



Paris, 16 November 2016

Bouygues press release

Results for the first nine months of 2016

- **Current operating profit: €714 million, up 20%**
- **Net profit attributable to the Group excl. exceptional items: €412 million, up 29%**
- **2016 outlook confirmed**

Key figures (€ million)	9-month 2015	9-month 2016	Change
Sales	23,824	23,113	-3% ^a
Current operating profit	597	714	+20%
Operating profit	491 ^b	570 ^b	+16%
Net profit attributable to the Group	334	345	+3%
Net profit attributable to the Group excl. exceptional items	320 ^c	412 ^c	+29%
Net debt at 30 September ^d	4,883	3,890	-€993m

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

(b) Including non-current charges of €106 million at Bouygues Telecom, TF1 and Bouygues Construction and Bouygues Immobilier in the first nine months of 2015 and non-current charges of €144 million in all businesses in the first nine months of 2016

(c) See reconciliation on page 10

(d) Net debt comprises an aggregate of cash and cash equivalents, overdrafts and short-term bank borrowings, non-current and current debt, and financial instruments

The first nine months of 2016 showed a sharp rise in the Group's results, driven by the good performance of Bouygues Telecom, whose EBITDA margin^a improved by 3.4 points to 23.1% year-on-year.

- Current operating profit rose 20% to €714 million.
- Operating profit increased 16% to €570 million. This includes €144 million of non-current charges, essentially related to TF1 and Colas. Non-current charges in the first nine months of 2015 were €106 million.
- Net profit attributable to the Group grew 3% to €345 million. As a reminder, net profit attributable to the Group in the first nine months of 2015 notably included the impact of the sale of the stake in the A28 motorway concession company. Excluding exceptional items (non-current charges and disposals), net profit attributable to the Group improved by 29% to €412 million.

(a) EBITDA/sales from network

Outlook

The good performance in the first nine months strengthens the prospect of an improvement in the Group's profitability in 2016 as announced in previous disclosures.

- Profitability in the **construction businesses** is expected to improve starting in 2016.
- In a tougher-than-expected economic environment, **TF1** has revised downward the cost of programs at its five freeview channels and implemented an additional cost saving plan. **TF1** is continuing to expand into 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.

The Group's operating profit in 2016 will be affected by non-current charges of around €270 million, including the roll-out of network sharing with the SFR group and adaptation plans in the business segments, before taking into consideration non-current income related to the sale of towers by Bouygues Telecom.

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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 €28.1 billion at end-September 2016, down 3% year-on-year and down 1% at constant exchange rates.

In **France**, the gradual stabilization of the construction market was confirmed in the first nine months of the year. The order book at end-September 2016 stood at €13.1 billion, up 1% year-on-year.

Residential property reservations at **Bouygues Immobilier** continued to grow strongly in the first nine months of 2016 (up 23% year-on-year) in a market boosted by historically low interest rates, the Pinel tax incentive and wider access to the zero-interest loan program.

Order intake at **Bouygues Construction** rose 12% in the first nine months of 2016 compared with the first nine months of 2015 following the signing of a number of major contracts since the start of the year, such as the Port of Calais extension, Tour Alto in La Défense and the renovation of the Louvre Post Office building in central Paris.

After two years of sharp decline, sales in **Colas'** roads business in mainland France stabilized compared with the first nine months of 2015.

In **international markets**, the order book at end-September 2016 stood at a high level (€15 billion, down 3% at constant exchange rates).

At Bouygues Construction, the order book does not yet include a certain number of significant contracts, notably in Northern Europe, Asia, the Middle East and Cuba, that should be finalized in the next few months. The projects in the pipeline^b at end-September 2016 were therefore 28% higher year-on-year.

At Colas, the order book at end-September 2016 increased 3% (up 6% at constant exchange rates) despite delays in launching road and motorway programs in Central Europe and a decline in investment in Canada's oil-producing western provinces.

