

2003 EARNINGS

GROUP BOUYGUES



Paris - 25 February 2004

This presentation contains statements that constitute forward-looking statements. These statements reflect objectives that are based on management's current expectations or estimates and are subject to a number of factors and uncertainties that could cause actual figures to differ materially from those described in the forward-looking statements. The following factors, among others that are described in our Reference Document as filed with the French Autorité des Marchés Financiers, could cause actual figures to differ materially from those described in the forward-looking statements: Adverse developments in the French and international communications, audiovisual, construction, water treatment and real estate markets; costs relating to compliance with environmental, health, safety and other relevant regulations, or remediation of non-compliance; competition in each of our markets; the impact of present and future government regulation; foreign exchange risks and other risks associated with multinational operations; and risks relating to ongoing or future litigation. Bouygues does not undertake any obligation to provide updates or to revise any forward-looking statements.

- **HIGHLIGHTS**
- **BUSINESS AREAS**
- **ACCOUNTS**
- **OUTLOOK AND OBJECTIVES**

HIGHLIGHTS IN 2003

- Sharp rise in earnings: net earnings up 41%
- Substantial contribution to Group earnings of each of its business areas which are all on a growth track: three of them generated net earnings of approx. €200m each
- Strong improvement in cash, despite a high level of investment
- Increased stake in Bouygues Telecom
- Success of i-mode
- Confirmed recovery of Bouygues Construction
- Sale by Saur of its subsidiary South East Water

Strong growth in earnings

SHARP RISE IN NET EARNINGS OF BUSINESS AREAS IN 2003

Million euros	2003	$\frac{2003^{(1)}}{2002}$
At business level		
Construction sector	280	+ 35%
Saur	27 ⁽²⁾	+ 29%
TF1	192	+ 24%
Bouygues Telecom	201	+ 55%
GROUP TOTAL	450	+ 41%

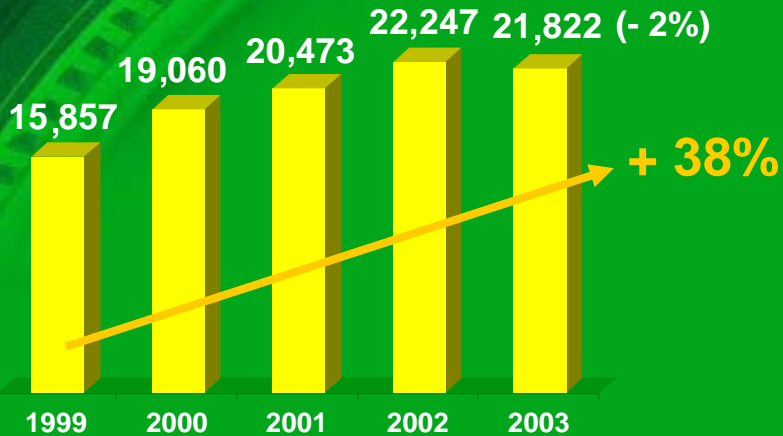
(1) On a comparable basis

(2) Excluding exceptional capital loss on disposal of South East Water

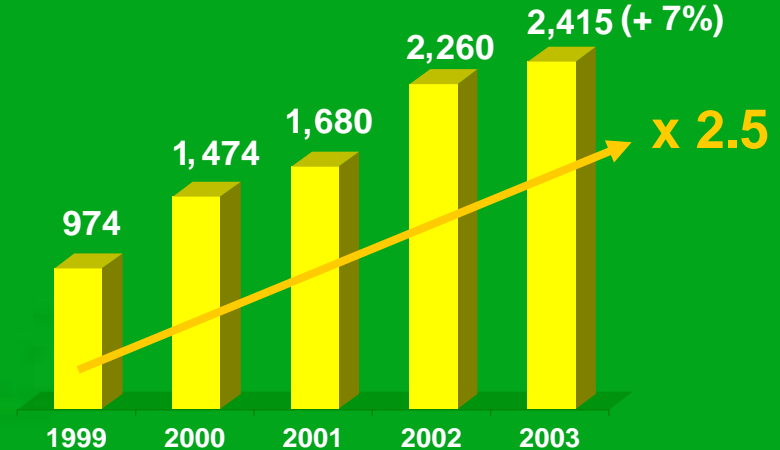
Three business areas generated net earnings of approx. €200 million each

KEY FIGURES (in million euros)

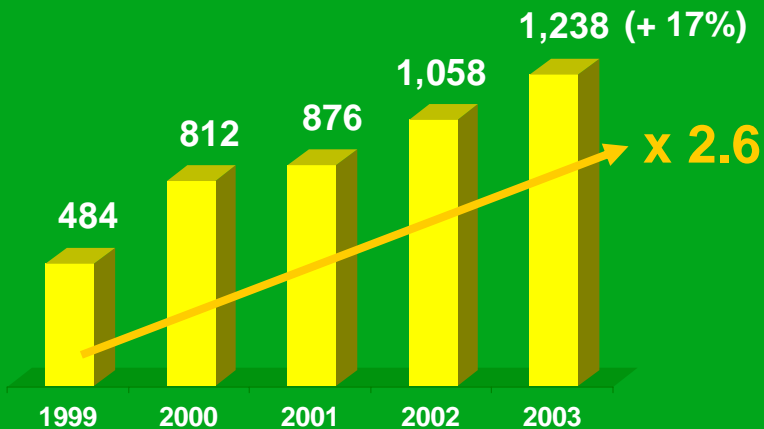
Sales



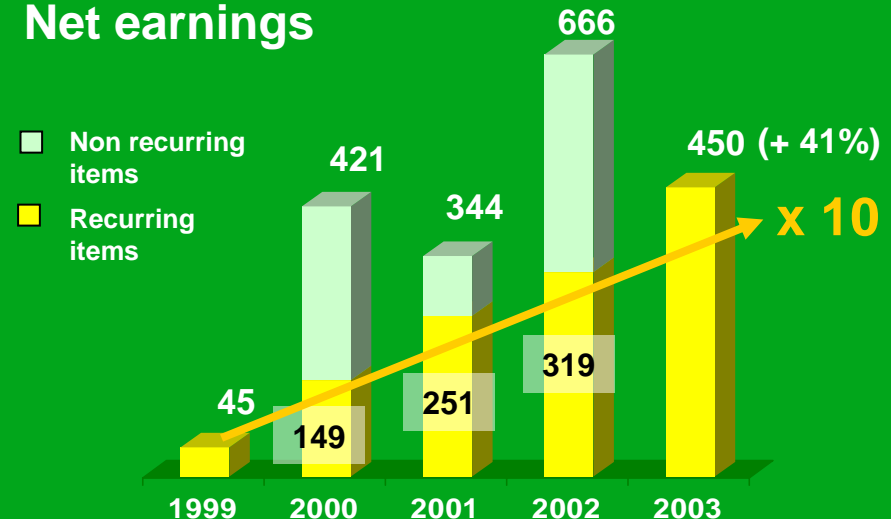
EBITDA



Operating income



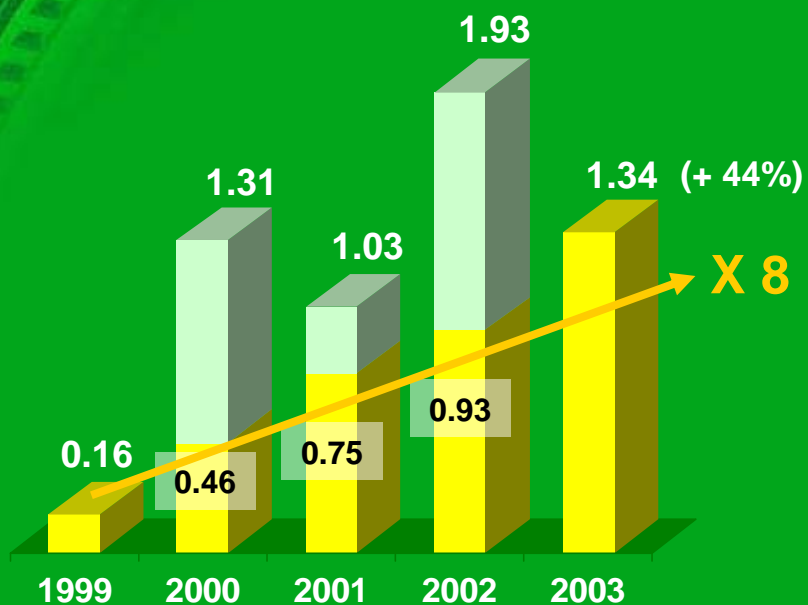
Net earnings



Strong growth in profitability

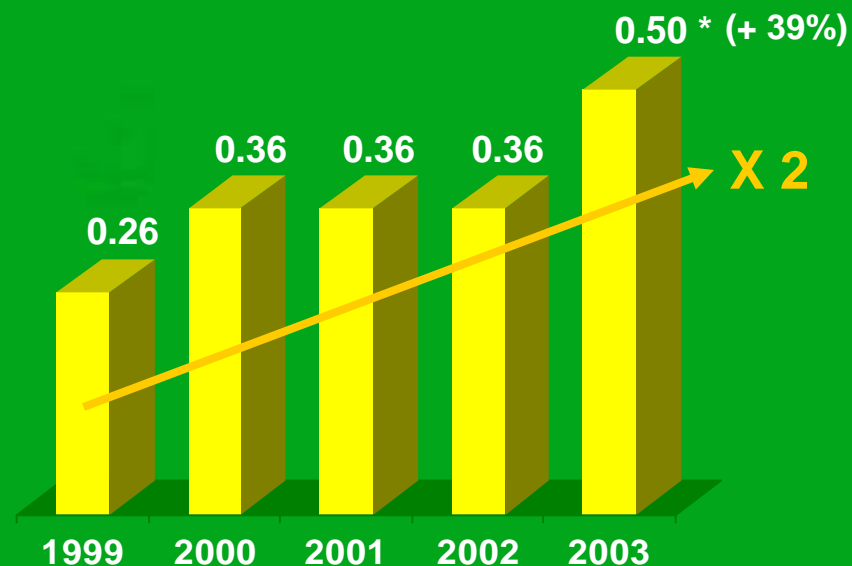
KEY FIGURES PER SHARE (in euros)

