

- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- BROADBAND STRATEGY
- OUTLOOK AND OBJECTIVES

HIGHLIGHTS IN 2004

- Group net earnings: €858 million
- Group net earnings excluding capital gain on disposal of Saur: €670 million (+ 49%)
- Strong improvement in cash in all the Group's business areas
- Construction businesses: a very good year in terms of sales and profitability
- Conversion and redemption of Oceane bonds, without dilution for the shareholder through the buyback and cancellation of 4% of the capital
- 1 billion-euro bond issue
- Disposal of Saur for €1,031 million
- Exceptional payout of 1.7 billion euros announced on 23 July 2004 and made on 7 January 2005
- Substantial increase of the annual dividend

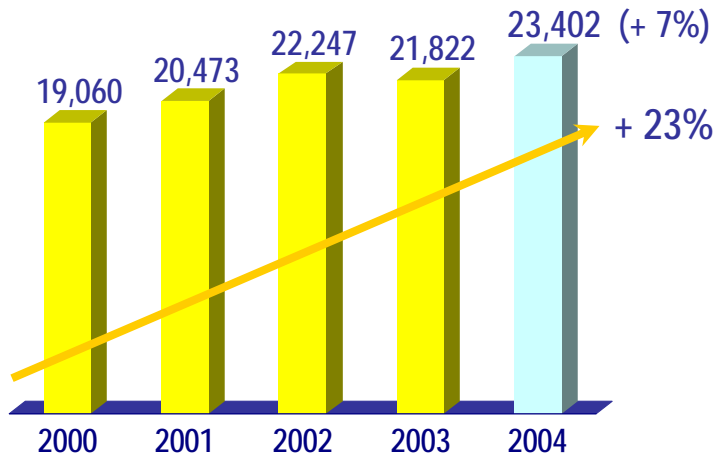
BOUYGUES GROUP: key operating figures

Million euros	2003	2004	Change
Sales	21,822	23,402	+ 7%
Operating income	1,238	1,547	+ 25%
Net earnings attributable to the Group	450	858	+ 91%
Net earnings, excluding capital gain on disposal of Saur	450	670	+ 49%

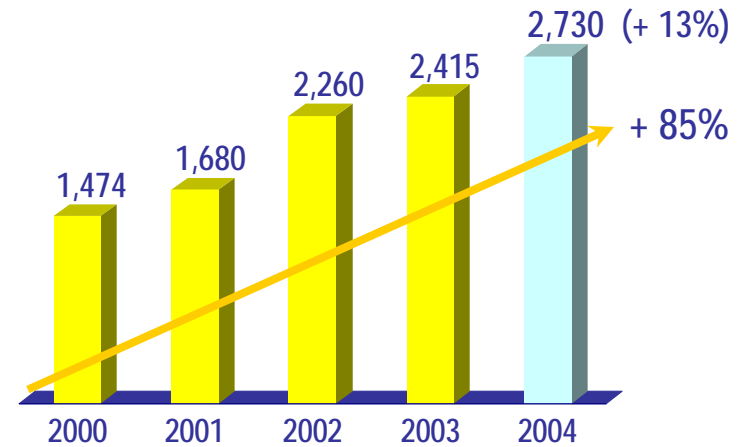
2004 profit reached a record high

BOUYGUES: key figures over 5 years (in million euros)

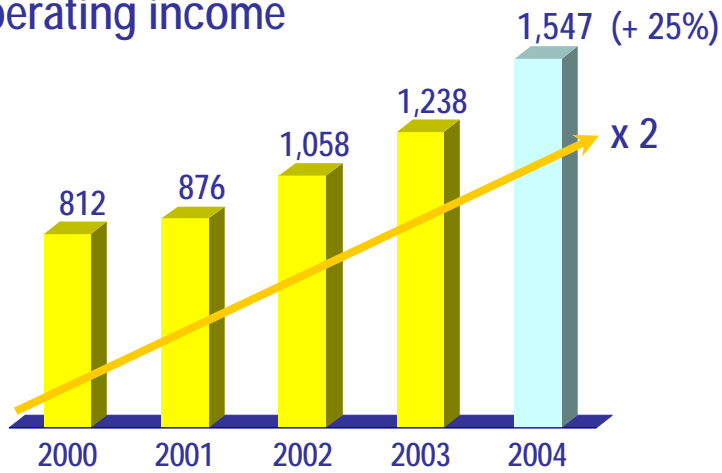
Sales



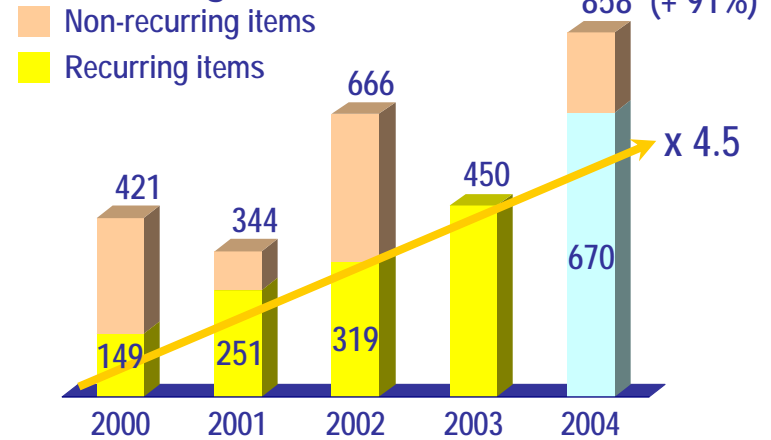
EBITDA



Operating income



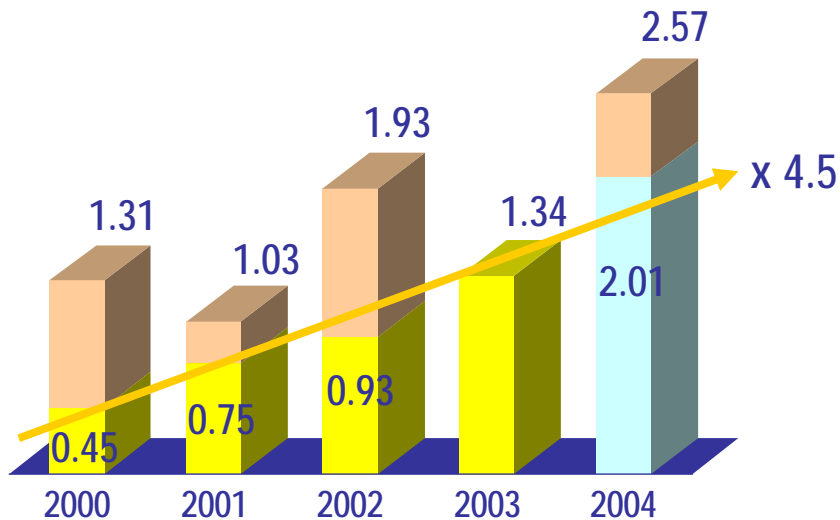
Net earnings



*Recurring net earnings doubled in 2 years
and multiplied by 4.5 in 4 years*

BOUYGUES: key figures per share (in euros)

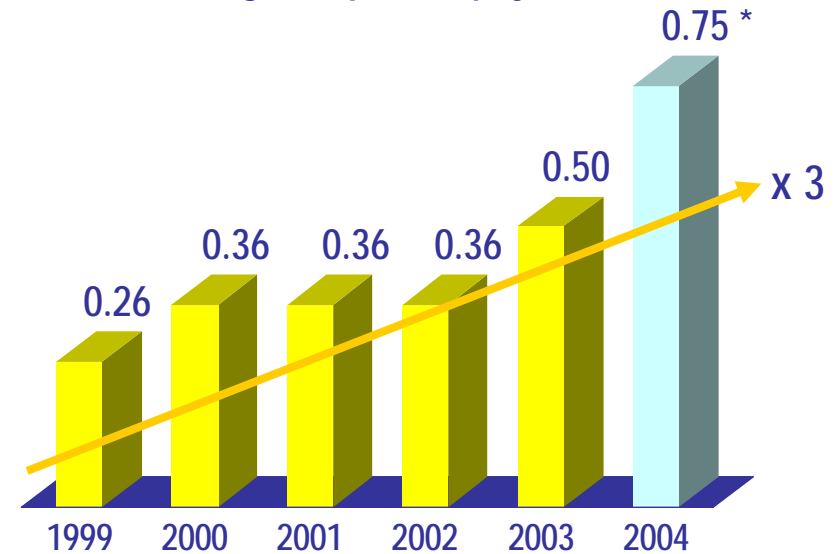
Net earnings per share



Non-recurring items

Recurring items

Net dividend per share (excluding exceptional payout)



* to be proposed at the AGM of 28 April 2005

Net dividend per share doubled in 2 years

BOUYGUES GROUP: financial structure (1/2)

Million euros	2002	2003	2004
Shareholders' equity	6,379	6,192	5,087
Book net debt	3,201	2,786	1,680
Restated net debt			2,313
Restated net debt/shareholders' equity	50%	45%	45%

- ✓ Shareholders' equity includes the impact of the exceptional payout and the capital gain on the disposal of Saur
- ✓ Restated net debt at end-2004 includes the exceptional payout (+ €1,664m) and the proceeds from the disposal of Saur (- €1,031m)
- ✓ Standard & Poor's credit rating maintained: A- with stable outlook

Solid financial structure

BOUYGUES GROUP: financial structure (2/2)

Million euros	2002	2003	2004
Cash flow	1,713	2,073	2,267
Net operating investment	1,226 *	930	1,086
Free cash flow	487 *	1,143	1,181

* excluding UMTS licence

Increasing generation of free cash flow

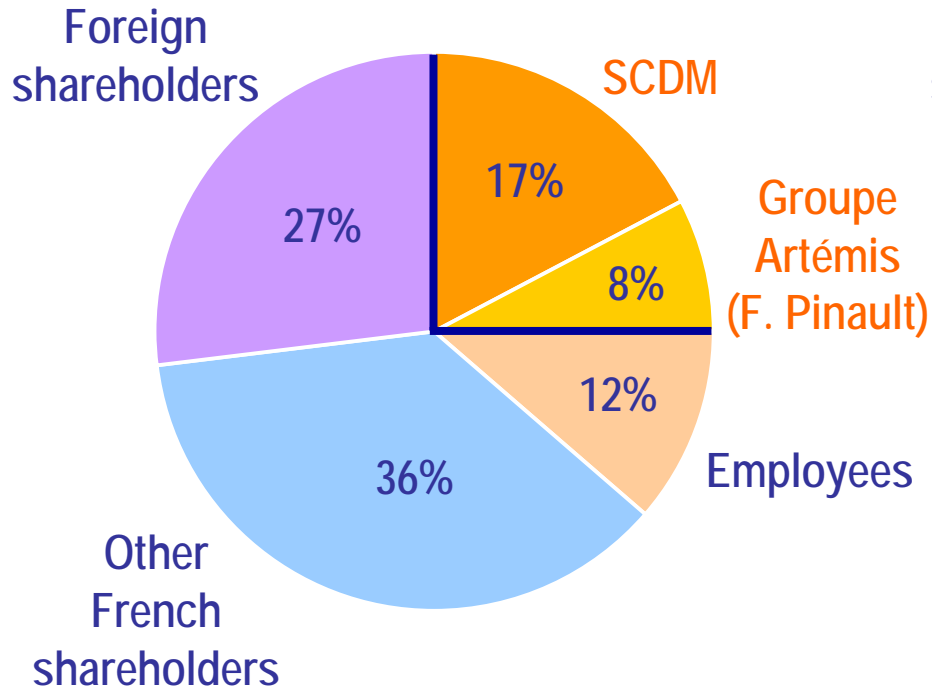
DIVIDENDS OVER THE LAST FIVE YEARS

	2000	2001	2002	2003	2004
Consolidated earnings excl. capital gains (€m)	149	251	319	450	670
Bouygues SA earnings (€m)	478	237	121	216	586
Dividend per share (€)	0.36	0.36	0.36	0.50	0.75
Number of shares at 31/12 (in millions)	333	344	344	333	333
Amount distributed the following year (€m)	120	124	124	167	249
Share price at 31/12 (€)	48.3	36.8	26.6	27.7	30.2 ⁽¹⁾
Yield (dividend / share price)	0.7%	1.0%	1.4%	1.8%	2.5%
Dividends / consolidated earnings excl. capital gains	81%	49%	39%	37%	37%

