

# PRESENTATION OF FIRST-HALF 2006 ACCOUNTS



32 Hoche - PARIS

6 September 2006

This presentation contains projections and forecasts. They express objectives based on the current assessments and estimates of the Group's senior 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, 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 presentation.

6 September 2006

- HIGHLIGHTS

- BUSINESS AREAS

- ACCOUNTS

- OUTLOOK AND OBJECTIVES

# HIGHLIGHTS IN FIRST-HALF 2006

- Strong growth in Group net profit
- Announcement of an industrial and commercial partnership with ALSTOM and the acquisition of a 24.4% stake (at 1 September 2006)
- Strong commercial performances in all business areas
- Major success of Bouygues Telecom's new unlimited contracts
- Sale of Bouygues Telecom's Caribbean subsidiary, BTC, for €155m
- Dual-tranche bond issue (7 and 10 years) for a total of €1.75bn

# STRONG COMMERCIAL PERFORMANCES IN FIRST-HALF 2006

## ■ Bouygues Construction

- ✓ Orders taken: +37% (France: +22%, international: +63%)

## ■ Bouygues Immobilier

- ✓ Reservations: +22% (Housing: +14%, Commercial/Corporate Property: +84%)

## ■ Colas

- ✓ Order book: +16% (France: +11%, international: +21%)

## ■ TF1

- ✓ Advertising market share held at high level: 54.4% (+0.2 pt)

## ■ Bouygues Telecom

- ✓ Market share of gross additions (Contracts): 25%
- ✓ Market share of net additions (Contracts): 31%
- ✓ Increase in gross additions (2 hrs+ Contracts): +38% vs. H1 2005

# BOUYGUES GROUP: key operating figures

€ million

1 <sup>st</sup> half		Change
2005	2006	

Sales	11,043	12,052	+9%
Operating profit	844	862	+2%
Net profit att. to the Group	384	565	+47%

As TPS and BTC were held for sale at end-2005, only their share of net profit was booked.

*Further rise in sales and earnings*

# BOUYGUES GROUP: debt situation

€ million	at 30 June		Change
	2005	2006	
Shareholders' equity	5,053	5,806	+€753m
Net debt before ALSTOM	3,980	2,923	-€1,057m
<i>Investment in ALSTOM</i>	-	2,192	<i>ns</i>
Total net debt	3,980	5,115	+€1,135m
Debt-to-equity ratio	79%	88%	+9 pts

- ✓ Standard & Poor's credit rating maintained: A- with stable outlook
- ✓ Dual-tranche bond issue in June 2006: a €1,150m 7-year issue with a coupon of 4.5% and a €600m 10-year issue with a coupon of 4.75%

*Excluding the investment in ALSTOM,  
Bouygues continued to reduce debt*

# BOUYGUES GROUP: free cash flow

€ million	1 <sup>st</sup> half	
	2005	2006
Cash flow	1,453	1,382
- Cost of net financial debt	-94	-78
- Income tax	-260	-256
- Net operating investments	-609	-707
Free cash flow	490	341

*Increased investments in the first half*

# BOUYGUES-ALSTOM: completion of the transaction

## ■ Bouygues' stake in ALSTOM

- ✓ On 26 June 2006, Bouygues acquired the French government's stake in ALSTOM (29 million shares, 21% of capital)
- ✓ On that date, Bouygues held a total of 23.26% of ALSTOM's capital and voting rights, including shares also purchased on the market
- ✓ Statement of intent to the French Financial Market Authority (AMF): no plans to take a controlling interest in ALSTOM
- ✓ Additional share purchases during the summer: 1.14% of capital
  - ➔ At 1 September 2006, Bouygues held a 24.4% stake in ALSTOM

## ■ Two Bouygues representatives were appointed to ALSTOM's Board of Directors (Annual Meeting of Shareholders of 28 June 2006)

# BOUYGUES-ALSTOM: partnership

## ■ Implementation of a framework for cooperation

- ✓ Steering committee (9 members)
  - General coordination
- ✓ Commercial coordination committee (6 members)
  - Upstream commercial cooperation
  - Supervision of bids to tenders and negotiations
- ✓ Operational coordination committee (11 members)
  - Identification and monitoring of action plans to improve operating efficiency



*Citadis urban tramway*

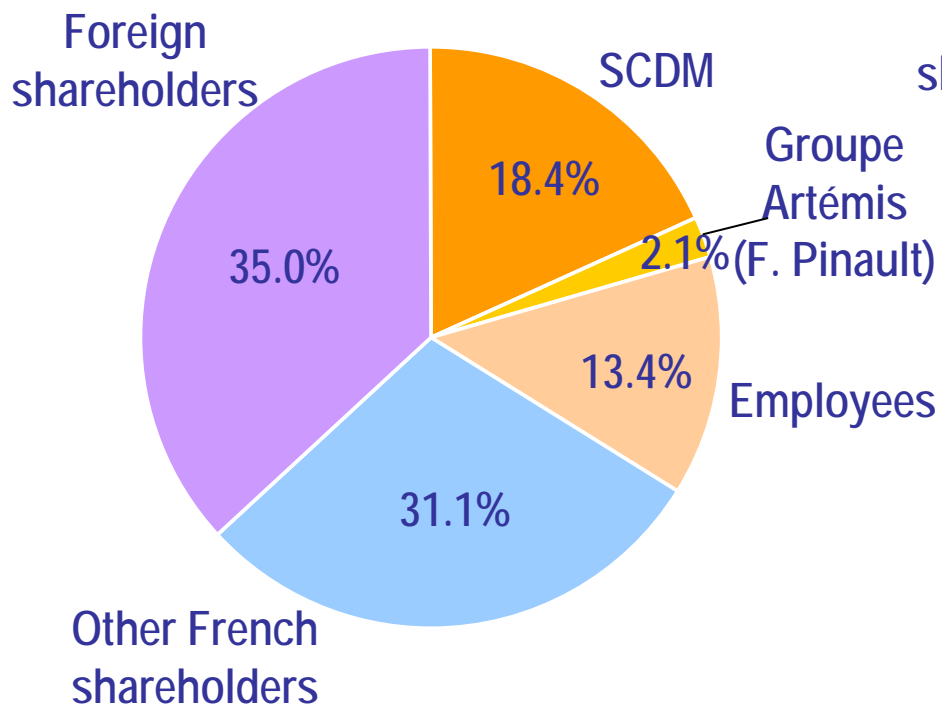
## ■ Joint venture in the hydropower sector

