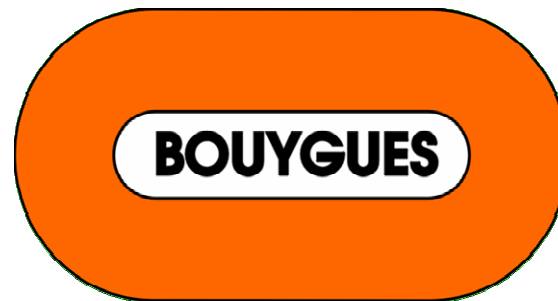


# **PRESENTATION OF HALF-YEAR ACCOUNTS**



**PARIS**

**14 September 2005**

This document contains projections and forecasts. They express objectives based on the current assessments and estimates of the Group's general management which are subject to many factors and uncertainties. Consequently, actual figures could differ significantly from projected figures. The following factors among others set out in the Financial Report (*Document de Référence*) registered with the French Financial Markets Authority could cause actual figures to differ significantly from projected figures: unfavourable developments affecting the French and international telecommunications, audiovisual, construction, water distribution and property markets; the costs of complying with environmental, health and safety regulations and all other regulations with which Group companies are required to comply; the competitive situation on each of our markets; the impact of current or future public regulations; exchange rate risks and other risks related to international activities; risks arising from current or future litigation. Bouygues gives no commitment to updating or revising the projections and forecasts contained in this document.

■ HIGHLIGHTS

■ BUSINESS AREAS

■ ACCOUNTS

■ OUTLOOK

# FIRST-HALF 2005 HIGHLIGHTS

- Further rise in Group sales and profitability
- Bouygues Telecom: launch of broadband services throughout France (EDGE)
- Bouygues Construction: sharp increase in orders (+ 18%). Several major contracts recently awarded (A41, Gautrain, Hermès, etc.) have not yet been included
- Colas: improved order book (+ 19%)
- Privatization of motorway companies: decision not to make an offer
- €750 million 15-year bond issue at 4.25%
- Sharp rise in the share price between 30 June 2004 and 30 June 2005:
  - + 25% at face value
  - + 43% factoring in the exceptional payout

# PRIVATIZATION OF MOTORWAY COMPANIES

- Bouygues has decided not to make an offer.
- The invitation to bid, relating to infrastructures that have already been built, is essentially financial in nature, which does not fit with Bouygues' entrepreneurial spirit.
- When investing in infrastructure concessions, Bouygues prefers projects in which it can fully use its management skills in design, construction, operation, maintenance and finance and assume the commercial risk.
- Bouygues' investment capacity would have allowed it to acquire one of the three motorway companies without affecting its credit rating.
- Such an acquisition would have tied up large amounts of capital and would have made Bouygues less able to invest in other projects.
- Should concession-holders or their shareholders receive a return on their investment?

# COMPETITION IN THE FRENCH MOBILE PHONE SECTOR: preliminary remarks

1. The article in the *Canard Enchaîné* of 24 August 2005 is based on a report written by an inspector from the DGCCRF (the French government's competition department). It makes no mention of the submissions from the three operators and the Rapporteur of the Competition Authorities.
2. The article does not accurately reflect the DGCCRF report and is a breach of the rights of the defence.

# COMPETITION IN THE FRENCH MOBILE PHONE SECTOR: Bouygues Telecom's position (1/3)

1. Bouygues Telecom denies the allegations made in the *Canard Enchaîné*.
2. Bouygues Telecom made submissions to the Competition Authorities that provide precise answers to each of the questions raised during the enquiry. However, these cannot be made public outside proceedings, subject to prosecution.
3. Bouygues Telecom can merely point out that its share of the mass market fell from 18% to 15% during the period considered by the Competition Authorities (2000-2002). Bouygues Telecom had less than 10% of the corporate market, compared with over 90% for the Orange - SFR duopoly.

# COMPETITION IN THE FRENCH MOBILE PHONE SECTOR: Bouygues Telecom's position (2/3)

4. Given the historical conditions under which it was awarded a licence and the practices of the Orange-SFR duopoly, Bouygues Telecom's profitability is structurally lower than that of its two competitors.

- ✓ Award of a licence in January 1995
- ✓ 7,000 direct jobs and over 10,000 indirect jobs created
- ✓ Total investment  
(1995 to 2005, network and marketing expenses): €11,456m
- ✓ Financing:
  - Internal cash flows: €8,527m
  - Capital contributions from shareholders: €2,680m
  - Bank loans: €249m

Interest has been paid on cash advances from shareholders, which have been repaid.  
Interest has been paid on bank loans, which have been almost entirely repaid.

➔ Shareholders have contributed €2.7bn and have yet to receive any dividend whatsoever.

If the €2.7bn had been invested at 5% a year as of 1995, it would have earned €1bn in interest by now.

# COMPETITION IN THE FRENCH MOBILE PHONE SECTOR: Bouygues Telecom's position (3/3)

5. Bouygues Telecom has been denouncing the same practices for several years:
  - ✓ The duopoly systematically abuses its dominant position (83% of the combined market share);
  - ✓ France Télécom and Orange have benefited from state aid.
  
6. Bouygues Telecom lodged a complaint with the Competition Authorities on 7 May 2004 denouncing the practices of the duopoly that dominates the French market. Other actions are in progress, in particular with the European Commission and the Court of First Instance of the European Union. The regulators need to intervene to restore balance on the French market.

*Bouygues and Bouygues Telecom hope that the Competition Authorities will consider these two matters calmly, conducting a detailed examination of the competitive situation on the French market*

# BOUYGUES GROUP: key operating figures

## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	2004
	2004	2005		
Sales	10,192 <sup>(1)</sup>	11,268	+ 11%	21,242
Operating profit	696	853 <sup>(2)</sup>	+ 23%	1,559
Net profit att. to the Group	276	384 <sup>(2)</sup>	+ 39%	909
Net profit att. to the Group excluding Saur	256	384 <sup>(2)</sup>	+ 50%	700

(1) Comparable sales: excluding Saur and including mobile-to-mobile billing

(2) The capital increase reserved for employees planned at end 2005 entailed an IFRS-related expense of €30m, with no impact on shareholders' equity.

*An excellent first half*



# BOUYGUES GROUP: financial structure

Million euros	1 <sup>st</sup> half		Change	2004
	2004	2005		
Net debt <sup>(1)</sup>	3,556	3,980 <sup>(2)</sup>	+ 12%	1,875
Debt-to-equity ratio <sup>(1)</sup>	60%	79%	+ 19 pts	38%
Cash flow <sup>(3)</sup>	937	1,099	+ 17%	2,052
Net operating investment	395	609	+ 54%	1,047
Free cash flow	542	490	- 10%	1,005

(1) End of period

(2) Of which €450m booked under the agreement concluded with BNP Paribas for their stake in Bouygues Telecom

(3) After cost of net financial debt and after tax

*Solid financial structure*

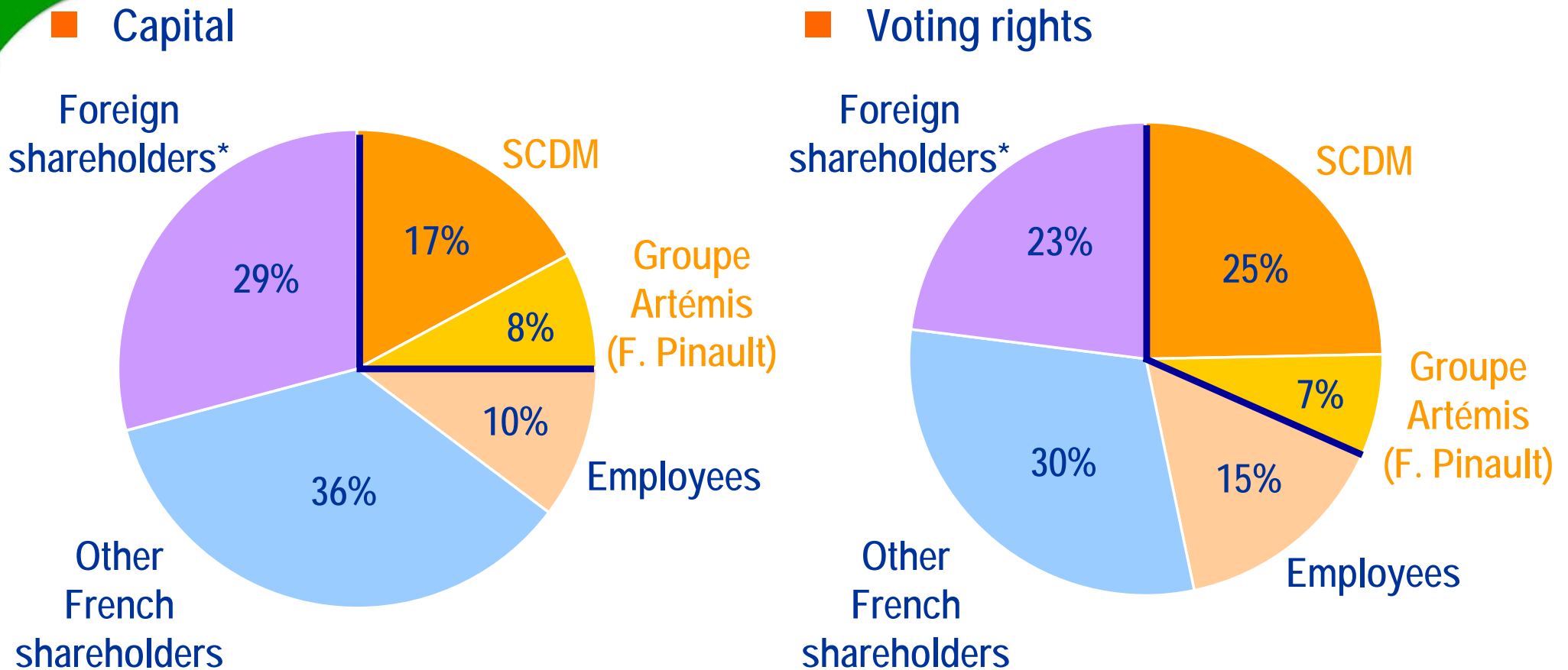


# BOUYGUES TELECOM: agreement with BNP Paribas

- BNP Paribas wishes to make its 6.5% stake in Bouygues Telecom liquid.
- Bouygues has granted BNP Paribas an option to sell 6.5% of Bouygues Telecom, exercisable from September 2005 to July 2007 at a price of €477 million to €495 million (€475 million plus interest at 2.07% per annum).
- Any dividends received by the BNP Paribas group up to the date the option is exercised will be deducted from the agreed price.
- In exchange, the BNP Paribas group has granted Bouygues an option to buy that may be exercised in September 2007 at a price of €497 million.
- The transaction was booked at 30 June 2005. Generating an additional €450 million of debt, it has no significant impact on first-half earnings.
- If the transaction goes ahead and JC Decaux does not exercise its pre-emptive right, Bouygues Telecom's capital structure will be as follows:



