



Paris, 31 August 2016

Bouygues press release

First-half 2016

- **Good commercial performance at Bouygues Telecom and earnings growth confirmed**
- **Order book for the construction businesses at a high level**
- **Growth in Group results**
- **2016 outlook confirmed**
- **Appointment of two Deputy CEOs**

Key figures (€ million)	First-half 2015	First-half 2016	Change
Sales	15,098	14,669	-3% ^a
Current operating profit	119	206	+€87m
Operating profit	45 ^b	57 ^b	+€12m
Net profit/(loss) attributable to the Group	(42)	(28)	+€14m
Net profit/(loss) attributable to the Group excl. exceptional items ^c	(4)	46	+€50m
Net debt ^d	5,209	4,354	-€855m

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

(b) Including non-current charges of €74 million at Bouygues Telecom, TF1 and Bouygues Construction in H1 2015 and non-current charges of €149 million in all businesses in H1 2016

(c) See reconciliation table on page 9

(d) At 30 June

Highlights

The first half of 2016 was marked by Bouygues Telecom's good commercial performance and a sharp improvement in sales and EBITDA:

- 322,000 new mobile plan customers excluding MtoM^a and 122,000 new fixed customers in a highly competitive market;
- an increase of 6% in total sales;
- an increase of 5% in sales from network compared to the first half of 2015 (after a decline of 3% in the first half of 2015 and a rise of 1% in the second half of 2015);
- improvement of 3.6 points in the EBITDA margin^b compared with the first half of 2015.

The order book for the construction businesses at end-June 2016 continued at a high level:

- €29.5 billion (up 1% on end-June 2015 excluding exchange rate effects);
- the order book has yet to include the first €842-million tranche of the Monaco offshore extension project booked in July.



As expected, the Group's results improved compared with the first half of 2015:

- current operating profit was €206 million, up €87 million on the first half of 2015, driven by improved profitability at Bouygues Telecom;
- operating profit rose by €12 million despite non-current charges of €149 million in the first half of 2016, compared with €74 million in the first half of 2015;
- net profit attributable to the Group excluding exceptional items improved by €50 million to €46 million, compared with a net loss of €4 million in the first half of 2015.

(a) Machine-to-Machine

(b) EBITDA/sales from network

Outlook

The outlook for 2016 provided with the first-quarter 2016 release **is confirmed**.

Profitability in the **construction businesses** is expected to improve from 2016 thanks to continued targeted growth in French and international markets and the broadening of the offer portfolio with innovative products and services.

TF1 is continuing to expand into production and content, accelerating its digital transformation and adapting its channels' business model.

Bouygues Telecom confirmed its return to long-term sales and earnings growth and maintains its EBITDA margin target of 25% for 2017 with a plan to save at least €400 million in 2016 versus end-2013. Net capital expenditure is expected to reach around €800 million in 2016.

Consequently, the Group should continue to improve its profitability in 2016.

The roll-out of network sharing with the 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, at the same level as in 2015.

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Other information

Detailed analysis by sector of activity

Construction businesses^a

The order book for the **construction businesses** remained at the high level of €29.5 billion at end-June 2016 (down 1% year-on-year and up 1% at constant exchange rates). The order book at end-June 2016 has yet to include the first €842-million tranche of the Monaco offshore extension project booked by Bouygues Construction in July.

In **France**, the gradual stabilisation of the construction market was confirmed in the first half of the year. The order book at end-June 2016 stood at €14.0 billion, up 3% on end-June 2015.

Order intake at **Bouygues Construction** rose 29% in the first half of 2016 and notably included the conclusion of major contracts such as the Port of Calais extension, Tour Alto in La Défense and the renovation of the Louvre Post Office building in central Paris.

Residential property reservations at **Bouygues Immobilier** continued to grow strongly in the first half of 2016 (up 22% year-on-year) boosted by the positive effects of the Pinel tax incentive, wider access to the zero-interest loan programme since 1 January 2016, and historically low interest rates.

