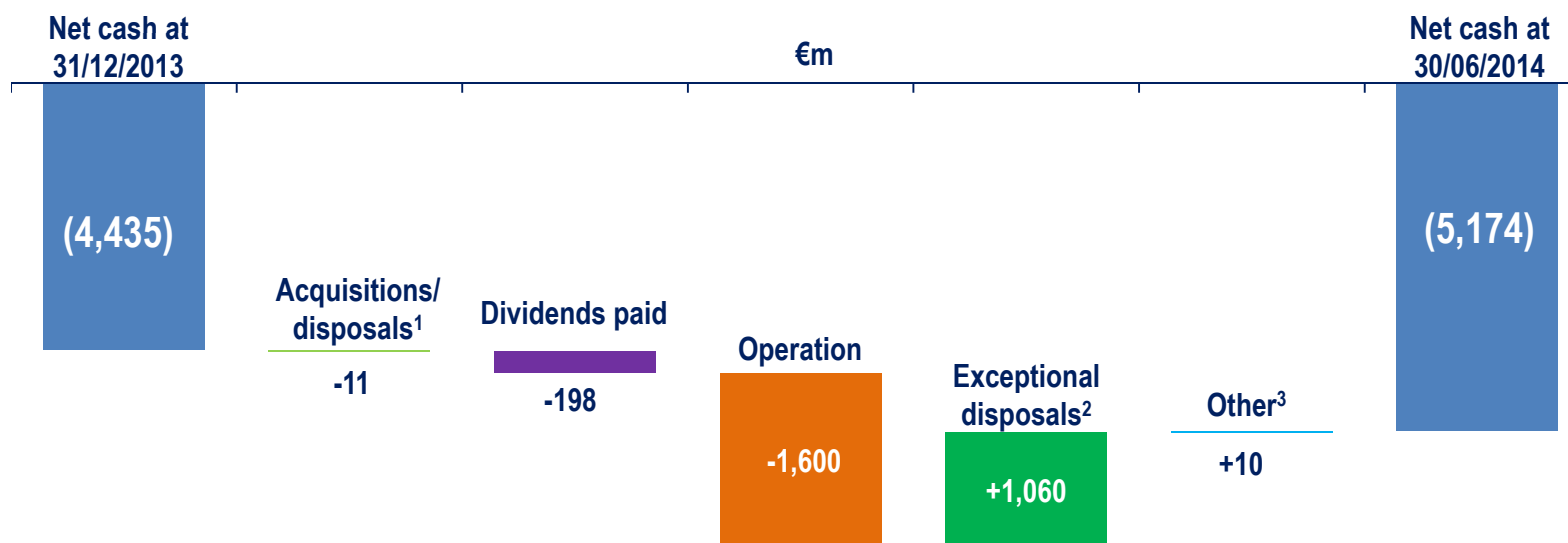
Condensed consolidated balance sheet



€m	End-Dec 2013 restated	End-June 2014	Change	End-June 2013 restated
Non-current assets	17,690	18,187	+€497m	20,211
Current assets	15,374	16,808	+€1,434m	15,776
Held-for-sale assets and operations	1,151 ⁽¹⁾	-	-€1,151m	-
TOTAL ASSETS	34,215	34,995	+€780m	35,987
Shareholders' equity	8,669	8,952	+€283m	9,603
Non-current liabilities	8,941	9,455	+€514m	9,866
Current liabilities	16,439	16,588	+€149m	16,518
Liabilities related to held-for-sale operations	166 ⁽²⁾	-	-€166m	-
TOTAL LIABILITIES	34,215	34,995	+€780m	35,987
Net debt	4,435	5,174	+€739m	5,757

(1) Relating to Europort International and Cofiroute (2) Relating to Europort International

Change in net cash position in H1 2014 (1/2)