International business represented 58% of the order book at Bouygues Construction and Colas.

Sales in the **construction businesses** reached €18.2 billion in the first nine months of 2016, down 5% year-on-year. They were negatively impacted by a €280-million exchange rate effect and a €239-million scope effect, mostly at Colas due to the disposal of storage and bitumen sales activities in Asia to its Thai subsidiary Tasco, in which it has a 32% stake, and to the discontinuation of the refining activity in France. Like-for-like and at constant exchange rates, sales were down 2%.

Current operating profit in the first nine months of 2016 reached €568 million, up €49 million year-on-year. The improvement was mainly due to the discontinuation of activity at the Dunkirk refinery (SRD).

The current operating margin rose 0.4 points to 3.1%.

Operating profit was €512 million, up €8 million, including non-current charges of €56 million, of which €39 million at Colas due to the ongoing closure of the Dunkirk refinery.

(a) Bouygues Construction, Bouygues Immobilier and Colas

(b) Pipeline equals project amount times their signing probability for projects with a signing probability higher than 50%

TF1

Sales at **TF1** in the first nine months of 2016 were €1,427 million, up 2% on the first nine months of 2015. The increase was due to the integration of Newen Studios, consolidated since 1 January 2016, while the group's advertising revenue declined 2%.

Current operating profit in the first nine months of 2016 was €47 million, down €60 million year-on-year, mainly due to the cost of screening Euro 2016 and the deconsolidation of Eurosport France in 2015, which had a €34-million positive impact.

TF1 incurred an operating loss of €22 million in the first nine months of 2016, factoring in non-current charges of €69 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

Bouygues Telecom continued to report sales and earnings growth in the first nine months of 2016, driven by a good commercial performance.

The operator added 227,000 mobile customers in the third quarter of 2016 and 770,000 in the first nine months of the year to reach a total of 12.7 million customers at end-September 2016. The number of plan customers excluding MtoM^a rose by 129,000 in the third quarter of 2016.

4G penetration within Bouygues Telecom's customer base continued, with 6.5 million 4G users^b at end-September 2016, representing 62% of the mobile base excluding MtoM. The growth of 4G was driven by a sharp increase in mobile data usage: 4G customers' average data consumption^c was 3.7 GB in September 2016, compared with 2.3 GB in September 2015.

In the fixed market, Bouygues Telecom continues to win customers and strengthens its position in households. The operator added 215,000 new customers in the first nine months of 2016, including 93,000 in the third quarter, to reach a total of over 3 million customers at end-September 2016. Bouygues Telecom now has 448,000 Very-High-Speed^d customers, including 91,000 FTTH^e customers. In the third quarter of 2016, 70% of Bouygues Telecom's fixed households are convergent, having at least one mobile line in addition to the fixed offer.

Bouygues Telecom's sales reached €3,503 million in the first nine months of 2016, up 6% year-on-year. Sales from network increased for the fifth consecutive quarter, rising 7% in the third quarter of 2016. Sales from mobile network grew for the third consecutive quarter, up 6% in the third quarter of 2016.

EBITDA in the first nine months of 2016 improved 23% to €697 million. The EBITDA margin rose 3.4 points to 23.1%.

Current operating profit at end-September 2016 was €124 million compared with a loss of €9 million at end-September 2015, representing an increase of €133 million.

Operating profit was €117 million after non-current charges of €65 million, essentially related to the roll-out of network sharing with the SFR group, and a capital gain of €56 million on the sale of 230 towers to Cellnex.

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

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

Alstom

As announced on 9 November 2016, Alstom's contribution to Bouygues' net profit in the first nine months of 2016 was €36 million, after a contribution of €0 million in first-half 2016.

Financial situation

Net debt at end-September 2016 was €3.9 billion, an improvement of €993 million on end-September 2015. In 2016, net debt notably benefits from the impact of the Alstom public share buy-back offer (+€996 million) and includes the acquisition of Newen Studios (-€293 million at 100%) and the first installment of 700 MHz frequencies (-€117 million).

