

Annual General Meetings 25 April 2013



QUESTIONS - ANSWERS

QUESTIONS ASKED AT THE COMBINED ANNUAL GENERAL MEETING

OF 25 APRIL 2013

QUESTIONS SUBMITTED IN WRITING TO THE BOARD OF DIRECTORS BEFORE THE MEETING

Questions submitted in writing by ANAF (French National Shareholders' Association) and IPAC (*Initiatives pour un Actionariat Citoyen*, a shareholder ginger group) before the AGM were read out, together with the answers supplied by the Board of Directors meeting of 25 April 2013.

In its letter of 8 April 2013, ANAF asked the following questions:

- 1) At this point in time, what is the total value of Group goodwill and what is the proportion of goodwill relative to shareholders' equity?**

Board of Directors:

The value of goodwill at Bouygues group as at 31 December 2012, for companies either fully or proportionally consolidated, amounted to €5,648 million and is detailed under section 3.2.3, Goodwill, in the notes to the 2012 consolidated financial statements. Goodwill on associates (chiefly Alstom) as at 31 December 2012 amounted to €2,719 million and is detailed under section 3.2.4.1, Investments in associates, in the notes to the 2012 consolidated financial statements.

As at 31 December 2012, Goodwill represented 83% of shareholders' equity attributable to the Group.

- 2) Were assets written down in 2012? If so, what amounts were involved?**

Board of Directors:

No writedowns of goodwill on consolidated holdings were recorded in 2012 except for two Colas subsidiaries (Gouyer in Martinique and Transbitum in Romania), for a total of €6.3 million.

- 3) Do you foresee reasons for writing down assets in 2013?**

Board of Directors:

Based on information available at this point in time, material impairment charges are not expected for 2013.

Under IFRS, the recoverable values and carrying amounts of tangible and intangible assets (including goodwill) are compared whenever there is an indication that the value of an asset may be impaired.

Consequently, the value of core assets will be monitored regularly throughout 2013.

In its letter of 10 April 2013, IPAC asked the following questions:

- 1) How has our Group's "France" headcount evolved over the past three years (if possible, stating annual averages)?**

Board of Directors:

We provide information on group headcount annually as at 31 December. In France, staff numbers amounted to 75,658 in 2010, 76,970 in 2011 and 77,039 in 2012.

2) In forecasting employment needs, what do you have in mind for our Group's French operations in 2013?

Board of Directors:

In France, we plan to recruit 4,300 new employees in 2013, including 1,350 managerial staff.

As with all businesses, a fine balance must be struck between caution, as is befitting of today's testing times, and the need to recruit in preparation for the future.

We are tracking macroeconomic indicators, which for France are not in good shape. On top of this poor environment, TF1 and Bouygues Telecom are shouldering an additional burden in the guise of regulations. Our business environment urges the utmost caution from us.

3) What initiatives has our Group planned in respect of young unskilled workers, whose rate of unemployment is of particular concern?

Board of Directors:

All our business areas are keen to develop the number of work/study contracts. In 2012, the Group hosted 2,376 young people on professional training or work/study contracts.

Bouygues Construction's Gustave Eiffel apprentice training centre, the corporate foundations of the individual business areas, and integration clauses in worksite contracts (by which we commit to employing a certain quota of young people) all pave the way for integrating young, unskilled workers from underprivileged areas.

Key partnerships have been forged with *Fondation Agir Contre l'Exclusion*, *Association Française des Managers de la Diversité*, *Institut du Service Civique*, *Établissement public d'Insertion de la Défense* and *Entreprendre pour la Cité*.

Lastly, all the Group's business areas have set up diversity and equal opportunity units to oversee the integration of young people within the Group.

4) What pledges and arrangements govern our Group's handling of restructuring that could affect jobs, wherever this arises?

Board of Directors:

We aim to forestall potential reorganisations through a jobs and skills planning programme, enshrined in company-wide agreements with trade unions across all our business areas.

The purpose of this is to identify future demand for expertise so that our staff can be trained and made ready for new roles and assignments.

Mobility within or outside specific business areas offers a further means of safeguarding jobs at times when some business sectors are in better shape than others.

QUESTIONS RAISED DURING THE AGM OF 25 APRIL 2013

Here follows a summary of the questions raised either in writing or orally during the AGM together with corresponding answers.

BOUYGUES GROUP

Given the worsening economic conditions in France, don't you think that the Group's current profile makes it vulnerable?