Net earnings per share



- Non recurring items
- Recurring items

Net dividend per share



* To be proposed at the Annual Meeting of 22 April 2004

SOLID FINANCIAL STRUCTURE

Million euros	2001	2002	2003
Net debt	1,124	3,201	2,786
Net debt / shareholders' equity	20%	50%	45%
Cash flow	1,135	1,713	2,073
Net operating investment	1,125	1,226 *	930
Free cash flow	278	921 *	1,341

* Excluding UMTS licence

***Standard & Poor's credit rating maintained:
A- with stable outlook***

SHARE OWNERSHIP STRUCTURE

At 31 December 2003	Holding	Voting rights
SCDM ⁽¹⁾	14.1%	22.0%
Artemis (groupe Pinault)	3.0%	3.3%
Simetra (groupe Pinault)	5.1%	4.0%
<i>Total shareholder agreement</i>	22.2%	29.3%
Bouygues Group employees	11.0%	16.1%
Groupe Arnault	4.8%	3.8%
Mme F. Bouygues	1.6%	2.5%
Banks ⁽²⁾	2.5%	2.5%
Other French shareholders	30.3%	24.2%
Foreign shareholders	27.6%	21.6%
TOTAL	100%	100%

(1) SCDM is a holding company controlled by Martin and Olivier Bouygues

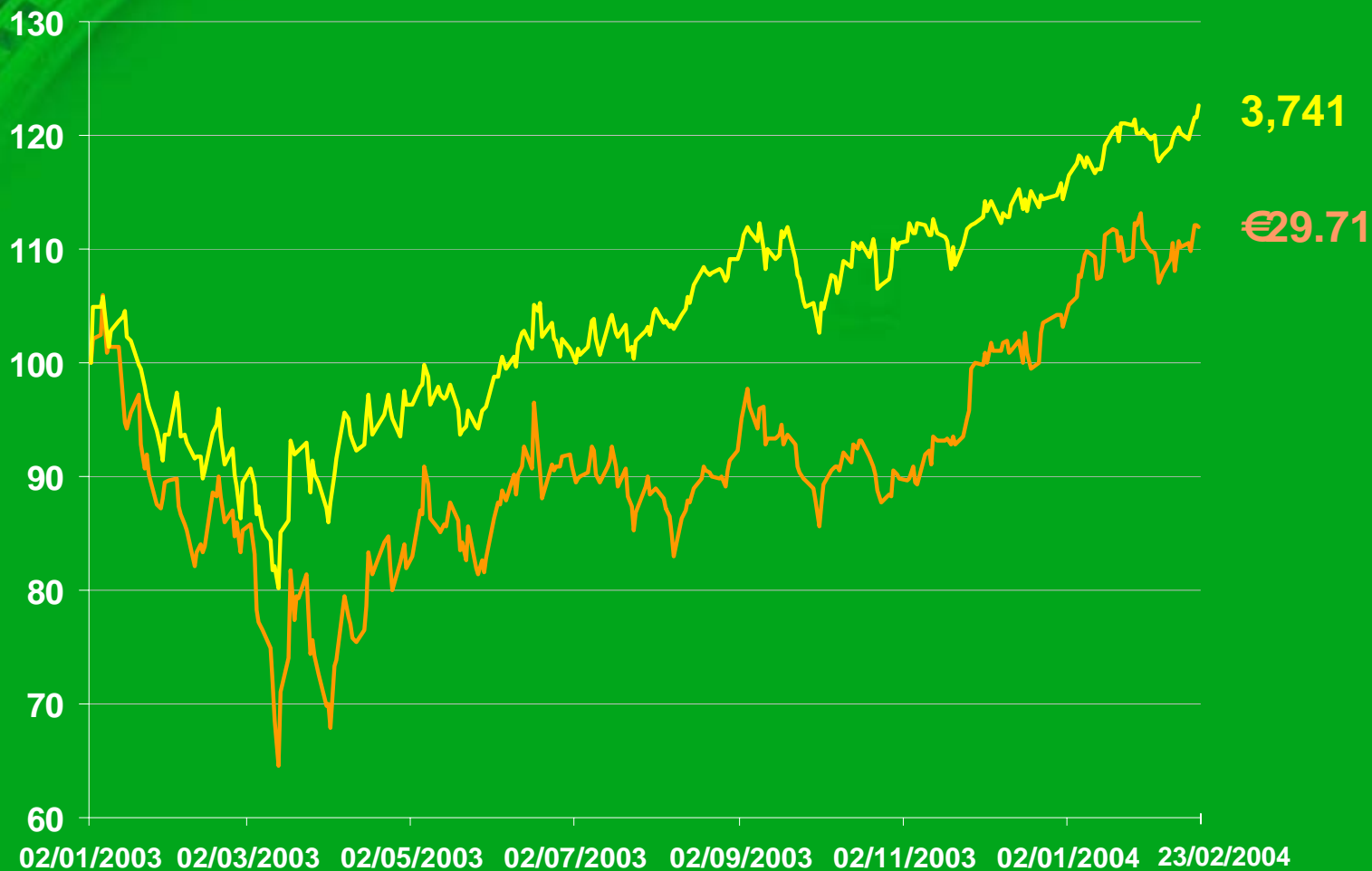
(2) Crédit Agricole / BNP Paribas

✓ 333,199,969 shares at 31 December 2003



STOCK MARKET

■ Performance from 1 January 2003 to 23 February 2004



— CAC 40

— BOUYGUES

BOUYGUES

- **HIGHLIGHTS**
- **BUSINESS AREAS**
- **ACCOUNTS**
- **OUTLOOK AND OBJECTIVES**

BOUYGUES CONSTRUCTION (B/CW): key figures

Million euros	2002 proforma *	2003
Sales	5,253	5,002
<i>of which France</i>	2,859	2,946
<i>of which International</i>	2,394	2,056
Earnings before tax and exceptionals	32	70
Net earnings	(37)	32
Net cash	1,026	1,346

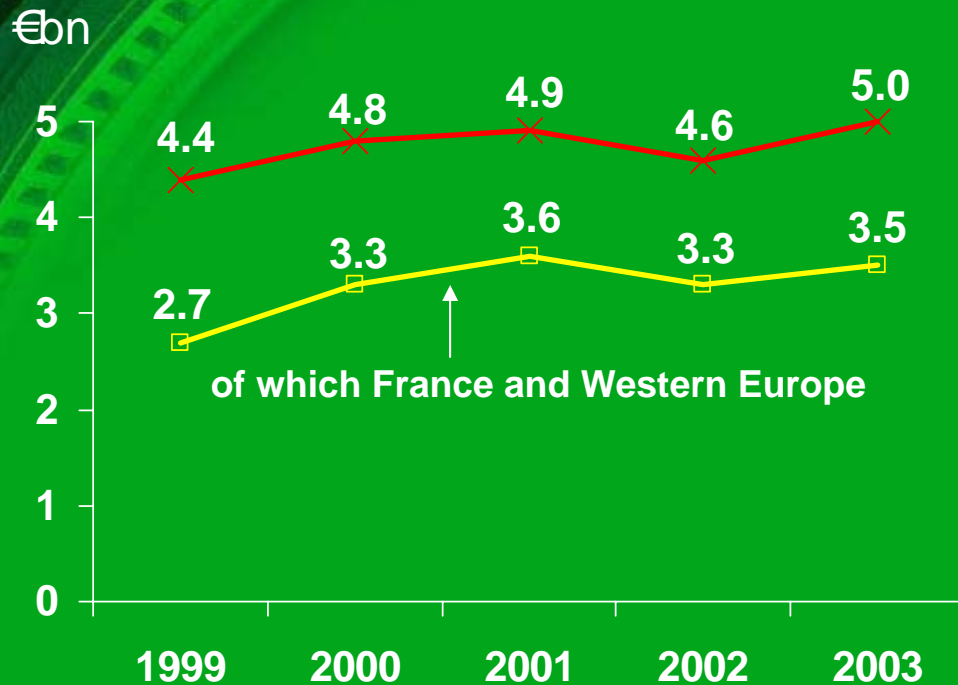
* Proforma excluding Bouygues Offshore



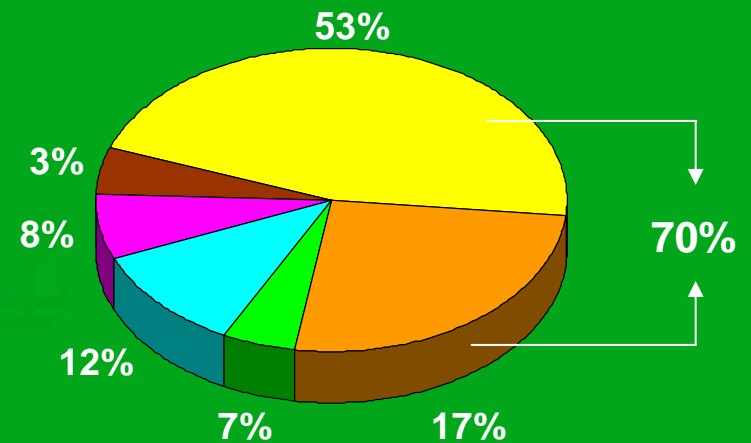
Languienne viaduct
(Charente, France)