- ✓ Assets are currently being valued

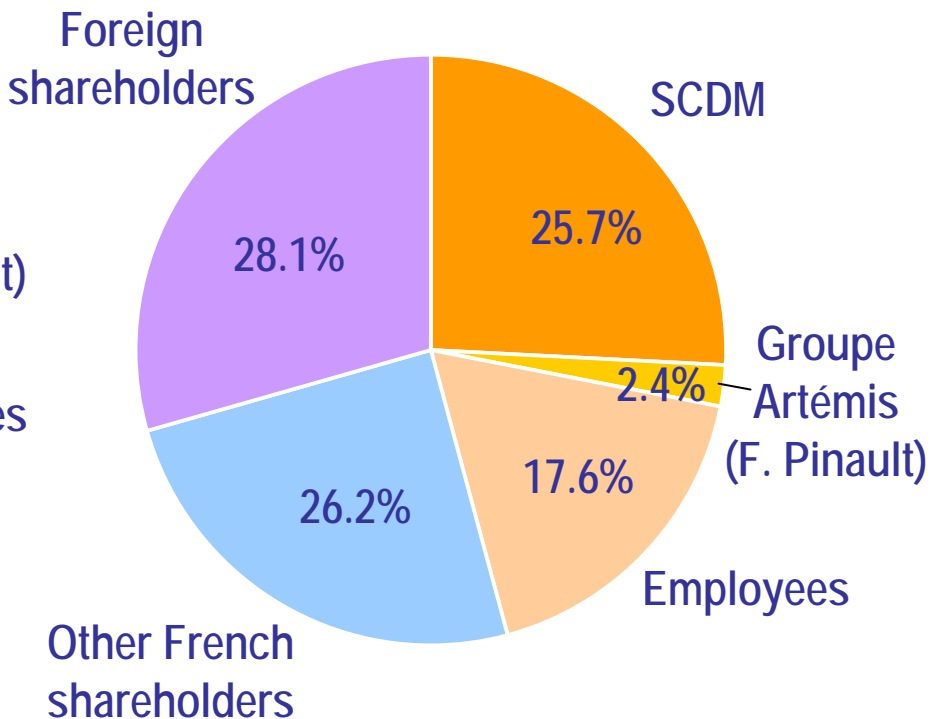
## ■ Since the signing of the agreement, two major contracts have been won: the Reims tramway and the Flamanville nuclear power plant

# BOUYGUES: share ownership structure at 30 June 2006

## Capital



## Voting rights



### At 30 June 2006:

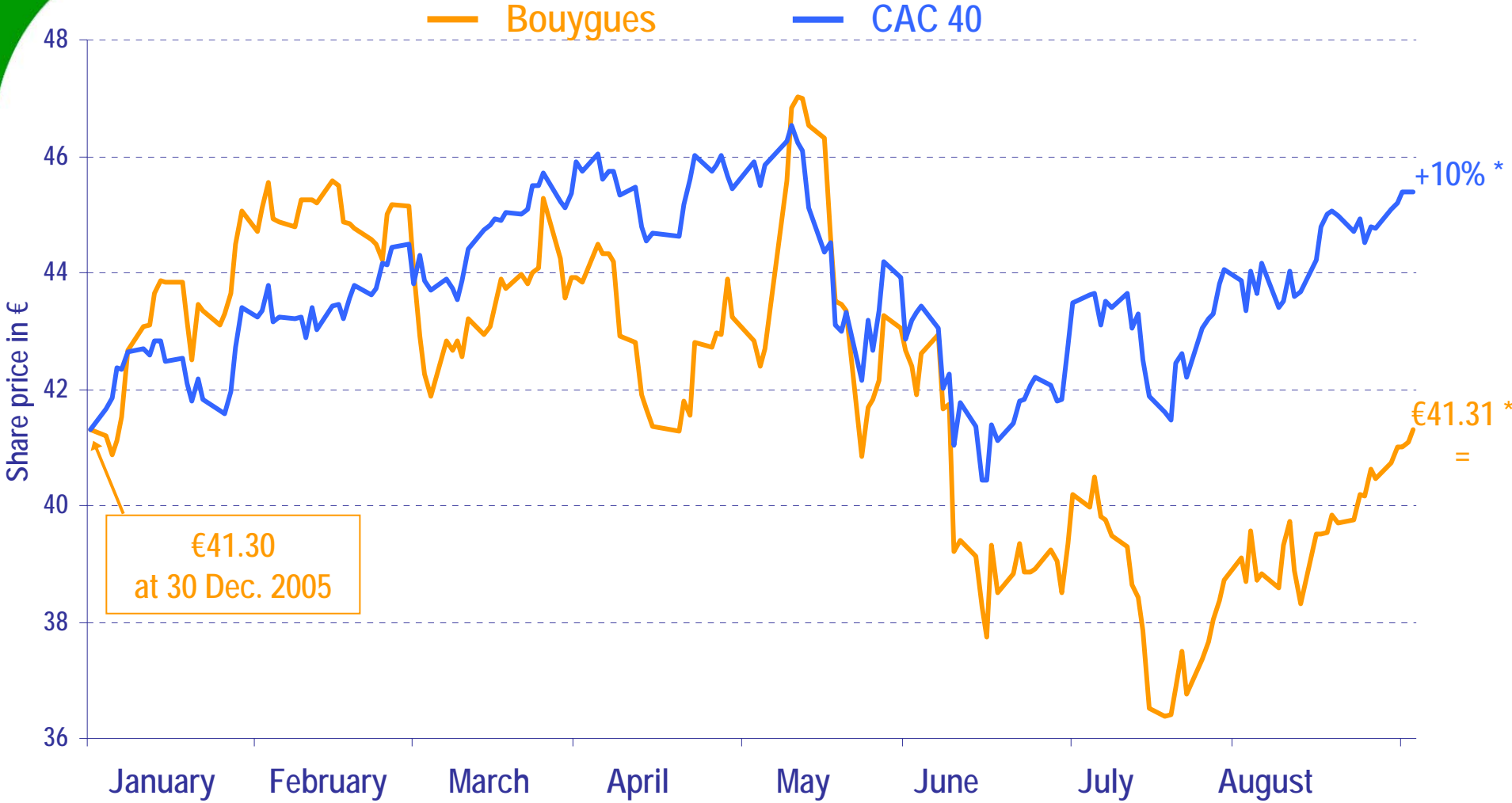
- 338,937,899 shares
- 423,090,880 voting rights

SCDM is a company controlled by Martin and Olivier Bouygues.

SCDM and Groupe Artémis have no longer been bound by a shareholder agreement since 24 May 2006.