Do you have plans to boost Bouygues' non-European sales, whose proportion is currently 19%?

Martin Bouygues:

The downswing experienced by Bouygues Telecom in 2012 was due to the terms granted to Free as newcomer to the French mobile communications market. But we should not forget that telecoms is an industry of the future and one that everybody considers vital. The decline in advertising revenues at TF1 ties in with the current economic crisis that is dogging both France and the rest of Europe. As the construction industry is labour intensive, the government is keen to ensure that it can develop unimpeded. Furthermore, orders have flowed in to Bouygues Construction's French and global operations and its policy is to give precedence to profitable growth and international mobility over increases in market share. Lastly, I would like to state that Bouygues group has a strong brand image both in France and abroad.

Given Bouygues' unique status among its CAC 40 peers, do you have plans for an overhaul of all the Group's business areas in order to deliver a more coherent and better rated conglomerate. Do you have plans to do this? Shouldn't Bouygues group refocus on its original business of construction and large civil-engineering projects instead of seeking to diversify, for example in the hotly-contested mobile telephony sector?

Martin Bouygues:

The plunge in Bouygues' market value is mainly due to the emergence of a fourth operator on the mobile telephony market.

Granted, the decline in the share price has been considerable and Bouygues has been hit hard by its exposure to telecoms. However, balance should gradually be restored to this industry. We must remain confident because the current government and the French Competition Authority are working to level the competitive playing field.

There is a clear rationale for the Group to retain its holdings in subsidiaries Bouygues Telecom and TF1. What matters is product quality and customer satisfaction, and I think we have both of these. It is worth emphasising that Bouygues Telecom stands out for its innovations, management team and products. For all these reasons, Bouygues has no regrets about its diversification policy, which is both a distinguishing factor and a strength.

Have you designated a Bouygues member of staff to accompany the President of France on his official trip to China?

Martin Bouygues:

No, because the Bouygues group has no operations in China except for Hong Kong, which enjoys a special status.

BOUYGUES CONSTRUCTION

Are you experiencing difficulties in securing construction contracts in the US?

Martin Bouygues:

Our building and civil works operations are gradually gaining a foothold in the US with, to date, two projects won by the Bouygues Construction subsidiary. Major inroads have not yet been made and this is due to a different approach in the US relative to France. Whereas construction and civil works are interlinked in France, in the US they are separate. The French organisation, which is based on an optimisation of customer needs, thus differs markedly from the US model. But while Bouygues Construction still only has a minor presence in the US, Colas has a significant one. Moreover, the two business areas have first-class positions in Canada — especially Colas, which is highly active and has been extremely successful in this market.

TF1

Why did TF1 decide to drop the Champions League?

Martin Bouygues:

The decision by TF1 was warranted by the exorbitant costs arising from this programme, far outweighing the amount of income derived from it.

How do you explain the five-point differential between the operating margins of TF1 (9%) and M6 (14%)?

Martin Bouygues:

The gap in operating margin between TF1 and M6 is most notably due to the different scope of business lines and because, to some extent, they do not operate in the same market segments.

BOUYGUES TELECOM

How far do regulatory changes account for the decline in operating profit?

Martin Bouygues:

Changes to regulatory conditions, especially the revised tax treatment of telecoms activities, have had a noticeable impact on the Group's operating profit. However, it would seem that the current government, aware of the difficult climate in which French telecoms carriers have to operate, is looking to push through measures that would restore balance to this market. Based on this policy, we are more confident about the sector's prospects and, especially, those of Bouygues Telecom.

Given the fierce competition in the French telecoms sector, why not team up with SFR?

Martin Bouygues:

The initial terms granted to the new fourth operator have no doubt had huge repercussions on Bouygues Telecom and other operators. The current government seems intent on remedying this situation, with Arnaud Montebourg and Fleur Pellerin having referred the two issues of roaming between operators and network sharing — both key to the industry — to the French Competition Authority.

In February 2013 the Competition Authority, headed by Bruno Lasserre, issued an opinion containing significant proposals for the future of the telecoms sector in France, based around two vital notions. One is that a competitive advantage should not be granted to an operator if this distorts the market. The second expresses a preference for network sharing as opposed to mergers, takeovers or business combinations between operators.

Would you consider floating Bouygues Telecom to gain a stronger position on the mobile telephony market?

Martin Bouygues:

No. The current situation does not seem favourable to such an operation.