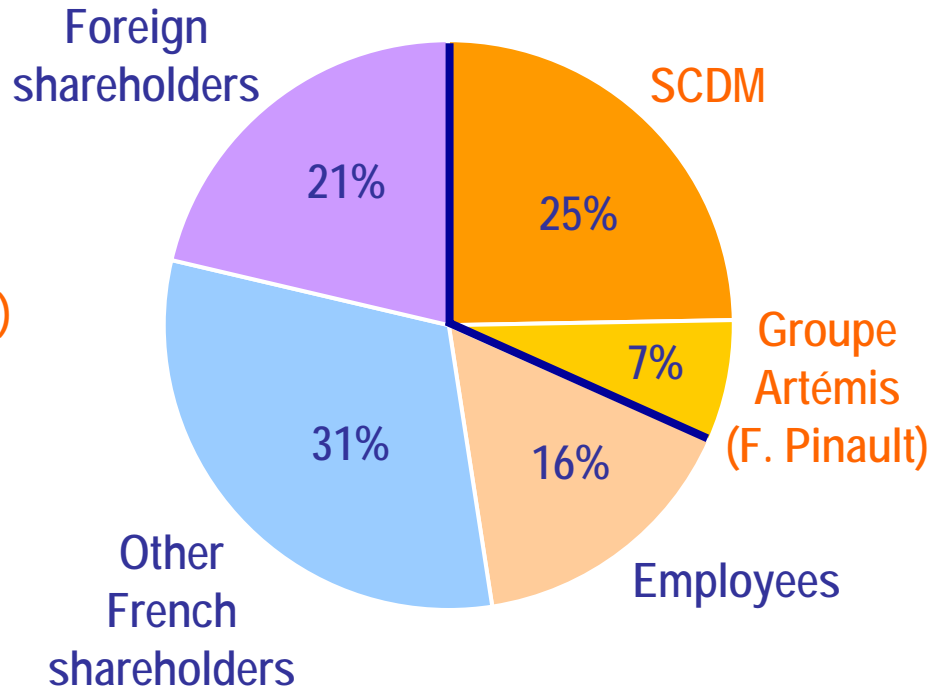
⁽¹⁾ share price at 7 January 2005, after exceptional payout of €5

BOUYGUES: share ownership structure at 31 December 2004

■ Capital



■ Voting rights

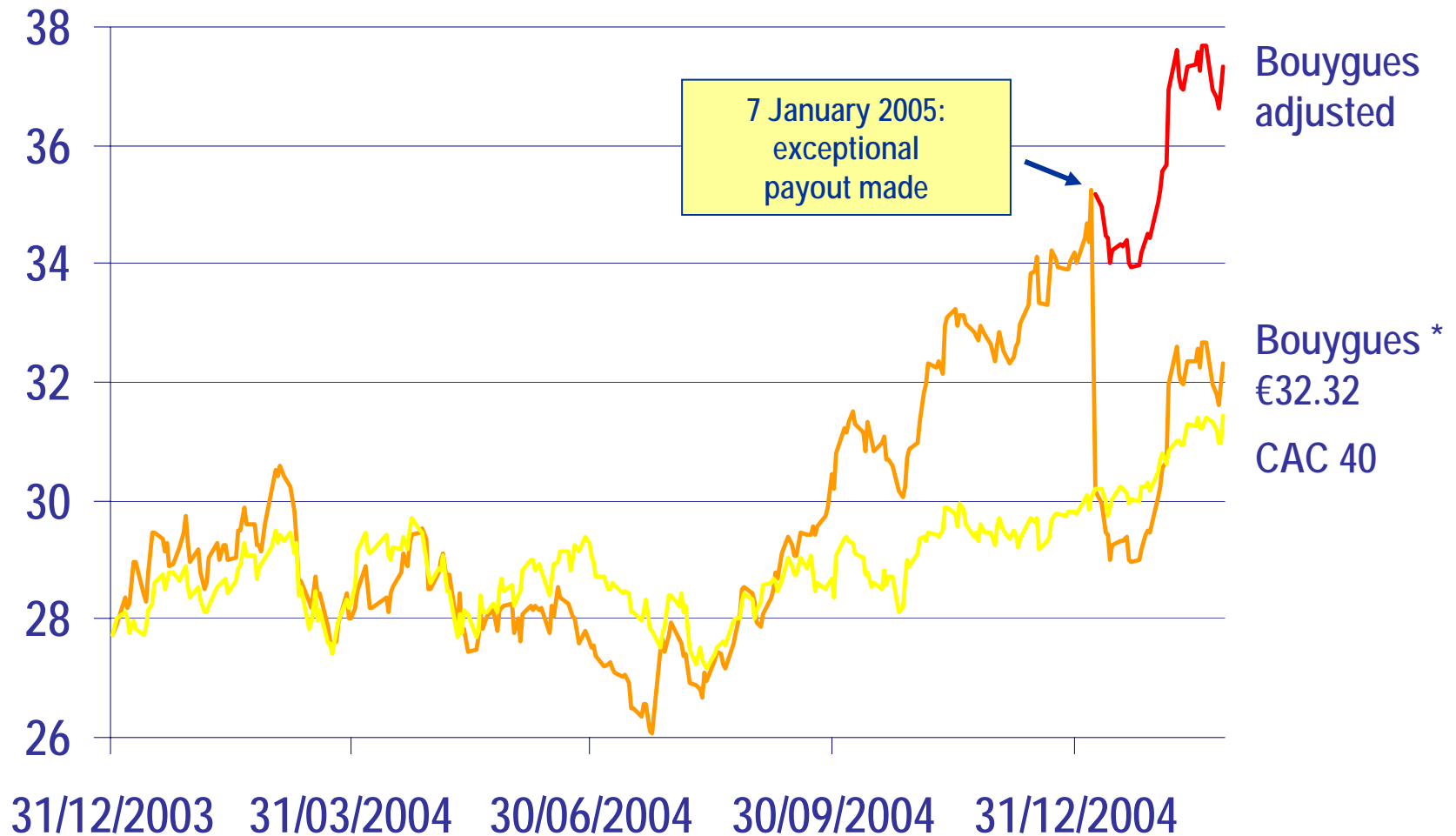


332,758,624 shares at 31 December 2004

SCDM is a holding company controlled by Martin and Olivier Bouygues

STOCK MARKET

■ The 10th best performance of the CAC 40 in 2004



* at 25 February 2005

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BOUYGUES CONSTRUCTION (B/CW): key figures

BOUYGUES
CONSTRUCTION

Million euros	2003	2004
Sales	5,002	5,512
<i>France</i>	2,946	3,236
<i>International</i>	2,056	2,276
Earnings before tax and exceptional items	70	181
Net earnings	32	144
Net cash	1,346	1,520



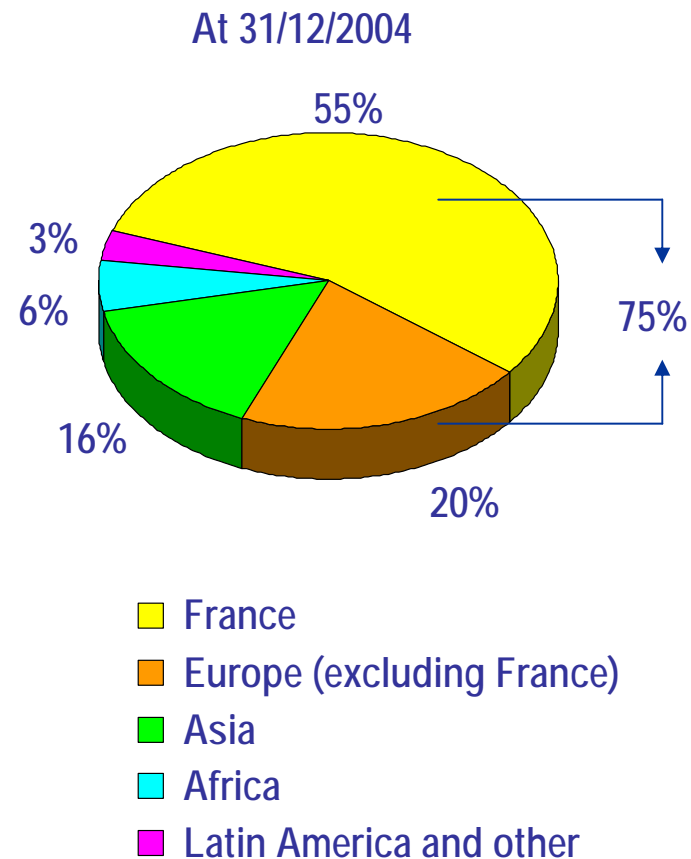
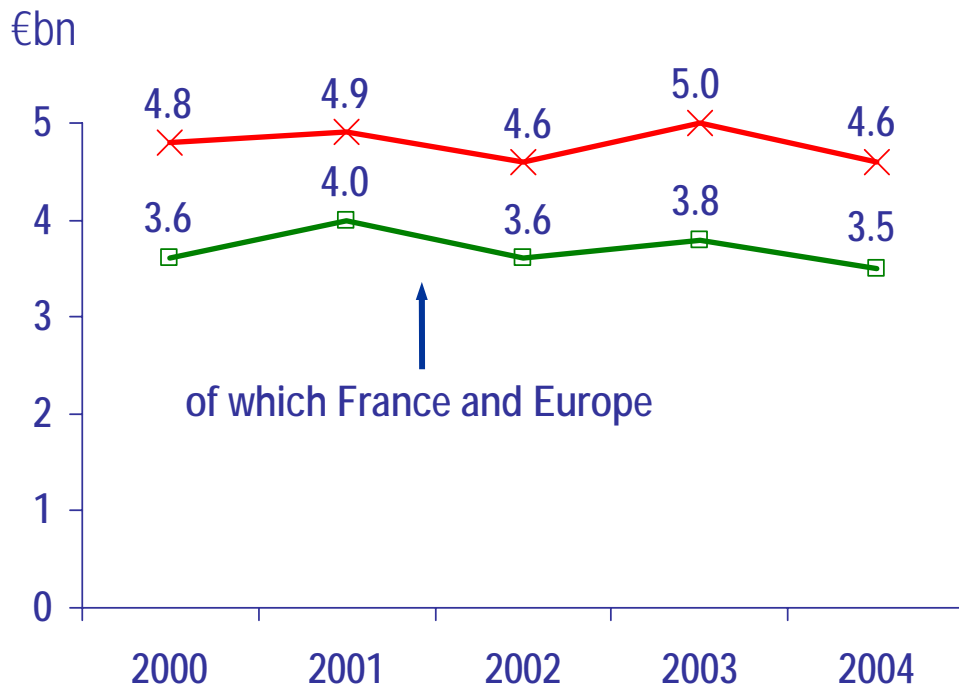
Sail@Marina Bay, Singapore

