



Paris, 13 May 2016

Bouygues press release

First-quarter 2016

- **Good commercial performance and sharp improvement in results at Bouygues Telecom**
- **Continued commercial momentum in the construction businesses**
- **As every year, results are not indicative of the Group's full-year performance**
- **Full-year 2016 outlook confirmed**

Key figures (€ million)	First-quarter 2015	First-quarter 2016	Change
Sales	6,731	6,534	-3%
Current operating profit/(loss)	(194)	(140)	+€54m
Operating profit/(loss)	(216) ^a	(227) ^a	-€11m
Net profit/(loss) attributable to the Group	(157)	(180)	-€23m
Net profit/(loss) attributable to the Group excl. exceptional items ^b	(145)	(137)	+€8m
Net debt ^c	4,264	3,524	-€740m

(a) Including non-current charges of €22 million at Bouygues Telecom in Q1 2015 and non-current charges of €87 million in all businesses in Q1 2016

(b) See reconciliation table on page 9

(c) At 31 March

The first quarter of 2016 saw a good commercial performance by Bouygues Telecom and a sharp improvement in its results:

- 151,000 new mobile plan customers excluding MtoM^a and 71,000 new fixed customers in a highly competitive market;
- year-on-year increase of 6% in total sales and 4% in sales from network, compared with a decline of 4% in the first quarter of 2015 and an increase of 1% in the fourth quarter of 2015;
- improvement of 2.3 points in the EBITDA^b margin in comparison with the first quarter of 2015.

Commercial momentum continued in the construction businesses:

- the order book stood at a high €29.9 billion, up 3% on end-December 2015 and almost flat on end-March 2015;
- major contracts were won in France during the first quarter, including the Port of Calais extension, Tour Alto in La Défense and renovation of the Louvre Post Office building in central Paris.

As every year, the Group's first-quarter operating performance is not indicative of full-year performance, mainly due to the highly seasonal nature of Colas' business and the application of IFRIC 21.



The Group reported a net loss of €180 million in the first quarter of 2016, compared with €157 million in the first quarter of 2015. This figure included non-current charges of €87 million versus €22 million in the first quarter of 2015. Excluding exceptional items⁶, net loss attributable to the Group would have improved by €8 million (a net loss of €137 million in the first quarter of 2016 versus a net loss of €145 million a year earlier).

(a) Machine-to-Machine

(b) EBITDA/sales from network

(c) See reconciliation table on page 9

Outlook for 2016 confirmed

The outlook for 2016 provided with the full-year 2015 results release is confirmed.

Thanks to the strategy of transforming its businesses, the Group should continue to improve profitability in 2016.

The construction businesses will continue to target growth in international markets and broaden their portfolio of offers with innovative products and services in both existing markets and new market segments. Their profitability is expected to improve starting in 2016.

Bouygues Telecom confirms its target of a return to long-term growth in sales and profits and maintains its EBITDA target margin of 25% in 2017 with a plan to save at least €400 million in 2016 versus end-2013. Capital expenditure is expected to reach €750-800 million in 2016.

The roll-out of network sharing with the Numericable-SFR group combined with adaptation plans in the businesses are likely to result in non-current charges of around €270 million which will affect the Group's operating profit in 2016.

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Other information

Detailed analysis by sector of activity

Construction businesses^a

The order book for the construction businesses at end-March 2016 reached the high level of €29.9 billion, 3% higher than at end-December 2015 and almost flat on end-March 2015.

The quarter saw the first signs of stabilisation in the construction market in France. The order book at end-March 2016 stood at €14.1 billion, almost flat on end-March 2015.

Order intake at Bouygues Construction rose over the quarter and included the conclusion of major contracts such as the Port of Calais extension, Tour Alto in La Défense and renovation of the Louvre Post Office building in central Paris.

Residential property reservations at Bouygues Immobilier rose 12% year-on-year, boosted by the effects of the Pinel tax incentive and wider access to the zero-interest loan programme, which took effect on 1 January 2016. Colas' roads business in mainland France is slightly down by 3%, in line with full-year expectations, after two years of sharp decline (14% in 2014 and 11% in 2015).