Sales in **Colas'** roads business in mainland France gradually stabilised in the first half of 2016, down 2% year-on-year after two years of sharp decline (-14% in 2014 and -11% in 2015).

In **international markets**, the Group continued to benefit from solid and diversified positioning, with an order book of €15.5 billion at end-June 2016 (stable at constant exchange rates). International business at end-June 2016 accounted for 57% of the order book at Bouygues Construction and Colas.

Sales in the **construction businesses** reached €11.4 billion in the first half of 2016, down 5% compared with the first half of 2015 and down 2% like-for-like and at constant exchange rates. Sales were negatively impacted by a scope effect of €200 million (of which €179 million at Colas linked to the sale or discontinuation of bitumen activities in Asia and France) and an exchange rate effect of €153-million (of which €65 million related to the depreciation of the pound sterling).

Current operating profit reached €125 million, €37 million more than in the first half of 2015, mainly due to the discontinuation of activity at the Dunkirk refinery (SRD). The current operating margin rose 0.4 points to 1.1%. Operating profit in the first half of 2016 reached €85 million after non-current charges of €40 million, mainly at Colas due to the ongoing closure of the Dunkirk refinery.

(a) Bouygues Construction, Bouygues Immobilier and Colas

TF1

Sales at **TF1** were €1,025 million in the first half of 2016, up 4% on the first half of 2015, benefiting from the integration of Newen Studios, consolidated since 1 January 2016.

Current operating profit in the first half of 2016 was €58 million, down €39 million year-on-year, and reflected the cost of screening Euro 2016. The figure for the first half of 2015 included a €34-million positive impact from the deconsolidation of Eurosport France.

TF1 posted an operating profit of €3 million, factoring in non-current charges of €55 million, which include transformation costs, the effects of LCI's migration to freeview, as well as the impacts of both Newen Studios and the decree on French drama.



Bouygues Telecom

The strategy rolled out by **Bouygues Telecom** over the last two years is paying off, enabling the company to achieve a good commercial performance and a sharp rise in sales and financial results in the first half of 2016.

The operator added 303,000 mobile customers in the second quarter of 2016 and 543,000 customers in the first half of 2016, for a total of 12.4 million customers at end-June 2016. Net growth in plan customers excluding MtoM^a accelerated in the second quarter with 171,000 new adds, representing a gain of 322,000 customers in the first six months of the year.

4G penetration within Bouygues Telecom's customer base continued. With six million 4G users^b at end-June 2016, it represented 58% of the mobile base excluding MtoM, compared with 42% at end-June 2015. The growth of 4G was driven by a sharp increase in mobile data usage. 4G customers' average monthly data consumption^c was 3.2 GB in the second quarter of 2016, compared with 2.4 GB in the second quarter of 2015.

Bouygues Telecom continued to grow steadily in the fixed market, adding 122,000 new customers in the first half of 2016, including 51,000 in the second quarter of 2016, for a total of 2,910,000 customers at end-June 2016. Bouygues Telecom had 412,000 Very-High-Speed^d customers at end-June 2016, including nearly 70,000 FTTH^e customers.

Bouygues Telecom's sales reached €2,291 million in the first half of 2016, up 6% on the first half of 2015. Sales from network rose for the fourth consecutive quarter, increasing by 5% in the first half of 2016 to €1,975 million. Sales from mobile network also returned to growth in the first half of 2016, rising 3% as a result of strong growth in the customer base and stabilisation of ARPU.

EBITDA rose 26% in the first half of 2016 to €408 million. The EBITDA margin reached 20.7%, up 3.6 points compared with the first half of 2015. For information, EBITDA in the first quarter included the impact of IFRIC 21, which affects the timing of recognition of some taxes.

Current operating profit in the first half of 2016 was €38 million compared with a loss of €54 million in the first half of 2015, representing an improvement of €92 million. The company posted an operating loss of €5 million versus an operating loss of €109 million in the first half of 2015 after non-current charges of €43 million, essentially related to the roll-out of network sharing with the SFR group.

