



PRESS RELEASE

PARIS

18/10/2018

BOUYGUES REVISES 2018 OUTLOOK FOR CONSTRUCTION BUSINESSES AND THE GROUP AND CONFIRMS OUTLOOK FOR TF1 AND BOUYGUES TELECOM

During its first-half 2018 results presentation, the Group highlighted some challenges in the completion of three energy and services projects at Bouygues Construction and in Colas' Specialized activities, particularly in the French rail business. This situation worsened during third-quarter 2018.

- At Bouygues Energies & Services:
 - The two biomass power plants in the United Kingdom experienced difficulties during the recent testing and commissioning phases, related mainly to malfunctions on certain equipment, leading to delays, additional costs and compensation paid to customers;
 - The data centre in Ireland, which was terminated by the client, has entered a new phase of litigation following the request by the client for payment of the maximum amount of compensation.

As a result, Bouygues Construction's current operating profit should decrease by around €140 million in the first nine months of 2018 versus the first nine months of 2017.

- At Colas' specialized activities:
 - Colas Rail is facing, in France, a tough situation, which worsened in the second and third quarters. Strikes at French rail operator SNCF had negative impacts on rail works and the freight business, resulting in a sharp decline in activity in a business with a high level of fixed costs;
 - At SPAC, the pipe-laying project in south-west France was penalized by adverse weather conditions in the first quarter of 2018. The accrued delay has been caught up through the use of significant means generating additional costs.

As a result, Colas' current operating profit is expected to decline by around €25 million in the first nine months of 2018 versus the first nine months of 2017.

Given these elements, the current operating profit¹ and the current operating margin¹ at the construction businesses are now expected to decline in 2018 versus 2017 (by a few dozen basis points for the current operating margin), versus the previous forecast of an improvement.

In contrast, the building and civil works activities of Bouygues Construction and Roads Mainland France at Colas will post good results in the first nine months of 2018.

The Group is therefore confident in the strengths and the good positioning of its construction businesses in a market exhibiting strong worldwide demand over the long term, as outlined during the Capital Markets Day of 2 October.

¹ Excluding a capital gain of €28 million in 2017 on the sale of 50% of Nextdoor and remeasurement of the residual interest



For 2018, Bouygues confirms the outlook for TF1 and Bouygues Telecom and expects stable or slightly lower current operating profit at Group level versus 2017.

A conference call in English will take place today at 6pm CET.

To connect, please dial:

- In France, +33 1 70 71 01 59, followed by the code 65088851#
- In the UK, +44 20 71 94 37 59, followed by the code 65088851#
- In the US, +1 646 7224916, followed by the code 65088851#

You may also connect via the following web address: <http://event.on24.com/wcc/r/1862242-1/81CB669852A453BA41E14237BA5542C8?partnerref=rss-events>

FINANCIAL CALENDAR:

- **15 November 2018:** Nine-month 2018 results (7.30am CET)
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