A very good year
Operational margin exceeding 3% in 2004

BOUYGUES

BOUYGUES CONSTRUCTION (BCW): order book

BOUYGUES
CONSTRUCTION



High-quality order book

BOUYGUES

BOUYGUES CONSTRUCTION (BCW): strategy and outlook



- Achieve long-term profitability

- Develop high-growth markets
 - ✓ Private/Public Partnerships in France and abroad
 - ✓ Electricity/Maintenance

■ Sales target for 2005 *:	5,500	=
✓ <i>France</i>	3,200	=
✓ <i>International</i>	2,300	=

* IFRS standards - change on 2004 sales under IFRS standards



BOUYGUES IMMOBILIER: key figures

Million euros	2003	2004
Sales	1,230	1,295
<i>housing</i>	711	864
<i>corporate/commercial</i>	519	431
Operating income	80	114
Net earnings	44	65
Net cash	88	251



Le Monde headquarters, Paris

Substantial increase in margins and cash

BOUYGUES IMMOBILIER: business activity



RESERVATIONS	2003	2004	$\frac{2004}{2003}$
Housing			
Number	5,405	6,759	+ 25%
Total (€m)	806	1,069	+ 33%
Corporate/Commercial			
Office space (sq. m.)	163,000	167,000	+ 2%
Total (€m)	591	481	- 19%
TOTAL (€m)	1,397	1,550	+ 11%

Strong business activity in housing



BOUYGUES IMMOBILIER: strategy and outlook



- Pursue dynamic growth while controlling risks
- Maintain profitability and a sound financial structure
- Consolidate its position as France's leading property developer and become a major player in the European market
- Sales target for 2005 *:

	1,450	+ 13%
✓ <i>housing</i>	980	+ 13%
✓ <i>corporate/commercial</i>	470	+ 13%

* IFRS standards - change on 2004 sales under IFRS standards



COLAS: key figures



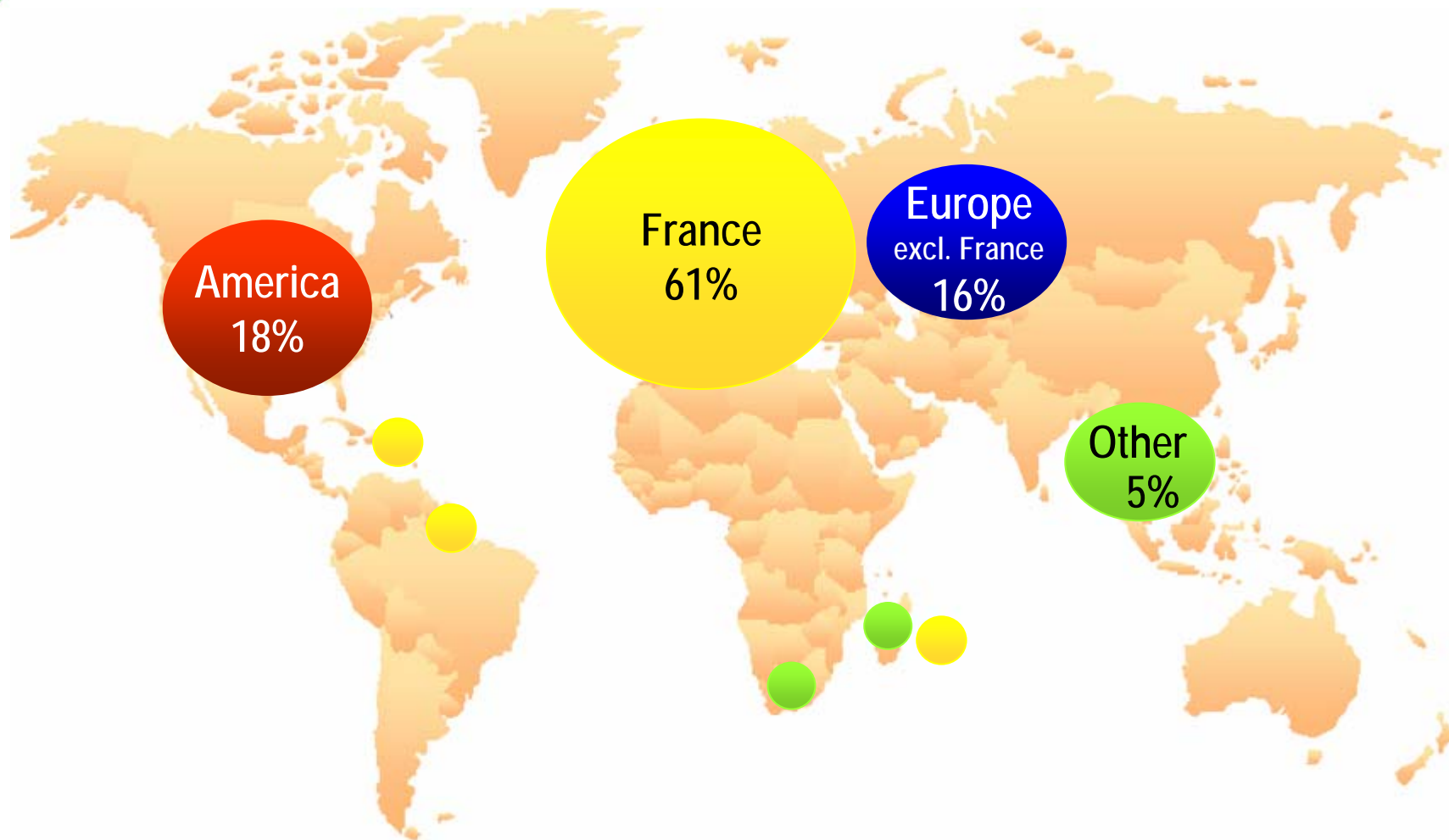
Million euros	2003	2004
Sales	7,426	8,013
<i>France</i>	4,465	4,903
<i>International</i>	2,961	3,110
Operating income	262	289
Net earnings	204	241
Net cash	255	488



A75 motorway, France

Good growth in sales
Sharp rise in profit
Further improvement in cash

COLAS: geographical breakdown of sales



COLAS: order book



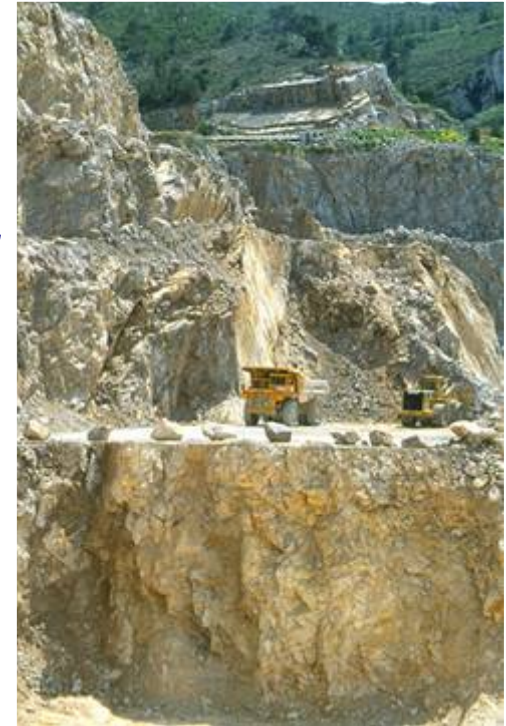
Million euros	End-January 2004	End-January 2005	<u>2004</u> 2003
France	2,053	2,298	+ 12%
International	1,622	2,156	+ 33%
TOTAL	3,675	4,454	+ 21%

*Markets remain buoyant,
giving a good start to 2005*

COLAS: strengths



- A strategic asset: material reserves
 - ✓ 535 quarry sites in over 15 countries
 - ✓ over 2 billion tonnes of aggregate supplies, i.e. approximately 25 years of reserves
- Geographically balanced activity
- Strong presence in Central Europe
- Limited exposure to the dollar



The world leader in road construction and renovation

COLAS: locations in Central Europe

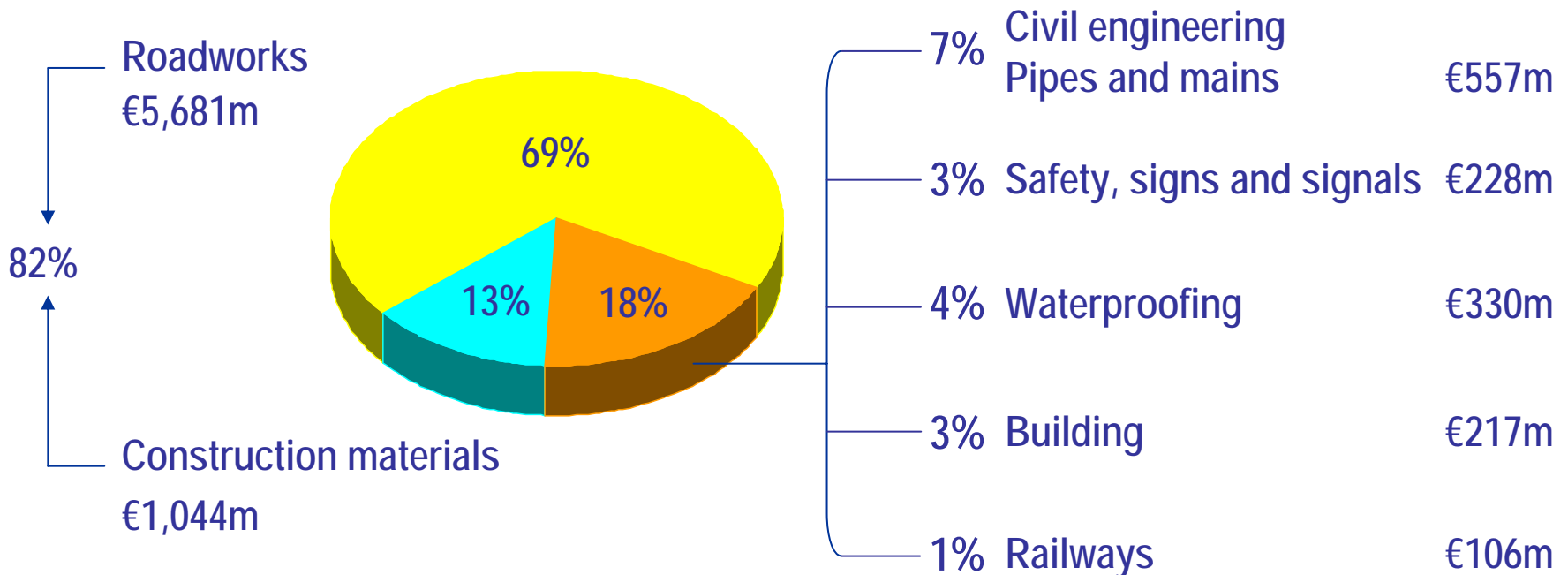


- 20 local subsidiaries
- 2004 sales: €520m (up 25% on 2003)
 - ✓ for info: almost no sales booked in 1993
- Activities: quarries, roadworks, pipes & mains, civil engineering

COLAS: breakdown of sales



■ Economic revenue



A non-cyclical business

COLAS: strategy and outlook



- Seize external growth opportunities
- Extend geographical coverage and strengthen industrial activities upstream
- Meet PFI, PPP and Facilities Management demand
 - ✓ 1st contract won in Portsmouth, UK (£400m over 25 years)
- Sales target for 2005 *:

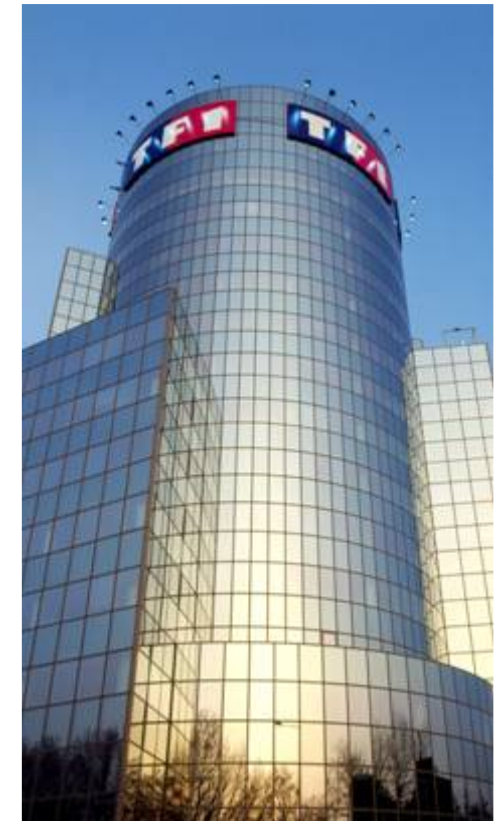
	€8,400m	+ 5%
✓ <i>France</i>	€5,165m	+ 4%
✓ <i>International</i>	€3,235m	+ 6%

* IFRS standards - change on 2004 sales under IFRS standards

TF1: key figures



Million euros	2003	2004	$\frac{2004}{2003}$
Sales	2,743	2,835	+ 3% ⁽¹⁾
<i>core channel advertising</i>	1,544	1,646	+ 7%
<i>diversification activities</i>	1,199	1,189	- 1% ⁽²⁾
Operating income	334	399	+ 19%
Net earnings	192	220	+ 15%
Net debt	443	412	- 7%



(1) (2) + 7% using the same accounting method (third party sales and other restated in 2004)

Rise in profitability

TF1: leader in terms of audience share



Channel	2003	2004	Change
Women under 50	34.4 %	35.5%	+ 1.1 pts
Individuals 4 years and over	31.5 %	31.8%	+ 0.3 pts
Viewing time per person / day (individuals 4 years and over)	3 hrs 22	3 hrs 24	+ 2 min
Advertising market share	54.7 %	54.8%	+ 0.1 pts

Strongest growth in audience share across all channels

TF1: Eurosport key figures



Million euros	2003	2004
Sales	283	291
Operating income	25.7	27.5
Net earnings	5.0	2.5

Contribution to TF1 group

- Leading pan-European channel
 - ✓ 98 million households including 51.5 million direct paying subscribers
 - ✓ 54 countries and 19 languages
- Rise in audience figures
 - ✓ 22.7 million viewers per day in Europe (+ 8%)

TF1: TPS key figures



Million euros	2003	2004
Sales	353	376
Operating income	2.8	1.3
Net earnings	(6.4)	(3.4)

Contribution to TF1 group

- 1.675 million subscribers, including 1.355 million via Direct Broadcast Satellite and ADSL
- Record sales in December and January

TF1: strategy and outlook



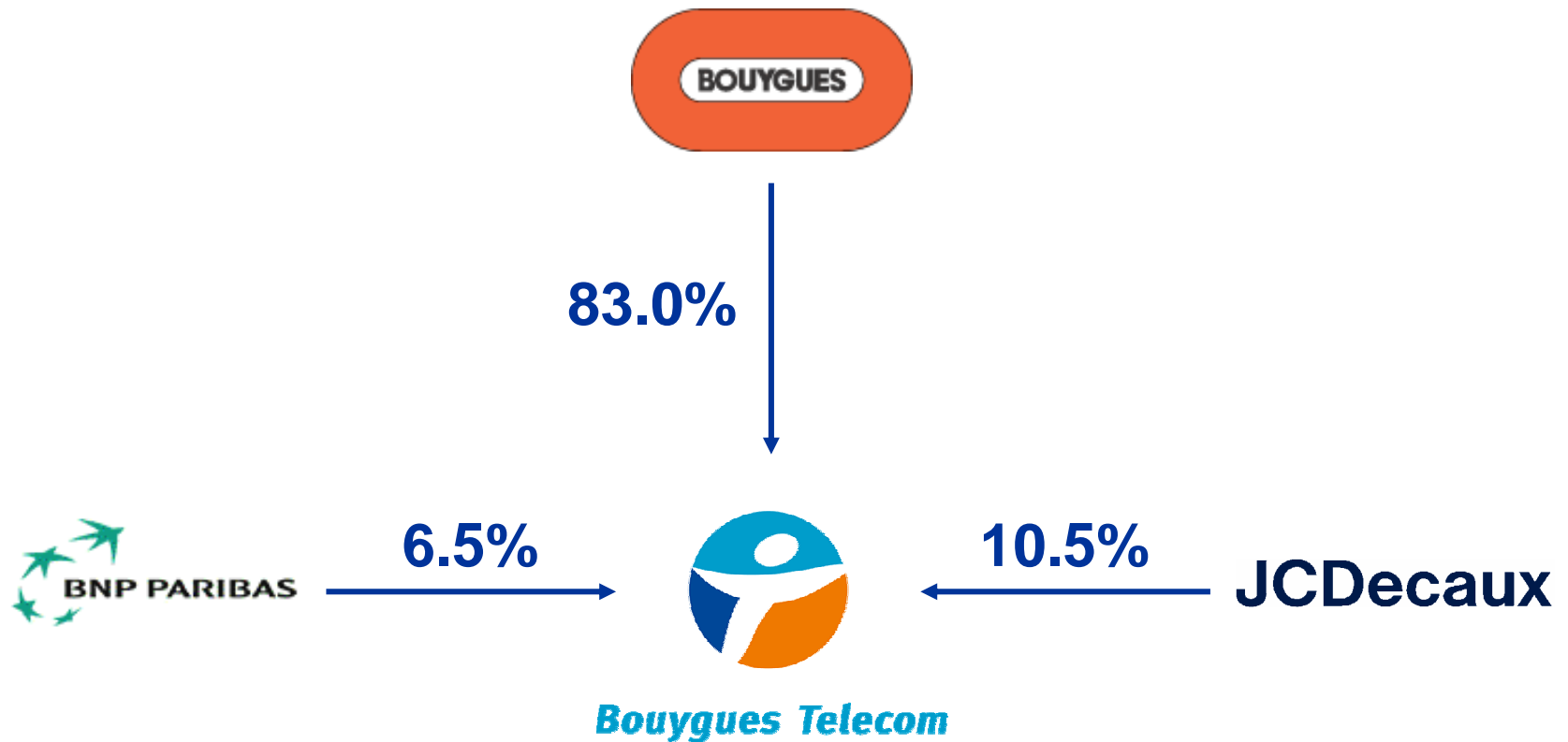
■ Ambitions

- ✓ maintain TF1 channel's leading position
- ✓ continue to consolidate TPS's commercial presence
- ✓ develop and increase the profitability of TF1's other activities
- ✓ expand in Europe in the medium term

■ Sales target for 2005 *:	€2,930m	+ 3%
✓ <i>advertising</i>	€1,710m	+ 4%
✓ <i>diversification activities</i>	€1,220m	+ 3%

* IFRS standards - change on 2004 sales under IFRS standards

BOUYGUES TELECOM: share ownership structure



*Bouygues raised its stake
in Bouygues Telecom from 34% to 83% in six years*

BOUYGUES TELECOM: key figures



Million euros	2003	2004	Change
Sales	3,283	3,674	+ 12%
Net sales from network <i>including data (%)</i>	2,995 13.8%	3,326 17.7%	+ 11% + 3.9 pts
EBITDA	1,001	1,174	+ 17%
EBITDA / net sales from network	33.4%	35.3%	+ 1.9 pt
Operating income	461	549	+ 19%
Net earnings	201	321	+ 60%

Continued improvement in profitability

BOUYGUES TELECOM: financial structure

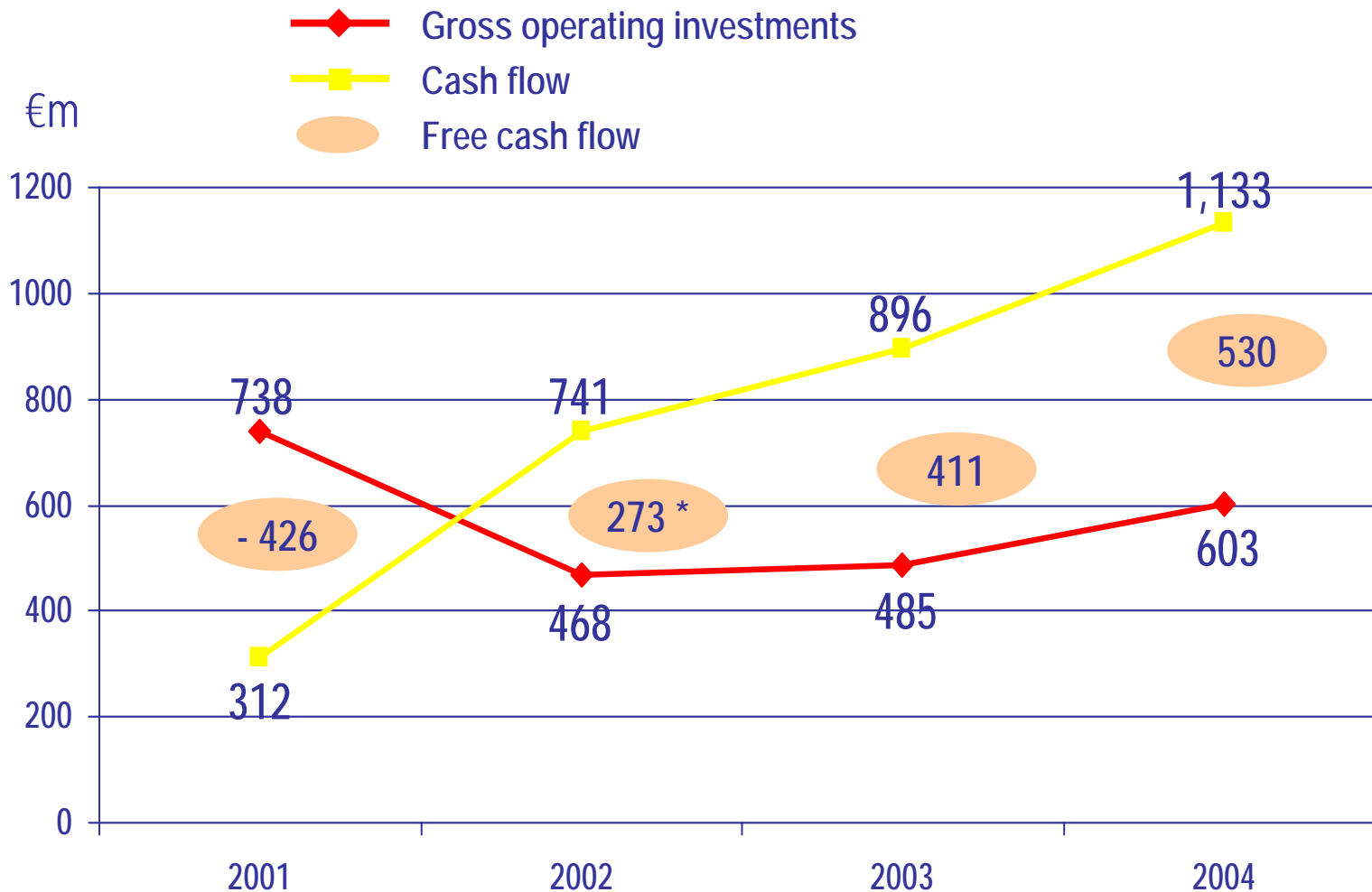


Million euros	2003	2004	Change
Shareholders' equity	1,553	1,787	+ 15%
Net debt	1,798	1,196	- 33%
<i>of which bank debt</i>	1,031	582	- 44%
<i>of which shareholder loans</i>	767	614	- 20%
Net debt / shareholders' equity	116%	67%	- 49 pts
Cash flow	896	1,133	+ 26%
Gross operating investments	485	603 *	+ 24%

