

3 • EMPLOYEE SHARE OWNERSHIP

On 31 December 2010, Group employees owned 18.99% of the share capital of Bouygues and 22.59% of the voting rights through a number of employee share ownership funds.

The share ownership fund created in 1968 invests in Bouygues shares bought on the market. At 31 December 2010, this fund held 3.71% of the share capital and 5.23% of the voting rights.

The Group savings plan is funded by voluntary contributions from employees and additional contributions paid by the company. These are invested in Bouygues shares by direct purchases made on the market. At 31 December 2010, this fund held 6.45% of the share capital and 7.99% of the voting rights.

Following the capital increases carried out in 2007, 2009 and 2010, the leveraged employee share ownership plans known as Bouygues Partage, Bouygues Confiance 4, Bouygues Partage 2 - five years, Bouygues Partage 2 - ten years and Bouygues Confiance 5, held 8.64% of the share capital and 9.10% of the voting rights at 31 December 2010.

The Bouygues Immobilier employee savings plan held 0.19% of the share capital and 0.26% of the voting rights at 31 December 2010.

4 • POTENTIAL CREATION OF NEW SHARES

A total of 5,036,456 shares would be added to the 365,862,523 shares existing on 31 December

2010 if all readily exercisable stock options (ie options for which the lock-up period has expired with an exercise price less than the closing share price of €32.255 at 31 December 2010), were exercised, representing 1.38% of the share capital at 31 December 2010. This would increase the total number of shares to 370,898,979.

5 • SHARE BUYBACKS

5.1 Use in 2010 of authorisations granted by the Annual General Meeting

The Combined Annual General Meetings of 23 April 2009 and 29 April 2010 approved share buyback programmes authorising the Board of Directors, on the basis of Articles L. 225-209 *et seq.* of the Commercial Code, to buy, on- or off-market, a number of shares representing up to 10% of the company's share capital as at the purchase date, for the purposes set out in European Commission Regulation (EC) 2273/2003 of 22 December 2003 and within the confines of market practices authorised by the AMF.

The Combined Annual General Meetings of 23 April 2009 and 29 April 2010 authorised the Board of Directors to cancel up to 10% of the shares comprising the share capital in any 24-month period.

The table below, prepared in accordance with Article L. 225-211 of the Commercial Code, summarises the transactions carried out pursuant to these authorisations in 2010.

Transactions carried out by Bouygues on its own shares in 2010	
Number of own shares held by the company at 31 December 2009	2,178,500
Shares purchased	4,916,444
Shares cancelled	0
Shares sold	2,274,750
Number of own shares held by the company at 31 December 2010	4,820,194
Value (purchase price) of own shares held by the company at 31 December 2010	€154,666,759
Breakdown of transactions by purpose	
Cancellation of shares	
Shares cancelled	0
Reallocations	-
Number of own shares held by the company at 31 December 2010	4,820,194
Liquidity contract	
Shares purchased	96,250
Shares sold	2,274,750
Reallocations	-
Number of own shares held by the company at 31 December 2010 under the liquidity contract	0

5.2 Description of the new share buyback programme submitted for approval by the Combined Annual General Meeting of 21 April 2011

Pursuant to Articles 241-2 and 241-3 of the AMF General Regulation, the company sets out below a description of the share buyback programme to be submitted for approval by the Combined Annual General Meeting of 21 April 2011. This programme is intended to replace that authorised by the Combined Annual General Meeting of 29 April 2010.

5.2.1 Number of shares and proportion of share capital held by Bouygues – Open derivatives positions

The company purchased 4,383,093 shares in January 2011.

At 31 January 2011, the company's capital was made up of 365,903,531 shares, 9,203,287 of which were held by Bouygues, representing 2.52% of the share capital.

At that same date, open derivatives positions were as follows:

Calls purchased:

	Option 1	Option 2	Option 3	Option 4	Option 5
Number of shares	3,056,000	16,925	12,682	4,720	153,633
Expiry date	21/06/2012	29/06/2012	21/12/2012	28/11/2014	29/11/2019
Average exercise price (€)	31.34	45.55	53.97	27.20	27.20

5.2.2 Breakdown of own shares held by intention

At 31 January 2011, the company held 9,203,287 of its own shares for the following reasons:

- ▶ cancellation: 4,820,194 shares, ie 1.32% of the share capital;
- ▶ liquidity: no shares, ie 0% of the share capital;
- ▶ shares retained with a view to being delivered subsequently as consideration or in exchange for an acquisition, merger, spin-off or capital contribution: 4,383,093, ie 1.20% of the share capital.

5.2.3 Objectives of the new buyback programme

Subject to approval by the Annual General Meeting, the buyback programme may be used to:

- ▶ cancel shares under the conditions provided for by law, subject to authorisation by the extraordinary general meeting ;
- ▶ ensure the liquidity of and organise the market in the company's shares, through an investment services provider acting under the terms of a liquidity contract compliant with an AMF-recognised code of conduct;

- ▶ retain shares with a view to delivering them subsequently as consideration or in exchange for an acquisition, merger, spin-off or capital contribution, in accordance with recognised market practices and prevailing regulations, within the limit of 5% of the share capital, pursuant to paragraph 6 of Article L. 225-209 of the Commercial Code;
- ▶ retain shares with a view to delivering them subsequently upon exercise of rights attached to securities that are redeemable, convertible, exchangeable or otherwise exercisable for the company's shares;
- ▶ allot shares to employees or corporate officers of the company or related companies under the terms and conditions laid down in law, in particular as part of profit-sharing schemes, stock option schemes, company savings schemes and inter-company savings schemes or through an allotment of bonus shares;
- ▶ carry out any market practice accepted by the AMF and generally perform any other transactions in compliance with prevailing regulations.

5.2.4 Maximum proportion of capital, maximum number and characteristics of shares

Under the terms of this programme, Bouygues may acquire shares representing a maximum of 10% of its share capital. In theory, this equates to 36,590,353 shares at 31 January 2011, subject to any adjustments in connection with share capital transactions.

Where shares are bought back for liquidity purposes, the number of shares included for the purposes of calculating 10% of the share capital is the number of shares purchased, less the number of shares resold during the authorisation period.

Shares acquired with a view to holding or exchanging them as part of a merger, spin-off or capital contribution may not exceed 5% of the company's capital.

In accordance with the law, the total number of shares held at a given date may not exceed 10% of issued share capital at that date.

Within the scope of this authorisation, the company may purchase its own shares on- or off-market. The purchase price may not exceed €60.00 per share, subject to any adjustments in connection with share capital transactions.

Shares acquired may be sold under the conditions laid down by the AMF in its instruction dated 19 November 2009 regarding the implementation of share buyback schemes. The minimum purchase price is set at €25 per share, subject to any adjustments in connection with share capital transactions.

The maximum amount of funds that may be used for this share buyback programme is €1.5 billion.

Shares repurchased and retained by Bouygues shall not carry voting or dividend rights. Shares may be purchased, in compliance with applicable regulations, in any manner, including on- or off-market and over-the-counter, through derivative financial instruments, and at any time, including in particular during a public tender or exchange offer. The entire programme may be carried out through block trades.

5.2.5 Term of programme

Eighteen months with effect from the Combined Annual General Meeting of 21 April 2011, ie until 21 October 2012.