(a) Machine-to-Machine

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

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

(d) Arcep definition: subscriptions with a peak download speeds higher or equal to 30 Mbit/s. Includes FTTH, FTTLA and VDSL2 subscriptions

(e) 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 the first half of 2016 was €0 million, as in the first half of 2015.

For information:

- Alstom's contribution to Bouygues' net profit in the first quarter of 2016 was €0 million after including Alstom's results reported for FY2015/16, the impacts of the sale by Alstom of its Energy activities, the effects of the public share buy-back offer and reversal of the remainder of the write-down recognised at Bouygues;
- Bouygues did not book a contribution from Alstom in the second quarter of 2016. Alstom's contribution to Bouygues' net profit is booked only in Bouygues' first and third quarters on the basis of the net results reported by Alstom for the six months ended 31 March and 30 September.



Financial situation

The Group strengthened its financial structure. Net debt was €4.4 billion at 30 June 2016, €855 million less than at 30 June 2015. This 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 (-€293 million at 100%) and the first instalment of 700 MHz frequencies (-€117 million).

Net debt was higher than at 31 December 2015 due to the usual seasonal effect of Colas' business and the dividend payments (-€656 million).

On 20 June 2016, Standard & Poor's revised up its outlook to positive on Bouygues' long-term credit rating (BBB).

Senior Management

On a proposal from Martin Bouygues, Chairman and CEO, the Board of Directors has unanimously appointed **Olivier Roussat** and **Philippe Marien** as Deputy CEOs. With Olivier Bouygues, Deputy CEO since 2002, they will henceforth assist Martin Bouygues in his duties as the Group's Chief Executive Officer. Olivier Roussat will continue to carry out his duties as Chairman and CEO of Bouygues Telecom and Philippe Marien those of Chief Financial Officer and Senior Vice-President, Human Resources, Information Systems and Innovation for the Group.

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Financial calendar

16 November 2016: Nine-month 2016 sales and earnings (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 First-half 2016 Financial Report and the full financial statements and notes to the financial statements on www.bouygues.com.

The full-year results presentation to financial analysts will be webcast live on 31 August 2016 at 11am (CET) on www.bouygues.com.

Press contact:
+33 (0)1 44 20 12 01 – presse@bouygues.com

Investors and analysts contact:
+33 (0)1 44 20 10 79 – investors@bouygues.com

www.bouygues.com



First-half 2016 business activity

Order book at the construction businesses (€ million)	End-June		
	2015	2016	% change
Bouygues Construction	19,317	18,741	-3%
Bouygues Immobilier	2,372	2,785	+17%
Colas	8,079	8,011	-1%
TOTAL	29,768	29,537	-1%

Bouygues Construction order intake (€ million)	First-half		
	2015	2016	% change
France	2,153	2,770	+29%
International	3,699	2,416	-35%
TOTAL	5,852	5,186	-11%

Bouygues Immobilier reservations (€ million)	First-half		
	2015	2016	% change
Residential property	832	1,004	+21%
Commercial property	165	191	+16%
TOTAL	997	1,195	+20%

Colas order book (€ million)	End-June		
	2015	2016	% change
Mainland France	3,169	3,115	-2%
International and French overseas territories	4,910	4,896	0%
TOTAL	8,079	8,011	-1%

TF1 audience share ^a	End-June		
	2015	2016	Pts change
TF1	21.6%	20.8%	-0.8 pts
TMC	3.1%	2.8%	-0.3 pts
NT1	2.0%	1.8%	-0.2 pts
HD1	1.1%	1.6%	+0.5 pts
LCI	nm	0.1%	nm
TOTAL	27.8%	27.1%	-0.7 pts

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

Bouygues Telecom customer base ('000 customers)	End-March 2016	End-June 2016	Change ('000 customers)
Plan subscribers	11,169	11,472	+303
Prepaid customers	961	961	0
Total mobile customers	12,130	12,433	+303
Total fixed customers	2,859	2,910	+51