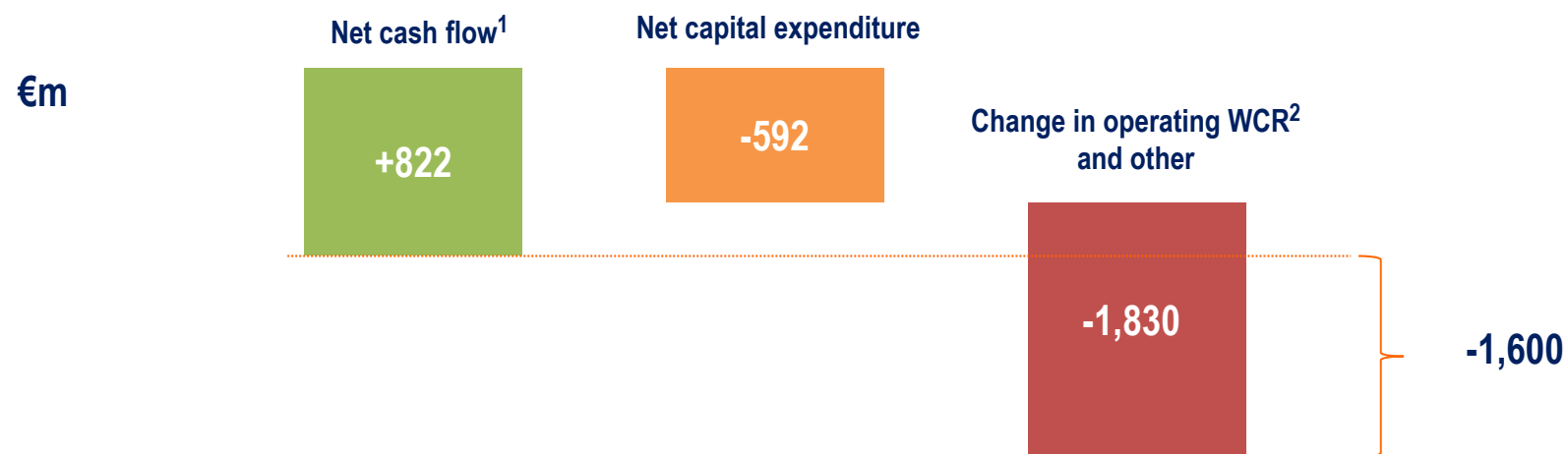
H1 2013 restated	(4,176)	-35	-591	-860		-95 ⁽⁴⁾	(5,757)
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- (1) Including scope effects
- (2) Sale of Colas' 16.67% stake in Cofiroute and sale of 31% of Eurosport International
- (3) Exercise of stock options (+€14m) and other capital transactions
- (4) Share issue and buybacks (-€74m), capitalised interest related to 4G frequencies (-€21m)

Change in net cash position in H1 2014 (2/2)



Breakdown of operation



H1 2013 restated	+747	-592 ⁽³⁾	-1,015	-860 ⁽³⁾
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(1) Net cash flow = cash flow - cost of net debt - income tax expense

(2) Operating WCR: WCR relating to operating activities + WCR relating to net liabilities related to property, plant & equipment and intangible assets

(3) Excluding capitalised interest related to 4G frequencies for €21m

Contribution of business areas to Group net cash flow



€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	238	177	-€61m
Bouygues Immobilier	57	43	-€14m
Colas	117	86	-€31m
<i>Sub-total of construction businesses</i>	<i>412</i>	<i>306</i>	<i>-€106m</i>
TF1	77	33	-€44m
Bouygues Telecom	385	599	+€214m
Holding company and other	(127)	(116)	+€11m
TOTAL	747	822	+€75m

Net cash flow = cash flow - cost of net debt - income tax expense

Contribution of business areas to Group net capital expenditure



€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	55	87	+€32m
Bouygues Immobilier	4	6	+€2m
Colas	108	145	+€37m
<i>Sub-total of construction businesses</i>	<i>167</i>	<i>238</i>	<i>+€71m</i>
TF1	17	17	=
Bouygues Telecom	407 ⁽¹⁾	337	-€70m
Holding company and other	1 ⁽¹⁾	0	-€1m
Total excluding exceptional items	592⁽¹⁾	592	=
Exceptional items	21	-	-€21m
TOTAL	613	592	-€21m