Improvement in earnings confirmed

BOUYGUES CONSTRUCTION (B/CW): order book



At 31/12/2003



- France
- Western Europe (excluding France)
- Eastern Europe
- Asia
- Africa
- Latin America and other

The order book reached a new high

BOUYGUES CONSTRUCTION: strategy and outlook

- Continue to improve profitability
- Develop the high added-value offering
 - ✓ Public / Private Partnership
 - ✓ Packaged development
- Maintain substantial cash
- Sales target for 2004:

€5,030m	+ 1%
✓ of which France	€2,915m - 1%
✓ of which International	€2,115m + 3%

COLAS: key figures

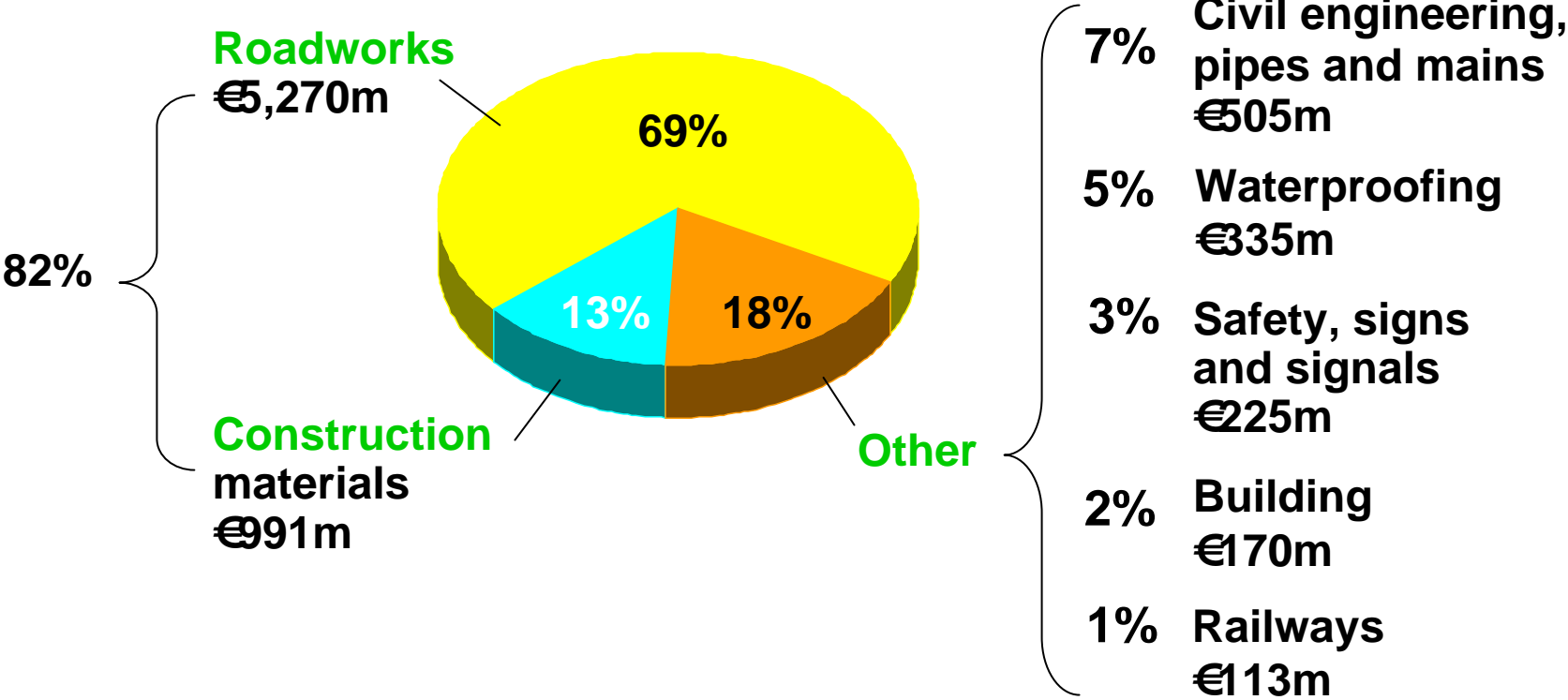
Million euros	2002	2003
Sales	7,415	7,426
<i>of which France</i>	<i>4,276</i>	<i>4,465</i>
<i>of which International</i>	<i>3,139</i>	<i>2,961</i>
Operating income	292	262
Net earnings	208	204
Net cash	156	255



Quarry
(Marseille)

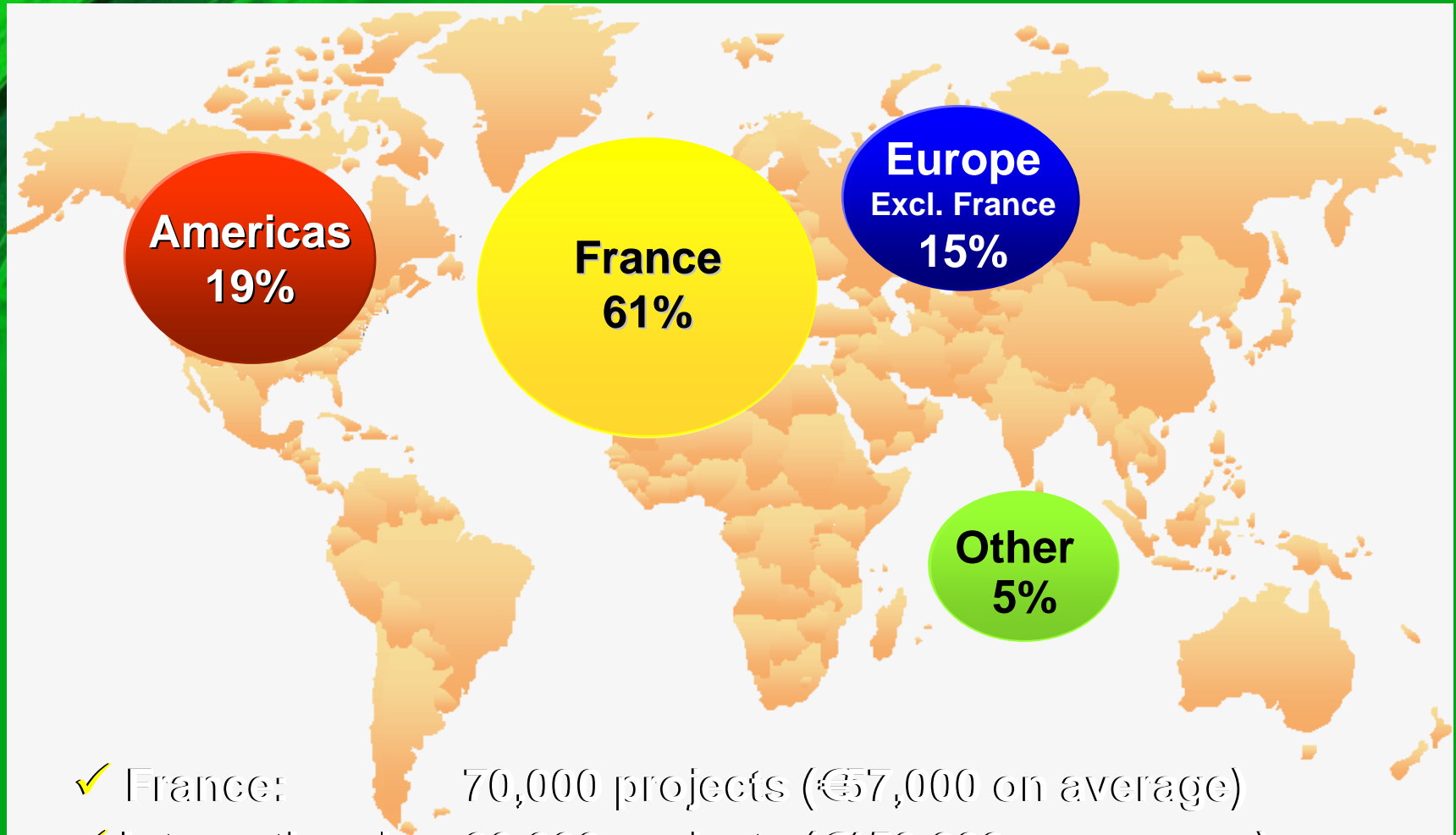
***Cash situation improved.
Earnings remained strong,
despite unfavourable exchange rates***

COLAS: breakdown of sales and revenues



A mostly non-cyclical business

COLAS: geographical breakdown of sales and revenues



- ✓ France: 70,000 projects (€57,000 on average)
- ✓ International : 20,000 projects (€150,000 on average)

95% of sales and revenues generated in developed countries

COLAS: order book

Million euros	End 2002	End 2003	<u>2003</u> 2002
France	1,610	1,855	+ 15%
International	1,630	1,576	- 3%
TOTAL	3,240	3,431	+ 6%

Good start to 2004

COLAS: strengths

- A world leader in road construction and maintenance
- Focus on research
- A strategic asset: material reserves
 - ✓ 516 quarries in over 15 countries
 - ✓ Over 2 billion tonnes of aggregate supplies, i.e. 25 years of reserves
- Geographically balanced activity abroad

Uninterrupted growth since Colas became part of the Bouygues Group in 1986

COLAS: strategy and outlook

- The external growth policy will gradually be resumed
 - ✓ extension of the current network coverage
 - ✓ strategic material reserves
 - ✓ production of aggregates

in targeted areas and financed from cash flow

■ Sales target for 2004:	€7,620m	+ 3%
✓ of which France	€4,675m	+ 5%
✓ of which International	€2,945m	- 1%