# BOUYGUES: share ownership structure at 30 June 2005



332,735,372 shares at 30 June 2005

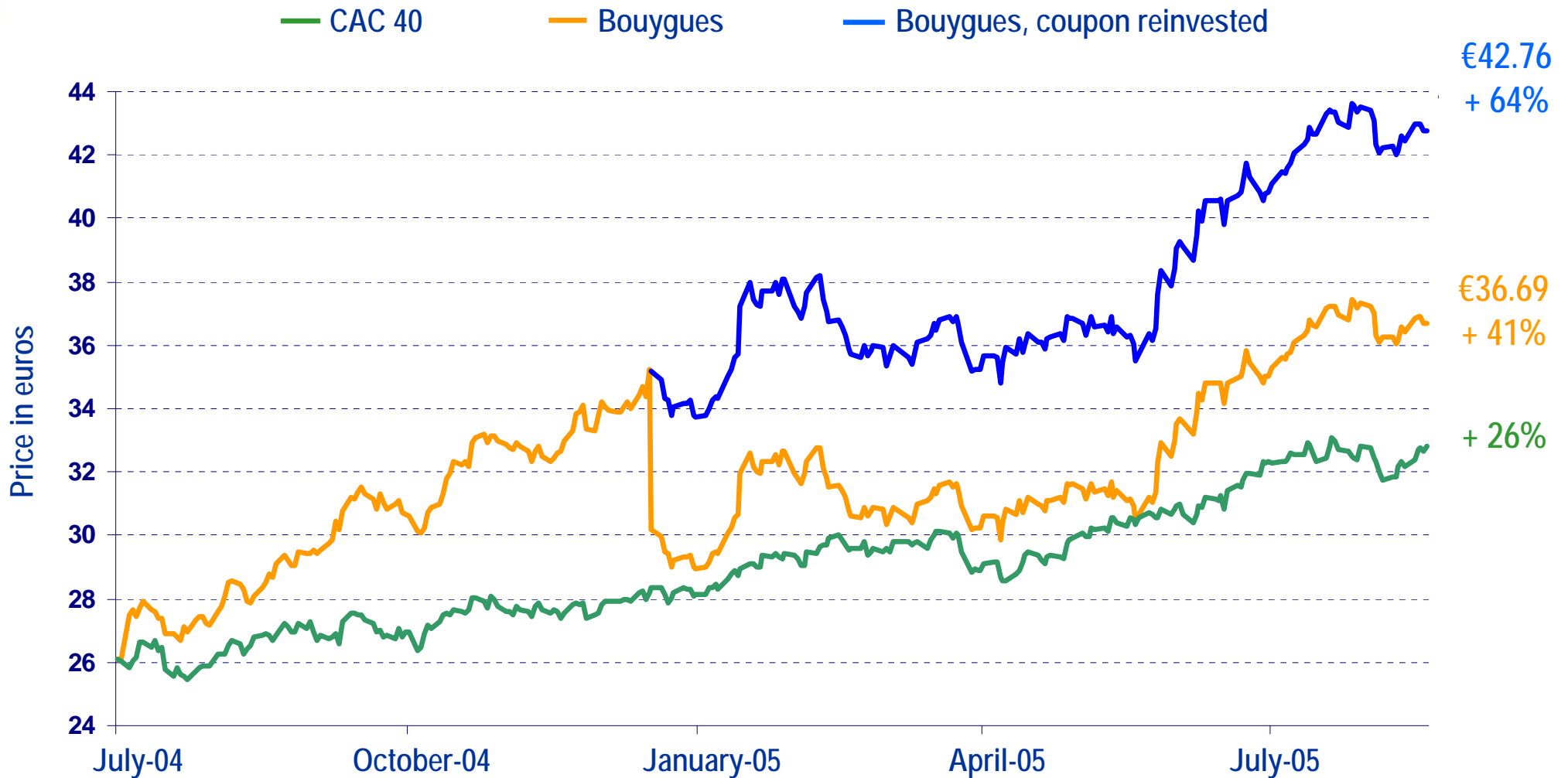
SCDM is a company controlled by Martin and Olivier Bouygues

SCDM and Groupe Artémis are bound by a shareholder agreement

\* Including Capital Group International Inc.: 8% of the share capital and 6% of the voting rights (declaration to the AMF on 22 August 2005)

# STOCK MARKET

■ Performance over 14 months: from 22 July 2004 to 9 September 2005

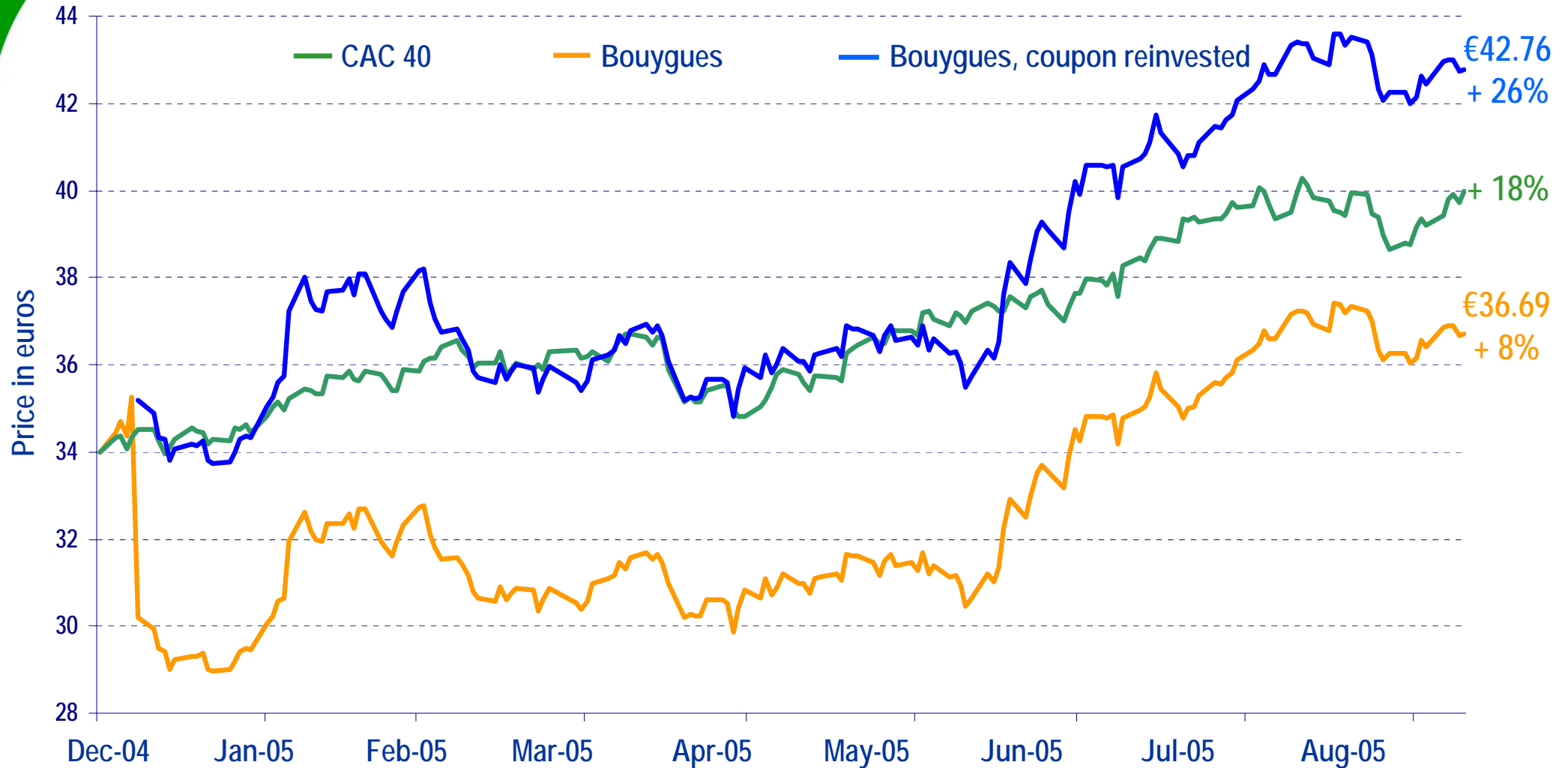


■ The €5 exceptional payout was made public on 23 July 2004.



# STOCK MARKET

■ Performance over 9 months: from 1 January 2005 to 9 September 2005



■ The Bouygues share price has risen 8% since 1 January 2005. Factoring in the €5 exceptional payout (coupon reinvested) gives a rise of 26%.



- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- OUTLOOK

# BOUYGUES CONSTRUCTION (B/CW): key figures



## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	2004
	2004	2005		
Sales	2,628	2,943	+ 12%	5,512
<i>of which France</i>	1,577	1,745	+ 11%	3,236
<i>of which international</i>	1,051	1,198	+ 14%	2,276
Operating profit	84	137	+ 63%	168
Net profit att. to the Group	64	96	+ 50%	140
Net cash at end of period	1,322	1,470	+ €148m	1,523

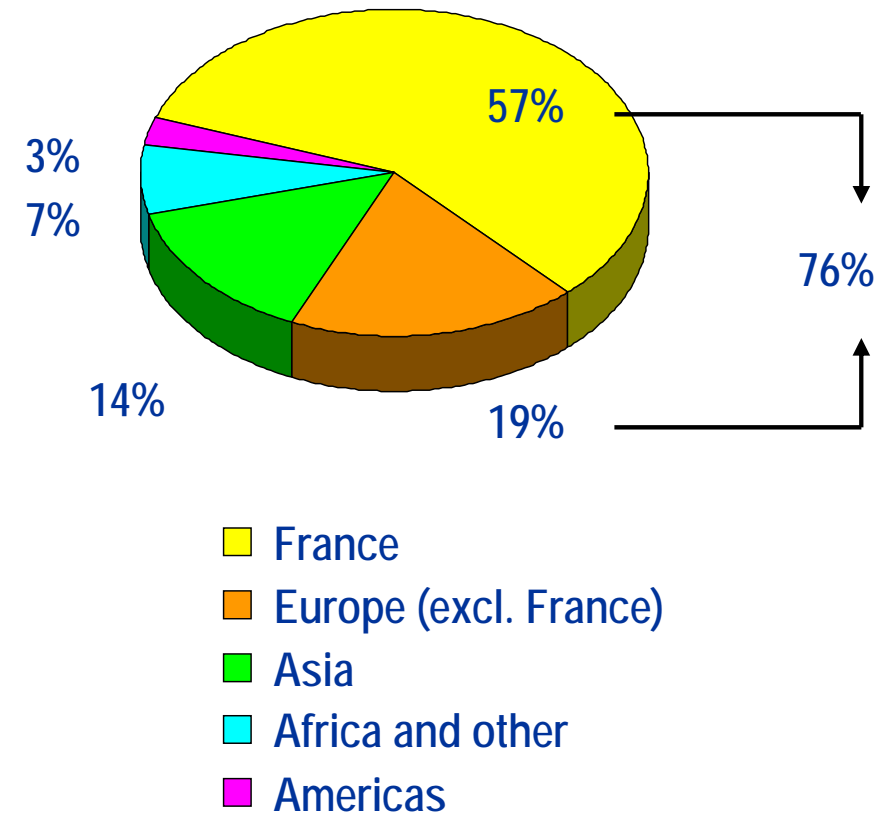
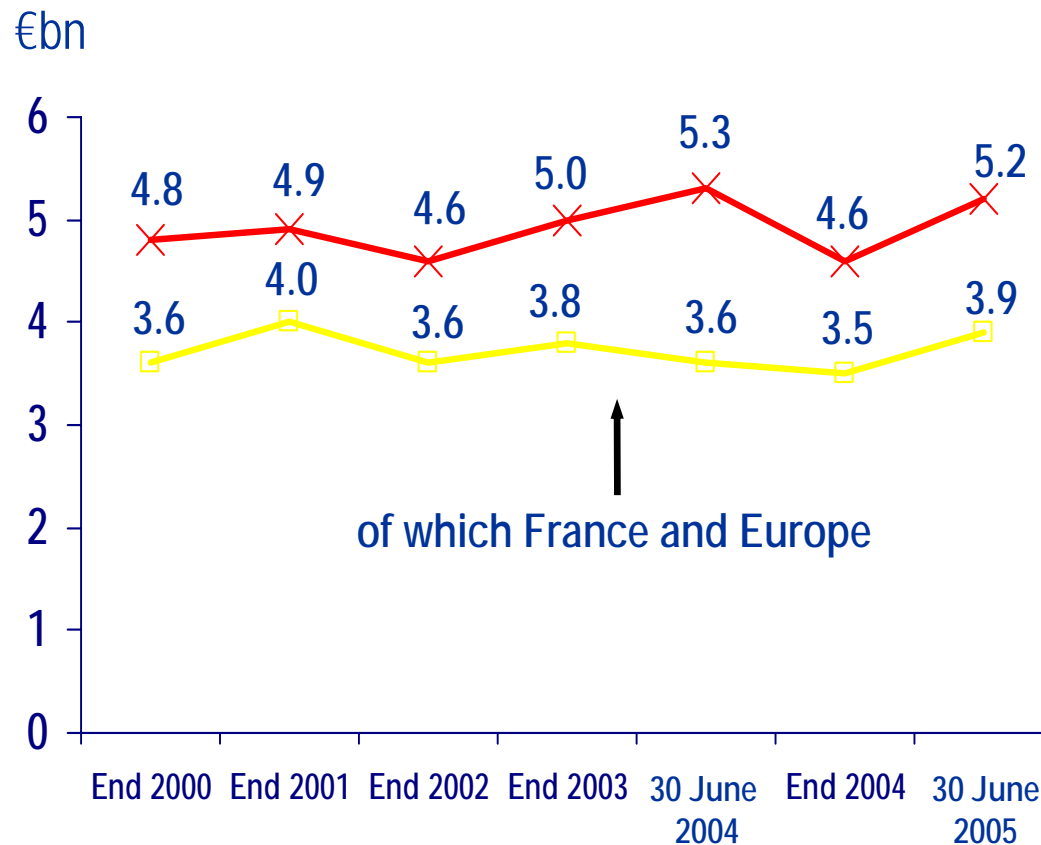
*Excellent first half*