# BOUYGUES: share performance since 1 January 2006



\* Close of 1 September 2006

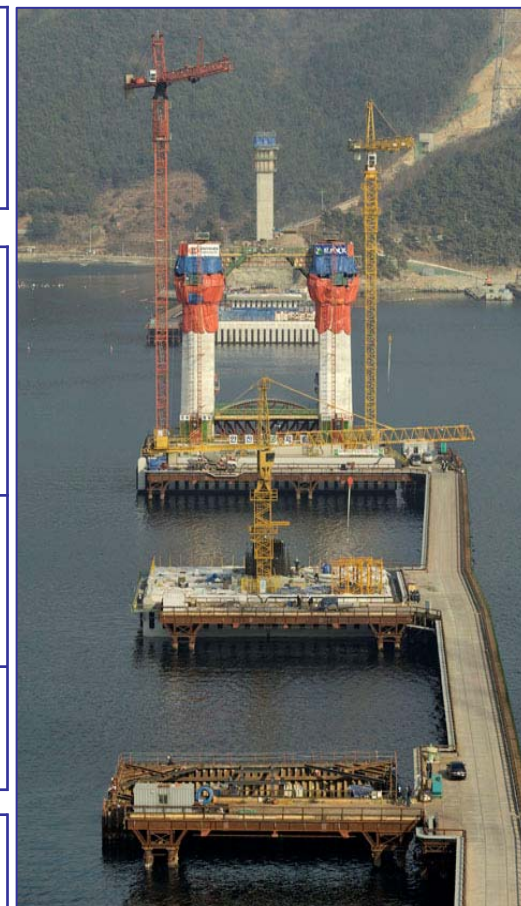


- HIGHLIGHTS
- BUSINESS AREAS
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- OUTLOOK AND OBJECTIVES

# BOUYGUES CONSTRUCTION (B/CW): key figures

BOUYGUES  
CONSTRUCTION

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Sales	2,943	3,261	+11%
<i>of which France</i>	1,745	2,085	+19%
<i>of which international</i>	1,198	1,176	-2%
Current operating profit	137	141	+3%
<i>Current operating margin</i>	4.7%	4.3%	-0.4 pt
Net profit att. to the Group	96	121	+26%
Net cash at 30 June	1,470	1,757	+€287m



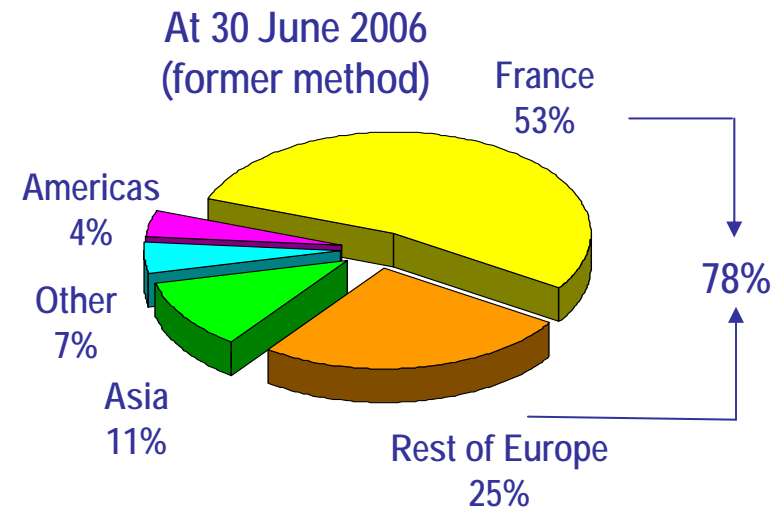
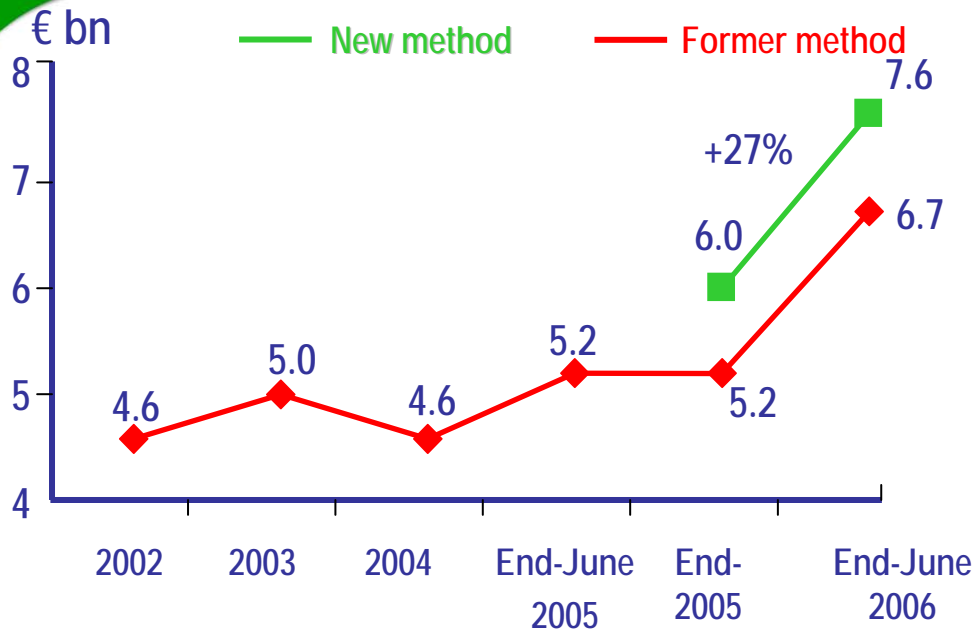
Masan Bay Bridge  
South Korea

*A strong first half*

BOUYGUES

# BOUYGUES CONSTRUCTION (B/CW): order book

BOUYGUES  
CONSTRUCTION



## ■ Change in accounting method for long-term contracts

- ✓ Former method: 12 months of activity were booked when the contract was signed, and then on each anniversary date for the duration of the contract
- ✓ New method: the contract is taken into account over the total duration
  - Positive impact on the order book of about €800m at end-2005
  - Order book provides a better reflection of future activity

*Dynamic commercial momentum*

BOUYGUES

# BOUYGUES CONSTRUCTION (B/CW): the Flamanville 3 contract

BOUYGUES  
CONSTRUCTION

- Bouygues Construction has been awarded the civil engineering package for the future Flamanville EPR nuclear power plant
  - ✓ Contract amount (share of Bouygues Construction): over €300m
  - ✓ More than 1,000 employees will work on the project
  - ✓ Start of works scheduled for 2007
  - ✓ Construction period: 4 and a half years
- ALSTOM has won a €350m contract for the provision of the conventional island
- Bouygues Construction has thus confirmed its expertise in the construction of nuclear power plants, following the civil engineering contract won in 2005 for the construction of the Olkiluoto EPR nuclear power plant in Finland



*Flamanville site*  
France

BOUYGUES

# BOUYGUES CONSTRUCTION (B/CW): outlook

## ■ Construction businesses

- ✓ The French market is still buoyant, notably in housing and the construction of public infrastructure
- ✓ In Europe, Bouygues Construction is developing through external growth, packaged development projects and Public-Private Partnerships (PPP)
- ✓ Substantial infrastructure projects outside Europe