* of which €83m used to roll out EDGE in 2004

Further reduction in debt

BOUYGUES TELECOM: free cash flow



Sharp increase in free cash flow

* excluding UMTS licence

BOUYGUES TELECOM: commercial performance in Contract segment (excluding Universal Mobile)



■ Mainland France

	2003	2004
Contract customer base (in thousands) ⁽¹⁾	4,207	4,760
ARPU (€/month)	52	50
SAC (€/customer)	231	243
Monthly churn	1.6%	1.3%
Usage (min/month)	390	393

⁽¹⁾ at 31 December

Contract customers account for 66.2% of the total customer base

BOUYGUES TELECOM: commercial performance in Prepaid segment



■ Mainland France	2003	2004
Active SIM cards (in thousands) ⁽¹⁾	2,235	2,397
ARPU (€/month)	18	16
SAC (€/customer)	22	27
Usage (min/month)	89	85

⁽¹⁾ at 31 December

ARPU affected by the decrease in incoming rates

BOUYGUES TELECOM: commercial performance



■ All customers (mainland France)

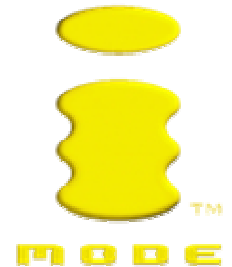
	2003	2004
ARPU (€/month)	39.5	38.4
SAC (€/customer)	146	148
Usage (min/month)	283	288

High ARPU thanks to a favourable customer mix

BOUYGUES TELECOM: success of i-mode



- Launch in November 2002
- One million paying-customer-mark passed in December 2004
- Rich portal: 300 official sites, over 200 games, 50 Java™ applications and 5,000 independent sites
- Accessible with all contracts and mini-contracts
- Highly satisfied content providers:
 - ✓ the eco-system's virtuous circle works
 - ✓ high level of satisfaction among users
- Continuous innovation: localisation and video services since May 2004, DigitalSound and DigitalVideo since November 2004
- 14 operators in i-mode™ Alliance to date



Bouygues Telecom, a pioneer of mobile multimedia services

BOUYGUES TELECOM: market share



Sales ⁽¹⁾	
2003	2004

Customer base ⁽²⁾	
2003	2004

Bouygues Telecom	18.2%	18.9%
Orange France	44.4%	44.2%
SFR	37.4%	36.9%

Bouygues Telecom	15.9%	16.8%
Orange France	48.8%	47.7%
SFR	35.3%	35.5%

(1) Source: operators

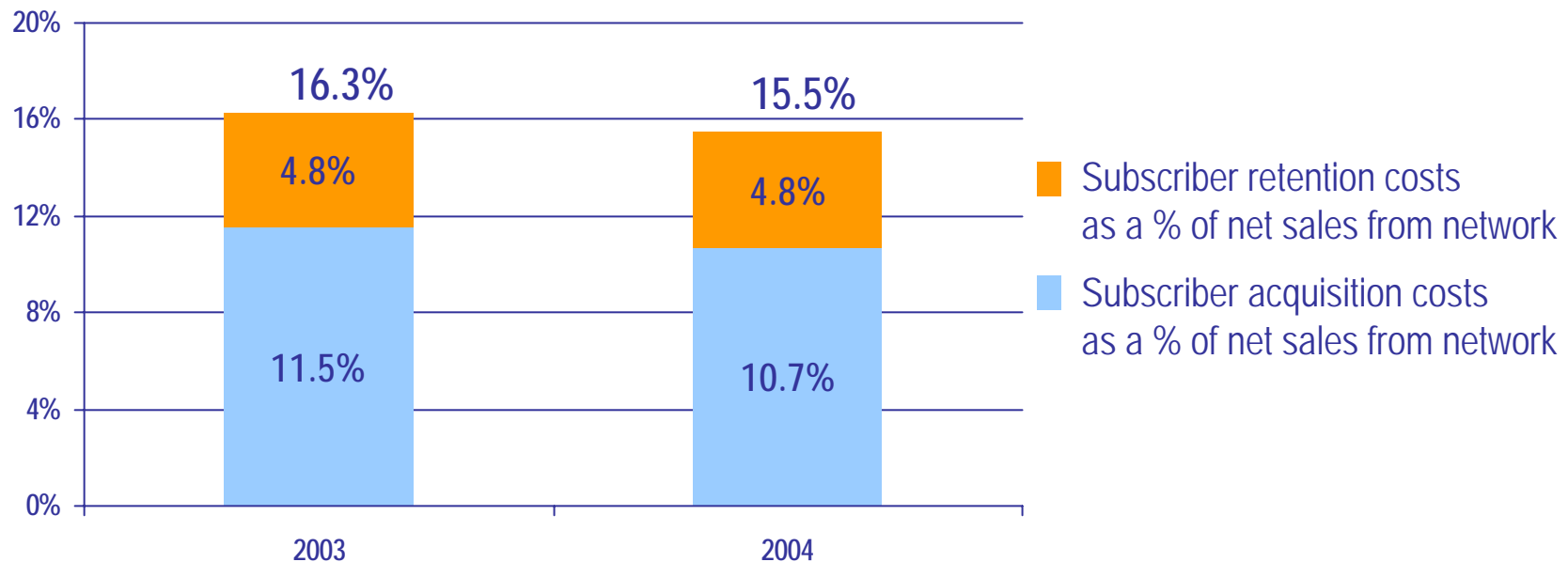
(2) Source: ART, France's telecoms regulator

A greater market share by value than the customer market share

BOUYGUES TELECOM: controlled costs



- Efficiency projects: implementing purchasing policy, controlling IT costs and overheads, pursuing actions in Network, Customer and Communication divisions
- Control over commercial costs



Total costs only show 8% increase

IS FRANCE'S MOBILE PHONE MARKET UNDER-EXPLOITED?



- The share of telecommunication services in French household expenditure is one of the highest in Europe:
 - ✓ 2.85% in 2004 compared with 1.45% in 1996 (*source: OMSYC*)
- This growth is due to intensive usage of mobile phones:
 - ✓ At end-2005, 50% of calls will be made on mobiles in France, the second country in Europe to cross this threshold (*source: OMSYC*)
 - ✓ Households talk an average of 175 minutes per month on mobiles out of a total talk time of 370 minutes (*source: OMSYC*)
- This high usage is due to a cost per minute which is one of the lowest in Europe, thanks in particular to the contract offers introduced by Bouygues Telecom (*see Bouygues Telecom's white paper*)

*The French mobile phone market
is one of the most dynamic in Europe*



- MVNOs are merely the return in a different guise of the services marketing companies that existed 10 years ago and disappeared because of the problems encountered:
 - ✓ high marketing costs
 - ✓ commercial disputes
 - ✓ churn rates
- Can higher operating costs on a market bring down prices?
If that were so, the effect would only be temporary and would undermine the capacity to invest
- A fourth UMTS licence is available in France for whoever is interested



■ Sales target for 2005

in million euros	2004 IFRS	2005 IFRS	Change
Net sales from network excluding mobile-to-mobile billing	3,326	3,560	+ 7%
Mobile-to-mobile billing	0	680	ns
Net sales from network	3,326	4,240	ns
Total sales *	3,674	4,540	ns

* the difference between net sales from network and total sales is mainly due to handset sales



- Sale of Saur concluded with PAI partners on 19 November 2004 for €1,031m (including businesses in France, Spain and Poland)
- Transfer of securities and payment on 15 February 2005
- Bouygues spent €58m for a 15% stake in the company that purchased Saur
- A net capital gain for Bouygues of €221m, of which €188m booked in 2004 and €33m at a later date

A strategy aimed at refocusing investment

IMPACT OF DISPOSAL OF SAUR

Million euros

■ Impact on Bouygues' net debt:

Sale price

- 1,031

Acquisition of a 15% stake in the company that owns Saur

+ 58

- 973

■ Impact on Bouygues' shareholders' equity:

Net capital gain booked in 2004

+ 188

SAUR: activities retained by Bouygues

- Water and power supply activities in Africa
 - ✓ Bouygues has little net exposure in Ivory Coast
- Shareholding in water supply companies in Italy
- Small team transferred from Saur to Bouygues to continue managing these activities, and technical assistance contract concluded with Saur
- Sales

✓ 2004 under French standards	€548m
✓ 2004 under IFRS standards	€279m
✓ 2005 under IFRS standards	€300m

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BOUYGUES: consolidated income statement

Million euros	2003	2004	<u>2004</u> 2003
Sales	21,822	23,402	+ 7%
Operating income	1,238	1,547	+ 25%
Earnings before tax and exceptional items	1,019	1,382	+ 36%
Exceptional items	(14)	209	ns
Income tax	(380)	(519)	+ 37%
Net earnings attributable to the Group	450	858	+ 91%
Net earnings excl. capital gain on disposal of Saur	450	670	+ 49%
Net EPS	1.34	2.01	+ 50%

BOUYGUES: contribution of business areas to sales

Million euros	2003	2004	$\frac{2004}{2003}$
Bouygues Construction	4,742	5,228	+ 10%
Bouygues Immobilier	1,229	1,294	+ 5%
Colas	7,387	7,936	+7%
TF1	2,727	2,817	+ 3%
Bouygues Telecom	3,271	3,658	+ 12%
Saur	2,448	2,453	=
Holding and other	18	16	ns
TOTAL	21,822	23,402	+ 7%
<i>of which international</i>	<i>6,110</i>	<i>6,370</i>	<i>+ 4%</i>

BOUYGUES: contribution of business areas to EBITDA

Million euros	2003	2004	$\frac{2004}{2003}$
Bouygues Construction	180	246	+ 37%
Bouygues Immobilier	85	118	+ 39%
Colas	505	549	+ 9%
TF1	455	494	+ 9%
Bouygues Telecom	1,006	1,153	+ 15%
Saur	190	184	- 3%
Holding and other	(6)	(14)	ns
TOTAL	2,415	2,730	+ 13%

BOUYGUES: contribution of business areas to operating income

Million euros	2003	2004	$\frac{2004}{2003}$
Bouygues Construction	37	132	x 3.6
Bouygues Immobilier	80	114	+ 43%
Colas	262	289	+ 10%
TF1	332	398	+ 20%
Bouygues Telecom	460	550	+ 20%
Saur	88	91	+ 3%
Holding and other	(21)	(27)	ns
TOTAL	1,238	1,547	+ 25%

BOUYGUES: contribution of business areas to net earnings

Million euros	2003	2004	<u>2004</u> <u>2003</u>
Bouygues Construction	23	146	+ 123
Bouygues Immobilier	44	65	+ 21
Colas	192	233	+ 41
TF1	79	91	+ 12
Bouygues Telecom ⁽¹⁾	146	266	+ 120
Saur	20	(4)	- 24
Holding and other	(54)	61	+ 115
Net earnings excl. capital gain on disposal of Saur	450	670	+ 220
Capital gain on disposal of Saur	/	188	+ 188
Net earnings attributable to the Group	450	858	+ 408

(1) Bouygues stake in Bouygues Telecom: 73% in 2003 and 83% in 2004

BOUYGUES: profitability analysis in 2004 (1/2)

At business level	2003		2004	
	Operating margin	ROCE (1)	Operating margin	ROCE (1)
Bouygues Construction	0.8%	+++ (2)	2.4%	+++ (2)
Bouygues Immobilier	6.5%	34.5%	8.8%	++ (3)
Colas	3.5%	22.8%	3.6%	26.5%

(1) Operating income after tax and share of companies accounted for by the equity method/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.