# BOUYGUES CONSTRUCTION: order book

BOUYGUES  
CONSTRUCTION

At 30 June 2005



BOUYGUES

# MAJOR PUBLIC-PRIVATE PROJECTS

**BOUYGUES**  
CONSTRUCTION

- Since January 2002, Bouygues Construction has been awarded 18 contracts in France and abroad worth over €50 million each, combining public and private funding for a total amount of construction works exceeding €4 billion.
- These projects can take different legal forms: PFI, PPP, concession, administrative long lease, etc.
- This market is growing fast due to increased needs in public infrastructure and facilities, efficiency drives and budget constraints of governments and local authorities.
- These complex operations allow Bouygues Construction to fully use its management skills in design, construction, operation, maintenance and financing.
- These contracts generate recurring revenues (tolls, fees, maintenance activities, etc.).

**BOUYGUES**

# MAJOR PUBLIC-PRIVATE CONTRACTS won by Bouygues Construction since January 2002 (1/2)

## ■ Under construction

Project	Description	Project total amount
Highway 2000 (EFC) / <b>Concession</b>	Toll motorway between Kingston and Mandeville (Jamaica)	€140m
Home Office / <b>PFI</b>	New UK Home Office	£300m / €440m
A28 / <b>Concession</b>	125 km motorway section between Rouen and Alençon (France)	€920m
Istria 1B / <b>Concession</b>	55-km motorway section in Istria (Croatia)	€260m
Central Middlesex Hospital / <b>PFI</b>	240-bed hospital north-east of London	£100m / €147m
IEC / <b>Design, construction, co-financing, operation</b>	130,000 m <sup>2</sup> exhibition center close to Hong Kong international airport	€250m
Masan Bay Bridge / <b>Concession</b>	740-m cable-stayed bridge and two 410-m and 500-m access viaducts in South Korea	€260m
Portmore Causeway / <b>Concession</b>	Motorway in Jamaica, including 6 km of new construction and 5 km of upgrading	€80m
M5 Phase 2 / <b>PPP</b>	46-km dual two-lane motorway in Hungary	€590m
Barking Schools / <b>PFI</b>	2 schools east of London	£60m / €88m
M5 Phase 3 / <b>PPP</b>	15-km dual two-lane motorway in Hungary	€200m

Amounts in GBP were converted into euros at the rate of €1.4671

# MAJOR PUBLIC-PRIVATE CONTRACTS won by Bouygues Construction since January 2002 (2/2)

## ■ Under development

Project	Description	Project total amount
Broomfield Hospital / PFI preferred bidder	892-bed hospital in Chelmsford, Essex (UK)	£220m / €323m
Lewisham Schools / PFI preferred bidder	7 schools south-east of London	£70m / €103m
North Middlesex Hospital / PFI preferred bidder	Hospital project north-east of London 20,000 m <sup>2</sup> of new construction and 3,000 m <sup>2</sup> of renovation	£160m / €235m
Lambeth public lighting / PFI preferred bidder	London borough	£30m / €44m
A41 / preferred bidder	19-km motorway section between Geneva and Annecy (France)	€860m
Gautrain / Concession preferred bidder	82-km rail link between Johannesburg and Pretoria	> €2,000m
Busan harbour / Concession preferred bidder	Container port in South Korea's second largest city	> €500m
Hermès / Concession concession contract signed	Larnaca and Paphos airport terminals (Cyprus)	€600m

Amounts in GBP were converted into euros at the rate of €1.4671

# MAJOR PUBLIC-PRIVATE PROJECTS: Masan Bay bridge

BOUYGUES  
CONSTRUCTION

- Construction and operation of a bridge in South Korea
- 1<sup>st</sup> concession contract in South Korea: design, financing, construction, maintenance and 30-year operation
- Bouygues Construction – Hyundai Engineering and Construction consortium
- Project key figures



- ✓ 2-km long cable-stayed bridge
- ✓ Concession contract signed: May 2003
- ✓ 4 years of construction
- ✓ Handover: 2008
- ✓ Project total amount: €260m
- ✓ Total amount of works: €180m
- ✓ Amount of works for Bouygues Construction: €90m

*A new country for Bouygues Construction  
and a promising high-growth market*

BOUYGUES

# MAJOR PUBLIC-PRIVATE PROJECTS: Hong Kong International Exhibition Center

BOUYGUES  
CONSTRUCTION

- Contract covering design, co-financing, construction and 25-year operation

- Project key figures

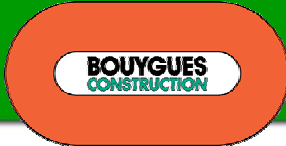


- ✓ 66,000 m<sup>2</sup> of exhibition space
- ✓ Contract signed: August 2003
- ✓ 2.5 years of construction
- ✓ Handover: December 2005
- ✓ Project total amount: €250m
- ✓ Total amount of works: €225m
- ✓ Amount of works for Bouygues Construction: €225m

*Project arranged in record time  
Additional skills acquired in operation*

BOUYGUES

# MAJOR PUBLIC-PRIVATE PROJECTS: A41 motorway



- Concession of the A41 motorway in France between Annecy and Geneva
- Concession contract involving design, financing, construction, maintenance and 55-year operation
- ADELAC consortium comprising Bouygues Construction, Colas, Area, Setec

- Time frame:

- ✓ Tender: December 2004
- ✓ Consortium named preferred bidder: April 2005
- ✓ Completion time: 38 months



- Project key figures

- ✓ 19 km of motorway, including 4 viaducts and 1 tunnel, 3.1 km long
- ✓ Project total amount: €860m
- ✓ Amount of works for Bouygues Construction / Colas: €590m

*Following on from the A28 motorway, a new illustration in France of Bouygues Construction's strategy in motorway concession*



# MAJOR PUBLIC-PRIVATE PROJECTS: Hermès

BOUYGUES  
CONSTRUCTION

- Two new terminals at Larnaca and Paphos airports in Cyprus
- Concession contract involving design, financing, construction, maintenance and 25-year operation
- Hermès consortium comprising Bouygues Construction, Vancouver Airport Services, Egis Projects, local contractors, etc.

## ■ Project key figures



- ✓ Concession contract signed: July 2005
- ✓ 3.5 years of construction
- ✓ Handover: 2008
- ✓ Project total amount: €600m
- ✓ Total amount of works: €480m
- ✓ Amount of works for Bouygues Construction: €480m

*A reference in airport concession*

BOUYGUES

# MAJOR PUBLIC-PRIVATE PROJECTS: Gautrain

BOUYGUES  
CONSTRUCTION

- Rail link between Johannesburg, Pretoria and Johannesburg International Airport
- Concession contract covering design, financing, construction, maintenance and 15-year operation
- Consortium comprising Bouygues Construction, RATP, Bombardier, etc.



## ■ Time frame:

- ✓ Tender: September 2003
- ✓ Consortium named preferred bidder: July 2005
- ✓ Start of works: 1<sup>st</sup> quarter 2006
- ✓ Handover: June 2010  
(football World Cup)

## ■ Project key figures

- ✓ 82 km including 16 km of tunnel and 7 km of civil engineering structures
- ✓ Project total amount: > €2bn
- ✓ Amount of works for Bouygues Construction: > €450m

*A major contract and reference  
in urban transport infrastructure systems*

BOUYGUES

# MAJOR PUBLIC-PRIVATE PROJECTS: strengths of Bouygues Construction

BOUYGUES  
CONSTRUCTION

## ■ Technical skills

- ✓ Ability to design the most suitable structure in terms of investment and operation
- ✓ Control of construction risks

## ■ Expertise in design and coordination of legal and financial arrangements

- ✓ Innovative financial arrangements, involving many financial partners
- ✓ Financial packages: structured financing (debt, equity, etc.), guarantees, currencies, taxation, etc.
- ✓ Complex contracts: liabilities, insurance, partnerships, etc.

## ■ Experience and credibility

- ✓ Management of large-scale projects in optimized deadlines
- ✓ Many projects already completed

*The capacity to involve multidisciplinary teams  
and partners in large-scale projects  
is a key factor of success*

BOUYGUES

# BOUYGUES CONSTRUCTION: outlook

- Sales target for 2005

Million euros - IFRS	2004	2005	Change
Sales	5,512	5,800	+ 5%
<i>of which France</i>	3,236	3,500	+ 8%
<i>of which international</i>	2,276	2,300	+ 1%

# BOUYGUES IMMOBILIER: key figures



## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	2004
	2004	2005		
Sales	582	758	+ 30%	1,295
<i>o/w housing</i>	401	500	+ 25%	864
<i>o/w corporate / commercial</i>	181	258	+ 43%	431
Operating profit	60	72	+ 20%	119
Net profit att. to the Group	31	42	+ 35%	64
Net cash at end of period	84	161	+ €77m	249

*Significant improvement in sales and profitability*



# BOUYGUES IMMOBILIER: commercial activity

## ■ Reservations

	1 <sup>st</sup> half		Change
	2004	2005	
Housing			
Number	3,251	4,011	+ 23%
Amount (€m)	532	655	+ 23%
Corporate / Commercial			
Office space (sq m)	60,000	31,000	- 48%
Amount (€m)	231	85	- 63%

## ■ France

- ✓ Housing: market remains buoyant as a result of unmet demand and a favourable financial environment, on track for a soft landing
- ✓ Corporate / Commercial: market should remain stable until 2007

## ■ International

- ✓ Spain: housing market is overheating
- ✓ Poland: housing market is growing steadily

*Contrasting markets*

# BOUYGUES IMMOBILIER: outlook

- 2005 sales target

Million euros - IFRS	2004	2005	Change
Sales	1,295	1,550	+ 20%
<i>o/w housing</i>	864	1,075	+ 24%
<i>o/w corporate / commercial</i>	431	475	+ 10%