Is Bouygues planning to acquire the 9.5% interest in Bouygues Telecom that it does not already own?

Martin Bouygues:

There are no plans for this.

When do you think the 4G licence will become profitable?

Martin Bouygues:

Despite the sizeable investment involved in acquiring the 4G licence, we are aiming for rapid payback thanks to the quality of service on offer and the sharp growth in data volumes.

With regard to the licence cost, Bouygues has lodged a legal challenge with the Council of State in regard to the price for using the 1800 frequency band, which is almost six times higher than the price currently paid for using the same band for the purposes of 2G.

Bearing in mind the Group's results and share price, what is your strategy over the next three years in regard to Bouygues Telecom? Given the uncertainty hanging over returns on investment in mobile telephony, why not simply divest Bouygues Télécom? Can you specify your viewpoint on a possible link-up with Free? What is Bouygues group's stance on Free's propositions concerning Bouygues Telecom? Given the risk of takeovers in the telecoms industry, what is your strategy for the next five years?

Martin Bouygues:

Generally speaking, despite the crisis affecting the mobile telephony market, the industry is still pivotal to the growth of developed countries such as France. Besides, the telecoms industry cannot contend with existing imbalances forever; the Competition Authority would not allow it.

Given Darty's current difficulties, was it wise to team up with them for the marketing of the B-Box Sensation?

Martin Bouygues:

Bouygues Telecom is not worried by the upheavals affecting Darty's ownership structure and is confident about the future of the distribution deal. By joining forces with Darty, we have been able to strengthen our fixed-line customer base, leading to better coverage of costs in this business activity.

Through this partnership, we have also tapped into a broad store network and benefited from the skills and efforts of Darty technicians.

ALSTOM

Is the sizeable decline (-45%) in order intake at Alstom's Renewable Power division the result of the alleged unreliability of the wind-power system?

Martin Bouygues:

The drop in order intake at the Alstom Renewable Power division is due solely to cyclical swings.

Are you satisfied with Bouygues' investment in Alstom? Do you think that synergies have been sufficient?

Martin Bouygues:

We are satisfied with our investment in Alstom. Despite testing conditions, Alstom has delivered steady growth and has remarkably high order intake thanks to reorganisation spearheaded by Chairman and CEO Patrick Kron and his staff. By innovating in traditional product segments and moving to overhaul manufacturing facilities and marketing channels in emerging economies, Alstom has been able to overcome its financial difficulties.

Why is Alstom presented as a business area contributing to net profit? Does Bouygues plan to retain its holding in Alstom even though its activities do not fully dovetail with the Group's other business areas?

Martin Bouygues:

There are no plans at the moment for Bouygues to divest its holding in Alstom. Our policy aims to develop synergies as far as possible between the various activities of the two groups. As such, our staff are able to work together on joint projects, thereby increasing their chances of winning contracts. For example, synergies have been generated between Bouygues Construction, Colas, Bouygues Immobilier and Alstom, but also between Bouygues Telecom and Alstom as the latter also deals with telecommunications issues, for example in its rail transport and grids divisions.

BOUYGUES SA

Does Bouygues plan to offer scrip dividends?

Martin Bouygues:

This question has been raised on several occasions and, each time, the Board of Directors has responded in the negative because of past drawbacks. However, we may reconsider at some point in the future.

Why does the 16th resolution put to vote at the AGM provide for a reduction in capital?

Jean-François Guillemin:

The 16th resolution is a standard type of resolution that provides scope for the Board of Directors, within specified limits, to carry out one or more rounds of share cancellations. This is in the interest of shareholders because it offsets dilution to the capital base that would arise subsequent to capital increases.

Why cannot Bouygues shareholders with fully registered shares neither buy nor sell these shares directly?

Jean-François Guillemin:

Bouygues is not a broker. That means that anyone wishing to buy or sell fully registered shares must solicit the services of their own bank.

FINANCIAL COMMUNICATION

How is financial communication in regard to both retail and institutional investors carried out?

Martin Bouygues:

Bouygues may be underrepresented at retail shareholder fairs but this is compensated for by the amount of energy expended both in France and abroad by Group CFO Philippe Marien, and by continuous developments on the Group website.

SHARE REPURCHASE TENDER OFFER

Don't you think that the share repurchase tender offer 18 months ago was a futile gesture?

Martin Bouygues:

No, and I hope that share price appreciation will make it possible to say that shareholders have gained from the tender offer. Only time will tell.