(3) Bouygues Immobilier's net cash now equals capital employed at end-2004, which is not a typical situation for a property developer.

BOUYGUES: profitability analysis in 2004 (2/2)

	2003		2004	
	Operating margin	ROCE ⁽¹⁾	Operating margin	ROCE ⁽¹⁾
At business level				
TF1	12.6% ⁽²⁾	16.0%	14.1%	18.2%
Bouygues Telecom	14.1%	8.5%	15.0%	11.2%
Saur	3.6 %	5.7 %		
At Group level				
Bouygues	5.7%	8.6%	6.6%	12.0%

⁽¹⁾ operating income after tax and share of companies accounted for by the equity method/capital employed

⁽²⁾ using the same accounting method

BOUYGUES: contribution of business areas to cash flow

Million euros	2003	2004	$\frac{2004}{2003}$
Bouygues Construction	206	269	+ 31%
Bouygues Immobilier	55	82	+ 49%
Colas	453	488	+ 8%
TF1	318	305	- 4%
Bouygues Telecom	866	1,111	+ 28%
Saur	177	143	- 19%
Holding and other	(2)	(131)	ns
TOTAL	2,073	2,267	+ 9%

BOUYGUES: contribution of business areas to net investments

■ Operating investments

Million euros	2003	2004	$\frac{2004}{2003}$
Bouygues Construction	87	75	- 12
Bouygues Immobilier	2	4	+ 2
Colas	256	340	+ 84
TF1	93	76	- 17
Bouygues Telecom	381	515	+ 134
Saur	121	77	- 44
Holding and other	(10)	(1)	+ 9
TOTAL	930	1,086	+ 156

BOUYGUES: condensed consolidated balance sheet at 31 December

Million euros	2002	2003	2004
Shareholders' equity	6,379	6,192	5,087
Long & medium term provisions	1,882	1,896	1,866
Financial liabilities	4,825	5,160	4,686
Long-term capital	13,086	13,248	11,639
Fixed assets	12,357	11,983	10,753
Working capital	729	1,265	886
Cash and equivalents	1,624	2,374	3,006
Net book debt	3,201	2,786	1,680
Restated net debt			2,313 *
Restated net debt / shareholders' equity	50%	45%	45%

* includes the exceptional payout (+ €1,664m) and the proceeds from Saur's disposal (- €1,031m)

Solid financial structure



BOUYGUES S.A.: condensed balance sheet at 31 December

Million euros	2002	2003	2004
Shareholders' equity	5,103	4,901	3,593
Long & medium-term provisions	232	177	187
Financial liabilities	2,232	2,978	3,345
Long-term capital	7,567	8,056	7,125
Long-term investments	6,651	7,823	7,276
Other assets	9	1	1
Cash and equivalents	750	212	753
Net book debt	1,482	2,766	2,592
Restated net debt			3,460 *

* includes the exceptional payout (+ €1,664m) and the proceeds from Saur's disposal (- €796m)

BOUYGUES: cash position

	<i>In €m</i>
■ Net cash at 31 December 2003	(2,786)
✓ change in scope of consolidation (disposal of Saur)	- 124
✓ acquisition of Bouygues securities for cancellation	- 471
✓ conversion of Oceane bonds	+ 418
✓ ordinary dividends paid by Bouygues and TF1 (minority interests)	- 249
✓ repayment of Bouygues Telecom shareholder loans (minority interests)	- 31
✓ dividends received in 2004 from Saur	+ 293
✓ main acquisitions/disposals	- 156
✓ operation and other	+ 1,426
■ Net book cash at 31 December 2004	(1,680)
✓ proceeds from Saur's disposal	+ 1,031
✓ exceptional payout made on 7 January 2005	- 1,664
■ Restated net cash at 31 December 2004	(2,313)

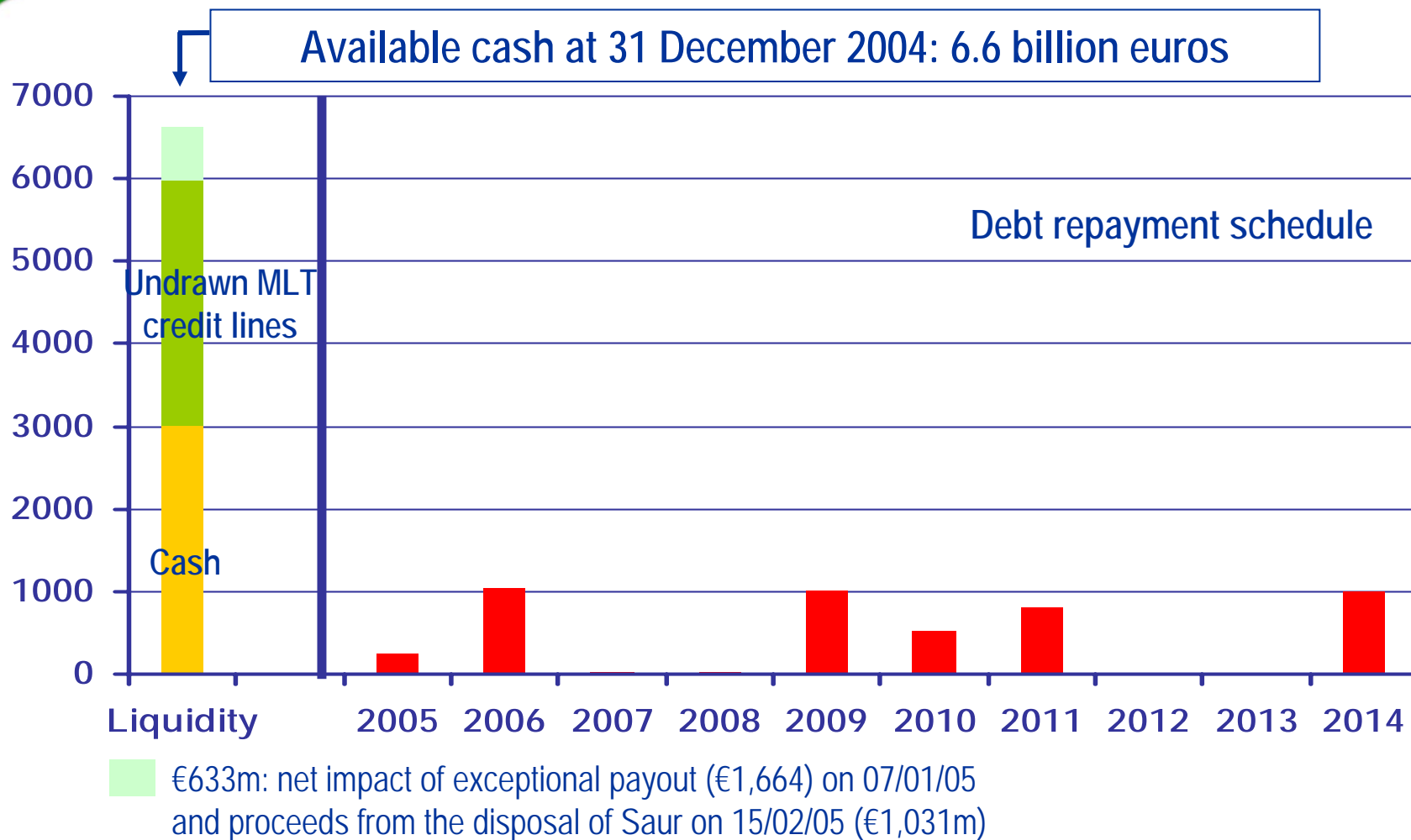
*Further contribution of operation to
the improvement in Group cash position*

BOUYGUES: net cash by business area

Million euros	2003	2004	$\frac{2004}{2003}$
Bouygues Construction	1,346	1,520	+ 174
Bouygues Immobilier	88	251	+ 163
Colas	255	488	+ 233
TF1	(426)	(404)	+ 22
Bouygues Telecom	(1,031)	(582)	+ 449
Saur	75	0	- 75
Holding and other	(3,093)	(2,953)	+ 140
Net book cash	(2,786)	(1,680)	+ 1,106
Restated net cash	(2,786)	(2,313) *	+ 473

* includes the exceptional payout (- €1,664m) and the proceeds from Saur's disposal (+ €1,031m)

BOUYGUES: financing policy



Evenly spread debt repayment schedule
Very substantial liquidity

NEW IFRS STANDARDS: status report

- Opening balance sheet at 1 January 2004
 - ✓ drawn up according to published standards
 - ✓ French standards maintained: utilities management services and customer retention provisions (Bouygues Telecom)

- Financial statements as of 31 December 2004
 - ✓ in progress

IFRS: condensed 2004 opening balance sheet (1/2)

ASSETS (in €m)	French standards	IFRS standards	Change
Tangible assets	4,532	5,020	+ 488
Intangible assets	6,409	1,088	- 5,321
Goodwill	264	5,272	+ 5,008
Other non-current assets	778	1,558	+ 780
Current financial assets	2,616	2,598	- 18
Other current assets	10,470	8,683	- 1,787
TOTAL	25,069	24,219	- 850

IFRS: condensed 2004 opening balance sheet (2/2)

LIABILITIES (in €m)	French standards	IFRS standards	Change
Shareholders' equity, Group share	5,131	5,014	- 117
Minority interests	1,061	890	- 171
Total shareholders' equity	6,192	5,904	- 288
Non-current provisions	1,896	1,516	- 380
Non-current financial liabilities	5,160	4,233	- 927
Other current liabilities	11,579	11,100	- 479
Current financial liabilities	242	1,466	+ 1,224
TOTAL	25,069	24,219	- 850
Net debt	2,786	3,101	+ 315
as % of shareholders' equity	45%	53%	

IFRS: impact on income statement for a standard year

■ Sales:

- ✓ Water and power distribution businesses in Africa and Italy - €270m
- ✓ Other businesses - €50m

NB: same impact in operating expenses

➔ no impact on operating income

■ Depreciation of tangible and intangible assets + €15m

■ Depreciation of goodwill: + €40m

■ Impact of stock options: - €20m

IFRS: calendar

- 3 May 2005
 - ✓ publication of 2005 first-quarter sales under IFRS standards with comparison of 2004 first-quarter sales under IFRS

- 22 June 2005
 - ✓ publication of 2005 first-quarter accounts under IFRS standards with comparison of 2004 first-quarter accounts under IFRS
 - ✓ accounts at 30 June, 30 September and 31 December 2004 under IFRS standards for information

- ➔ The income statement and cash flow statement will be presented according to the recommendation of CNC no. 2004-R.02 of 27 October 2004.

- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- BROADBAND STRATEGY
- OUTLOOK AND OBJECTIVES

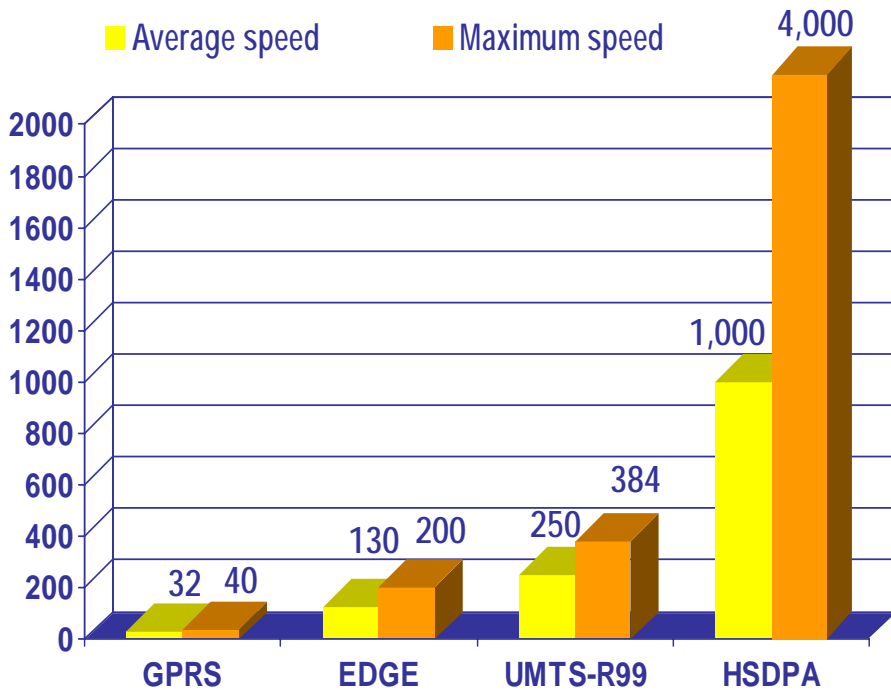
RECAP OF BOUYGUES TELECOM'S BROADBAND STRATEGY

- January 2001: refusal to take part in first round of bidding for a UMTS licence in France (price: 4.8 billion euros)
- April 2002: agreement with NTT DoCoMo to develop i-mode in France
- November 2002: commercial launch of i-mode
- December 2002: award of UMTS licence following second round of bidding (price: 619 million euros)
- September 2003: decision to roll out EDGE
- December 2004: over one million i-mode customers

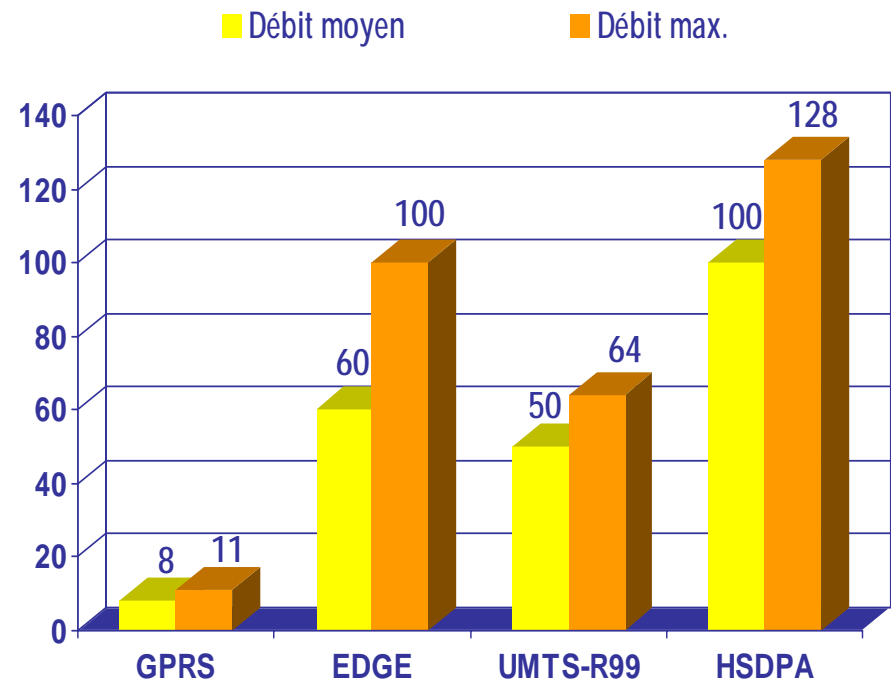
EVOLUTION OF TECHNOLOGIES SINCE 2002

2nd generation UMTS (UMTS-HSDPA): a real break

Downlink: network to mobile



Uplink: mobile to network



Towards very high speed

HSDPA = High Speed Downlink Packet Access

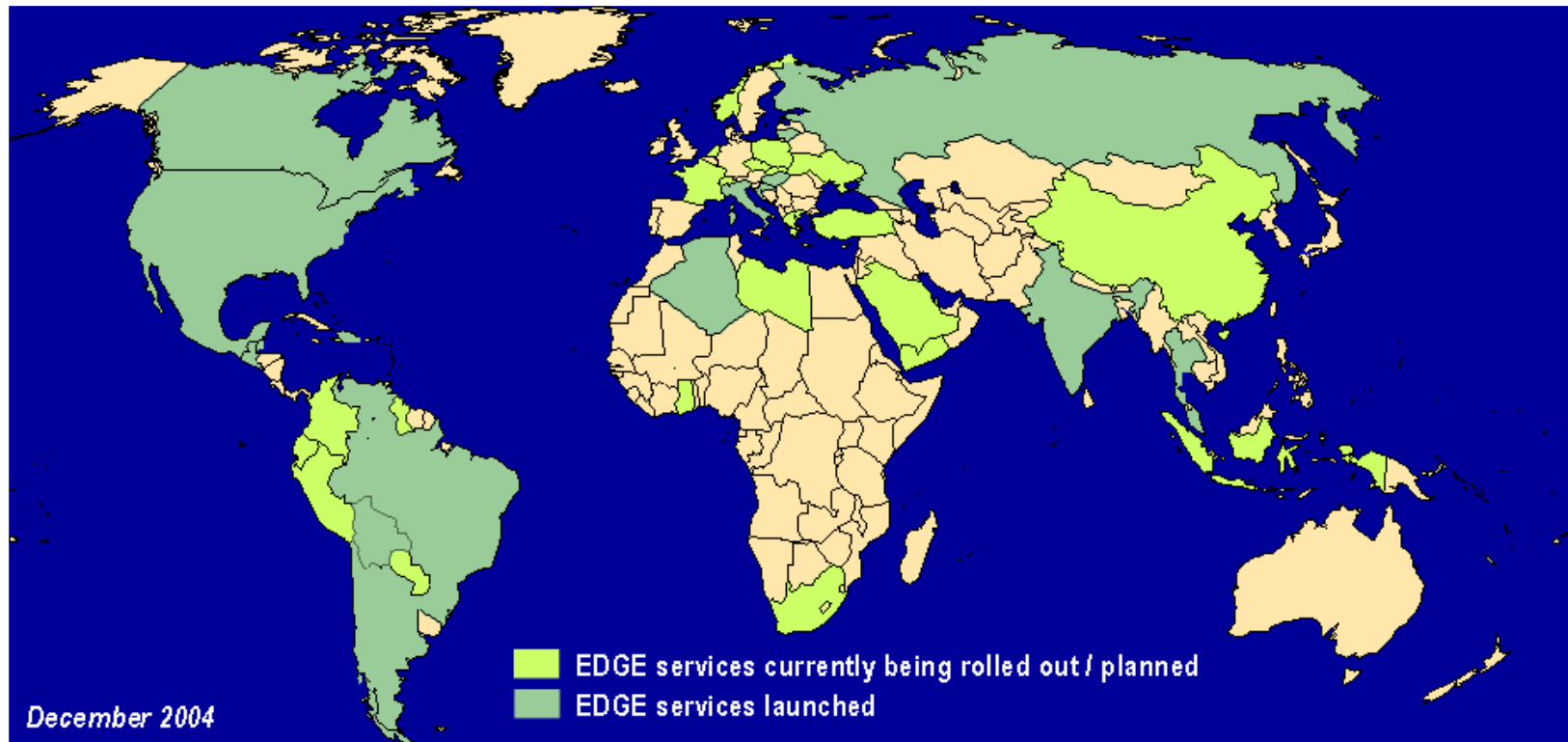
EVOLUTION OF TECHNOLOGIES SINCE 2002:

1st generation UMTS (UMTS-R99)

- As we have always maintained, UMTS-R99 technology does not meet expectations:
 - ✓ Technical difficulties remain
 - complex network engineering
 - administrative and practical difficulties in terms of rollout (new sites to be found)
 - poor indoor reception due to frequencies used
 - handsets with unsatisfactory technical capacities
 - ✓ A yet uncertain market
 - no real differentiating application
 - limited geographical coverage
 - expensive and unappealing handsets
 - mixed feedback from Asia
 - no truly convincing launch in Europe

EVOLUTION OF TECHNOLOGIES SINCE 2002: EDGE (1/2)

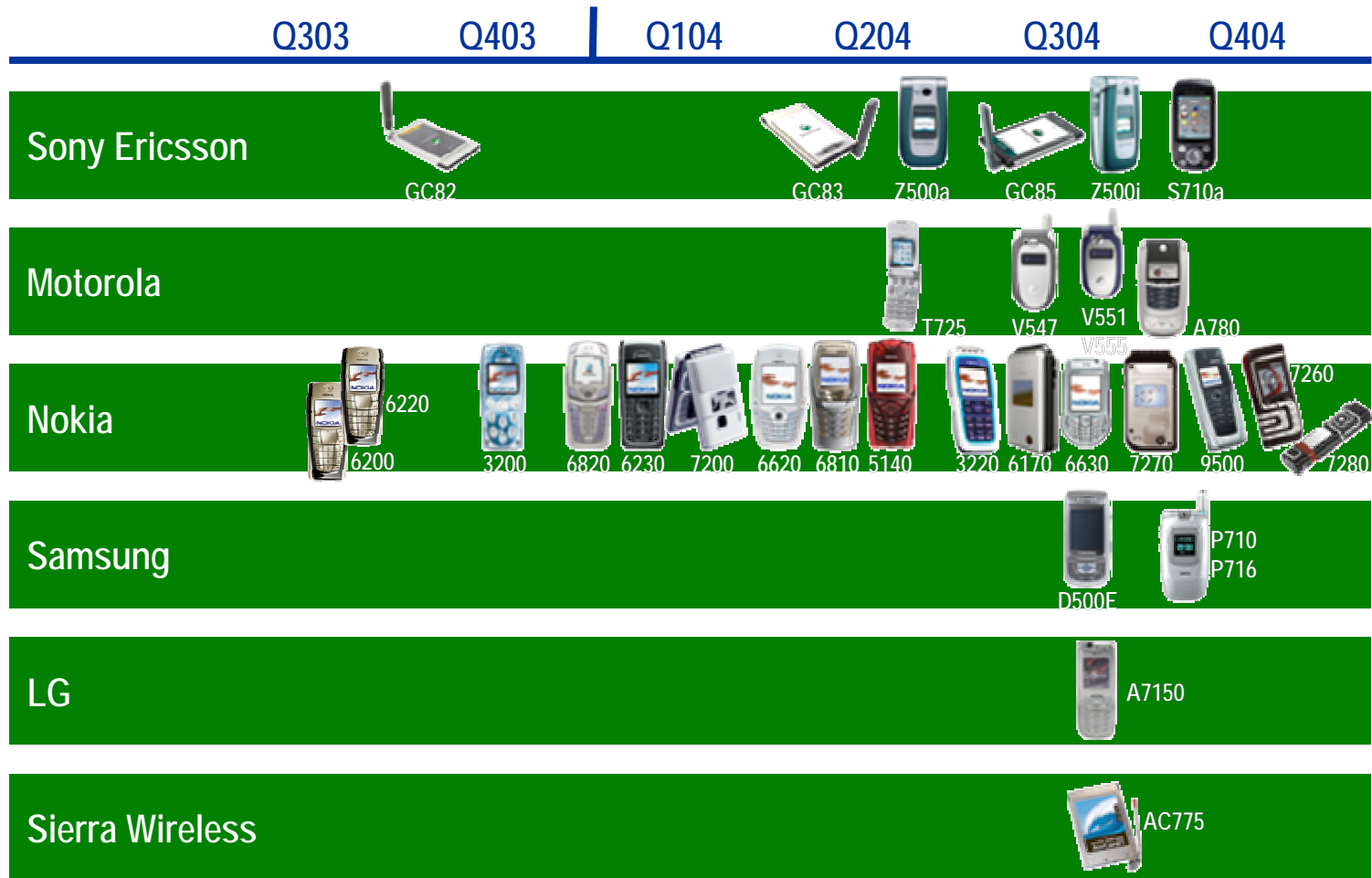
- EDGE: a technology in its infancy in 2002 and operational by 2004
 - ✓ 118 operators in 69 countries have chosen EDGE or are in the process of rolling it out
 - ✓ 38 networks have already launched it commercially