# COLAS: key figures



## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	2004
	2004	2005		
Sales	3,436	3,993	+ 16%	8,024
<i>of which France</i>	2,255	2,514	+ 11%	4,914
<i>of which international</i>	1,181	1,479	+ 25%	3,110
Operating profit	9	38	x 4	289
Net profit att. to the Group	30	46	+ 53%	251
Net cash at end of period	(246)	(293)	- €47m	423

*Strong growth in sales and profit*



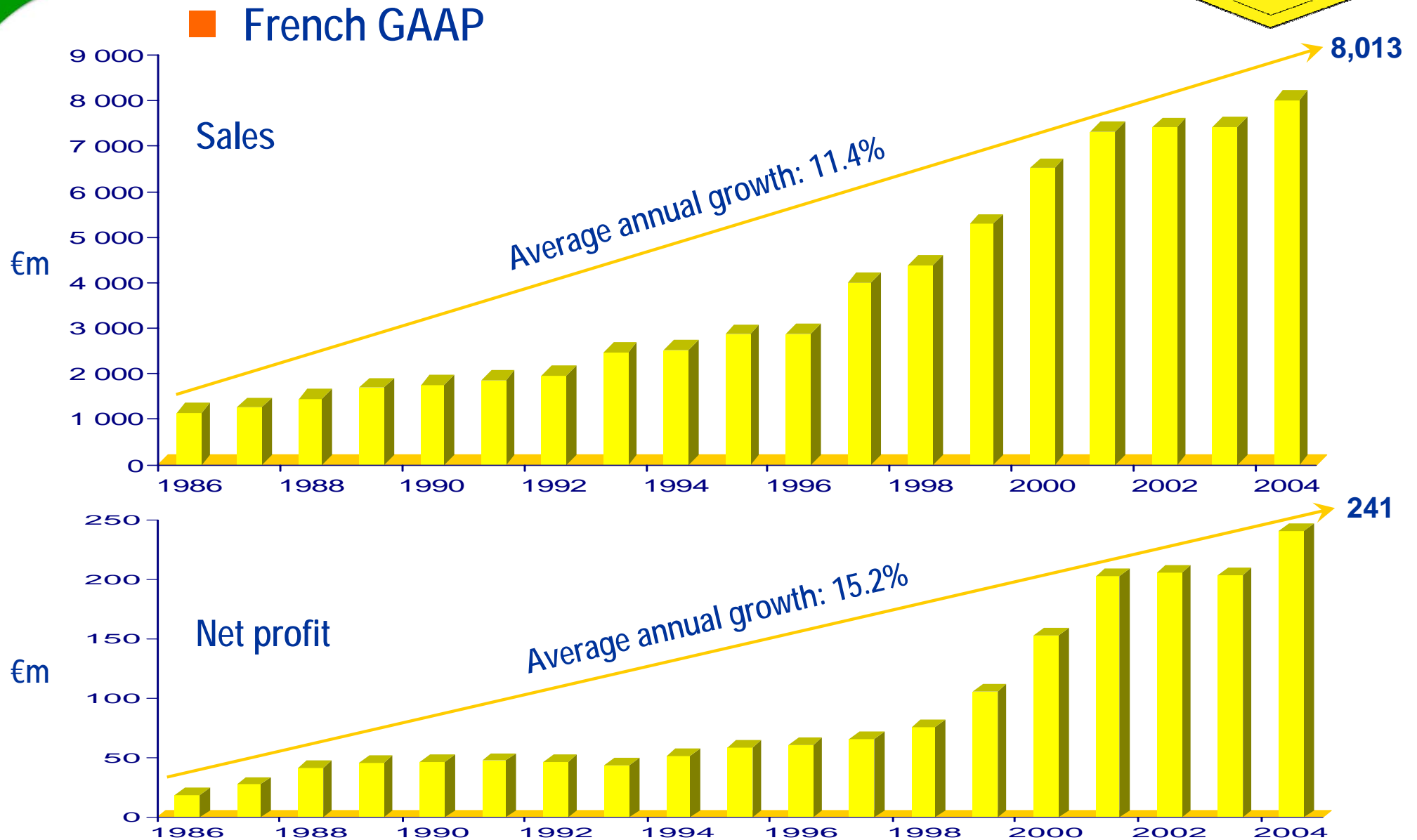
# COLAS: order book



Million euros	30 June		Change
	2004	2005	
Metropolitan France	2,296	2,581	+ 12%
International and French overseas territories	2,144	2,716	+ 27%
<b>TOTAL</b>	<b>4,440</b>	<b>5,297</b>	<b>+ 19%</b>

# COLAS: 18 years of continued growth

COLAS



*A non-cyclical business*

BOUYGUES

# COLAS: markets



- Road works in metropolitan France
  - ✓ Markets remain robust
- Road works on international markets
  - ✓ Western Europe: stable activity
  - ✓ Good visibility in Indian Ocean region and Eastern Europe where Colas subsidiaries should benefit from funds earmarked for infrastructure renewal
  - ✓ North America: firm markets
- Other markets
  - ✓ Good prospects in the rail sector (especially tramways)
  - ✓ Stable Safety – Signs, Signals – Waterproofing markets

# COLAS: outlook

The COLAS logo is a yellow diamond shape with a black border, containing the word "COLAS" in black capital letters.

- 2005 sales target

Million euros - IFRS	2004	2005	Change
Sales	8,024	9,000	+ 12%
<i>of which France</i>	4,914	5,340	+ 9%
<i>of which international</i>	3,110	3,660	+ 18%

# TF1: key figures



## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	2004
	2004	2005		
Sales	1,495	1,470	- 2%	2,850
<i>o/w core channel advertising</i>	890	881	- 1%	1,646
<i>o/w other activities</i>	605	589	- 3%	1,204
Operating profit	279	269	- 4%	383
Net profit att. to the Group	166	177	+ 6%	225
Net debt at end of period	606	553	- €53m	409

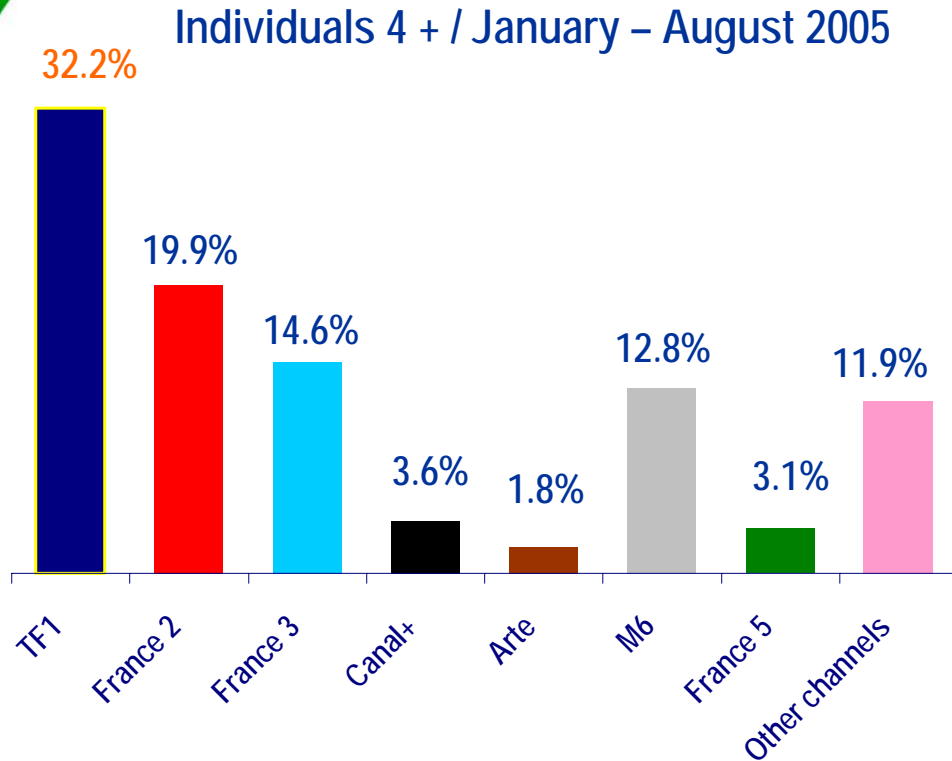
*A difficult economic environment*



# TF1: audience share

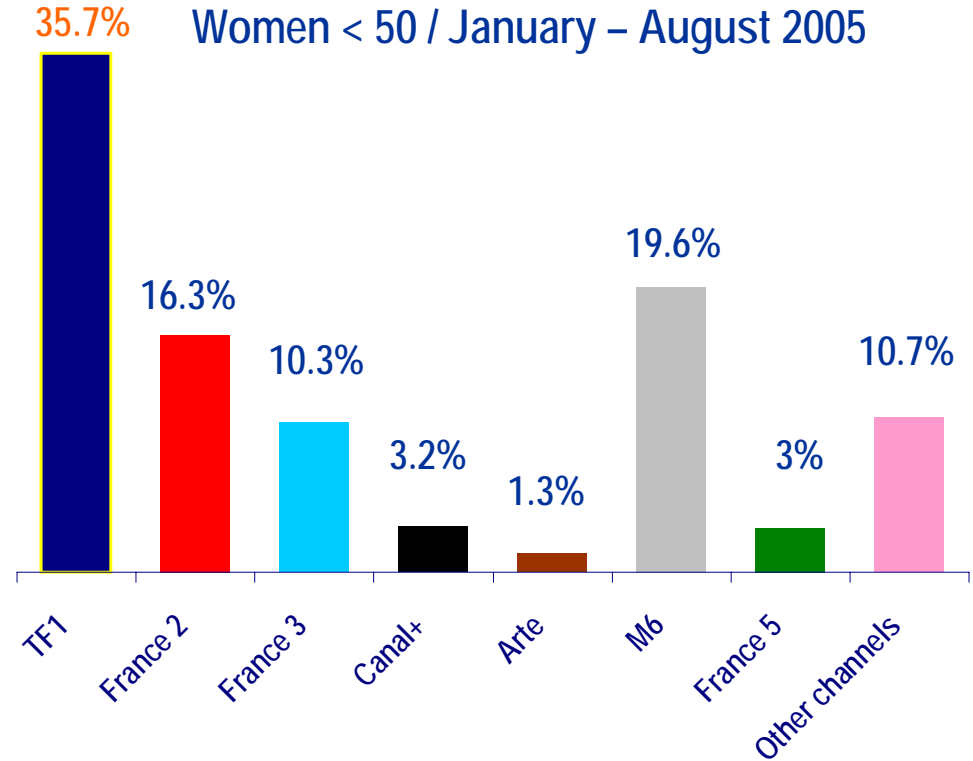


Individuals 4 + / January – August 2005



+ 0.2 points vs January – August 2004  
+ 0.9 points vs January – August 2003

Women < 50 / January – August 2005



+ 0.3 points vs January – August 2004  
+ 1.8 points vs January – August 2003

Source: Médiamétrie / January - August 2005

*Strengthened leadership*



# TF1: theme channel audience share

TF1 group channels continue to improve their performance:  
Audience share = 11%  
(+ 4.2 points in 4 years)

Source: Médiamétrie / MédiaCabSat  
Survey 9 (January-June 2005) vs Survey 1  
(January-June 2001)  
Audience share / Individuals 4 +  
Multi-channel households



2% (+ 0.3 pts)



1.3% (+ 1.2 pts)



1.1% (+ 0.4 pts)



1% (+ 0.4 pts)



1% (+ 0.4 pts)



0.6% (+ 0.1 pts)



0.2% (=)



0.1% (=)



0.1% (+ 0.1 pts)