## ■ Electrical contracting and maintenance activities: the Group is pursuing its acquisition policy in France and Europe

Sales target (€ m)	2005	2006 target	Change 2006/2005
Sales	6,131	6,800	+11%
<i>of which France</i>	3,653	4,200	+15%
<i>of which international</i>	2,478	2,600	+5%

# BOUYGUES IMMOBILIER: key figures

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Sales	758	721	-5%
<i>o/w housing</i>	500	566	+13%
<i>o/w corporate/commercial</i>	258	155	-40%
Current operating profit	72	80	+11%
<i>Current operating margin</i>	9.5%	11.1%	+1.6 pts
Net profit att. to the Group	42	52	+24%
Net cash at 30 June	161	95	-€66m



*Exaltis Tower*  
Paris La Défense

*Significant improvement in profitability*

# BOUYGUES IMMOBILIER: reservations

Reservations	30 June 2005	30 June 2006	Change
Housing			
Number of units	4,011	4,242	+6%
Amount (€ m)	655	749	+14%
Corporate/Commercial			
Office space (sq. m)	31,000	57,000	+84%
Amount (€ m)	85	157	+85%
TOTAL (€ m)	740	906	+22%

*Sharp rise in commercial activity*

# BOUYGUES IMMOBILIER: outlook

- In France, a better balanced market environment
  - ✓ In the housing sector, the “soft landing” scenario is taking shape
  - ✓ In the corporate/commercial sector, there are signs of a recovery
- Contrasting international markets
  - ✓ A buoyant corporate/commercial sector in Spain
  - ✓ A firm housing market in Poland

Sales target (€ m)	2005	2006 target	Change 2006/2005
Sales	1,557	1,650	+6%
o/w housing	1,047	1,320	+26%
o/w corporate/commercial	510	330	-35%

# COLAS: key figures



€ million	1 <sup>st</sup> half		Change
	2005	2006	
Sales	3,993	4,507	+13%
<i>of which France</i>	2,538	2,858	+13%
<i>of which international</i>	1,455	1,649	+13%
Current operating profit	38	70	+84%
<i>Current operating margin</i>	1%	1.6%*	+0.6 pt
Net profit att. to the Group	46	70	+52%
Net cash at 30 June	(293)	(398)	-€105m



A26 motorway  
France

\* Given the seasonal nature of the business, the H1 operating margin is not significant.  
Reminder: full-year 2005 margin: 4.4%

*A very good start to the year*



# COLAS: order book



€ million	End-June 2005	End-June 2006	Change
Metropolitan France	2,590	2,863	+11%
International and French overseas territories	2,708	3,264	+21%
<b>TOTAL</b>	<b>5,298</b>	<b>6,127</b>	<b>+16%</b>

*Strong commercial activity*



# COLAS: outlook



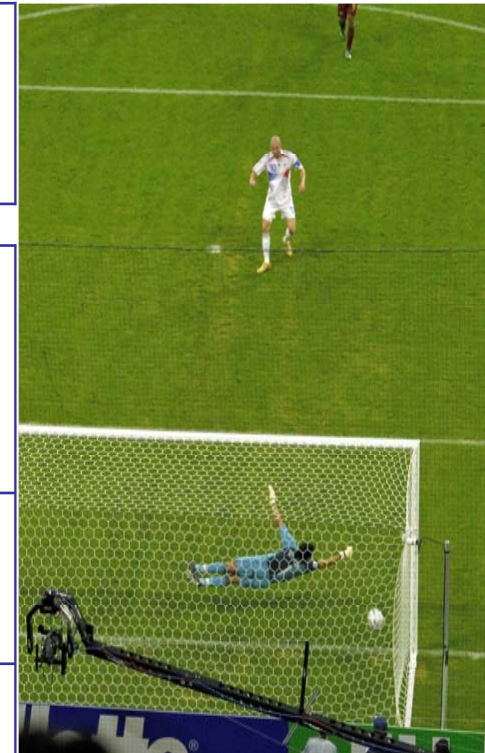
- Roadworks in France: the market is levelling off
- Roadworks in international markets
  - ✓ Business is on the rise in North America, Central Europe and the Indian Ocean region
  - ✓ Stable business in Northern Europe
- Other activities: bright prospects

Sales target (€ m)	2005	2006 target	Change 2006/2005
Sales	9,540	10,400	+9%
<i>of which France</i>	5,580	6,170	+11%
<i>of which international</i>	3,960	4,230	+7%

# TF1: key figures



€ million	1 <sup>st</sup> half		Change
	2005	2006	
Sales	1,288	1,386	+8%
<i>core channel advertising</i>	881	923	+5%
<i>other activities</i>	407	463	+14%
Current operating profit	250	209	-16%
<i>Current operating margin</i>	19.4%	15.1%	-4.3 pts
Net profit att. to the Group	177	171	-3%
Net cash	(553)	(391)	+€162m



France-Portugal semi-final  
2006 Football World Cup

As TPS was held for sale at end-December 2005, only its share of net profit was booked in 2005 and 2006

*World Cup-related costs hit first-half performance*



# TF1: leader in terms of audience share



Channel	January-July		Change
	2005	2006	
Women under 50	35.5%	34.9%	-0.6 pt
Individuals 4 years and over	32.0%	31.9%	-0.1 pt
Viewing time per person per day (individuals 4 years and over)	3hrs 27	3hrs 26	-1 min
Advertising market share	54.2%	54.4%	+0.2 pt

*Audience and advertising market share  
is maintained at a high level*

# PAY-TV AGREEMENT: merger procedures



- January 2006: a commercial agreement was concluded to merge the pay-TV businesses of TPS and the Canal+ group in an entity controlled by Vivendi
- April 2006: Competition Board examines the merger
- 13 July 2006: Competition Board releases merger report after consulting with the competent authorities (CSA, ARCEP)
- 31 August 2006: approval from the Minister of Finance
- 4<sup>th</sup> quarter 2006: completion of the transaction

# TF1: outlook



- Contrary to popular opinion, the Internet boom is not cutting into the TV audience.
- After an expected 4% growth in 2006, the TV advertising market is likely to develop rapidly in 2007 once the market is opened to mass retailers.
- Technological innovation will create opportunities (TV viewers equipped with multiple screens): new expectations, new means of consuming audiovisual content.