BOUYGUES IMMOBILIER: key figures

Million euros	2002	2003
Sales	1,288	1,230
<i>Housing</i>	<i>607</i>	<i>711</i>
<i>Corporate / Commercial property</i>	<i>681</i>	<i>519</i>
Operating income	62	80
Net earnings	37	44
Net cash	30	88



Steria head office
(Issy-les-Moulineaux, France)

Improvement in profitability
Positive cash situation for the third consecutive year

BOUYGUES IMMOBILIER: business activity

■ Reservations

	2002	2003	<u>2003</u> <u>2002</u>
Housing Number	4,512	5,405	+ 20%
Total (€m)	649	806	+ 24%
Corporate/commercial Office space (sq. m.)	130,000	163,000	+ 25%
Total (€m)	366	591	+ 61%
TOTAL (€m)	1,015	1,397	+ 38%

***Strong business activity
in both housing and corporate property***

BOUYGUES IMMOBILIER: strategy and outlook

- Expand in the housing segment, mainly outside the Paris region
- Remain prudent in the corporate/commercial segment
- Maintain a high level of profitability and a balanced financial structure
- Sales target for 2004:

	€1,250m	+ 2%
✓ of which housing	€823m	+ 16%
✓ of which corporate/commercial	€427m	- 18%

SAUR: key figures

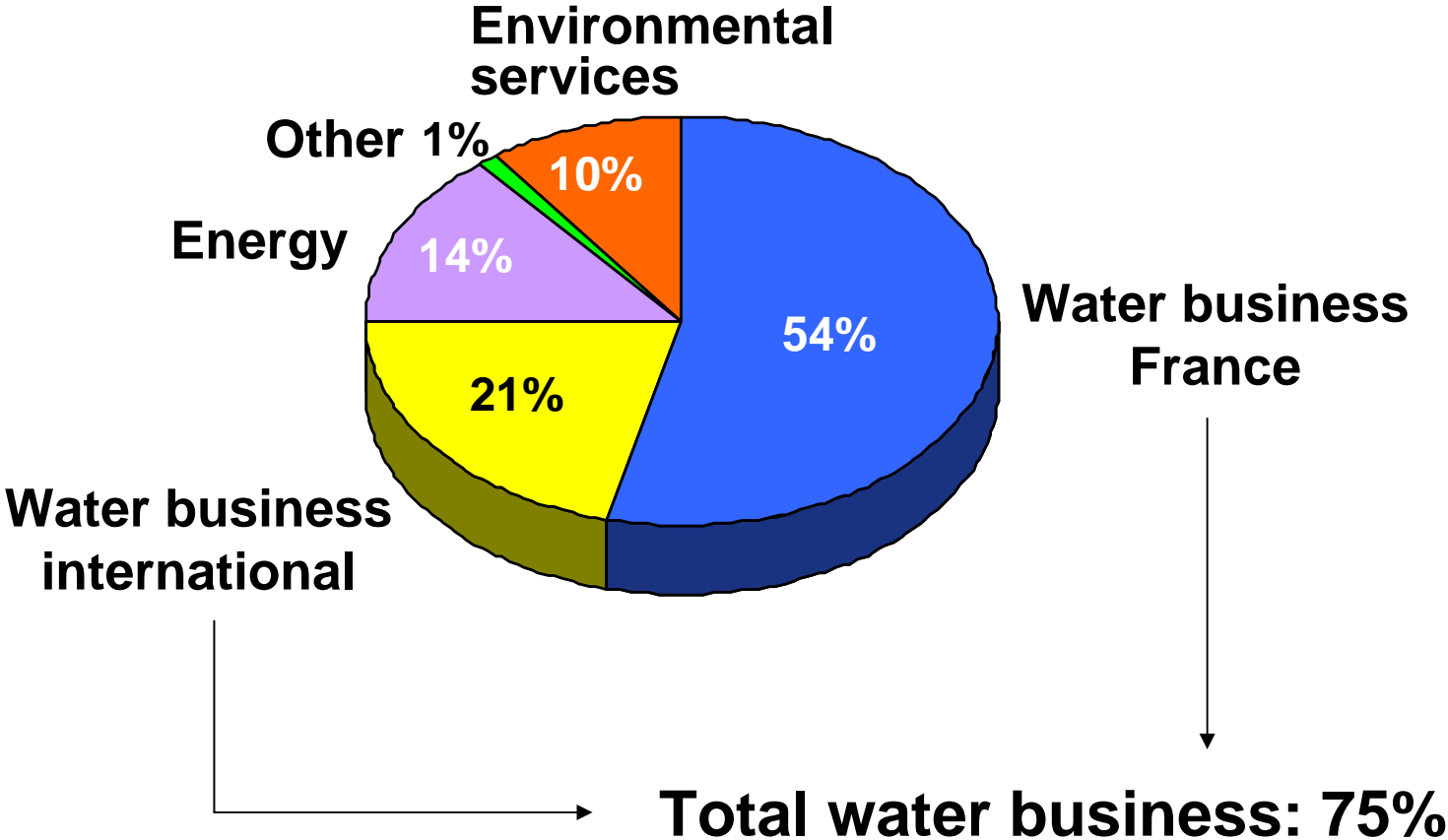
Million euros	2002	2003	2002 ⁽¹⁾	2003 ⁽²⁾
Sales	2,516	2,450	2,479	2,450
<i>of which France</i>	1,682	1,720	1,682	1,720
<i>of which International</i>	834	730	797	730
Operating income	108	87	93	87
Net earnings	27	(17)	21	27
Net cash	(550)	73		

(1) Contribution of South East Water for 9 months

(2) Excluding exceptional capital loss on disposal of South East Water: - €44m

Increase in net earnings excluding the impact of the sale of South East Water

SAUR: breakdown of sales by business area



SAUR: strategy and outlook

■ Improvement in results:

- ✓ Steady growth of water services in France
- ✓ Development of environmental services in France
- ✓ A controlled slowdown of activities abroad

■ Sales target for 2004:	€2,400m	+ 2% *
✓ of which France	€1,800m	+ 5%
✓ of which International	€600m	- 4% *

* Excluding South East Water

TF1: key figures

Million euros	2002	2003
Sales	2,625	2,743
<i>of which advertising</i>	1,507	1,544
<i>of which diversification</i>	1,118	1,199
Operating income	293	334
Net earnings	155	192
Net debt	494	443



Improvement in margins

TF1: audience

- Television is the most popular form of media in France
 - ✓ Rise in average viewing time per person:
3 hours 36 every day (+5%)
 - ✓ Almost 90% of viewers watch terrestrial channels
- TF1 is the preferred channel in France
 - ✓ 95 of top 100 audience ratings in 2003
 - ✓ Highest audience share among women under 50:
34.4%

Unique position in Europe

TF1: advertising audience

- The 322 most watched advertisements in 2003 were broadcast on TF1
- 95% of TF1's advertisements (access and peak time, from 7 to 10pm) have a larger audience than the average for the terrestrial channels

TF1's advertising market share rose 0.7 point to 54.7 % in 2003

TF1: Eurosport key figures


Million euros	2002	2003
Sales	300	290
Operating income	26	31
Net earnings	4	8



- ✓ 98 million households, including 48 million direct paying subscribers
- ✓ Audience: 21 million viewers a day in Europe in 54 countries
- ✓ Drop in advertising revenues in 2003 due to the absence of major sporting events
- ✓ Promising events in 2004:
Olympic Games in Athens, Euro 2004 in Portugal

TF1: TPS key figures (at 100%)

Million euros	2002	2003
Sales	500	537
Operating income	(23)	3
Net earnings	(37)	(9)

The TPS logo is located to the right of the table. It consists of the letters 'TPS' in a bold, white, sans-serif font, centered within a red oval. Below the oval is a white, curved line that resembles a stylized 'S' or a swoosh.

- ✓ 1.527 million subscribers at end 2003, including 1.239 million via Direct Broadcast Satellite
- ✓ More than 200 channels and interactive services