(1) Excluding capitalised interest related to 4G frequencies for €21m at Group level (o/w €8m at Bouygues Telecom level and €13m at Holding company level)

Contribution of business areas to Group free cash flow



€m	H1 2013 restated	H1 2014	Change
Bouygues Construction	183	90	-€93m
Bouygues Immobilier	53	37	-€16m
Colas	9	(59)	-€68m
<i>Sub-total of construction businesses</i>	245	68	-€177m
TF1	60	16	-€44m
Bouygues Telecom	(22) ¹	262	+€284m
Holding company and other	(128) ¹	(116)	+€12m
TOTAL	155 ⁽¹⁾	230	+€75m

Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure. It is calculated before changes in WCR

(1) Excluding capitalised interest related to 4G frequencies for €21m at Group level (o/w €8m at Bouygues Telecom level and €13m at Holding company level)

Net cash by business area



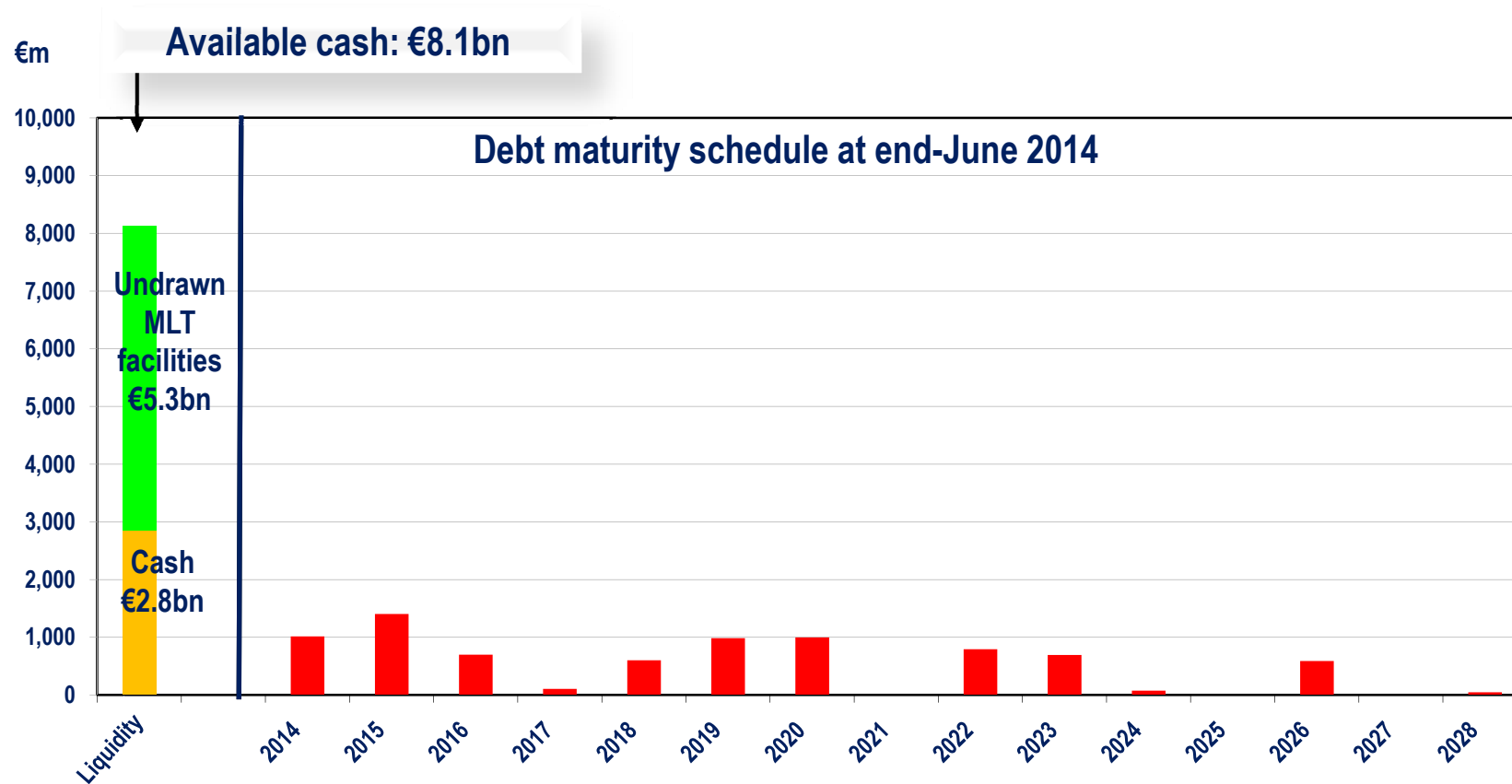
€m	End-June 2013 restated	End-June 2014	Change	End-Dec 2013 restated
Bouygues Construction	2,844	2,338	-€506m	3,006
Bouygues Immobilier	239	26	-€213m	271
Colas	(1,141)	(331)¹	+€810m	31
TF1	165	425⁽²⁾	+€260m	189 ⁽³⁾
Bouygues Telecom	(774)	(971)	-€197m	(783)
Holding company and other	(7,090)	(6,661)	+€429m	(7,149)
TOTAL	(5,757)	(5,174)	+€583m	(4,435)