In international markets, the order book at end-March 2016 stood at €15.8 billion, almost flat on end-March 2015. International business at end-March 2016 accounted for 57% of the order book at Bouygues Construction and Colas, stable in comparison with end-March 2015.

Sales in the construction businesses reached €4.9 billion in the first quarter of 2016, down 5% on the first quarter of 2015 (-3% like-for-like and at constant exchange rates). The current operating loss of €116 million mainly reflects Colas' seasonality and is not indicative of full-year performance. The operating loss of €136 million includes non-current charges of €20 million mainly related to losses at the Dunkirk refinery (SRD).

(a) Bouygues Construction, Bouygues Immobilier and Colas

TF1

TF1's four freeview channels reached an aggregate audience share^a of 27.3% of individuals aged 4 and over in the first quarter of 2016, down 0.4 points year-on-year. In a fiercely competitive environment, the group maintained the prime-time pulling power of its core TF1 channel, while its DTT channels achieved a good performance among the target audiences, especially women aged under 50 purchasing decision-makers.

Sales were €482 million, up 1% in comparison with the first quarter of 2015. They benefited from the integration of Newen Studios, consolidated since 1 January 2016.

Current operating profit in the first quarter of 2016 was €15 million, down €13 million. TF1 posted an operating loss of €19 million after non-current charges of €34 million related to the change in accounting treatments of French drama, the transformation plan and the operating loss at the LCI channel.

(a) Source: Médiamétrie

Bouygues Telecom

The first quarter of 2016 saw a good commercial performance at Bouygues Telecom and a sharp improvement in its results, confirming the turnaround started in 2015.

The operator added 240,000 mobile customers in the first quarter of 2016, and 151,000 plan customers excluding MtoM^a, giving a total of 12.1 million customers at end-March 2016.

4G penetration within Bouygues Telecom's customer base continued. It had 5.6 million 4G users^b at end-March 2016, representing 55% of the mobile base excluding MtoM, compared with 36% in the first quarter of 2015. The growth of 4G was accompanied by a continuing increase in usage. 4G customers' average monthly data consumption^c was 2.7 GB in the first quarter of 2016, compared with 2.2 GB in the first quarter of 2015.



Bouygues Telecom continued to grow steadily in the fixed market, adding 71,000 new customers in the first quarter of 2016. FTTH^d services contributed 20% to net growth over the period. At end-March 2016, the fixed broadband subscriber base reached 2.9 million.

Bouygues Telecom's sales rose by 6% in the first quarter of 2016 to €1,131 million, and sales from network by 4% to €971 million. EBITDA increased by €28 million to €146 million. The EBITDA margin was 2.3 points higher than in the first quarter of 2015. The current operating loss of €33 million represented an improvement of €29 million. The operating loss amounted to €55 million after non-current charges of €22 million related to the roll-out of network sharing with Numericable-SFR.

These results validate the strategic choices made by Bouygues Telecom, which has the strengths necessary to achieve its objectives in a market with four operators.

(a) Machine-to-Machine

(b) Customers having used the 4G network during the last three months (Arcep definition)

(c) Data consumed on 3G or 4G cellular networks, excluding Wi-Fi

(d) Fibre To The Home – roll-out of optical fibre from the optical access node (place where the operator's transmission equipment is installed) to homes or business premises (Arcep definition)

Alstom

Alstom's contribution to Bouygues' net profit in first-quarter 2016 is €0 million, after including:

- Alstom's results reported on 11 May 2016 for FY2015/16 ended 31 March 2016;
- the impacts at Bouygues of the sale by Alstom of the Energy activities in November 2015;
- the effects of the public share buy-back offer carried out by Alstom in January 2016;
- the reversal of the balance of the write-down recognised at Bouygues at 31 December 2015.

The carrying amount of Bouygues' interest in Alstom at 31 March 2016 was €1,914 million (or €30.83 per share).

Alstom's contribution to Bouygues' net profit in first-quarter 2015 was €0 million.

Financial situation

Net debt was €963 million higher than at end-December 2015 and mainly reflects the usual seasonal effect of Colas' business. It includes the positive impact of the Alstom public share buy-back offer carried out in late January 2016 (+€996 million), the acquisition of Newen Studios (-€291 million at 100%) and the first instalment for the 700 MHz frequencies (-€117 million).