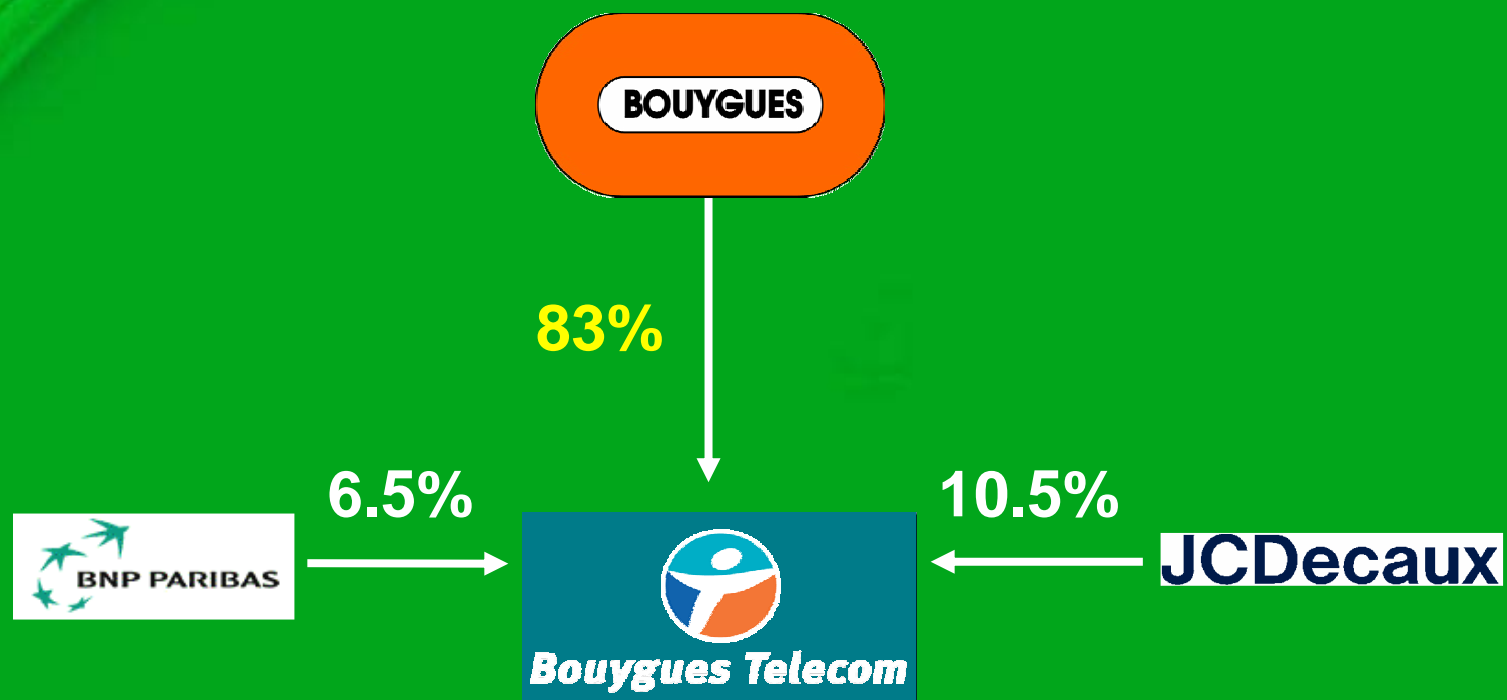
Increase in profitability

TF1: strategy and outlook

- Maintain TF1's leading position
- Reinforce its diversification activities
 - ✓ Consolidate TPS' commercial presence
 - ✓ Develop the theme channels and increase their profitability
- Sales target for 2004:

€2,867m	+ 5%
✓ of which advertising	€1,604m + 4%
✓ of which diversification	€1,263m + 5%

BOUYGUES TELECOM: share ownership structure



Bouygues has raised its stake in Bouygues Telecom from 34% to 83% in 5 years

BOUYGUES TELECOM: key figures

Million euros	2002 *	2003 *	$\frac{2003}{2002}$
Sales	2,928	3,283	+ 12%
<i>of which net sales from network</i>	2,686	2,995	+ 12%
EBITDA	846	1,001	+ 18%
Operating income	305	461	+ 51%
Net earnings	130	201	+ 55%
EBITDA / net sales from network	31.5%	33.4%	

* Excluding third-party sales (€17m in 2002 and €59m in 2003)

EBITDA margin continued to improve

BOUYGUES TELECOM: financial data

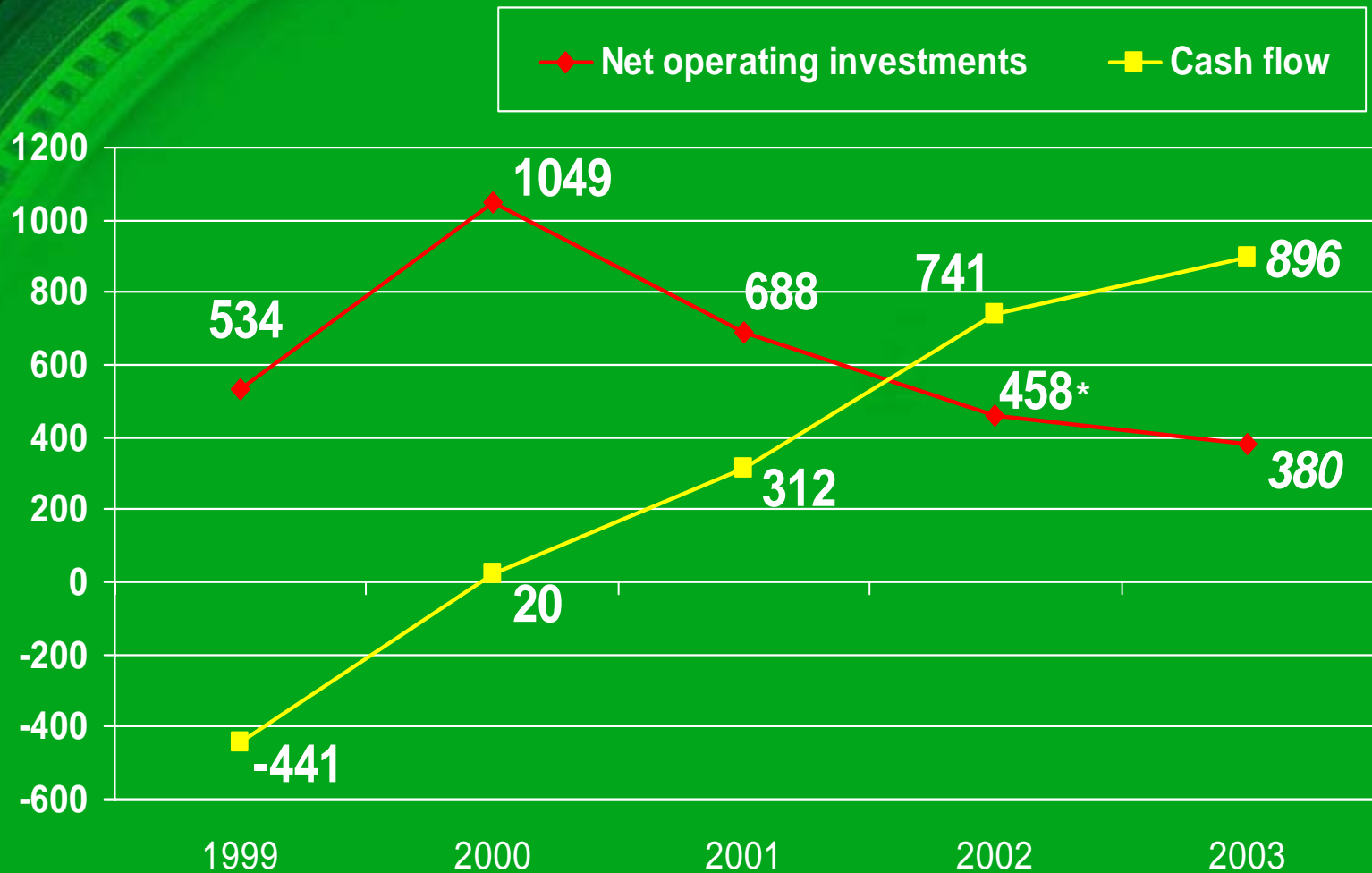
Million euros	2002	2003	<u>2003</u> 2002
Shareholders' equity	2,148	2,320	+ 8%
Net debt	1,486	1,031	- 31%
Net debt / Shareholders' equity	69%	44%	-
Cash flow	741	896	+ 21%
Net operating investments	⁽¹⁾ 458	⁽²⁾ 380	- 17%

(1) Excluding UMTS licence

(2) After deducting 105 million euros from the sale of radio masts

Sharp reduction in debt

BOUYGUES TELECOM: cash flow and investments



* Excluding UMTS licence

A virtuous "scissors effect"

BOUYGUES TELECOM: debt

- Bouygues Telecom repaid €690m of its syndicated bank loan in 2003
- The loan will be fully repaid in 2005
- An improved debt / EBITDA ratio cut the spread on its syndicated loan to 60 basis points in August 2003
- Bouygues Telecom paid off an initial €55m of its shareholder loans at end 2003

Cash flow used to reduce debt

BOUYGUES TELECOM: breakdown of sales

Million euros	2002 *	2003 *	$\frac{2003}{2002}$
Net sales from network	2,686	2,995	+ 12%
<i>of which data</i>	282	413	+ 46%
<i>% of net sales from network</i>	10.5%	13.8%	+ 3.3 pts
Handsets and other	242	288	+ 19%
Total sales	2,928	3,283	+ 12%

* Excluding third-party sales (€17m in 2002 and €59m in 2003)

- ✓ Growing success of i-mode
- ✓ Development of text messaging

Data: a further source of growth

BOUYGUES TELECOM: commercial performance

■ Contract

(mainland France)

	2002	2003	2004 trend
Contract customer base (in thousands) ⁽¹⁾	3,534	4,207	↗
Market share of net additions	18.9%	22.7%	=
Market share on installed base	16.9%	17.6%	↗
ARPU (€/month) ⁽²⁾	54	52	=
SAC (€/customer)	216	231	↘
Monthly churn	1.9%	1.6%	=
Usage (min/month)	354	390	↗
Contract net sales from network (€m) ⁽²⁾	2,054	2,327	↗

(1) At 31 December

(2) Excluding third-party sales

BOUYGUES TELECOM: commercial performance

■ Prepaid (mainland France)

	2002	2003	2004 trend
Active SIM cards (in thousands) ⁽¹⁾	2,076	2,235	↗
SAC (€/customer)	57	22	↘
Usage (min/month)	73	89	↗
Prepaid net sales from network (€m) ⁽²⁾	456	448	↗

(1) At 31 December

(2) Excluding third-party sales

***A business model that has returned to profitability
as a result of lower acquisition costs***

BOUYGUES TELECOM: commercial performance

■ All customers (mainland France)

	2002	2003	2004 trend
ARPU (€/month) *	37	39.5	=
SAC (€/customer)	138	146	↘
Usage (min/month)	230	283	↗

* Excluding third-party sales

A commercial policy that stimulates usage

BOUYGUES TELECOM: subscriber acquisition costs

■ SAC (in €)

	Former definition		New definition	
	2002	2003	2002	2003
Contract	262	291	216	231
Prepaid	74	46	57	22
All customers	169	194	138	146

- ✓ **New definition: variable costs
(handset subsidy + payment for distributors)**
- ✓ **Former definition: variable + fixed costs**