Sales target (€ m)	2005	2006 target	Change 2006/2005
Sales	2,508	2,667	+6%
<i>core channel advertising</i>	1,648	1,700	+3%
<i>other activities</i>	860	967	+12%

# BOUYGUES TELECOM: key figures



€ million	1 <sup>st</sup> half		Change
	2005 <sup>(1)</sup>	2006	
Sales	2,150	2,182	+1%
Net sales from network	2,029	2,029	=
<i>o/w sales excluding incoming traffic revenues</i>	1,546	1,613	+4%
EBITDA <sup>(2)</sup>	660	618	-6%
<i>EBITDA / net sales from network</i>	32.5%	30.4%	-2.1 pts
Current operating profit	351	298	-15%
<i>Current operating margin</i>	17.3%	14.7%	-2.6 pts
<i>Net profit att. to the Group before discontinued operations (BTC)</i>	217	195	-10%
<i>Profit from discontinued operations (BTC)</i>	2	110	ns
Net profit attributable to the Group	219	305	+39%

<sup>(1)</sup> Proforma: restated for Bouygues Telecom Caraïbe (BTC)

<sup>(2)</sup> New definition of EBITDA

*Neo's success: a highlight of H1 performance*

# BOUYGUES TELECOM: financial structure



€ million	1 <sup>st</sup> half		Change
	2005	2006	
Shareholders' equity <sup>(1)</sup>	1,999	2,036	+2%
Net debt <sup>(1)</sup>	1,003	398	Div. by 2.5
Debt-to-equity ratio	50%	20%	-30 pts

<sup>(1)</sup> End of period

Cash flow	660	605	-€55m
- Cost of net financial debt	-17	-5	Div. by 3.4
- Income tax <sup>(2)</sup>	-119	-103	-13%
- Net operating investments	-322	-210	-35%
Free cash flow	202	287 <sup>(3)</sup>	+42%

<sup>(2)</sup> Deferred tax

<sup>(3)</sup> The sale of BTC did not impact Bouygues Telecom's free cash flow

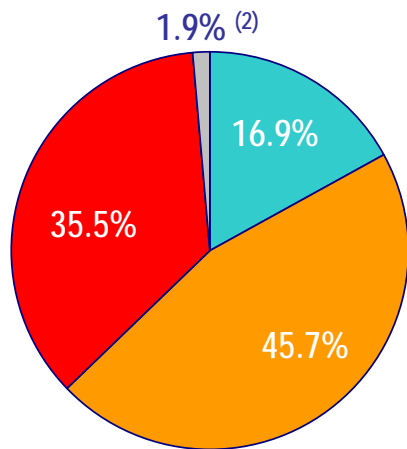
*Financial structure is further strengthened*

# BOUYGUES TELECOM: H1 2006 market share

(France and overseas territories)

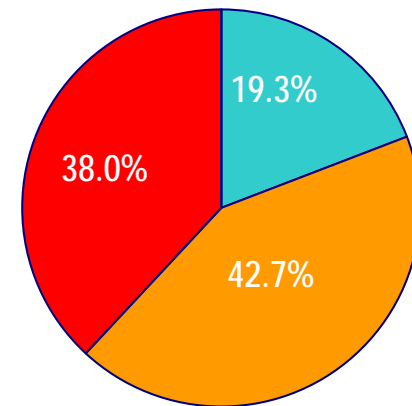


## Customer market share (1)



(1) Source: ARCEP and operators  
(2) O/w MVNO: 1.4%

## Value market share (3)



(3) Source: operators  
Consolidated sales

## Bouygues Telecom: the best mix on the market



# 2006: taking the offensive



UN NOUVEAU MONDE. LE VÔTRE.



# NEO: a commercial success



- ✓ 7 plans ranging from 2 to 15 hours
- ✓ Unlimited calls to all operators
- ✓ Free, unlimited emails

From 8pm to  
midnight every day

+

Calls to 43 countries  
for the price  
of a call in France

671,000 Neo customers at end-June 2006

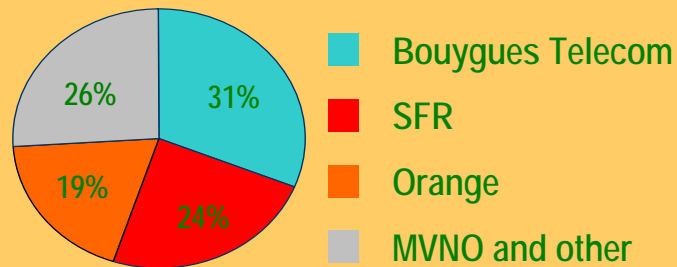
*Creating a real difference with the rest of the market*



# 2006: a year of commercial investment

## The new offer was twice as successful as expected

- ✓ 363,000 net Contract additions in H1 2006, thanks in particular to Neo
- ✓ Bouygues Telecom won 31% of new Contract customers in the market in H1 2006



Source: ARCEP

## As a result, costs rose

- ✓ Higher acquisition costs were due to volume effect, even though the unit acquisition cost was flat
- ✓ GSM balance deteriorated due to acquisition volumes



2006: a year of commercial investment



Drop in operating margin  
under control

*The drop in current operating margin will remain under control, not exceeding 2 to 3 points in 2006*

# NEO: a profitable investment



- Neo customers will generate the same profitability as Bouygues Telecom
  - ✓ ARPU of Neo customers is about €20 higher than for Contract customers
  - ✓ Less use of free minutes (observed with other unlimited offers)
  - ✓ Future decline in call termination rates
  
- 80% of Bouygues Telecom's subscriber acquisitions are for 2 hrs+ Contracts (vs. 50% before Neo)
  - ➔ improvement in the customer mix
  
- Decline in the churn rate
  
- 12-month re-subscription offer for Bouygues Telecom customers
  - ➔ helps build customer loyalty

# BOUYGUES TELECOM: business customers



## ■ 600,000 lines at end-June 2006

- ✓ +15% in one year
- ✓ Roughly 12% market share

## ■ Growth of high value-added segments

- ✓ SME customers: +16% in one year
- ✓ Professional customers (self-employed): +18% in one year

## ■ Strong sales growth

- ✓ +10% in H1 2006
- ✓ 13-fold increase in data traffic since the broadband network opened in 2005