*Six TF1 theme channels in top 10 audience ratings*

# TPS: key figures



Million euros	1 <sup>st</sup> half	
	2004	2005
Sales	186	198
Operating profit	10	5
Net profit	7	3

Contribution to TF1 group

- 1.65 million subscribers, including 1.35 million by Direct Broadcast Satellite and ADSL
- Continuous improvement of the offer
  - ✓ The best of US studio movies: 50% of box-office hits
  - ✓ Exclusive sports events
  - ✓ New channels: Ushuaia TV, Eurosport 2, TPS Foot
- Wider ADSL distribution
  - ✓ Launch of TPS offer with Neuf Telecom
- TPS will be available by ADSL to 10 million households by the end of 2005

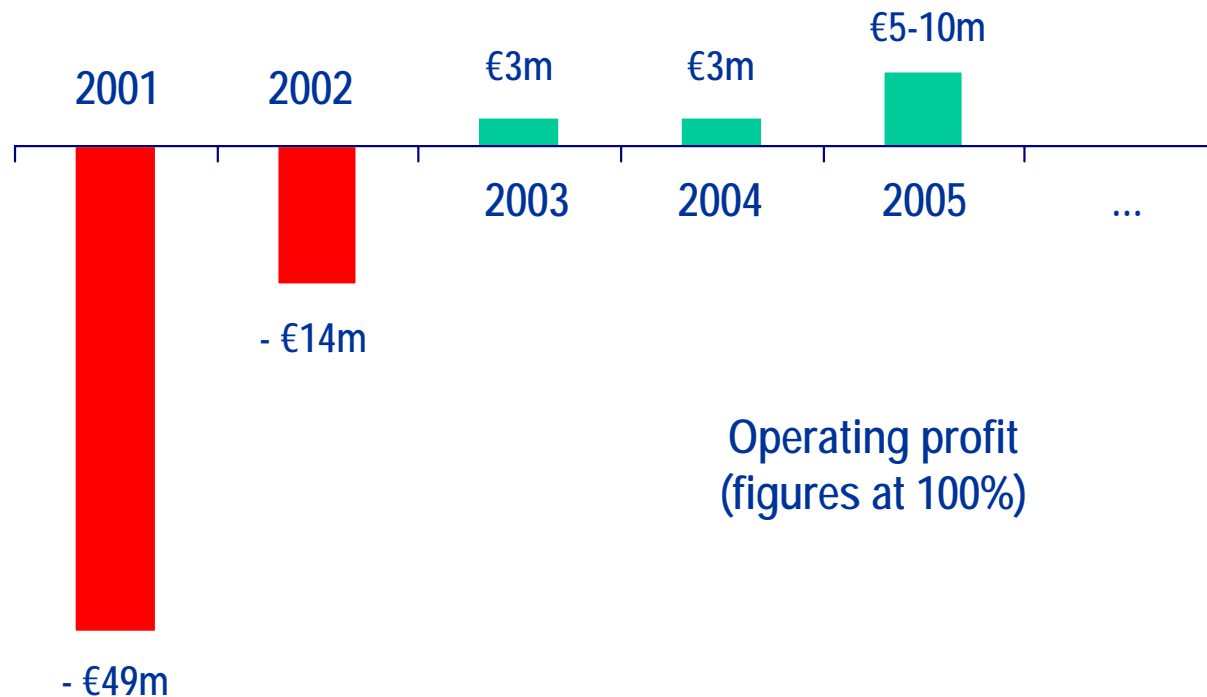
# TPS: a profitable business



## ■ Breakeven point reached

- ✓ 2003: positive operating profit
- ✓ 2005: positive net profit

## ■ Improvement in profitability



# Eurosport: key figures

Million euros	1 <sup>st</sup> half	
	2004	2005
Sales	143	143
Operating profit	26	24
Net profit	9	11



Contribution to TF1 group

104 million households



54 million paying subscribers  
54 countries  
19 languages

86% brand awareness across Europe <sup>(1)</sup>

17 million households



15 million paying subscribers  
37 countries  
6 languages

13 million visits <sup>(2)</sup>



6 versions  
5 languages

<sup>(1)</sup> EMS 2005

<sup>(2)</sup> July 2005

*Leading pan-European channel*





- 2005 sales target

Million euros - IFRS	2004	2005	Change
Sales	2,850	2,860	=
<i>o/w core channel advertising</i>	1,646	1,630	- 1%
<i>o/w other activities</i>	1,204	1,230	+ 2%

# BOUYGUES TELECOM: key figures (IFRS)



Million euros	1 <sup>st</sup> half		Change	2004 <sup>(1)</sup>
	2004 <sup>(1)</sup>	2005		
Sales	2,066	2,193	+ 6%	4,292
Net sales from network	1,912	2,077	+ 9%	3,957
<i>of which mobile-to-mobile billing</i>	305 <sup>(2)</sup>	324	+ 6%	626 <sup>(2)</sup>
<i>percentage of data</i>	14.7%	16.4%	+ 1.7 pts	14.9%
EBITDA	586	678	+ 16%	1,157
EBITDA / net sales from network	30.6%	32.6%	+ 2 pts	29.2%
Operating profit	287	355	+ 24%	578
Net profit att. to the Group	158	219	+ 39%	320

<sup>(1)</sup> Pro forma IFRS, mobile-to-mobile billing and new definition of EBITDA

<sup>(2)</sup> Mobile-to-mobile billing estimated at 2005 call termination rate

# BOUYGUES TELECOM: financial structure (IFRS)



Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Shareholders' equity <sup>(1)</sup>	1,603	1,999	+ 25%	1,783
Net debt <sup>(1)</sup>	1,700	1,003	- 41%	1,197
<i>of which shareholder loans</i>	604	0	-	614
<i>of which net bank debt</i>	860	971	+ 13%	545
Debt-to-equity ratio	106%	50%	- 56 pts	67%
Cash flow <sup>(2)</sup>	444	524	+ 18%	900
Net operating investments	211	322	+ 53%	503
Free cash flow	233	202	- 13%	397

(1) End of period

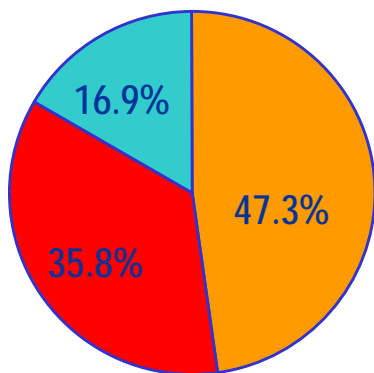
(2) After cost of net financial debt and tax

# BOUYGUES TELECOM: market share at 30 June 2005

(Metropolitan France and French overseas territories)

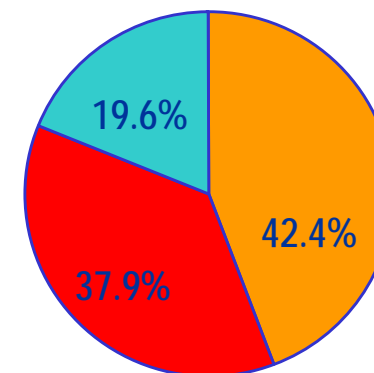


## Customer market share (1)



(1) Source: ARCEP

## Value market share (2)



(2) Source: operators  
Sales including mobile-to-mobile billing

## Customer mix



*7.7 million customers*  
*A favourable customer mix*



# BOUYGUES TELECOM: commercial performance



(Metropolitan France)

	Contract		Prepaid		Total customer base	
	1 <sup>st</sup> half 2004	1 <sup>st</sup> half 2005	1 <sup>st</sup> half 2004	1 <sup>st</sup> half 2005	1 <sup>st</sup> half 2004	1 <sup>st</sup> half 2005
SIM cards (in thousands)	4,454	5,104	2,334	2,425	6,788	7,529
ARPU (€/month) <sup>(1)</sup>	60	57	ns	ns	46	44
SAC (€/customer)	241	237	23	27	153	156
Voice usage (min/month)	403	359	83	82	294	269

<sup>(1)</sup> 2004: including mobile-to-mobile billing

- ✓ A favourable churn rate in Contract segment (1.3% per month)
- ✓ The drop in usage in the Contract segment is due to lower usage of free minutes

*11% growth of Bouygues Telecom's customer base in a year*



# BOUYGUES TELECOM: voice services



## ■ Offer the best quality-price ratio



### ✓ Mass market

- Unlimited offers to all networks
- Generous voice offers at home (in reaction to unlimited offers from fixed operators)



### ✓ Young people

- Universal Mobile
- Exclusive advantages in Prepaid segment (Spot / Flash / Nomad Max)



### ✓ Businesses

- Offer new integrated fixed-mobile services

## ■ Take advantage of network spare capacity

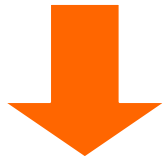
## ■ Develop offers with partners to attract new target groups

*Voice services still represent 80% of revenue*

# BOUYGUES TELECOM: data services for mass market



- Extend personal services available with Internet to mobile telephony



## ✓ Quality-price ratio

- Rates adapted to growth in usage (data contracts, Wifi contracts, etc.)



## ✓ i-mode



- Innovative and enhanced features (eg WelcomeSound)
- High-speed i-mode



## ✓ Handsets

- Broad range
- Adapted handsets at competitive prices

- Guarantee nationwide GPRS and EDGE coverage

- ✓ maintain same quality of service
- ✓ ensure service continuity inside buildings and on the move

- Test new services (mobile TV)

*Data represents 16% of net sales from network*

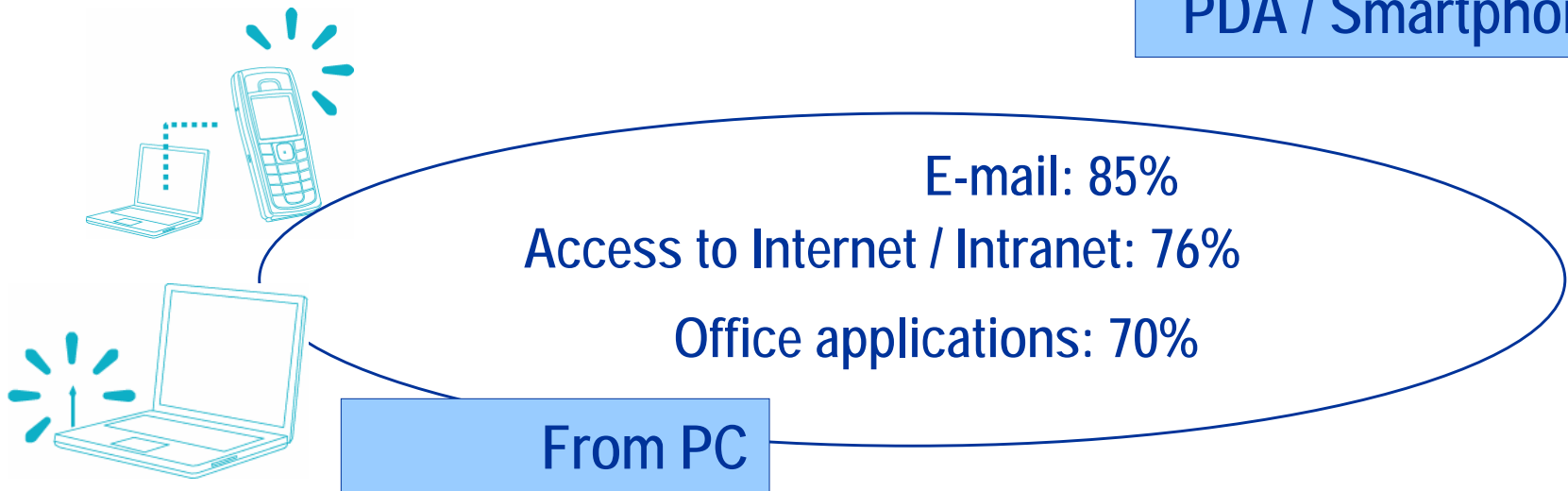
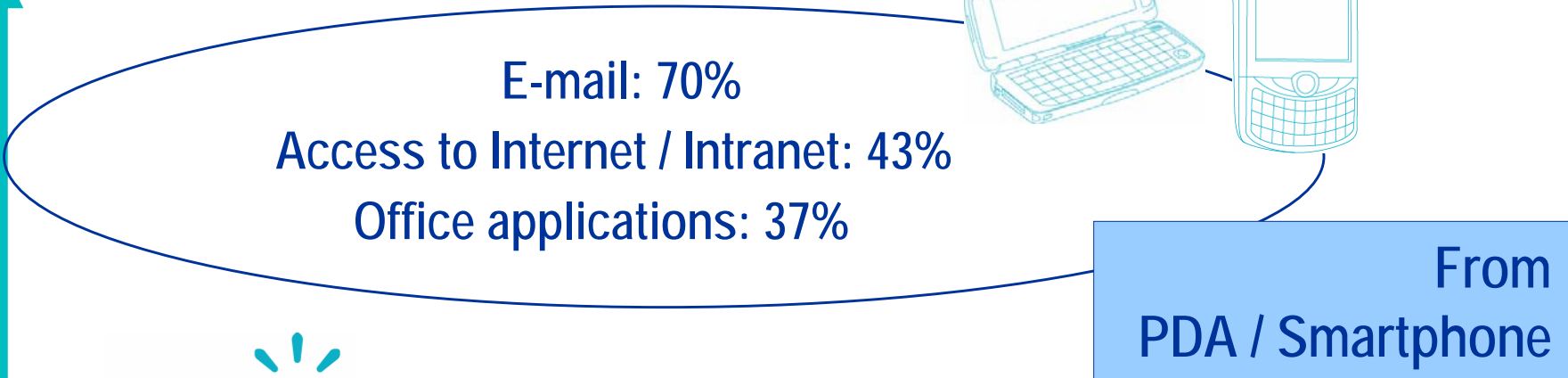
# CORPORATE DATA MARKET: needs