BOUYGUES TELECOM: market share

Sales ⁽¹⁾		Contract customers ⁽²⁾	
2002	2003	2002	2003

Bouygues Telecom	17.6%	18.2%	16.8%	17.4%
Orange France	45.7%	44.4%	49.7%	47.9%
SFR	36.7%	37.4%	33.5%	34.7%

(1) Source: operators

(2) Source: French telecoms regulator ART

Bouygues Telecom has the highest contract mix

- Contrary to popular opinion, the French market is among the most competitive

		1 st half of 2003	
Country	Operator	Average revenue per minute for outgoing calls	Number of mins per month and per customer for outgoing calls
Germany	E+	€0.32/min	79
Spain	Telefonica	€0.44/min	72
Italy	TIM	€0.39/min	74
UK	Orange UK	€0.43/min	86
France	Bouygues Telecom	€0.26/min	165

Source: CSFB January 2004

Bouygues Telecom is the most generous among operators from large neighbouring countries

■ Example of 4-hour contracts

Country	Operator	Contract in mins	Price in € incl. tax	Price €/min incl. tax
Germany	E+	240	54	0.23
Spain	Amena	200	30	0.15
Netherlands	KPN	240	36	0.15
UK	Orange UK	200	43	0.21
France	Bouygues Telecom	240	37	0.15

Source: Exane January 2004

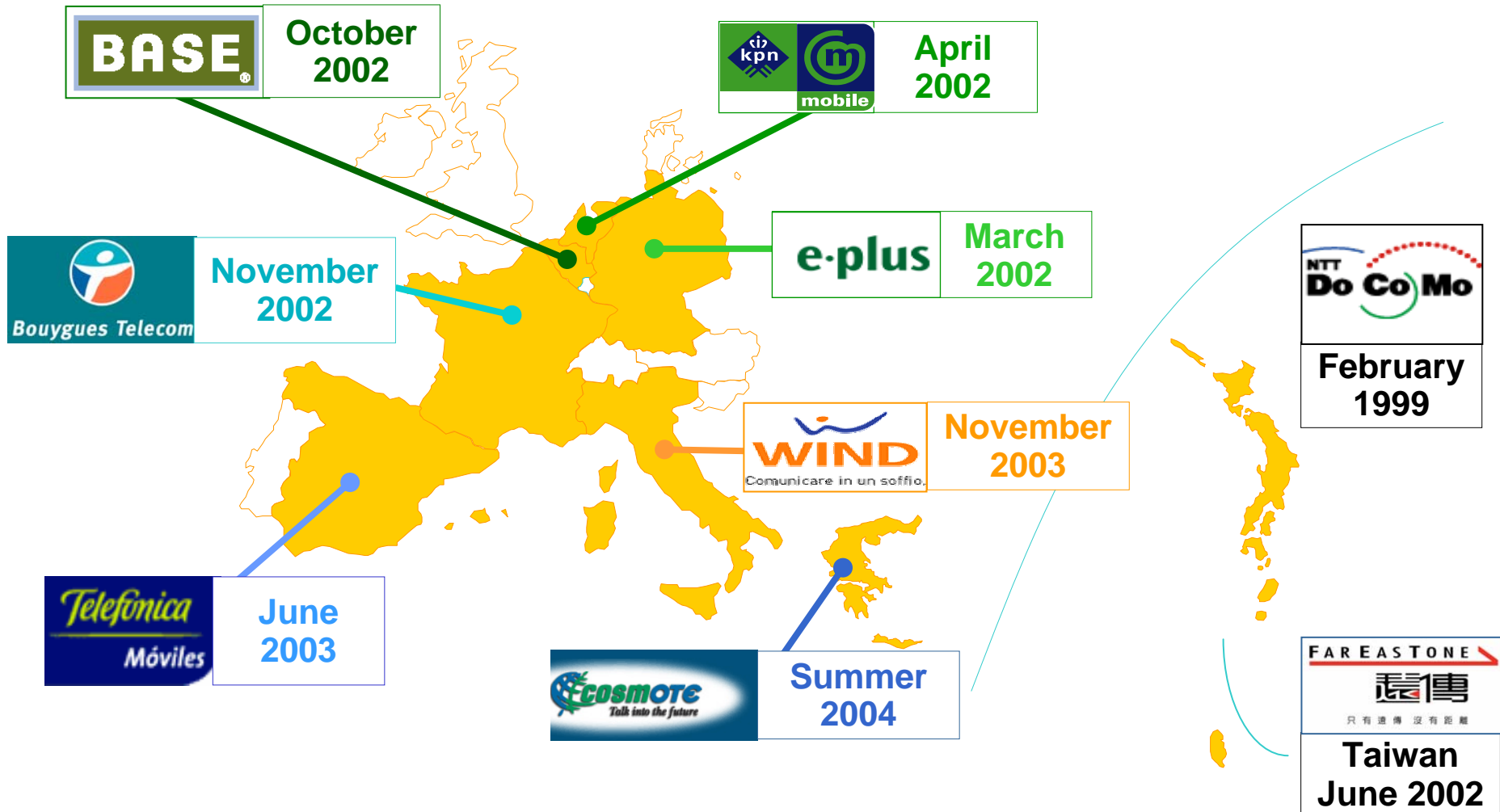
***The 4-hour contract,
Bouygues Telecom's key offering since 1996,
helped make mobile phones popular in France.
This contract is among the most competitive in Europe***

i-mode: the world leader in mobile multimedia services

- Available in 9 countries throughout the world
- 40 million customers in Japan
- More than 2 million customers already in Europe
- Roaming service: some 40 countries as of April 2004, under GPRS standard
- Available in France, with Bouygues Telecom, since November 2002
 - ✓ 570,000 customers generate recurring monthly revenue
 - ✓ 80% satisfaction rate

***Bouygues Telecom: pioneer
of mobile multimedia in France***

BOUYGUES TELECOM: growth of i-mode



A global standard



i-mode: a winner for Bouygues Telecom

- **Bouygues Telecom has won over 570,000 customers in 16 months**
- **At end-2003, 15% of contract customers (2 hours and more) had subscribed to i-mode**
- **Over a third of i-mode subscribers in 2003 were new customers**
- **There are 235 official sites and several thousand unofficial sites**
- **A new version of i-mode was introduced in November 2003, one year after launch (series 300 handsets), stimulating usage among all i-mode customers**
- **Monthly ARPU of over €70 for i-mode customer**
- **An integrated service and open system**
- **An enhanced range of handsets**

BOUYGUES TELECOM: corporate offer

■ Strong growth prospects:

- ✓ Development of data services
- ✓ The equipment rate in businesses is less than 25%
- ✓ Number portability will become a reality in 2004



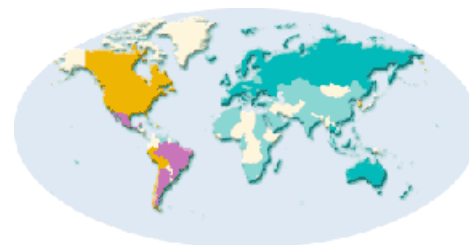
■ Commercial strategy:

- ✓ A range of offers adapted to its customers...
 - standard, at an affordable price (Danone, Volkswagen, EDF)
 - customised, when mobility is central to the customer's strategy (ESF, Domoservice, Geodis)
 - pre-packaged and customisable with i-mode (estate agencies)

***Solutions which help businesses
improve their productivity***

BOUYGUES TELECOM: network

- The use of complementary bands, GSM 1800 MHz, GSM 900 MHz and Extended GSM, has optimised coverage (+ 4%) and network capacity and limited the risk of saturation
- 10,500 base stations
- 5 February 2004: Bouygues Telecom was the first operator to cover a “Blind Spot” area through local roaming (scheme initiated by the French government)
- One of the best international networks thanks to its numerous roaming agreements
 - ✓ 177 countries
 - ✓ 352 operators



***Bouygues Telecom
is constantly improving its network***

Our vision

- As we have said consistently since 2000, EDGE is a technology for the long term, complementary and indispensable to UMTS
- UMTS: difficulties still not yet overcome:
 - ✓ complex network engineering
 - ✓ insurmountable administrative difficulties for an "all UMTS" solution: in France, the aggregate number of the three operators' base stations would rise from 50,000 to 150,000
 - ✓ indoor reception difficulties due to the frequency range used
- A solution combining EDGE and UMTS seems inevitable and will benefit customers, who will not make a distinction between transport technologies for most of their applications
- With i-mode we have a world-leading service

EDGE

- A natural evolution from GPRS, with no loss of coverage
- Average speeds of 140 Kb/s, rising to as much as 200 Kb/s
- A competitive advantage for Bouygues Telecom thanks to its more recent infrastructure
- A proactive schedule:
 - ✓ Roll-out from May 2004
 - ✓ Commercial launch in 2005
- An offer of EDGE-compatible i-mode handsets by end-2004