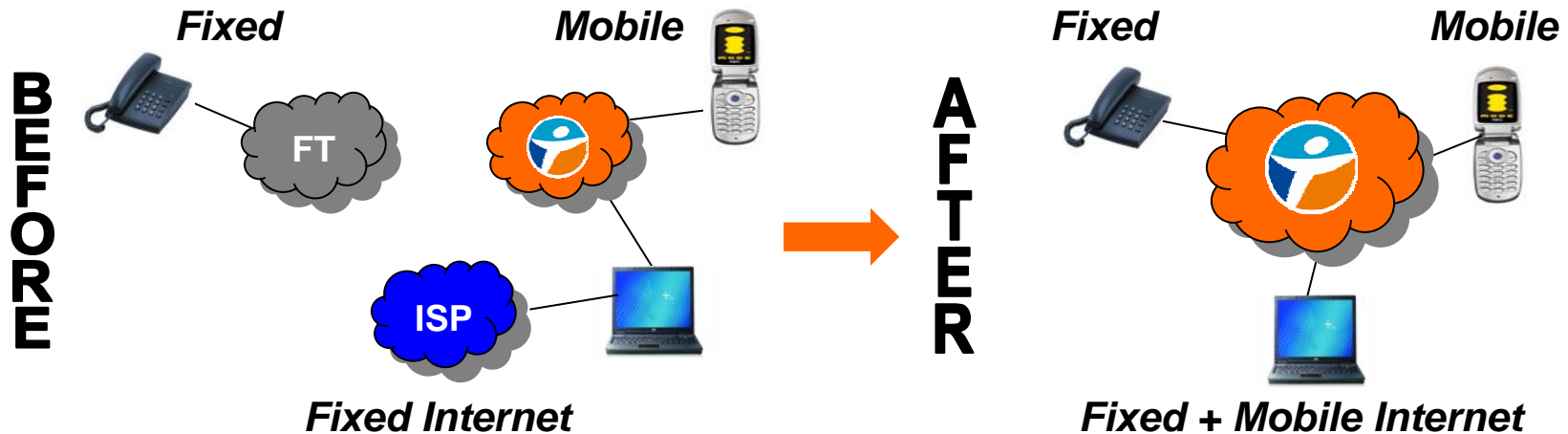


*The business segment: strong growth potential*

# BOUYGUES TELECOM: new business offer



- An innovative fixed and mobile call management system



- Target: professionals, SME & big companies operating multiple sites
- Convergence offers customers several advantages
  - ✓ Employees are always online and reachable
  - ✓ Easy to use
    - IP technology: "click to call"
    - Unified fixed and mobile phone functions (one answering machine, filtering, etc.)
  - ✓ Only one contact person and only one bill

*An innovative approach to convergence*

# BOUYGUES TELECOM: regulation



## ■ Reductions in call termination rates imposed by ARCEP

€ cents	2004	2005	2006	Draft 2007
Calls to Bouygues Telecom	18.39 *	14.79	11.24	9.24
% change	-17.4%	-19.6%	-24.0%	-17.8%
Calls to Orange / SFR	14.94	12.5	9.5	7.5
% change	-12.5%	-16.3%	-24.0%	-21.1%

\* Average rate

Differential (€ cents)	3.45	2.29	1.74	1.74
Differential (%)	23.1%	18.3%	18.3%	23.2%

- ➔ Price reductions apply to all incoming fixed and mobile calls
- ➔ Revenues on incoming traffic accounted for 20% of net sales from network in H1 2006

*Differences in costs justify asymmetrical regulation*



# BOUYGUES TELECOM: roaming



- Wholesale price framework is positive for Bouygues Telecom
  - ✓ Lower purchase price for Bouygues Telecom
  - ✓ Limits on volume rebate mechanisms for its competitors
  
- Retail price framework
  - ✓ Difficult for operators to stand out from rivals
  - ✓ Operators and regulators are currently opposed to the European Union's proposal to regulate retail prices
  
- Financial impact
  - ✓ Roaming for visitors: decline in sales and margins
  - ✓ Roaming for our customers: decline in sales and costs
    - flat margin on outgoing traffic revenues, lower margin on incoming traffic revenues
  - ✓ Elasticity: lower prices have a positive impact on volumes

*Roaming by European visitors  
accounts for only 3% of Bouygues Telecom sales*

# BOUYGUES TELECOM: outlook



## ■ 2006 sales target

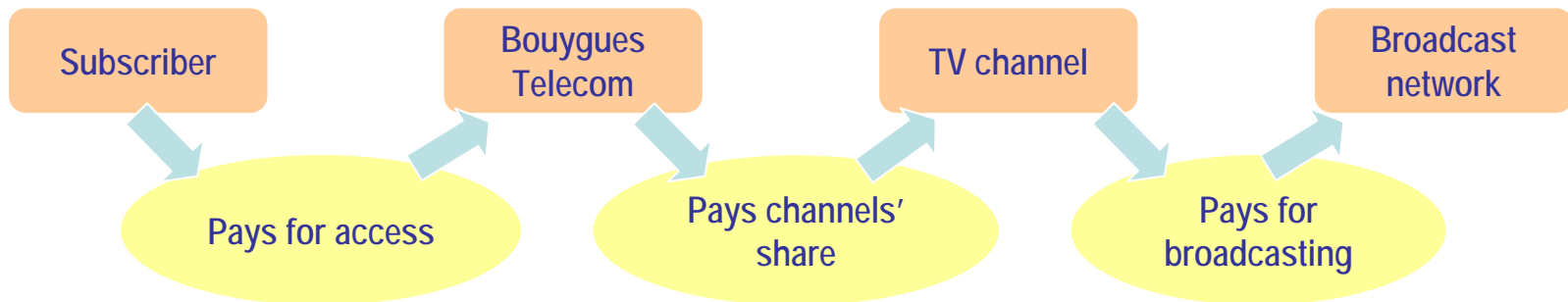
€ million	2005 *	2006	Change
<i>Sales excl. incoming traffic revenues</i>	3,155	3,342	+6%
<i>Incoming traffic revenues</i>	989	833	-16%
Net sales from network	4,144	4,175	+1%
Total sales	4,447	4,471	+1%

\* Excluding BTC

# BOUYGUES TELECOM: mobile TV



- Tests of DVB-H technology are conclusive
  - ✓ Strong customer appeal → wish to view their favourite programmes
  - ✓ Good quality image and sound
  - ✓ Mobile TV complements fixed TV
- The French audiovisual law must still be modified by autumn 2006 before the new service can be launched
- The only viable economic system is a pay model: advertising could help finance the system once the subscriber base is big enough



*Bouygues Telecom is determined to rapidly launch a mobile TV system in broadcast mode*



# BOUYGUES TELECOM: contactless applications



- Bouygues Telecom draws on the experience of NTT DoCoMo
  - ✓ 14 million Japanese mobile phones are equipped with contactless technology
  - ✓ Services available: transport and payment cards
  
- Transport: first step for Bouygues Telecom
  - ✓ Mobile phone with an integrated transport card
  - ✓ “Dead battery” function (a world first)
  - ✓ *Navigo Pass* can be recharged from a mobile phone
  - ✓ Personalised transport information
  
- Tests have been conducted with RATP, the Paris mass transit authority, since July 2006
  
- Commercial rollout is scheduled for 2007



*Promising applications  
(payment, parking, ticket purchases, access control, etc.)*



# OUR VISION OF TELECOMS (1/2)

## A review of UMTS



In Europe, 60 operators have invested nearly €200bn (licences + networks), generating data revenues (excluding voice and text messages) that are so low that they have not been disclosed.