## ■ What do corporate customers want?

MOBILITY

(needs expressed in percentage terms)



USAGE



*E-mail interests customers most*

Source: IDG survey, May 2005



# CORPORATE DATA MARKET: Bouygues Telecom offers



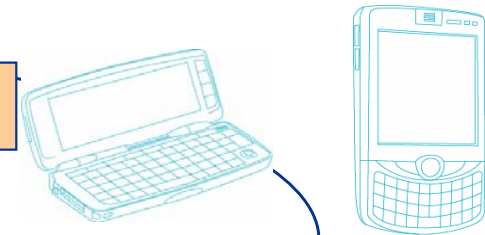
MOBILITY

*Messagerie Mobile Universelle (mobile e-mail)*

3 Mb  
Regular

10 Mb  
Frequent

20 Mb  
Intensive



From  
PDA / Smartphone

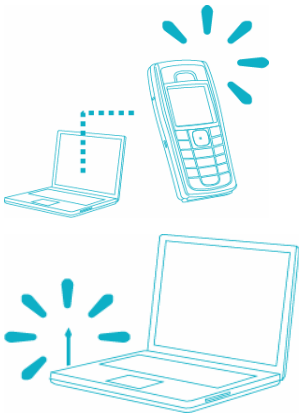
High-speed data contracts

5Mb

20 Mb

50 Mb

Unlimited  
access



From PC

USAGE



# BROADBAND TECHNOLOGY IN FRANCE IN 2005

SFR

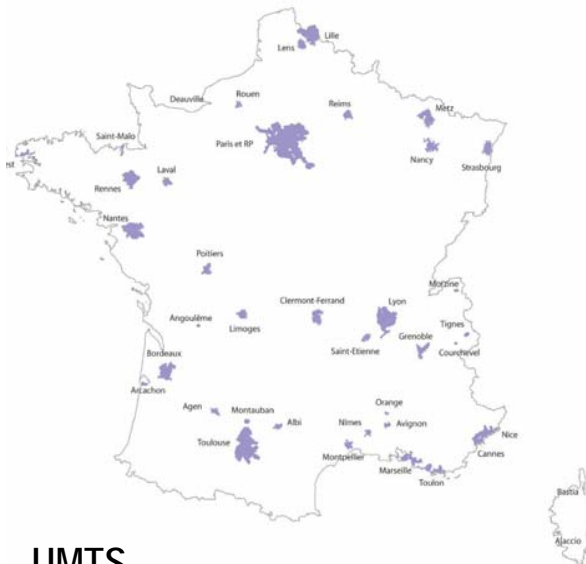
UMTS coverage  
in April 2005:  
45% of population  
Source: SFR website, April 2005

orange™

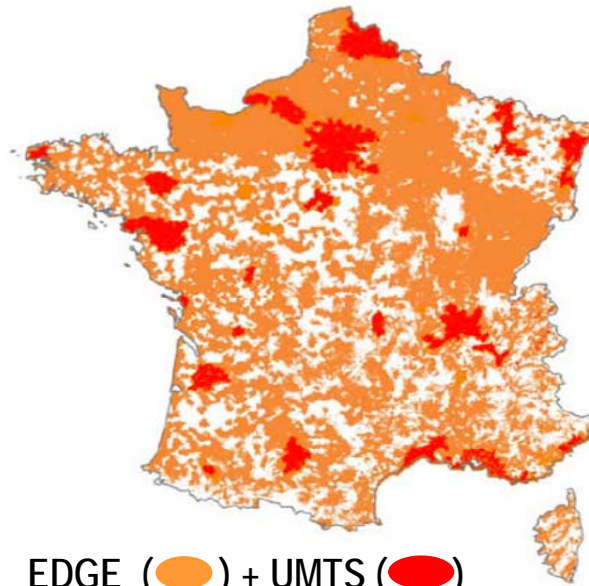
EDGE + UMTS coverage  
at end 2005:  
85% of population  
Source: press conference, 2 June 2005



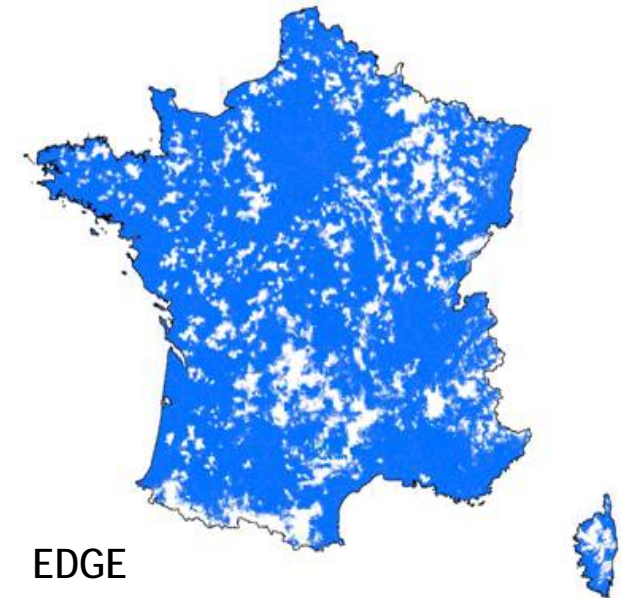
EDGE coverage  
in September 2005:  
over 85% of population



UMTS



EDGE (●) + UMTS (●)



EDGE

Orange France's UMTS service will not cover more than 50% of the population at the end of 2005 and not more than 60% at the end of 2006  
(source: Orange press conference on 2 June 2005)

*EDGE is the only technology to achieve nationwide coverage*

BOUYGUES



### ■ Current situation

- ✓ Due to their size, Orange and SFR's networks are saturated in densely populated areas
- ✓ Bouygues Telecom has the capacity to keep developing voice services

### ■ Strategic consequences

- ✓ Orange and SFR are forced to roll out UMTS to provide a quality voice service in densely populated areas
- ✓ Bouygues Telecom does not need to develop UMTS for voice services

## Data market



### ■ Current situation

- ✓ The speeds offered by EDGE and 1<sup>st</sup> generation UMTS (R-99) are almost equivalent.
- ✓ No key applications require UMTS rather than EDGE.
- ✓ Access to high-speed mobile multimedia must be nationwide without affecting the quality of service.

### ■ Strategic consequences

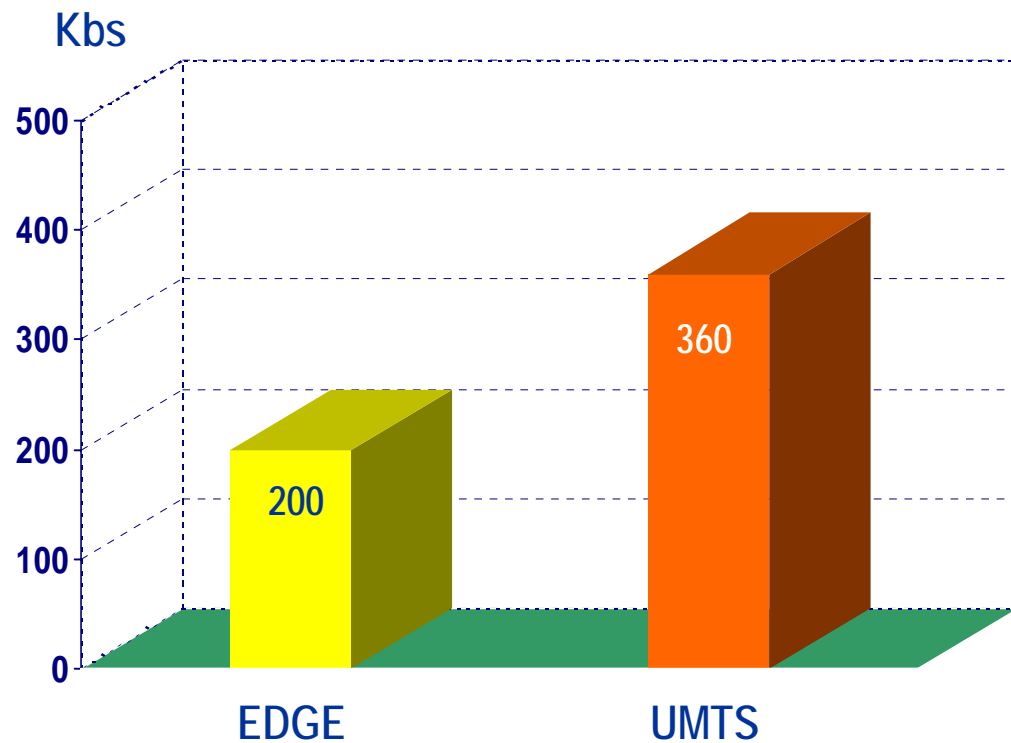
- ✓ Bouygues Telecom is developing EDGE services across France.
  - May 2005: corporate customers
  - 4<sup>th</sup> quarter 2005: mass market
- ✓ Orange is developing EDGE and UMTS in densely populated areas.
- ✓ These strategies ensure the same quality throughout France.
- ✓ SFR's strategy, which primarily focuses on UMTS, will in practice lead to uneven quality of service for its customers.