*A reasonable investment (€200m)
for nationwide coverage by 2005*

Our approach

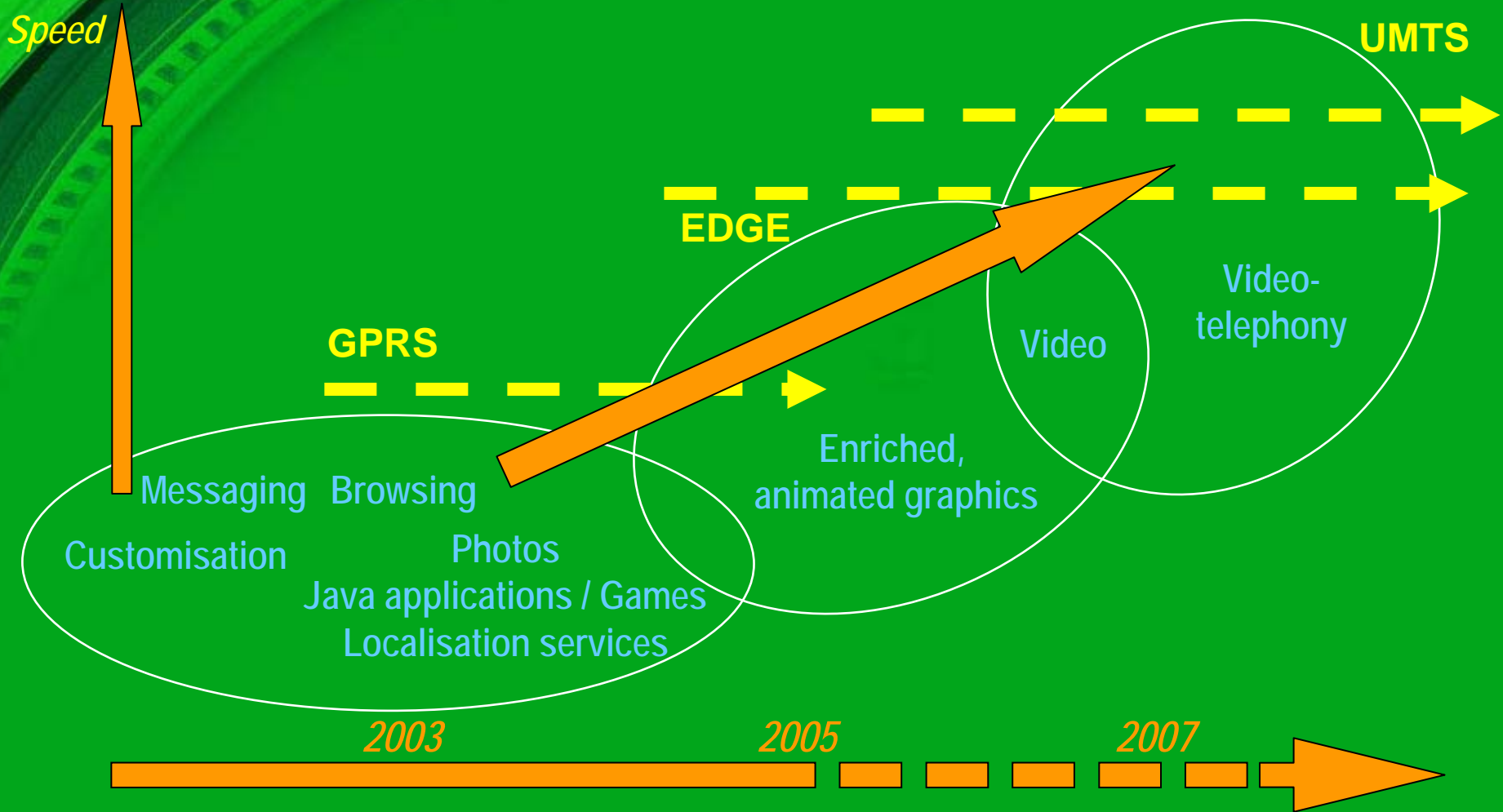
- A gradual shift in usages and the market towards high-speed mobile multimedia services
 - ✓ Enhanced messaging, photography, video
 - ✓ Personalised handset, CD quality sound
 - ✓ Quick downloads, Java applets, games
 - ✓ Animated i-mode portal, video downloads, streaming video
- A pragmatic approach with multiple complementary technologies adapted to user needs
 - ✓ Nationwide coverage with EDGE
 - ✓ Localised UMTS coverage in urban areas
 - ✓ Wi-Fi access for hot spots

GPRS/EDGE/UMTS/Wi-Fi are only transport technologies. All of them give access to i-mode

UMTS

- A new and complex network technology
- Bouygues Telecom's network architecture (1800 MHz) gives it an advantage in rolling out UMTS
- Bouygues Telecom can draw on the support and the experience of NTT DoCoMo, the world leader in 3G with 2 million FOMA customers in Japan
- Test of i-mode services on UMTS planned for end-2004 in part of the greater Paris region, using the most advanced UMTS radio technologies

BOUYGUES TELECOM: technological choices



EDGE delivers fast enough transmission speeds for most multimedia services



DATA TRANSPORT TECHNOLOGIES USED FOR MOBILE NETWORKS

■ Speeds

	Theoretical speed	Real speed
GPRS	144 Kbps	35 Kbps
EDGE	384 Kbps	240 Kbps
UMTS (R99)	2 Mbps	380 Kbps
UMTS (R5) HSDPA	14 Mbps	2 Mbps

GPRS: General Packet Radio Service

EDGE: Enhanced Data for GSM Evolution

UMTS: Universal Mobile Telecommunications Systems

HSDPA: High Speed Downlink Packet Access

BOUYGUES TELECOM: strategies and outlook

- Pursue strong sales growth whilst improving profitability
- Maintain its lead in mobile multimedia with i-mode
- Offer simple, well-positioned services and develop customer service
- Provide high-speed coverage throughout France as of 2005 through EDGE
- Sales target for 2004*
 - ✓ total sales: €3,550m (+ 8%)
 - ✓ net sales from network: €3,300m (+ 10%)

* Excluding impact of mobile-to-mobile billing

- **HIGHLIGHTS**
- **BUSINESS AREAS**
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BOUYGUES: consolidated income statement

Million euros	2002	2003	$\frac{2003}{2002}$
Sales	22,247	21,822	- 2%
Operating income	1,058	1,238	+ 17%
Earnings before tax and exceptionals	767	1,019	+ 33%
Income tax	(316)	(380)	-
Exceptional items	368	(14)	-
Net earnings attributable to the Group	666	450	-
Net earnings excl. capital gain on disposal of BOS	319	450	+ 41%
Net EPS	0.93	1.34	+ 44%

BOUYGUES: contribution of business areas to sales

Million euros	2002	2003	$\frac{2003}{2002}$
Bouygues Telecom	2,932	3,271	+ 12%
TF1	2,608	2,727	+ 5%
Saur	2,514	2,448	- 3%
Bouygues Construction	5,511	4,742	- 14%
Colas	7,376	7,387	=
Bouygues Immobilier	1,283	1,229	- 4%
Holding and other	23	18	n.s.
TOTAL	22,247	21,822	- 2%
<i>of which International</i>	<i>7,195</i>	<i>6,110</i>	<i>- 15%</i>
TOTAL 2002 like-on-like 2003	21,673	-	+ 1%
<i>of which International</i>	<i>6,711</i>	<i>-</i>	<i>- 9%</i>

BOUYGUES: contribution of business areas to EBITDA

Million euros	2002	2003	$\frac{2003}{2002}$
Bouygues Telecom	861	1,006	+ 17%
TF1	417	455	+ 9%
Saur	222	190	- 4%*
Bouygues Construction	171	180	+ 5%
Colas	536	505	- 6%
Bouygues Immobilier	68	85	+ 25%
Holding and other	(15)	(6)	n.s.
TOTAL	2,260	2,415	+ 7%

* Excluding contribution of South East Water in Q4 2002: €24m

BOUYGUES:

contribution of business areas to operating income

Million euros	2002	2003	$\frac{2003}{2002}$
Bouygues Telecom	305	460	+ 51%
TF1	293	332	+ 13%
Saur	108	88	- 5%*
Bouygues Construction	31	37	+ 19%
Colas	292	262	- 10%
Bouygues Immobilier	62	80	+ 29%
Holding and other	(33)	(21)	n.s.
TOTAL	1,058	1,238	+ 17%

* Excluding contribution of South East Water in Q4 2002: €15m

BOUYGUES: contribution of business areas to earnings before tax and exceptionals

Million euros	2002	2003	$\frac{2003}{2002}$
Bouygues Telecom	148	317	x 2
TF1	263	317	+ 21%
Saur	78	67	+ 2%*
Bouygues Construction	40	70	+ 75%
Colas	279	261	- 6%
Bouygues Immobilier	50	67	+ 34%
Holding and other	(91)	(80)	n.s.
TOTAL	767	1,019	+ 33%

* Excluding the contribution of South East Water in Q4 2002: €12m

BOUYGUES: contribution of business areas to net earnings

Million euros	2002	2003	<u>2003</u> 2002
Bouygues Telecom	75	146	+ 95%
TF1	64	79	+ 23%
Saur	23	⁽²⁾ 20	n.s.
Bouygues Construction	⁽¹⁾ (26)	23	n.s.
Colas	199	192	- 4%
Bouygues Immobilier	37	44	+ 19%
Holding and other	⁽¹⁾ (53)	(54)	n.s.
TOTAL	⁽¹⁾ 319	450	+ 41%

(1) Excluding €347m of capital gain on Bouygues Offshore
(€140m for Bouygues Construction, €207m for the holding company)

(2) Including €6m of capital loss on the disposal of South East Water

BOUYGUES: profitability analysis in 2003

1/2

	Gross margin	Operating margin	ROCE ⁽¹⁾
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At business level

Bouygues Construction	11.9%	0.8%	+++ ⁽²⁾
Colas	12.8%	3.5%	22.8%
Bouygues Immobilier	15.5%	6.5%	34.5%

(1) Operating income after tax / capital employed.

(2) Bouygues Construction's return on capital employed is not significant as its business areas generate a substantial cash surplus.

This is one of the major strengths of the construction business, which, although it involves risks, does not require capital to expand.