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Highlights since 1 January 2016:

- 5 January 2016: Announcement of preliminary discussions between Bouygues and Orange.
- 19 January 2016: Colas Rail wins two joint-venture contracts for the extension of the Algiers metro, worth a total of €168 million (Colas' share: €86 million).
- 20 January 2016: Bouygues Construction is awarded a contract worth nearly €100 million to build two condominiums in Mumbai, its first residential construction project in India.
- 26 January 2016: TF1 acquires 70% of the Newen group.
- 28 January 2016: Bouygues owns 28.3% of Alstom's capital after the public share buy-back offer.
- 1 February 2016: Bouygues Immobilier subsidiary Nextdoor announces the forthcoming opening of two new coworking sites, in Issy-les-Moulineaux and La Défense.
- 2 February 2016: Bouygues Telecom strengthens its position in the Internet of Things with the creation of a specialised subsidiary, Objenius, which will use the LoRa® network.
- 3 February 2016: Poste Immo awards the Louvre Post Office works contract to Bouygues Bâtiment Ile-de-France.
- 19 February 2016: Gilles Pélisson takes over as Chairman and CEO of the TF1 group.
- 8 March 2016: Bouygues Construction hands over the largest photovoltaic solar farm in South-East Asia, located in the Philippines.
- 17 March 2016: Bouygues Construction and its partners are awarded the €675-million design-build contract to extend the Port of Calais, Europe's second largest passenger port. Bouygues Construction's share is €300 million.
- 1 April 2016: Bouygues brings merger discussions with Orange to an end.
- 5 April 2016: Bouygues Telecom rolls out its first 700 MHz site.
- 5 April 2016: LCI switches to freeview on DTT channel 26.
- 12 April 2016: Bouygues Construction is awarded a contract worth €200 million to construct Tour Alto, a new tower in the La Défense business district.
- 9 May 2016: The TF1 group announces that Yann Barthès is to join TF1 and TMC and that Yves Calvi is to join LCI this autumn.

Financial calendar:

31 August 2016: First-half 2016 results (7.30am, CET)
16 November 2016: Nine-month 2016 results (7.30am, CET)

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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First-quarter 2016 business activity

Order book at the construction businesses (€ million)	End-March		
	2015	2016	% change
Bouygues Construction	19,830	19,539	-1%
Bouygues Immobilier	2,421	2,601	+7%
Colas	7,849	7,723	-2%
TOTAL	30,100	29,863	-1%

Bouygues Construction order intake (€ million)	First-quarter		
	2015	2016	% change
France	1,243	1,674	+35%
International	2,380	1,292	-46%
TOTAL	3,623	2,966	-18%

Bouygues Immobilier reservations (€ million)	First-quarter		
	2015	2016	% change
Residential property	382	426	+12%
Commercial property	160	5	nm
TOTAL	542	431	-20%

Colas order book (€ million)	End-March		
	2015	2016	% change
Mainland France	3,262	3,037	-7%
International and French overseas territories	4,587	4,686	+2%
TOTAL	7,849	7,723	-2%

TF1 audience share ^a	End-March		
	2015	2016	Pts change
TF1	21.8%	21.2%	-0.6 pts
TMC	3.1%	2.9%	-0.2 pts
NT1	1.8%	1.8%	0 pt
HD1	1.0%	1.4%	+0.4 pts
TOTAL	27.7%	27.3%	-0.4 pts

(a) Source: Médiamétrie - Individuals aged 4 and over

Bouygues Telecom customer base ('000 customers)	End-Dec 2015	End-March 2016	Change ('000 customers)
Plan subscribers	10,938	11,169	+231
Prepaid customers	952	961	+9
Total mobile customers	11,890	12,130	+240
Total fixed customers	2,788	2,859	+71