# EDGE AND UMTS: evolving technologies (1/2)

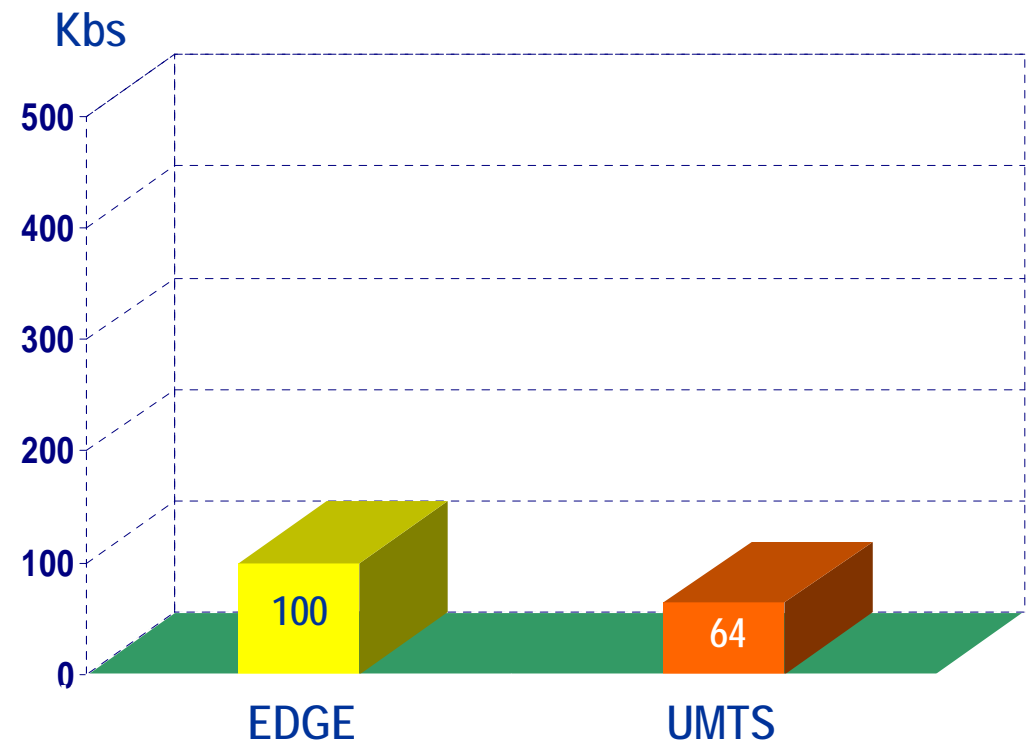


- EDGE and UMTS currently offer similar capabilities

Actual download speed  
(network to mobile)



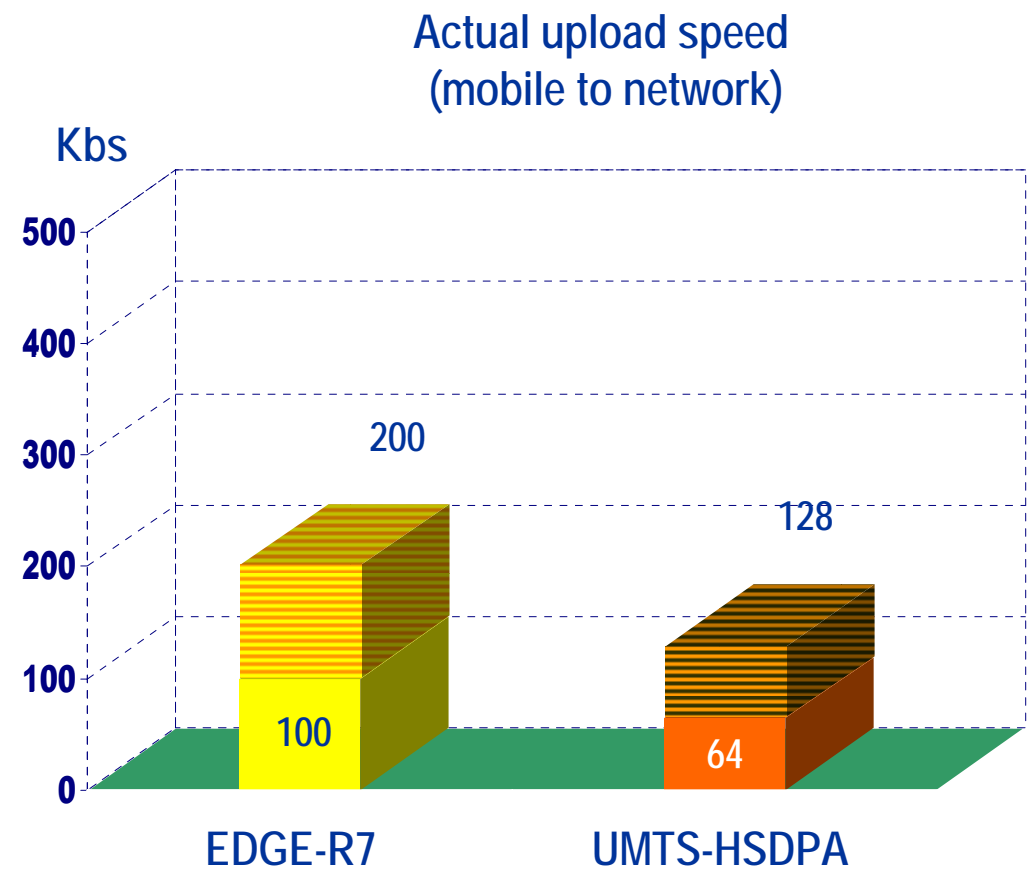
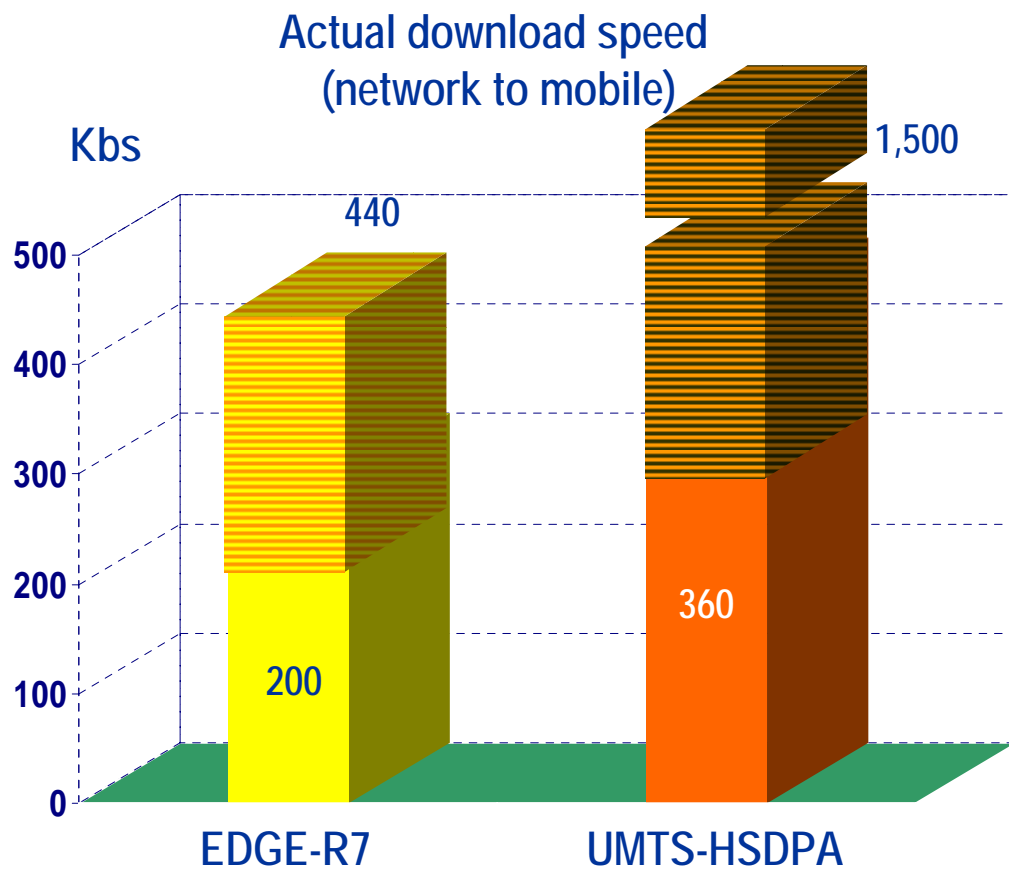
Actual upload speed  
(mobile to network)



# EDGE AND UMTS: evolving technologies (2/2)



- EDGE will continue to evolve over the next few years (version R4 → version R7)
- Developments in EDGE will help improve performance while Bouygues Telecom retains a competitive edge in terms of nationwide coverage



*The real break will come with 2<sup>nd</sup> generation UMTS (UMTS-HSDPA) but EDGE remains essential to provide nationwide coverage*



# BOUYGUES TELECOM: customer satisfaction



- Commitments made to customers through Services Pledge (attentiveness, network quality, etc.)
- Each customer handled by dedicated team of customer advisors
- Store network extended to ensure stronger local presence and provide customers with the same quality of service as customer relations centres
- New concept of store being developed: full range of mobile multimedia and i-mode services

*A quality of service that makes the difference;  
"A new world. Your World"*



# BOUYGUES TELECOM: Universal Mobile

- Successful locked contracts for young people
  - ✓ Over 250,000 customers since the launch of the service in August 2004
  - ✓ Over 95% of customers satisfied or very satisfied
  
- An open and independent service
  - ✓ The “after-class extra talk time” is valid for calls to all operators
  - ✓ An improvement on the market: lower text messaging cost, “apL-moi” (call me) innovation
  
- Exclusive, customisable music services with Universal Music
  - ✓ Music scoop: music downloads available with all handsets
  - ✓ First ever: combined Hi-Fi ring-tone / music track service for €2
  
- A partnership running until 2009 to capitalise on the opportunities presented by Mobile / Music technological convergence



*A real brand*

# BOUYGUES TELECOM: outlook



## ■ 2005 sales target

Million euros - IFRS	2004	2004 *	2005	Change
Net sales from network	3,331	3,957	4,260	+ 8%
Total sales	3,666	4,292	4,560	+ 6%

\* mobile-to-mobile billing estimated at 2005 call termination rate

- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- OUTLOOK

# BOUYGUES: condensed consolidated income statement (IFRS)

Million euros	1 <sup>st</sup> half		Change	2004 (IFRS)
	2004	2005		
Sales	9,887	11,268	+ 14%	21,242
Operating profit	696	853 <sup>(1)</sup>	+ 23%	1,559
Cost of net financial debt	(88)	(94)	+ 7%	(162)
Income tax expense	(232)	(260)	+ 12%	(500)
Net profit from continuing operations	402	525	+ 31%	1,115
Minority interests	(126)	(141)	+ 12%	(206)
Net profit attributable to the Group	276	384 <sup>(1)</sup>	+ 39%	909
Net profit of discontinued operations	20	/	ns	209
Net profit excluding Saur	256	384 <sup>(1)</sup>	+ 50%	700

<sup>(1)</sup> The capital increase reserved for employees planned at end 2005 entailed an IFRS-related expense of €30m.