BOUYGUES: profitability analysis in 2003

2/2

	Gross margin	Operating margin	ROCE *
At business level			
Saur	18.3%	3.6%	5.7%
TF1	26.8%	12.2%	16%
Bouygues Telecom	34%	14.1%	8.5%
At Group level			
Bouygues 2003	18.6%	5.7%	8.6%
Bouygues 2002	17.9%	4.8%	7.9%

* Operating income after tax / capital employed

BOUYGUES: contribution of business areas to cash flow

Million euros	2002	2003	$\frac{2003}{2002}$
Bouygues Telecom	694	866	+ 25%
TF1	270	318	+ 18%
Saur	171	177	+ 14%*
Bouygues Construction	161	206	+ 28%
Colas	437	453	+ 4%
Bouygues Immobilier	52	55	+ 6%
Holding and other	(72)	(2)	n.s.
TOTAL	1,713	2,073	+ 21%

* Excluding the contribution of South East Water in Q4 2002: €16m

BOUYGUES: contribution of business areas to net investment

■ Operating investments

Million euros	2002	2003	<u>2003</u> 2002
Bouygues Telecom	⁽¹⁾ 459	381	- 17%
TF1	75	93	+ 24%
Saur	175	121	⁽²⁾ - 21%
Bouygues Construction	210	87	n.s.
Colas	294	256	- 13%
Bouygues Immobilier	10	2	n.s.
Holding and other	3	(10)	n.s.
TOTAL	1,226	930	- 24%

(1) Excluding UMTS licence

(2) Excluding the contribution of South East Water in Q4 2002: €22m

BOUYGUES: condensed consolidated balance sheet items at 31 December

Million euros	2001	2002	2003
Shareholders' equity	5,503	6,379	6,192
Long & medium-term provisions	1,909	1,882	1,896
Financial liabilities	3,081	4,825	5,160
Long-term capital	10,493	13,086	13,248
Fixed assets	9,275	12,357	11,983
Working capital	1,218	729	1,265
Cash and equivalents	1,957	1,624	2,374
Net debt	1,124	3,201	2,786
Net debt / shareholders' equity	20%	50%	45%

BOUYGUES SA: condensed balance sheet at 31/12

Million euros	2001	2002	2003
Shareholders' equity	5,097	5,103	4,901
Long & medium-term provisions	273	232	177
Financial liabilities	1,197	2,232	2,978
Long-term capital	6,567	7,567	8,056
Long-term investments	4,906	6,651	7,823
Other assets	9	9	1
Working capital	1,652	907	232
Cash and equivalents	1,002	750	212
Net debt	195	1,482	2,766
Net debt / shareholders' equity	4%	29%	56%

BOUYGUES: cash position

	<i>In €m</i>
■ Net cash at 31 December 2002:	(3,201)
✓ Acquisition of 16% stake in Bouygues Telecom	(1,086)
✓ Buyback of Bouygues shares	(120)
✓ Other acquisitions	(124)
✓ Disposal of South East Water	+ 607
✓ Operation and other	+ 1,138
■ Net cash at 31 December 2003:	(2,786)

***Operations have enabled
the Group to reduce its debt***

BOUYGUES: net cash by business area at 31 December

Million euros	2002	2003	<u>2003</u> 2002
Bouygues Telecom	(1,486)	(1,031)	+ 455
TF1	(481)	(426)	+ 55
Saur	(549)	75	+ 624
Bouygues Construction	1,011	1,346	+ 335
Colas	144	255	+ 111
Bouygues Immobilier	30	88	+ 58
Holding and other *	(1,870)	(3,093)	- 1,223
TOTAL	(3,201)	(2,786)	+ 415

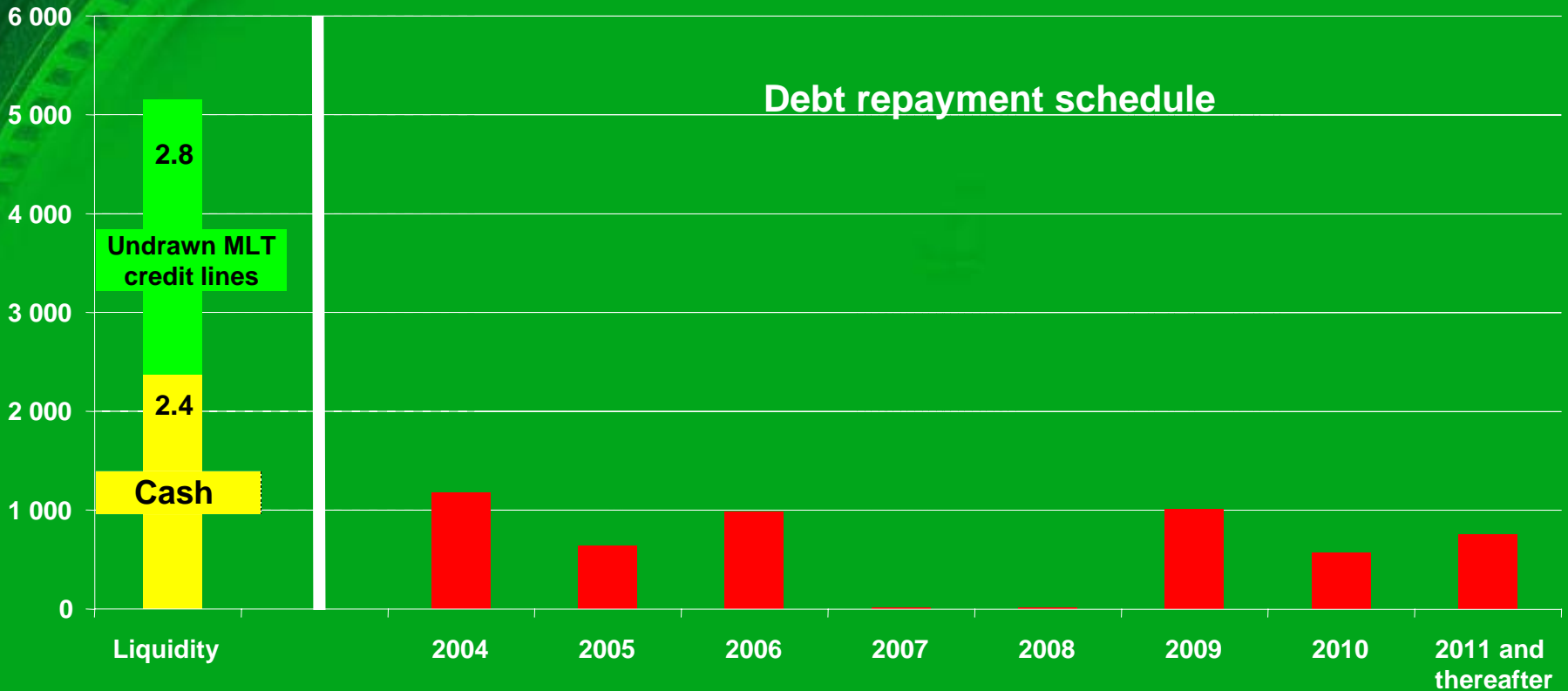
* Of which convertible Océane bonds (€426m)

All the Group's business areas have improved their net cash position



BOUYGUES: financing policy

Available cash: €5.2bn



Evenly spread debt repayment schedule
Very substantial liquidity

Procedure

- At Bouygues group level
 - ✓ A steering committee and six working groups analysed the new standards in 2003
 - ✓ Training courses were organised for accounting managers and controllers
- At business area level
 - ✓ Impact studies were conducted in the last quarter of 2003
 - ✓ All operational staff and controllers were provided with information and training
- New accounting software has been rolled out

State of progress

- The project is proceeding on schedule
- The opening balance sheet at 1 January 2004 will be ready in June 2004
- The quarterly financial statements will be drawn up according to IAS standards after the statements published according to French standards
- Market information
 - ✓ June 2004: main impacts recorded on the opening balance sheet at 1 January 2004
 - ✓ In 2005: publication of the 2005 statements according to IAS standards, with a comparison of 2004

- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- OUTLOOK AND OBJECTIVES

BOUYGUES: sales targets for 2004

Million euros	2003	2004	<u>2004</u> 2003
Bouygues Telecom	3,271	3,530	+ 8%
TF1	2,727	2,850	+ 5%
Saur	2,343*	2,400	+ 2%
Bouygues Construction	4,742	4,750	=
Colas	7,387	7,580	+ 3%
Bouygues Immobilier	1,229	1,250	+ 2%
Holding and other	18	20	<i>n.s.</i>
TOTAL	21,717*	22,380	+ 3%
<i>of which International</i>	<i>6,005*</i>	<i>6,060</i>	<i>+ 1%</i>

* Excluding the contribution of South East Water: €105m in 2003

BOUYGUES: prospects

- **Since 1999, Bouygues has invested €4.8bn* to increase its stake in its business areas, while maintaining a solid financial structure**
- **These investments resulted in a substantial increase in earnings, a trend which should continue over the next few years**
- **Bouygues will pursue its stock buyback programme**

* Including:

€2.7bn in Bouygues Telecom

€0.9bn in Colas

€0.9bn in TF1

WHAT ABOUT THE GROUP'S GROWTH?

- Organic growth will remain a key source of development, as the Group's business areas still offer high growth potential
- Some business areas will continue to use external growth to develop, with two main criteria:
 - ✓ the opportunity to provide high added value
 - ✓ favourable purchase conditions

THE BOUYGUES GROUP'S STRENGTHS

- A strong corporate culture, shared by all its business areas
- The capacity to generate substantial cash flow
- A sound financial structure
- All its business areas hold leading positions on their markets

2004 financial communication calendar

- **22 April:** Annual meeting of shareholders
- **29 April:** Payment of dividends
- **4 May:** First-quarter sales
- **16 June:** First-quarter earnings
- **10 August:** First-half sales
- **7 September:** First-half earnings
- **9 November:** Sales for first nine months
- **14 December:** Earnings for first nine months