First-quarter 2016 financial performance

Condensed consolidated income statement (€ million)	First-quarter		Change
	2015	2016	
Sales	6,731	6,534	-3%
Current operating profit/(loss)	(194)	(140)	+€54m
Other operating income and expenses	(22) ^a	(87) ^a	-€65m
Operating profit/(loss)	(216)	(227)	-€11m
Cost of net debt	(72)	(62)	+€10m
Other financial income and expenses	13	(6)	-€19m
Income tax	118	89	-€29m
Share of net profits/(losses) of joint ventures and associates	9	9	€0m
<i>o/w Alstom</i>	0 ^b	0 ^c	€0m
Net profit/(loss)	(148)	(197)	-€49m
Net profit attributable to non-controlling interests	(9)	17	+€26m
Net profit attributable to the Group	(157)	(180)	-€23m
Net profit attributable to the Group excl. exceptional items^d	(145)	(137)	+€8m

(a) Non-current charges at Bouygues Telecom in Q1 2015 and in all businesses in Q1 2016 (details on page 9)

(b) After taking into account Alstom's contribution to Bouygues' net profit and a partial reversal of the write-down against Bouygues' interest in Alstom recognised in 2013

(c) After taking into account Alstom's contribution to Bouygues' net profit, the impacts on Bouygues' accounts of the sale of Alstom's Energy activities, the public share buy-back offer carried out in January 2016 and the reversal of the balance of the write-down recognised at Bouygues at 31 December 2015

(d) See reconciliation table on page 9

Sales by sector of activity (€ million)	First-quarter		% change	Change I-f-I and at constant exchange rates
	2015	2016		
Construction businesses ^a	5,203	4,937	-5%	-3%
<i>o/w Bouygues Construction</i>	2,779	2,771	0%	0%
<i>o/w Bouygues Immobilier</i>	513	475	-7%	-7%
<i>o/w Colas</i>	1,979	1,754	-11%	-7%
TF1	475	482	+1%	-3%
Bouygues Telecom	1,063	1,131	+6%	+6%
Holding company and other	37	40	+8%	+8%
Intra-Group eliminations ^b	(115)	(119)	nm	nm
TOTAL	6,731	6,534	-3%	-2%
<i>o/w France</i>	4,503	4,361	-3%	-3%
<i>o/w international</i>	2,228	2,173	-2%	+1%

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

(b) Including intra-Group eliminations of the construction businesses

**Contribution to EBITDA^a
by sector of activity**
(€ million)

	First-quarter		Change
	2015	2016	
Construction businesses	(86)	(116)	-€30m
<i>o/w Bouygues Construction</i>	72	63	-€9m
<i>o/w Bouygues Immobilier</i>	15	8	-€7m
<i>o/w Colas</i>	(173)	(187)	-€14m
TF1	26	54	+€28m
Bouygues Telecom	118	146	+€28m
Holding company and other	(14)	(14)	€0m
TOTAL	44	70	+€26m

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

**Contribution to current operating profit
by sector of activity**
(€ million)

	First-quarter		Change
	2015	2016	
Construction businesses	(146)	(116)	+€30m
<i>o/w Bouygues Construction</i>	71	82	+€11m
<i>o/w Bouygues Immobilier</i>	27	25	-€2m
<i>o/w Colas</i>	(244)	(223)	+€21m
TF1	28	15	-€13m
Bouygues Telecom	(62)	(33)	+€29m
Holding company and other	(14)	(6)	+€8m
TOTAL	(194)	(140)	+€54m

**Contribution to operating profit
by sector of activity**
(€ million)

	First-quarter		Change
	2015	2016	
Construction businesses	(146)	(136)	+€10m
<i>o/w Bouygues Construction</i>	71	78 ^a	+€7m
<i>o/w Bouygues Immobilier</i>	27	24 ^a	-€3m
<i>o/w Colas</i>	(244)	(238) ^b	+6m
TF1	28	(19) ^c	-€47m
Bouygues Telecom	(84) ^d	(55) ^d	+€29m
Holding company and other	(14)	(17)	-€3m
TOTAL	(216)	(227)	-€11m

(a) Including non-current charges related to adaptation plans of €4 million at Bouygues Construction and €1 million at Bouygues Immobilier

(b) Including non-current charges of €15 million essentially related to the cessation of activity at SRD in Dunkirk