# BOUYGUES: condensed consolidated balance sheet (IFRS)

Million euros	30 June		31 Dec. 2004
	2004	2005	
Non-current assets	11,525	11,940	11,481
Current assets	9,820	11,126	12,467
Held-for-sale assets	2,402	/	/
<b>TOTAL ASSETS</b>	<b>23,747</b>	<b>23,066</b>	<b>23,948</b>
Shareholders' equity	5,964	5,053	4,978
Non-current liabilities	4,689	5,894 <sup>(1)</sup>	5,982
Current liabilities	11,531	12,119	12,988
Held-for-sale liabilities	1,563	/	/
<b>TOTAL LIABILITIES</b>	<b>23,747</b>	<b>23,066</b>	<b>23,948</b>

<sup>(1)</sup> Of which €450m booked under the agreement concluded with BNP Paribas for their stake in Bouygues Telecom

# BOUYGUES: contribution of business areas to sales

## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Bouygues Construction	2,505	2,790	+ 11%	5,227
Bouygues Immobilier	582	758	+ 30%	1,295
Colas	3,413	3,928	+ 15%	7,947
TF1	1,486	1,459	- 2%	2,831
Bouygues Telecom	1,755	2,187	+ 6% *	3,649
Holding and other	146	146	=	293
<b>TOTAL</b>	<b>9,887</b>	<b>11,268</b>	<b>+ 14%</b>	<b>21,242</b>
<i>of which International</i>	<i>2,515</i>	<i>2,944</i>	<i>+ 17%</i>	<i>5,990</i>
<i>TOTAL excl. Saur and incl. GSM</i>	<i>10,192</i>	<i>11,268</i>	<i>+ 11%</i>	<i>21,868</i>

\* Compared with 2004 sales figure factoring in mobile-to-mobile billing estimated at 2005 call termination rate; net sales from network: + 9% using same accounting method.

# BOUYGUES: contribution of business areas to EBITDA

## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Bouygues Construction	150	257	+ 71%	413
Bouygues Immobilier	70	98	+ 40%	143
Colas	148	191	+ 29%	655
TF1	350	334	- 5%	523
Bouygues Telecom	582	678	+ 16%	1,176
Holding and other	15	3 <sup>(1)</sup>	ns	65
<b>TOTAL</b>	<b>1,315</b>	<b>1,561 <sup>(1)</sup></b>	<b>+ 19%</b>	<b>2,975</b>

<sup>(1)</sup> The capital increase reserved for employees planned at end 2005 entailed an IFRS-related expense of €30m.

# BOUYGUES: contribution of business areas to operating profit

## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Bouygues Construction	84	137	+ 63%	168
Bouygues Immobilier	60	72	+ 20%	119
Colas	20	38	+ 90%	310
TF1	278	269	- 3%	383
Bouygues Telecom	284	355	+ 25%	597
Holding and other	(30)	(18) <sup>(1)</sup>	ns	(18)
<b>TOTAL</b>	<b>696</b>	<b>853 <sup>(1)</sup></b>	<b>+ 23%</b>	<b>1,559</b>

<sup>(1)</sup> The capital increase reserved for employees planned at end 2005 entailed an IFRS-related expense of €30m. This expense booked under "personnel costs" reduces operating profit.

# BOUYGUES: contribution of business areas to net profit

## ■ Group share – IFRS

Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Bouygues Construction	64	96	+ €32m	141
Bouygues Immobilier	31	42	+ €11m	64
Colas	29	44	+ €15m	242
TF1	69	76	+ €7m	93
Bouygues Telecom	130	182	+ €52m	275
Holding and other	(47)	(56) <sup>(1)</sup>	- €9m	(115)
<b>TOTAL excluding Saur</b>	<b>256</b>	<b>384</b> <sup>(1)</sup>	<b>+ €128m</b>	<b>700</b>
<b>TOTAL</b>	<b>276</b>	<b>384</b> <sup>(1)</sup>	<b>+ €108m</b>	<b>909</b>

<sup>(1)</sup> The capital increase reserved for employees planned at end 2005 entailed an IFRS-related expense of €30m.

# BOUYGUES: contribution of business areas to cash flow

## ■ IFRS

Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Bouygues Construction	132	211	+ 60%	291
Bouygues Immobilier	63	75	+ 19%	125
Colas	140	184	+ 31%	623
TF1	335	299	- 11%	483
Bouygues Telecom	564	660	+ 17%	1,159
Holding and other	23	24	ns	33
<b>TOTAL</b>	<b>1,257</b>	<b>1,453</b>	<b>+ 16%</b>	<b>2,714</b>

# BOUYGUES: contribution of business areas to net investments

## ■ Net operating investments (IFRS)

Million euros	1 <sup>st</sup> half		Change	Full year 2004
	2004	2005		
Bouygues Construction	30	43	+ 43%	73
Bouygues Immobilier	2	1	ns	4
Colas	108	159	+ 47%	348
TF1	32	65	x 2	79
Bouygues Telecom	211	322	+ 53%	502
Holding and other	12	19	ns	41
<b>TOTAL</b>	<b>395</b>	<b>609</b>	<b>+ 54%</b>	<b>1,047</b>

# BOUYGUES: cash position (IFRS)

€m

■ Net cash at 30 June 2004:	(3,556)
✓ Various acquisitions / disposals	- 67
✓ Operation	+ 1,748
■ Net cash at 31 December 2004:	(1,875)
✓ Bouygues exceptional payout	- 1,664
✓ Proceeds from Saur disposal	+ 1,031
✓ Ordinary dividends (Bouygues and minority interests in TF1 and Colas)	- 339
✓ Increase of Bouygues' stake in TF1 and Colas	- 68
✓ External acquisitions and disposals	- 134
✓ Share buyback	- 76
✓ Operation	- 405
■ Net cash at 30 June 2005 (sub-total):	(3,530)
✓ Agreement with BNP Paribas for 6.5% stake in Bouygues Telecom	- 450
■ Net cash at 30 June 2005:	(3,980)

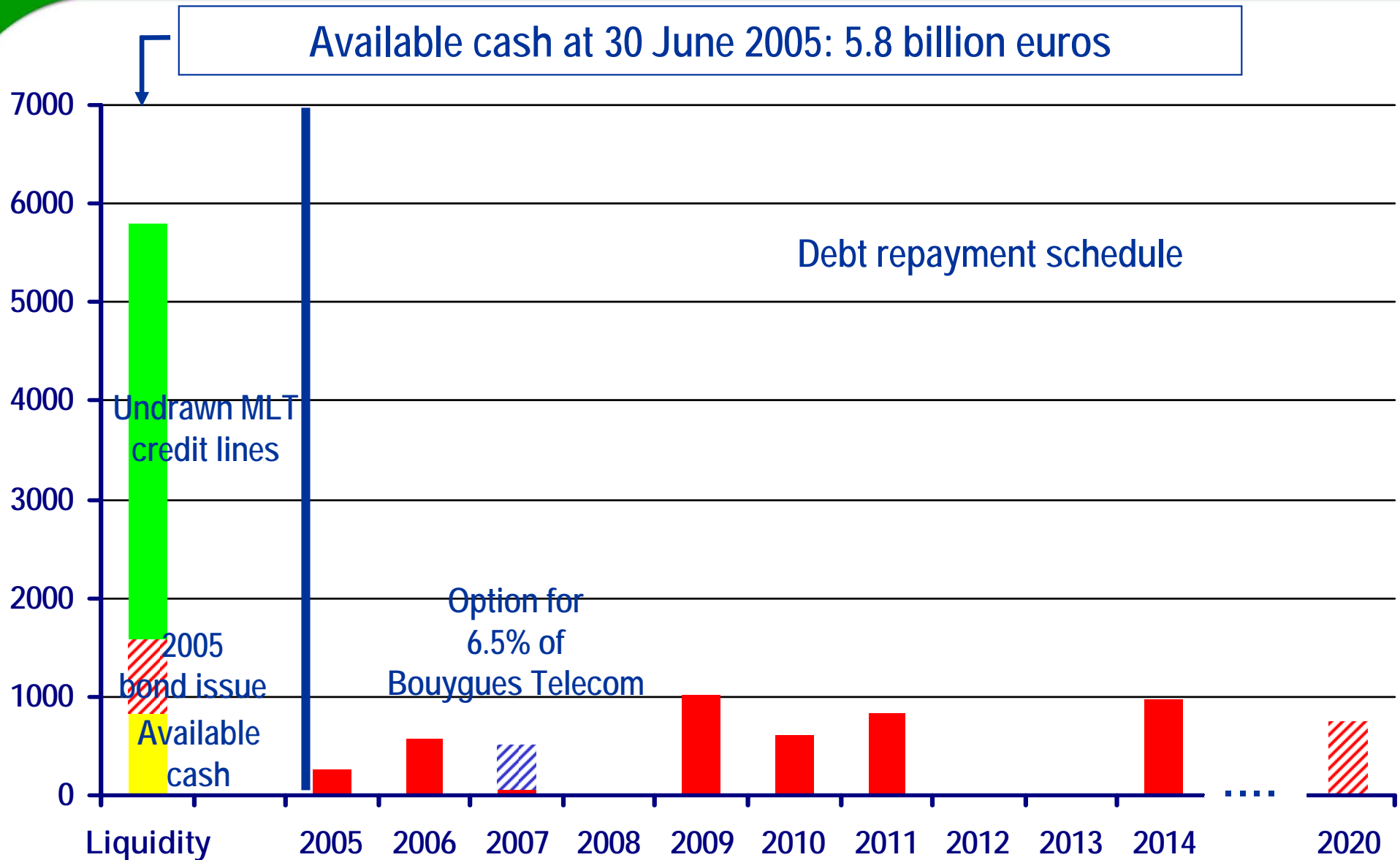
# BOUYGUES: net cash by business area

## ■ IFRS

Million euros	30 June		Change	End of 2004
	2004	2005		
Bouygues Construction	1,322	1,470	+ 11%	1,523
Bouygues Immobilier	83	160	+ 93%	249
Colas	(246)	(292)	+ 19%	422
TF1	(590)	(537)	- 9%	(410)
Bouygues Telecom	(1,699)	(1,001)	- 41%	(1,197)
Holding and other	(2,426)	(3,780) <sup>(1)</sup>	+ 56%	(2,462)
<b>TOTAL</b>	<b>(3,556)</b>	<b>(3,980) <sup>(1)</sup></b>	<b>+ 12%</b>	<b>(1,875)</b>

<sup>(1)</sup> Of which €450m booked under the agreement concluded with BNP Paribas for their stake in Bouygues Telecom

# BOUYGUES: financing policy



*Evenly spread debt repayment schedule, substantial liquidity*



- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- OUTLOOK

# BOUYGUES: 2005 sales targets

Contribution of business areas (million euros)	2004 French GAAP	2004 IFRS	2005 target IFRS	Change <u>2005</u> / <u>2004</u>
Bouygues Construction	5,228	5,227	5,500	+ 5%
Bouygues Immobilier	1,294	1,295	1,550	+ 20%
Colas	7,936	7,947	8,900	+ 12%
TF1	2,817	2,831	2,840	=
Bouygues Telecom	3,658	3,649	4,540	+ 6% *
Saur	2,453	/	/	/
Holding and other	16	293	240	ns
<b>TOTAL</b>	<b>23,402</b>	<b>21,242</b>	<b>23,570</b>	<b>+ 11%</b>
<i>International</i>	<i>6,370</i>	<i>5,990</i>	<i>6,550</i>	<i>+ 9%</i>

\* Compared with 2004 sales figure factoring in mobile-to-mobile billing estimated at 2005 call termination rate (€626m); net sales from network target: + 8% using same accounting method



# BOUYGUES: strategic guidelines

- The Group has significant financial resources:
  - ✓ it generates considerable free cash flow
  - ✓ it has substantial borrowing capacity, depending on the quality and nature of the planned investment
  
- These resources will be used:
  - ✓ on the one hand:
    - to seize any opportunity to expand into a new business area using the Group's expertise in services and project management
    - to help a business area complete a major acquisition
  - ✓ and on the other: to increase return to shareholders

# BOUYGUES: financial calendar

- 8 November 2005 9-month sales
- 14 December 2005 9-month earnings
- 9 February 2006 Full-year 2005 sales
- 1 March 2006 Full-year 2005 earnings
- 27 April 2006 Annual Meeting of Shareholders
- 11 May 2006 First-quarter 2006 sales
- 10 August 2006 First-half 2006 sales
- 6 September 2006 First-half 2006 earnings