More and more operators are choosing EDGE

EVOLUTION OF TECHNOLOGIES SINCE 2002: EDGE (2/2)

EDGE handsets will become an industry standard



More and more equipment manufacturers are making EDGE-compatible handsets

CONDITIONS FOR SUCCESSFUL MOBILE BROADBAND SERVICES IN FRANCE

- Developing the use of mobile broadband requires an approach that focuses on customers rather than technologies:
 - ✓ national coverage
 - ✓ continuity of services
 - ✓ satisfactory speed thanks to reliable and proven technology
 - ✓ good-value services
 - ✓ efficient and affordable handsets

EDGE meets these conditions and enables nationwide broadband services to be launched quickly with consistent service quality, at a low capital cost (10% of the cost of UMTS)

BOUYGUES TELECOM'S TECHNOLOGICAL CHOICES: EDGE in 2005

- National and consistent coverage
- All i-mode services will be available with EDGE, including TV streaming
- Commercial launch:
 - ✓ May 2005 for the corporate market
 - ✓ 4th quarter of 2005 for the mass market, with several i-mode-enabled EDGE handsets
- Investment of €230 million, of which more than a third already spent in 2004

Thanks to EDGE, Bouygues Telecom has pioneered nationwide mobile broadband

BOUYGUES TELECOM'S TECHNOLOGICAL CHOICES

- The issues facing Bouygues Telecom, Orange and SFR are not the same (different saturation levels)
 - ✓ Orange and SFR need greater voice capacity
- For the first time, Bouygues Telecom has the opportunity to restore the balance with its competitors in terms of investment costs
 - ✓ Bouygues Telecom will offer similar services as its competitors while investing 10 times less

COMPARISON OF UNIT COSTS BETWEEN EDGE AND UMTS

	Breakdown of customers	Investment (€m)	Unit cost (€m per %)
Bouygues Telecom	16.8%	230	13.7
Orange	47.7%	3,000	62.9
SFR	35.5%	3,000	84.5

■ Investment required:

- ✓ EDGE (national coverage) €230m
- ✓ UMTS-R99 (densely populated areas) €3,000m

COMPARISON OF UNIT COSTS BETWEEN EDGE AND UMTS

- Under current traffic conditions, the unit cost of EDGE is considerably lower than that of UMTS
- The data revenues currently generated by all European operators remain particularly low, unlike expected usage levels on UMTS networks
- Those who expect UMTS to offer a lower price per megabit than EDGE anticipate that data revenues on UMTS will be much higher than voice revenues, which remains to be proven

BOUYGUES TELECOM'S TECHNOLOGICAL CHOICES

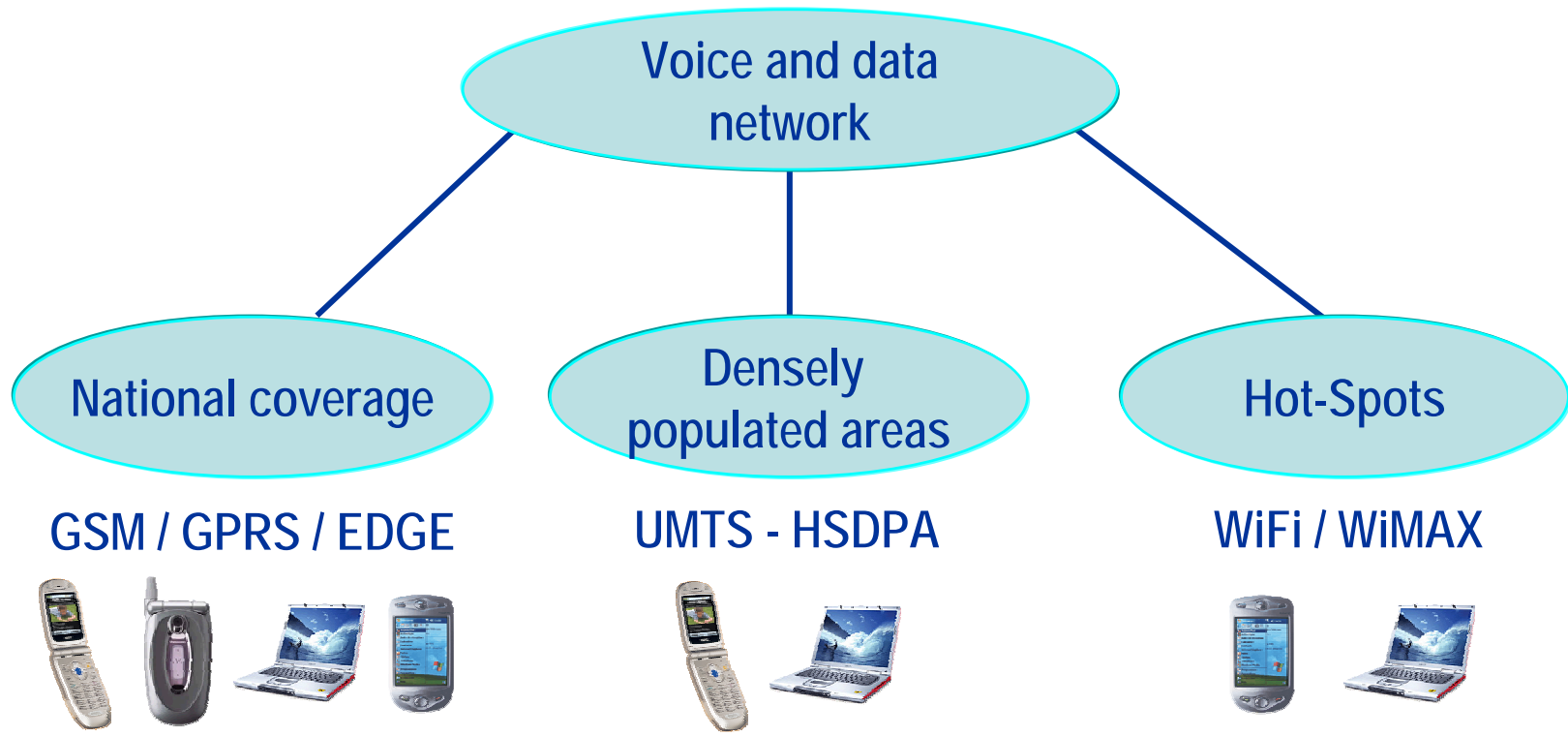
- EDGE from our competitors' point of view:
 - ✓ *Les Échos* of 1 February 2001 (P. Germond, SFR):
"EDGE is not yet a stable technology; it is still in the development stage. Volumes could well be so small as to make it very expensive indeed."
 - ✓ *L'Express* of 8 February 2001, on Bouygues Telecom's choice of EDGE:
"It is all window dressing", fulminated France Telecom. *"Bouygues has pulled out so as not to lose its family's control of the Group."*
 - ✓ *01Réseaux* of 1 March 2003 (D. Quillot, Orange):
"There are no EDGE handsets available. The technology does not feature in our product marketing and sales plans. We are merely monitoring it."

BOUYGUES TELECOM'S TECHNOLOGICAL CHOICES: 2nd generation UMTS (UMTS-HSDPA)

- A strategy of rolling out UMTS with HSDPA in densely populated areas as soon as the quality and reliability of hardware and handsets allow
- Rolling out UMTS-HSPDA directly is better than a two-stage rollout which would involve optimising and adjusting the network twice
- Bouygues Telecom began taking steps as from 2003 to guarantee the quality of its UMTS-HSPDA service:
 - ✓ renegotiation of leases
 - ✓ redevelopment of sites (aerials, bases, etc.)
 - ✓ tests in some towns in the Paris region using UMTS-R99, upgrading to UMTS-HSDPA in 2005

A real break with the past in terms of services

BOUYGUES TELECOM'S TECHNOLOGICAL CHOICES: complementary technologies



The best strategy for a challenger

OUR CHOICES

- Bouygues Telecom's objective has not changed:
 - ✓ offer simple, reliable and inexpensive products
 - ✓ our entire investment strategy flows from this mindset
- Mobile multimedia in Europe: everyone talks about it, but how much income does it really generate?

- HIGHLIGHTS
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BOUYGUES: sales targets for 2005 (IFRS)

Million euros	2004 French standards	2004 IFRS	2005 target IFRS	Change <u>2005</u> <u>2004</u>
Bouygues Construction	5,228	5,228	5,230	=
Bouygues Immobilier	1,294	1,281	1,450	+ 13%
Colas	7,936	7,936	8,300	+ 5%
TF1	2,817	2,817	2,910	+ 3%
Bouygues Telecom	3,658	3,658	4,520	+ 24% *
Saur	2,453	/	/	/
Holding and other	16	292	290	ns
TOTAL	23,402	21,212	22,700	+ 7% **
<i>International</i>	<i>6,370</i>	<i>5,991</i>	<i>6,300</i>	<i>+ 5%</i>

* + 5% excluding mobile-to-mobile billing; net sales from network: + 7% excluding mobile-to-mobile billing

** + 4% excluding mobile-to-mobile billing

BOUYGUES: outlook

- Bright outlook for the Group over the coming years:
 - ✓ businesses with leading positions on buoyant markets
 - ✓ marked increase in earnings
 - ✓ substantial generation of free cash flow
 - ✓ sharp reduction in debt

BOUYGUES: our ambitions

- All business areas will pursue internal and external growth
- Bouygues will continue to increase remuneration for its shareholders
- The Group has considerable capacity to invest

Bouygues is determined now more than ever to optimise its investments

BOUYGUES: 2005 financial communication calendar

- 28 April: Annual Meeting of Shareholders
- 3 May: First-quarter sales
- 4 May: Payment of dividend
- 22 June: First-quarter earnings
- 9 August: First-half sales
- 14 September: First-half earnings
- 8 November: 9-month sales
- 14 December: 9-month earnings