Net debt was higher than at 31 December 2015 due to the usual seasonal effects of the businesses and the dividend payments (-€655 million).

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Highlights since 30 June 2016

- 31 August 2016: Bouygues Construction started work on the €842-million first tranche of the 6-hectare offshore extension project in Monaco.
- 15 September 2016: Bouygues Immobilier, with its UrbanEra® approach, was awarded the development of the station district in Divonne-les-Bains, in eastern France.
- 26 September 2016: Laying of the foundation stone of the Port of Calais extension in the presence of the President of France.
- 26 October 2016: The Bouygues group is recognized for its action in favor of the climate and is added to CDP's Climate A List.
- 9 November 2016: Bouygues sold a 46.1% stake in Adelac, the concession company of the A41 Annecy North-Geneva motorway, to Eiffage for €130 million.

Financial calendar

23 February 2017: Full-year 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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9-month 2016 business activity

Order book at the construction businesses (€ million)	End-September		
	2015	2016	% change
Bouygues Construction	19,681	18,225	-7%
Bouygues Immobilier	2,274	2,722	+20%
Colas	7,083	7,178	+1%
TOTAL	29,038	28,125	-3%

Bouygues Construction order intake (€ million)	9-month		% change
	2015	2016	
France	3,407	3,802	+12%
International	5,705	3,841	-33%
TOTAL	9,112	7,643	-16%

Bouygues Immobilier reservations (€ million)	9-month		% change
	2015	2016	
Residential property	1,184	1,443	+22%
Commercial property	191	231	+21%
TOTAL	1,375	1,674	+22%

Colas order book (€ million)	End-September		% change
	2015	2016	
Mainland France	2,901	2,876	-1%
International and French overseas territories	4,182	4,302	+3%
TOTAL	7,083	7,178	+1%

TF1 audience share^a	9-month		Pts change
	2015	2016	
TF1	21.3%	20.4%	-0.9 pts
TMC	3.1%	2.8%	-0.3 pts
NT1	2.0%	1.9%	-0.1 pts
HD1	1.2%	1.7%	+0.5 pts
LCI	nm	0.2%	nm
TOTAL	27.6%	27.0%	-0.6 pts

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

Bouygues Telecom customer base (‘000 customers)	End-June 2016	End-September 2016	Change (‘000 customers)
Plan subscribers	11,472	11,716	+244
Prepaid customers	961	944	-17
Total mobile customers	12,433	12,660	+227
Total fixed customers	2,910	3,003	+93

9-month 2016 financial performance

Condensed consolidated income statement (€ million)	9-month		Change
	2015	2016	
Sales	23,824	23,113	-3%^a
Current operating profit	597	714	+20%
Other operating income and expenses	(106) ^b	(144) ^b	+36%
Operating profit	491	570	+16%
Cost of net debt	(210)	(171)	-19%
Other financial income and expenses	23	3	-87%
Income tax	(82)	(138)	+68%
Share of net profits of joint ventures and associates	159 ^c	91	-43%
<i>o/w Alstom</i>	<i>0^d</i>	36	<i>nm</i>
Net profit	381	355	-7%
Net profit attributable to non-controlling interests	(47)	(10)	nm
Net profit attributable to the Group	334	345	+3%
Net profit attributable to the Group excl. exceptional items	320^e	412^e	+29%

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

(b) Non-current charges at Bouygues Telecom, TF1, Bouygues Construction and Bouygues Immobilier in the first nine months of 2015 and non-current charges in all Group business segments in the first nine months of 2016

(c) Including the impact of the sale of Bouygues Construction's stake in the A28 motorway concession company

(d) Alstom's contribution of -€301 million to Bouygues' net profit, a negative impact of €9 million for the amortization of fair value remeasurements of identifiable intangible assets and other items, and a partial reversal for €310 million of the write-down against Bouygues' interest in Alstom recognized in 2013

