



Paris, 4 April 2014

BOUYGUES TELECOM-SFR MERGER PROPOSAL

BOUYGUES SUBSTANTIALLY IMPROVES ITS OFFER FOR SFR

- **A €1.85 BILLION INCREASE IN THE CASH ELEMENT OF THE OFFER TO €15 BILLION**
- **IN ADDITION, VIVENDI WILL RECEIVE A 10% EQUITY INTEREST IN THE NEW ENTITY WORTH €1 BILLION BEFORE SYNERGIES AND €2 BILLION INCLUDING SYNERGIES**
- **AN INCREASE IN THE TOTAL VALUE OFFERED FOR SFR PRE-SYNERGIES TO €16 BILLION**
- **BOUYGUES IS OFFERING AN EARN-OUT CLAUSE OF €500 MILLION THAT COULD LIFT THE TOTAL VALUE OF SFR TO €16.5 BILLION PRE-SYNERGIES**
- **HIGH QUALITY FRENCH AND INTERNATIONAL INDUSTRIAL AND FINANCIAL INSTITUTIONS TO INVEST IN THE NEW ENTITY**

Bouygues remains convinced by the industrial strength of its plans to merge Bouygues Telecom and SFR and by the resulting value creation for its shareholders. It has therefore submitted a substantially improved offer to Vivendi on Friday 4 April with a view to merging Bouygues Telecom and SFR. This offer is valid until 25 April 2014.

Under the terms of this offer, Bouygues has proposed to increase the cash element of the offer by €1.85 billion, from €13.15 billion to €15 billion, without changing the level of debt at the new entity which would retain an investment grade profile. In addition, Bouygues is increasing the total value offered to Vivendi for SFR by giving it a 10% equity interest in the new entity, valued at €1 billion before synergies. This offer values SFR for Vivendi at €16 billion before synergies, or at €16.5 billion factoring in the €5 billion of synergies secured by the savings resulting from the disposal of the mobile network to Free.

In addition, Bouygues has offered Vivendi an earn-out clause of €500 million that could lift the total value of SFR to €16.5 billion pre-synergies.

Bouygues confirms that the Bouygues Telecom-SFR merger is expected to generate a total of €10 billion in synergies.

Bouygues has invited a number of industrial and financial institutions to invest €2.85 billion in the new entity. These investors include, amongst others, AXA, Caisse des Dépôts et Consignations, GIMD (the Dassault family), JC Decaux Holding (the Decaux family), GIC (Singapore's sovereign wealth fund), Ontario Teachers' Pension Plan Board, the Pinault family and Reuben Brothers Ltd. The quality of these shareholders, amongst whom the international investors are committing nearly half the funds, underlines the strength of Bouygues' industrial project and the resulting value creation.

Bouygues will invest €850 million in addition to the contribution of its equity interest in Bouygues Telecom and will be the controlling shareholder of the new entity, with a 51% equity interest at closing, alongside Vivendi (10%) and the other industrial and financial institutions (39%). An IPO of the new entity is planned as soon as the merger is completed. Bouygues' shareholders would still benefit from substantial value creation.

Bouygues notes that it has already addressed potential antitrust concerns by divesting its mobile telephone network and a portfolio of frequencies to Free. Furthermore, Bouygues confirms that it will pay a break-up fee of €500 million to Vivendi if the regulatory authorities refuse to approve the merger agreement or if Bouygues withdraws its request for approval as a result of the remedies required by

them. This pledge underlines Bouygues' confidence that it will be able to obtain all the necessary regulatory approvals.

Bouygues reaffirms its commitments to maintain jobs and not to carry out any redundancies, whether voluntary or compulsory. This commitment is for 36 months starting from the date of the signing of the merger agreement. There are no conditions relating to changes in the market or the economy attached to this commitment.

Bouygues confirms that the financing for the operation is fully secured and that the final, definitive loan documents have been signed.

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