(1) Including €780m related to the sale by Colas of its stake in Cofiroute

(2) Including €256m related to the sale of an additional 31% stake in Eurosport International

(3) After reclassification of net cash for €67m at Eurosport International to held-for-sale operations

Financing



Impacts of exceptional items on net profit attributable to the Group

BOUYGUES

€m	H1 2013 restated	H1 2014	Change
Net profit attributable to the Group	188	410	+€222m
Non-current operating income of €81m related to Bouygues Telecom, net of taxes		(45)	-€45m
Net capital gain on the sale by Colas of its stake in Cofiroute		(240)	-€240m
Net capital gain on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%)		(113)	-€113m
Cofiroute contribution to H1 2013 net profit		21	+€21m
Change in calculation method for Alstom quarterly contribution		27	+€27m
Net profit attributable to the Group before exceptional items	188	60	-€128m

€m	H1 2013 restated	H1 2014	Change
Net profit attributable to the Group of the construction businesses	145	471	+€326m
Net capital gain on the sale by Colas of its stake in Cofiroute		(372)	-€372m
Cofiroute contribution to H1 2013 net profit		21	+€21m
Net profit attributable to the Group of the construction businesses before exceptional items	145	120	-€25m

Impacts of the sale of the stake in Cofiroute on the income statement

BOUYGUES

€m H1 2014	Colas income statement	Colas contribution ¹	Bouygues income statement
Net capital gain on disposal	385	385	385
- Goodwill at Holding company level	0	0	-132
Net capital gain on disposal after goodwill	385	385	253
- Net capital gain attributable to non-controlling interests ² (3.4%)	0	-13	-13
Net capital gain attributable to the Group	385	372	240

(1) Colas contribution to net profit attributable to the Group

(2) Calculated on net capital gain (at 100%) before goodwill

Impacts of the sale of the 31% stake in Eurosport International on the income statement

BOUYGUES

€m H1 2014	TF1 income statement	TF1 contribution ¹	Bouygues income statement
Net capital gain on disposal and remeasurement² before tax	323	323	323
- Income tax expense	-29	-29	-29
Net capital gain on disposal and remeasurement ² after tax	294	294	294
- Goodwill at Holding company level	0	0	-15
Net capital gain on disposal and remeasurement² after goodwill	294	294	279
- Net capital gain attributable to non-controlling interests ³ (56.5%)	0	-166	-166
Net capital gain and remeasurement² attributable to the Group	294	128	113