This confirms that we have taken the right positions on

- ✓ The price of licences...
- ✓ The UMTS rollout schedule
- ✓ The choice of EDGE as the most suitable intermediate technology

# OUR VISION OF TELECOMS (2/2)

## The assets of mobile operators



- In the short and medium term (3 - 5 years), technologies will allow us to offer our customers data transfer
  - ✓ With a high capacity
  - ✓ In broadband
  - ✓ At a competitive price for the mass market
- In the data segment, mobile operators will become a credible alternative to fixed operators
- We predict a revolution in the use of data transfer technology by mobile phones
- When Bouygues Telecom was awarded a GSM licence in 1995, it was unthinkable that mass-market voice volume on mobile networks would exceed that of fixed networks. This has been the case since 2004.  
Will the data market follow the same pattern?

# BOUYGUES TELECOM: commercial performance



(Metropolitan France)	Contract		Prepaid		Total customer base	
	H1 2005	H1 2006	H1 2005	H1 2006	H1 2005	H1 2006
SIM cards (thousands)	5,104	5,823	2,425	2,487	7,529	8,310
ARPU (€ / month)	57	52	ns	ns	44	41
SAC (€ / customer)	237	251	27	27	156	170
Voice usage (min / month)*	351	336	82	83	264	260

\* ARCEP definition

- Churn rate on 2 hrs+ Contracts continues to decline: 1.22% in H1 2006 vs. 1.29% in H1 2005

- HIGHLIGHTS
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# BOUYGUES: condensed consolidated income statement

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Sales	11,043	12,052	+9%
Operating profit	844	862	+2%
Cost of net financial debt	(90)	(77)	-14%
Income tax expense	(258)	(249)	-3%
Net profit from continuing operations	521	560	+7%
Net profit of discontinued or held-for-sale operations	4	140 *	ns
Minority interests	(141)	(135)	-4%
Net profit attributable to the Group	384	565	+47%

As TPS and BTC were held for sale at end-2005, only their share of net profit was booked

\* of which a capital gain of €110m generated from the disposal of BTC (Group share: €99m)

# Contribution of business areas to Group sales

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	2,790	3,155	+13%
Bouygues Immobilier	758	721	-5%
Colas	3,928	4,496	+14%
TF1	1,277	1,377	+8%
Bouygues Telecom	2,144	2,175	+1%
Holding company and other	146	128	ns
<b>TOTAL</b>	<b>11,043</b>	<b>12,052</b>	<b>+9%</b>
<i>of which France</i>	<i>8,100</i>	<i>8,865</i>	<i>+9%</i>
<i>of which international</i>	<i>2,943</i>	<i>3,187</i>	<i>+8%</i>

As TPS and BTC were held for sale at end-2005, only their share of net profit was booked

# Contribution of business areas to Group EBITDA

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	201	215	+€14m
Bouygues Immobilier	88	69	-€19m
Colas	183	215	+€32m
TF1	306	246	-€60m
Bouygues Telecom	660	618	-€42m
Holding company and other	(11)	59	+€70m
<b>TOTAL</b>	<b>1,427</b>	<b>1,422</b>	<b>=</b>

EBITDA = current operating profit + net amortisation expense + net charges to provisions and depreciation expense – reversals of provisions no longer required

As TPS and BTC were held for sale at end-2005, only their share of net profit was booked

# Contribution of business areas to Group operating profit

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	137	152	+€15m
Bouygues Immobilier	73	80	+€7m
Colas	38	74	+€36m
TF1	264	209	-€55m
Bouygues Telecom	351	298	-€53m
Holding company and other	(19)	49	+€68m
<b>TOTAL</b>	<b>844</b>	<b>862</b>	<b>+2%</b>

As TPS and BTC were held for sale at end-2005, only their share of net profit was booked

# Contribution of business areas to Group net profit

## ■ Group share

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	96	121	+€25m
Bouygues Immobilier	42	52	+€10m
Colas	44	68	+€24m
TF1	76	74	-€2m
Bouygues Telecom	182	273	+€91m
Holding company and other	(56)	(23)	+€33m
<b>TOTAL</b>	<b>384</b>	<b>565</b>	<b>+€181m</b> <b>+47%</b>

# Contribution of business areas to Group cash flow

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	211	232	+€21m
Bouygues Immobilier	75	66	-€9m
Colas	184	219	+€35m
TF1	299	264	-€35m
Bouygues Telecom	660	605	-€55m
Holding company and other	24	(4)	-€28m
<b>TOTAL</b>	<b>1,453</b>	<b>1,382</b>	<b>-5%</b>

Including TPS and BTC

# Contribution of business areas to Group net investments

## ■ Net operating investments

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	43	94	+€51m
Bouygues Immobilier	1	(1)	-€2m
Colas	159	199	+€40m
TF1	65	50	-€15m
Bouygues Telecom	322	210	-€112m
Holding company and other	19	155	+€136m
<b>TOTAL</b>	<b>609</b>	<b>707</b>	<b>+16%</b>

Including TPS and BTC

# Contribution of business areas to Group free cash flow

€ million	1 <sup>st</sup> half		Change
	2005	2006	
Bouygues Construction	124	97	-€27m
Bouygues Immobilier	50	43	-€7m
Colas	10	(6)	-€16m
TF1	139	138	-€1m
Bouygues Telecom	202	287	+€85m
Holding company and other	(35)	(218)	-€183m
<b>TOTAL</b>	<b>490</b>	<b>341</b>	<b>-30%</b>

Free cash flow = cash flow – cost of net financial debt – income tax expense  
– net operating investments