First-half 2016 financial performance

Condensed consolidated income statement (€ million)	First-half		Change
	2015	2016	
Sales	15,098	14,669	-3%
Current operating profit	119	206	+€87m
Other operating income and expenses	(74) ^a	(149) ^a	-€75m
Operating profit	45	57	+€12m
Cost of net debt	(146)	(118)	+€28m
Other financial income and expenses	25	2	-€23m
Income tax	36	1	-€35m
Share of net profits of joint ventures and associates	29	32	+€3m
<i>o/w Alstom</i>	<i>0^b</i>	<i>0^c</i>	€0m
Net profit/(loss)	(11)	(26)	-€15m
Net profit attributable to non-controlling interests	(31)	(2)	+€29m
Net profit/(loss) attributable to the Group	(42)	(28)	+€14m
Net profit/(loss) attributable to the Group excl. exceptional items^d	(4)	46	+€50m

(a) Non-current charges of €74 million at Bouygues Telecom, TF1 and Bouygues Construction in H1 2015 and non-current charges of €149 million in all businesses in H1 2016

(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 from the sale of Alstom's Energy activities, the public share buy-back offer carried out in January 2016 and the reversal of the remainder of the write-down recognised at Bouygues at 31 December 2015

(d) See reconciliation table on page 9

First-quarter consolidated income statement (€ million)	First-quarter		Change
	2015	2016	
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

(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

Second-quarter consolidated income statement (€ million)	Second-quarter		Change
	2015	2016	
Sales	8,367	8,135	-3%
Current operating profit	313	346	+€33m
Operating profit	261 ^a	284 ^a	+€23m
Net profit attributable to the Group	115	152	+€37m

(a) Including non-current charges of €52 million at Bouygues Telecom, TF1 and Bouygues Construction in Q2 2015 and non-current charges of €62 million in all businesses in Q2 2016

Sales by sector of activity (€ million)

	First-half		% change	Change l-f-l and at constant exchange rates
	2015	2016		
Construction businesses ^a	11,983	11,383	-5%	-2%
<i>o/w Bouygues Construction</i>	5,850	5,800	-1%	0%
<i>o/w Bouygues Immobilier</i>	1,058	1,047	-1%	-1%
<i>o/w Colas</i>	5,204	4,678	-10%	-6%
TF1	981	1,025	+4%	-2%
Bouygues Telecom	2,156	2,291	+6%	+6%
Holding company and other	75	73	nm	nm
Intra-Group eliminations ^b	(226)	(245)	nm	nm
TOTAL	15,098	14,669	-3%	-1%
<i>o/w France</i>	9,637	9,532	-1%	-1%
<i>o/w international</i>	5,461	5,137	-6%	-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-half		Change
	2015	2016	
Construction businesses	315	256	-€59m
<i>o/w Bouygues Construction</i>	228	185	-€43m
<i>o/w Bouygues Immobilier</i>	38	32	-€6m
<i>o/w Colas</i>	49	39	-€10m
TF1	102	162	+€60m
Bouygues Telecom	323	408	+€85m
Holding company and other	(12)	(24)	-€12m
TOTAL	728	802	+€74m

(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-half		Change
	2015	2016	
Construction businesses	88	125	+€37m
<i>o/w Bouygues Construction</i>	148	151	+€3m
<i>o/w Bouygues Immobilier</i>	59	59	0m
<i>o/w Colas</i>	(119)	(85)	+€34m
TF1	97	58	-€39m
Bouygues Telecom	(54)	38	+€92m
Holding company and other	(12)	(15)	-€3m
TOTAL	119	206	+€87m