(e) See reconciliation on page 10

Calculation of EBITDA (€ million)	9-month		Change
	2015	2016	
Current operating profit	597	714	+€117m
Net depreciation and amortization expense	1,076	1,144	+€68m
Net charges to provisions and impairment losses	81	127	+€46m
Reversals of unutilized provisions and impairment losses	(219)	(234)	-€15m
EBITDA	1,535	1,751	+€216m

Third-quarter consolidated income statement (€ million)	Third-quarter		Change
	2015	2016	
Sales	8,726	8,444	-3%
Current operating profit	478	508	+6%
Operating profit	446 ^a	513 ^a	+15%
Net profit attributable to the Group	376	373	-1%

(a) Including non-current charges of €32 million at Bouygues Telecom, TF1, Bouygues Construction and Bouygues Immobilier in Q3 2015 and non-current income of €5 million in Q3 2016, which factors in non-current income of €36 million at Bouygues Telecom (non-current income of €59 million and non-current charges of €23 million) and non-current charges of €31 million at Bouygues Construction, Colas and TF1

Sales by sector of activity (€ million)	9-month		% change	Change I-f-I and at constant exchange rates
	2015	2016		
Construction businesses ^a	19,134	18,219	-5%	-2%
<i>o/w Bouygues Construction</i>	8,826	8,698	-1%	0%
<i>o/w Bouygues Immobilier</i>	1,569	1,626	+4%	+3%
<i>o/w Colas</i>	8,933	8,115	-9%	-5%
TF1	1,400	1,427	+2%	-4%
Bouygues Telecom	3,319	3,503	+6%	+6%
Holding company and other	105	101	nm	nm
Intra-Group elimination	(328)	(357)	nm	nm
TOTAL	23,824	23,113	-3%	-1%
<i>o/w France</i>	14,650	14,520	-1%	-1%
<i>o/w international</i>	9,174	8,593	-6%	-1%

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

Contribution to EBITDA ^a by sector of activity (€ million)	9-month		Change
	2015	2016	
Construction businesses	872	891	+€19m
<i>o/w Bouygues Construction</i>	324	335	+€11m
<i>o/w Bouygues Immobilier</i>	67	68	+€1m
<i>o/w Colas</i>	481	488	+€7m
TF1	117	193	+€76m
Bouygues Telecom	565	697	+€132m
Holding company and other	(19)	(30)	-€11m
TOTAL	1,535	1,751	+€216m

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

Contribution to current operating profit by sector of activity (€ million)	9-month		Change
	2015	2016	
Construction businesses	519	568	+€49m
<i>o/w Bouygues Construction</i>	235	235	€0m
<i>o/w Bouygues Immobilier</i>	89	92	+€3m
<i>o/w Colas</i>	195	241	+€46m
TF1	107	47	-€60m
Bouygues Telecom	(9)	124	+€133m
Holding company and other	(20)	(25)	-€5m
TOTAL	597	714	+€117m

Contribution to operating profit by sector of activity (€ million)	9-month		Change
	2015	2016	
Construction businesses	504	512	+€8m
<i>o/w Bouygues Construction</i>	223 ^a	220 ^a	-€3m
<i>o/w Bouygues Immobilier</i>	86 ^a	90 ^a	+€4m
<i>o/w Colas</i>	195	202 ^b	+€7m
TF1	92 ^c	(22) ^c	-€114m
Bouygues Telecom	(85) ^d	117 ^d	+€202m
Holding company and other	(20)	(37)	-€17m
TOTAL	491	570	+€79m

(a) Including non-current charges of €12 million in the first nine months of 2015 and of €15 million in the first nine months of 2016 at Bouygues Construction and of €3 million in the first nine months of 2015 and of €2 million in the first nine months of 2016 at Bouygues Immobilier related to the implementation of their new organizations