(c) Including non-charges of €34 million related to the change in accounting treatments of French drama, the transformation plan and the operating loss of the LCI channel

(d) Including non-current charges of €22 million in Q1 2015 and €22 million in Q1 2016 essentially related to the roll-out of network sharing with Numericable-SFR

Contribution to net profit attributable to the Group by sector of activity

(€ million)

	First-quarter		Change
	2015	2016	
Construction businesses	(98)	(103)	-€5m
<i>o/w Bouygues Construction</i>	51	47	-€4m
<i>o/w Bouygues Immobilier</i>	15	16	+€1m
<i>o/w Colas</i>	(164)	(166)	-€2m
TF1	14	(6)	-€20m
Bouygues Telecom	(49)	(40)	+€9m
Alstom	0 ^a	0 ^b	€0m
Holding company and other	(24)	(31)	-€7m
Net profit/(loss) attributable to the Group	(157)	(180)	-€23m
Net profit/(loss) attributable to the Group excl. exceptional items^c	(145)	(137)	+€8m

(a) After taking into account Alstom's contribution to Bouygues' net profit and a partial reversal of the write-down against Bouygues' interest in Alstom recognised in 2013

(b) After taking into account Alstom's contribution to Bouygues' net profit, the impacts on Bouygues' accounts of the sale of Alstom's Energy activities, the public share buy-back offer carried out in January 2016 and the reversal of the balance of the write-down recognised at Bouygues at 31 December 2015

(c) See reconciliation table on page 9

Impacts of exceptional items on net profit attributable to the Group

(€ million)

	First-quarter		Change
	2015	2016	
Net profit/(loss) attributable to the Group	(157)	(180)	-€23m
<i>o/w non-current income/charges related to Bouygues Telecom, net of taxes</i>	12	13	+€1m
<i>o/w non-current income/charges related to the construction businesses, net of taxes</i>	-	13	+€13m
<i>o/w non-current income/charges related to TF1, net of taxes</i>	-	10	+€10m
<i>o/w non-current income/charges related to Holding company, net of taxes</i>	-	7	+€7m
Net profit attributable to the Group excl. exceptional items	(145)	(137)	+€8m

Net cash by business segment

(€ million)

	At end-March		Change
	2015	2016	
Bouygues Construction	2,733	2,828	+€95m
Bouygues Immobilier	94	(143)	-€237m
Colas	20	64	+€44m
TF1	572 ^a	341 ^b	-€231m
Bouygues Telecom	(902)	(1,295) ^c	-€393m
Holding company and other	(6,781)	(5,319) ^d	+1,462m
TOTAL	(4,264)	(3,524)	+€740m

(a) Including €259 million related to the sale of the additional 31% stake in Europort International

(b) Including the acquisition of Newen Studios for €291 million at 100%

(c) Including the first instalment for the 700 MHz frequencies for €117 million

(d) Including the positive impact of Alstom's public share buy-back offer carried out in January 2016 for €996 million



Contribution to net capital expenditure by sector of activity

(€ million)

	First-quarter		Change
	2015	2016	
Construction businesses	72	80	+€8m
<i>o/w Bouygues Construction</i>	32	35	+€3m
<i>o/w Bouygues Immobilier</i>	2	4	+€2m
<i>o/w Colas</i>	38	41	+€3m
TF1	5	49	+€44m
Bouygues Telecom	207	238	+€31m
Holding company and other	3	(1)	-€4m
TOTAL	287	366	+€79m

Contribution to free cash flow^a by sector of activity

before change in working capital requirement
(€ million)

	First-quarter		Change
	2015	2016	
Construction businesses	(83)	(105)	-€22m
<i>o/w Bouygues Construction</i>	72	50	-€22m
<i>o/w Bouygues Immobilier</i>	15	9	-€6m
<i>o/w Colas</i>	(170)	(164)	+€6m
TF1	0	(10)	-€10m
Bouygues Telecom	(91)	(78)	+€13m
Holding company and other	(26)	(29)	-€3m
TOTAL	(200)	(222)	-€22m

(a) Free cash flow = cash flow - cost of net debt - income tax expense - net capital expenditure