# BOUYGUES GROUP: change in cash position in the first half

€ million

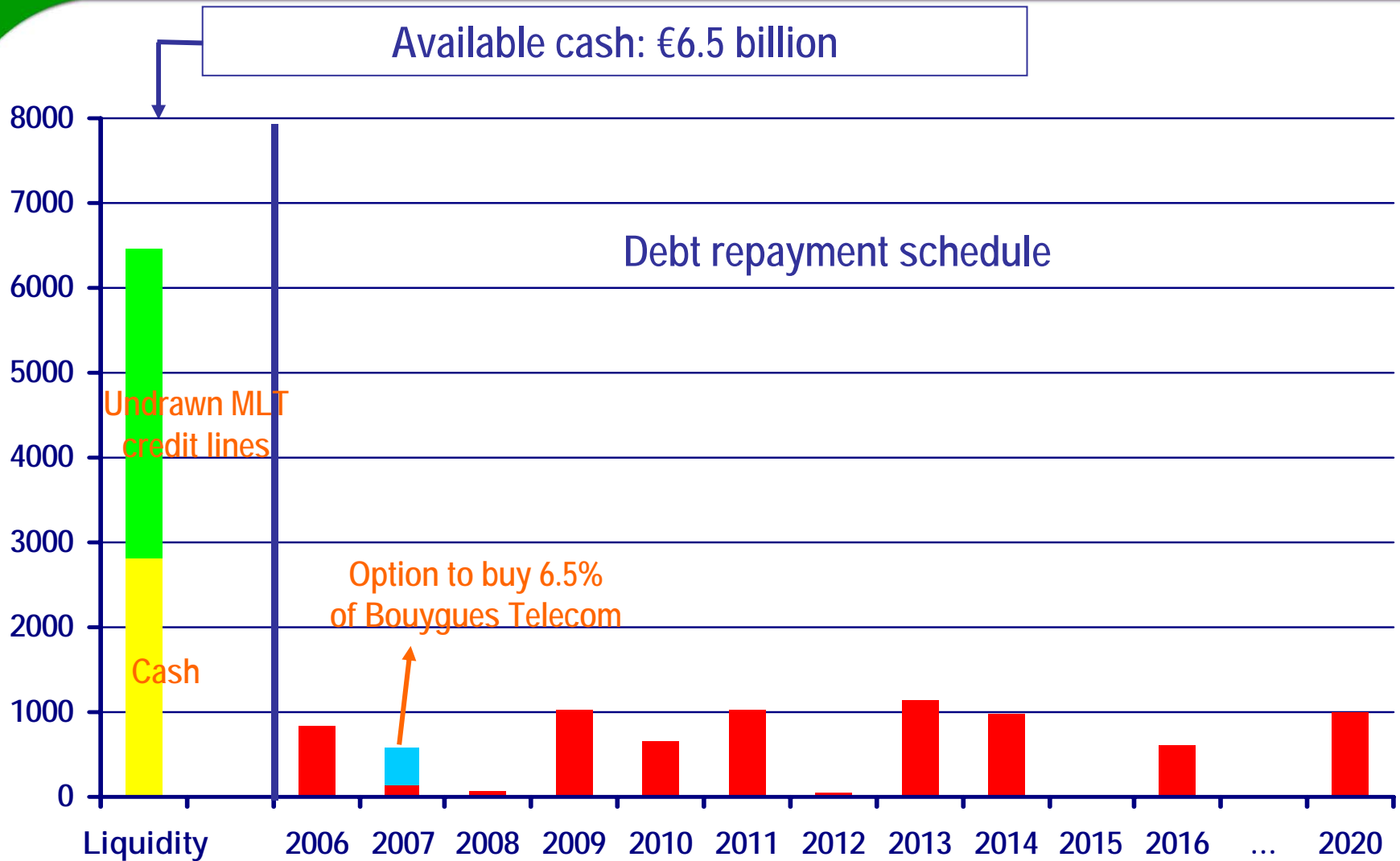
	2004 / 2005	2005 / 2006
Net cash at 31 December (year N-1)	(1,875)	(2,352)
✓ Dividends paid	-2,003	-463
✓ Capital increase for Bouygues Confiance 3 scheme	/	+54
✓ External acquisitions and disposals	+897	+77
✓ Share buyback	-76	-44
✓ Other	-68	+88
✓ Option to buy 6.5% of Bouygues Telecom	-450	/
✓ Operation	-405	-283
Net cash at 30 June (year N)	(3,980)	(2,923)
✓ Acquisitions of ALSTOM shares	/	-2,192
Net cash at 30 June (year N) after acquisition of ALSTOM shares	/	(5,115)

# BOUYGUES GROUP: net cash by business area

€ million	End-June		Change (€ m)
	2005	2006	
Bouygues Construction	1,470	1,757	+€287m
Bouygues Immobilier	160	97	-€63m
Colas	(292)	(398)	-€106m
TF1	(537)	(391)	+€146m
Bouygues Telecom	(1,001)	(398)	+€603m
Holding company and other	(3,780)	(5,782)	-€2,002m
<b>TOTAL</b>	<b>(3,980)</b>	<b>(5,115)</b>	<b>-29%</b>

Excluding TPS and BTC in 2006

# BOUYGUES: financing policy



*Very substantial liquidity*

*Evenly spread debt repayment schedule*

- HIGHLIGHTS
- BUSINESS AREAS
- ACCOUNTS
- OUTLOOK AND OBJECTIVES

# BOUYGUES: 2006 sales targets

	2005*	2006 target		Change 2006/2005
		Published in June	Published in September	
Bouygues Construction	5,815	6,450	6,550	+13%
Bouygues Immobilier	1,557	1,720	1,650	+6%
Colas	9,424	10,180	10,370	+10%
TF1	2,489	2,640	2,650	+6%
Bouygues Telecom	4,434	4,500	4,460	+1%
Holding company and other	264	260	270	ns
<b>TOTAL</b>	<b>23,983</b>	<b>25,750</b>	<b>25,950</b>	<b>+8%</b>
<i>of which France</i>	<i>16,856</i>	<i>18,200</i>	<i>18,350</i>	<i>+9%</i>
<i>of which international</i>	<i>7,127</i>	<i>7,550</i>	<i>7,600</i>	<i>+7%</i>

\* Excluding BTC (€91m)



# BOUYGUES: status report

- In four years, Bouygues has gradually redefined its scope of operations and strengthened its current businesses
  - ✓ Disposal under good conditions of businesses requiring additional investment or operating in a difficult competitive environment: Bouygues Offshore, Saur and TPS
  - ✓ Significant improvement in margins in the building and civil works division
  - ✓ Further development of the profitable growth model
  - ✓ Positive aggregate net profits at Bouygues Telecom
  - ✓ Increase of Bouygues' stake in Bouygues Telecom
- All Group businesses hold leading positions on buoyant markets and have major strengths to leverage growth
- Definition of a new major strategic guideline: ALSTOM

# BOUYGUES: strategic guidelines (1/2)

- The acquisition of a 24.4% stake in ALSTOM in 2006 has used up a large proportion of Bouygues' investment capacity
- Backed by a sound financial structure, in the medium term the Group plans to
  - ✓ Expand further in the power and transport sectors
  - ✓ Increase remuneration for its shareholders

# BOUYGUES: strategic guidelines (2/2)

- In this context, Bouygues will focus on
  - ✓ Developing its knowledge of the power and transport businesses and establishing efficient cooperation with ALSTOM
  - ✓ Remaining vigilant on
    - Technological and regulatory changes in telecoms and media
    - Trends in construction businesses

*Never before have we witnessed such a favourable situation concurrently in all our businesses in terms of both sales and commercial activity*

# BOUYGUES: financial calendar

- 9 November 2006 9-month 2006 sales
- 7 December 2006 9-month 2006 earnings
- 12 February 2007 Full-year 2006 sales
- 28 February 2007 Full-year 2006 earnings
- 26 April 2007 Annual Meeting of Shareholders
- 9 August 2007 First-half 2007 sales
- 31 August 2007 First-half 2007 earnings

**BOUYGUES**