(b) Including non-current charges of €39 million related to the discontinuation of activity at the SRD subsidiary in Dunkirk

(c) Including non-current charges of €15 million in the first nine months of 2015 related to the new organization and of €69 million in the first nine months of 2016, which include transformation costs, the effects of LCI's migration to freeview and the impacts of both Newen Studios and the decree on French drama

(d) Including non-current charges of €76 million in the first nine months of 2015 essentially related to the roll-out of network sharing with SFR and of €7 million in the first nine months of 2016 essentially related to a capital gain of €56 million on the sale of 230 towers to Cellnex and to non-current charges of €65 million mainly related to the roll-out of network sharing with SFR

Contribution to net profit attributable to the Group by sector of activity (€ million)	9-month		Change
	2015	2016	
Construction businesses	471	379	-€92m
<i>o/w Bouygues Construction</i>	243	165	-€78m
<i>o/w Bouygues Immobilier</i>	46	53	+€7m
<i>o/w Colas</i>	182	161	-€21m
TF1	28	(6)	-€34m
Bouygues Telecom	(50)	57	+€107m
Alstom	0 ^a	36	+€36m
Holding company and other	(115)	(121)	-€6m
Net profit attributable to the Group	334	345	+€11m
Net profit attributable to the Group excl. exceptional items	320^b	412^b	+€92m

(a) Alstom's contribution of -€301 million to Bouygues' net profit, a negative impact of €9 million for the amortization of fair value remeasurements of identifiable intangible assets and other items, and a partial reversal for €310 million of the write-down against Bouygues' interest in Alstom recognized in 2013

(b) See reconciliation below

Impacts of exceptional items on net profit attributable to the Group (€ million)	9-month		Change
	2015	2016	
Net profit attributable to the Group	334	345	+€11m
non-current income/charges related to Bouygues Telecom (net of taxes)	43	4	-€39m
non-current income/charges related to the construction businesses (net of taxes)	9	36	+€27m
non-current income/charges related to TF1 (net of taxes)	4	19	+€15m
non-current income/charges related to Holding company (net of taxes)	-	8	+€8m
associates of Bouygues Construction (A28 motorway, etc.)	(70)	-	+€70m
Net profit attributable to the Group excl. exceptional items	320	412	+€92m

Net cash by business segment (€ million)	At end-September		Change
	2015	2016	
Bouygues Construction	2,642	2,758	+€116m
Bouygues Immobilier	(188)	(274)	-€86m
Colas	(231)	(17)	+€214m
TF1	235	148 ^a	-€87m
Bouygues Telecom	(1,012)	(1,123) ^b	-€111m
Holding company and other	(6,329)	(5,382) ^c	+€947m
TOTAL	(4,883)	(3,890)	+€993m

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

(b) Including the first installment for the 700 MHz frequencies for €117 million and proceeds related to the disposal of 230 towers to Cellnex for €80 million

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

Contribution to net capital expenditure by sector of activity (€ million)	9-month		Change
	2015	2016	
Construction businesses	281	320	+€39m
<i>o/w Bouygues Construction</i>	130	127	-€3m
<i>o/w Bouygues Immobilier</i>	10	17	+€7m
<i>o/w Colas</i>	141	176	+€35m
TF1	29	147	+€118m
Bouygues Telecom	571	605	+€34m
Holding company and other	0	3	+€3m
TOTAL	881	1,075	+€194m

Contribution to free cash flow ^a by sector of activity before change in working capital requirement (€ million)	9-month		Change
	2015	2016	
Construction businesses	424	432	+€8m
<i>o/w Bouygues Construction</i>	133	161	+€28m
<i>o/w Bouygues Immobilier</i>	32	34	+€2m
<i>o/w Colas</i>	259	237	-€22m
TF1	50	(5)	-€55m
Bouygues Telecom	(24)	24	+€48m
Holding company and other	(135)	(115)	+€20m
TOTAL	315	336	+€21m

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