(1) TF1 contribution to net profit attributable to the Group

(2) Net capital gain on the sale of Eurosport International (31%) and the remeasurement of the remaining interest (49%)

(3) Calculated on net capital gain (at 100%) before goodwill

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Outlook (1/2)



- The Group's **sales** should be **down very slightly** in 2014 (between -1% and -2% vs 2013)

- **Outlook for the construction businesses**
 - ✓ The slowdown in **public-sector orders in France** remains a point to watch
 - ✓ However, the construction businesses enjoy **major strengths**
 - Strong **momentum in their international activities** offsets a more challenging economic environment in France
 - The order book provides **good visibility on future business activity**
 - **Diversity of business activities** and **expertise**
 - A **selective approach** to orders and **adaptation** of organisations to actual business activity
 - ✓ **Financial performances should remain robust** in 2014

■ Outlook for TF1

- ✓ In a low-visibility context, TF1 is continuing to **transform its business model**
- ✓ **Two exceptional events** in 2014: the **FIFA World Cup** and the **sale** of a controlling interest in **Eurosport International**

■ Outlook for Bouygues Telecom

- ✓ Bouygues Telecom confirms its target of **generating a slightly positive "EBITDA minus Capex" item in 2014**, and is rolling out its **3 strategic priorities** in order to benefit from its **renewed competitiveness as early as 2016** on a market with 4 operators
 - **Creating value** with **mobile data use**
 - **Pursuing growth** in the **fixed broadband business**
 - Accelerate the **company's transformation** with targeted **annual savings of €300m** as early as 2016

Conclusion



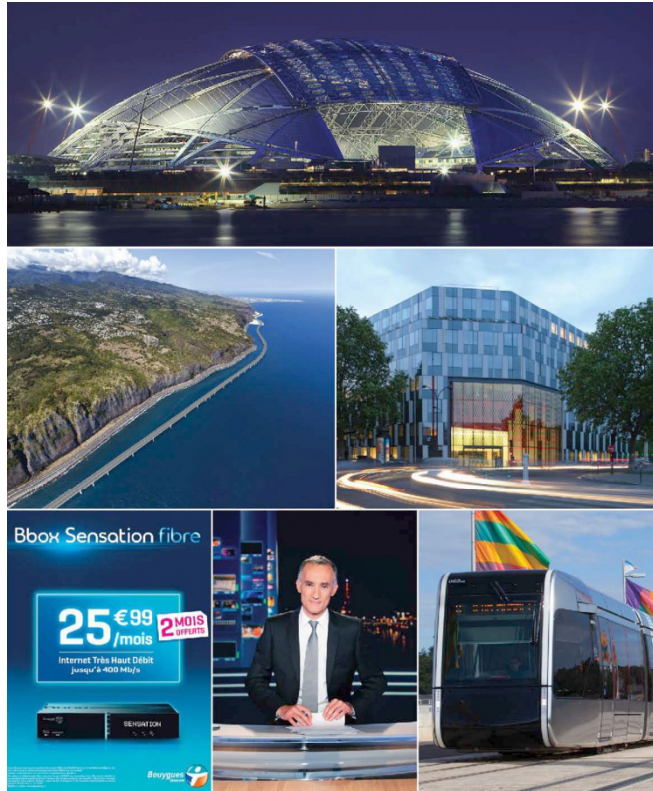
Although the competitive and economic environment is more challenging in France

■ The Bouygues group has strengthened...

- ✓ The **construction businesses** have ramped up their **international expansion**
- ✓ Bouygues Telecom has implemented and is **rolling out an aggressive strategy**
- ✓ The new **Alstom** will enjoy good **growth** and **upside potential**

■ ...and once again proved its ability to ensure its financial strength

- ✓ Ability to sell assets at the right moment in order to **finance new developments**
- ✓ Ability to find the financial resources to improve its **free cash flow generation**



BUILDING THE FUTURE IS OUR GREATEST ADVENTURE