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

	First-half		Change
	2015	2016	
Construction businesses	81	85	+€4m
<i>o/w Bouygues Construction</i>	141 ^a	143 ^a	+€2m
<i>o/w Bouygues Immobilier</i>	59	57 ^a	-€2m
<i>o/w Colas</i>	(119)	(115) ^b	+€4m
TF1	85 ^c	3 ^c	-€82m
Bouygues Telecom	(109) ^d	(5) ^d	+€104m
Holding company and other	(12)	(26)	-€14m
TOTAL	45	57	+€12m

(a) Including non-current charges of €7 million in H1 2015 and of €8 million in H1 2016 at Bouygues Construction and of €2 million in H1 2016 at Bouygues Immobilier related to the implementation of their new organisations

(b) Including non-current charges of €30 million essentially related to the discontinuation of activity at the SRD subsidiary in Dunkirk

(c) Including non-current charges of €12 million related to the adaptation of news operations in H1 2015 and non-current charges of €55 million, which include transformation costs, the effects of LCI's migration to freeview, as well as the impacts of both Newen Studios and the decree on French drama

(d) Including non-current charges of €55 million H1 2015 and of €43m in H1 2016 essentially related to the roll-out of network sharing with SFR

Contribution to net profit attributable to the Group by sector of activity (€ million)

	First-half		Change
	2015	2016	
Construction businesses	78	65	-€13m
<i>o/w Bouygues Construction</i>	110	100	-€10m
<i>o/w Bouygues Immobilier</i>	34	34	€0m
<i>o/w Colas</i>	(66)	(69)	-€3m
TF1	27	0	-€27m
Bouygues Telecom	(66)	(12)	+€54m
Alstom	0 ^a	0 ^b	€0m
Holding company and other	(81)	(81)	€0m
Net profit/(loss) attributable to the Group	(42)	(28)	+€14m
Net profit/(loss) attributable to the Group excl. exceptional items^c	(4)	46	+€50m

(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 remainder 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-half		Change
	2015	2016	
Net profit/(loss) attributable to the Group	(42)	(28)	+€14m
<i>o/w non-current income/charges related to Bouygues Telecom (net of taxes)</i>	31	25	-€6m
<i>o/w non-current income/charges related to the construction businesses (net of taxes)</i>	4	26	+€22m
<i>o/w non-current income/charges related to TF1 (net of taxes)</i>	3	16	+€13m
<i>o/w non-current income/charges related to Holding company (net of taxes)</i>	-	7	+€7m
Net profit/(loss) attributable to the Group excl. exceptional items	(4)	46	+€50m



Net cash by business segment
(€ million)

	At end-June		Change
	2015	2016	
Bouygues Construction	2,433	2,707	+€274m
Bouygues Immobilier	(82)	(240)	-€158m
Colas	(569)	(316)	+€253m
TF1	308	133 ^a	-€175m
Bouygues Telecom	(977)	(1,267) ^b	-€290m
Holding company and other	(6,322)	(5,371) ^c	+€951m
TOTAL	(5,209)	(4,354)	+€855m

(a) Including the acquisition of Newen Studios for €293 million at 100%

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

(c) 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-half		Change
	2015	2016	
Construction businesses	156	227	+€71m
<i>o/w Bouygues Construction</i>	66	89	+€23m
<i>o/w Bouygues Immobilier</i>	6	10	+€4m
<i>o/w Colas</i>	84	128	+€44m
TF1	15	96	+€81m
Bouygues Telecom	380	464	+€84m
Holding company and other	2	2	€0m
TOTAL	553	789	+€236m

**Contribution to free cash flow^a
by sector of activity**
before change in working capital requirement
(€ million)

	First-half		Change
	2015	2016	
Construction businesses	123	53	-€70m
<i>o/w Bouygues Construction</i>	125	81	-€44m
<i>o/w Bouygues Immobilier</i>	24	24	€0m
<i>o/w Colas</i>	(26)	(52)	-€26m
TF1	50	24	-€26m
Bouygues Telecom	(67)	(69)	-€2m
Holding company and other	(79)	(78)	+€1m
TOTAL	27	(70)	-€97m

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