



*(a société anonyme incorporated in the Republic of France)*

**EUR 1,000,000,000 3.641 per cent. Bonds due 2019**

**Issue Price: 100 per cent.**

This prospectus constitutes a prospectus (the "**Prospectus**") for the purposes of Article 5.3 of Directive 2003/71/EC (the "**Prospectus Directive**") and the relevant implementing measures in the Grand Duchy of Luxembourg. This Prospectus contains information relating to the issue by Bouygues (the "**Issuer**") of its EUR 1,000,000,000 3.641 per cent. Bonds due 2019 (the "**Bonds**").

The Bonds will be issued on 29 October 2010 and will bear interest at a rate of 3.641 per cent. per annum from, and including, 29 October 2010 to, but excluding, 29 October 2019, payable annually in arrear on 29 October in each year, commencing on 29 October 2011, as more fully described in "Terms and Conditions of the Bonds - Interest". Payments of principal and interest on the Bonds will be made without deduction for or on account of French taxes as more fully described in "Terms and Conditions of the Bonds - Taxation".

Unless previously redeemed or purchased and cancelled, the Bonds will be redeemed in full at their principal amount on 29 October 2019. The Bonds may, in certain circumstances, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed as more fully described in "Terms and Conditions of the Bonds - Redemption and Purchase".

Bondholders will be entitled, following a Change of Control, to request the Issuer to redeem or procure the purchase of their Bonds at their principal amount together with any accrual interest as more fully described under "Terms and Conditions of the Bonds - Change of Control".

Application has been made for the Bonds to be listed on the official list of, and admitted to trading on the Regulated Market (defined by Directive 2004/39/EC) of the Luxembourg Stock Exchange in accordance with the Prospectus Directive. This Prospectus (together with any documents incorporated by reference therein) is available on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)).

The Bonds have been accepted for clearance through Euroclear France, Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") and Euroclear Bank SA/N.V. ("**Euroclear**"). The Bonds will on the date of their issue be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in "Terms and Conditions of the Bonds - Form, Denomination and Title") including the depositary banks for Euroclear and Clearstream, Luxembourg.

The Bonds will be issued in dematerialised bearer form in the denomination of EUR 50,000 each. The Bonds will at all times be represented in book-entry form (*dématisés*) in the books of the Account Holders in compliance with Article L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds have been assigned a rating of A- (stable) by Standard & Poor's Ratings Services. A rating is not a recommendation to buy, sell or hold Bonds and may be subject to revision, suspension, reduction or withdrawal at any time by the relevant rating agency.

See "**Risk Factors**" on page 4 of this Prospectus for certain information relevant to an investment in the Bonds.

## **JOINT LEAD MANAGERS**

### **SOCIÉTÉ GÉNÉRALE CORPORATE & INVESTMENT BANKING**

**BNP PARIBAS**

**CREDIT AGRICOLE CIB**

**HSBC**

**NATIXIS**

**THE ROYAL BANK OF SCOTLAND**

The Issuer accepts responsibility for the information contained in (or incorporated by reference in) this Prospectus. To the best of the knowledge and belief of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained (or incorporated by reference) in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information. This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.

The delivery of this Prospectus at any time does not imply that any information contained herein or therein is correct at any time subsequent to the date hereof.

This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its fully consolidated subsidiaries taken as a whole (the “**Group**”) and the Bonds which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer. For this purpose, “**subsidiary**” means, with respect to any person at any particular time, any entity which is controlled by such person within the meaning of Article L.233-3 of the French *Code de commerce* (excluding any listed person in which the Issuer holds less than 33.33 per cent. of the share capital and voting rights).

In connection with the issue and sale of the Bonds, no person is authorised to give any information or to make any representation not contained (or incorporated by reference in) in this Prospectus, and neither the Issuer nor any of the Joint Lead Managers (as defined in “**Subscription and Sale**” below) accepts responsibility for any information or representation so given that is not contained (or incorporated by reference) in this Prospectus. This Prospectus does not constitute an offer of Bonds, and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Bonds or the distribution of this Prospectus in any jurisdiction where any such action is required except as specified herein.

No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Joint Lead Managers. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained in it or any other information supplied in connection with the Bonds is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Lead Managers have not separately verified the information contained in this Prospectus in connection with the Issuer. None of the Joint Lead Managers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Prospectus in connection with the Issuer. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer and the Joint Lead Managers that any recipient of this Prospectus or any other financial statements should purchase the Bonds. Each potential purchaser of Bonds should determine for itself the relevance of the information contained in this Prospectus and its purchase of Bonds should be based upon such investigation as it deems necessary. None of the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Bonds of any information coming to the attention of any of the Joint Lead Managers.

The distribution of this Prospectus and the offering of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer to inform themselves about, and to observe, any such restrictions.

This Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom or (ii) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) or (iii) high net worth entities, and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons together being referred to as “relevant persons”). Any Bonds will only be available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Bonds will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)).

A further description of certain restrictions on offers and sales of the Bonds in the United States, and in certain other jurisdictions, is set forth below under “Subscription and Sale”.

In this Prospectus, references to “euro”, “EURO”, “Euro”, “EUR” and “€” refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam.

**In connection with the issue of the Bonds, Société Générale (the “Stabilising Manager”) (or persons acting on behalf of the Stabilising Manager) may over allot Bonds or effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager (or persons acting on behalf of the Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of this Prospectus and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the Bonds and 60 days after the date of the allotment of the Bonds. Any stabilisation action or over-allotment must be conducted by Société Générale (or persons acting on behalf of the Stabilising Manager) in accordance with all applicable laws and rules.**

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## **RISK FACTORS**

*The following are certain risk factors of the offering of the Bonds of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in this Prospectus, including in particular the following risk factors detailed below. Further risk factors relating to the Issuer and its activities are contained in the 2009 Reference Document. Prospective investors should make their own independent evaluations of all investment considerations. Terms defined in "Terms and Conditions of the Bonds" below shall have the same meaning where used below.*

### **I - Risks related to the Issuer**

See section "Documents incorporated by reference".

### **II - Risks related to the Bonds**

#### **No Prior Market for the Bonds; Resale Restrictions**

There is no existing market for the Bonds, and there can be no assurance that any market will develop and/or be maintained for the Bonds, or that holders of the Bonds will be able to sell their Bonds in the secondary market in which case the market or trading price and liquidity of the Bonds may be adversely affected.

#### **Fixed Rate Interest**

Subsequent changes in interest rates may adversely affect the value of the Bonds.

#### **The Bonds may be redeemed prior to maturity**

In the event that the Issuer would be obliged to pay additional amounts in respect of any Bonds due to any withholding as provided in Condition 5(b) of the Terms and Conditions of the Bonds, the Issuer may and, in certain circumstances, shall redeem all of the Bonds then outstanding in accordance with such Condition. As a consequence, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Bonds.

#### **Credit ratings may not reflect all risks**

The ratings assigned by the credit rating agencies to the Bonds may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Bonds. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

#### **Exercise of Put Option in respect of certain Bonds may affect the liquidity of the Bonds in respect of which such Put Option is not exercised**

Depending on the number of Bonds in respect of which the Put Option provided in Condition 7 is exercised, any trading market in respect of those Bonds in respect of which such Put Option is not exercised may become illiquid.

#### **Market value of the Bonds**

The value of the Bonds depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Bonds are traded. The price at which a holder of Bonds will be able to sell the Bonds prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

## **Change of law**

The Terms and Conditions of the Bonds are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

## **French insolvency law**

Under French insolvency law as amended by ordinance n°2008-1345 dated 18 December 2008 which came into force on 15 February 2009, holders of debt securities are automatically grouped into a single assembly of holders (the “**Assembly**”) in order to defend their common interests if a preservation (*procédure de sauvegarde*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer. The Assembly comprises holders of all debt securities issued by the Issuer (including the Bonds) regardless of their governing law. The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Bondholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Bondholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Bonds) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders attending such Assembly or represented thereat). No quorum is required to convoke the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Bonds seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

## **Taxation**

Potential purchasers and sellers of the Bonds should be aware that they may be required to pay taxes or other documentary charges or duties in accordance with the laws and practices of the country where the Bonds are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Bonds. Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser’s advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Bonds. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

## **EU Savings Directive**

On 3 June 2003, the European Council of Economic and Finance Ministers adopted a directive 2003/48/CE regarding the taxation of savings income in the form of interest payments (the “**Directive**”). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Bond as a result of the imposition of such withholding tax.

On 13 November 2008, the European Commission published a proposal for amendments to the Directive. The proposal included a number of suggested changes that, if implemented, would broaden the scope of the rules described above. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisers.

## DOCUMENTS TO BE INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following documents all of which are incorporated by reference in the Prospectus and which the Issuer has filed with the *Commission de Surveillance du Secteur Financier*:

- (i) the reference document in French language dated 9 April 2009, with the exception of the section entitled “*Attestation du responsable du document de référence*” (the “**2008 Reference Document**”);
- (ii) the reference document in French language dated 15 April 2010, with the exception of the section entitled “*Attestation du responsable du document de référence*” (the “**2009 Reference Document**”);
- (iii) the half-year review 2010 in French language dated 31 August 2010 for the period 1 January 2010 to 30 June 2010 (the “**2010 Half-Year Review**”); and
- (iv) the half-year interim financial statements for Bouygues and its subsidiaries in French language dated 31 August 2010 for the period 1 January 2010 to 30 June 2010 (the “**2010 First-Half Results**”).

So long as any of the Bonds are outstanding, this Prospectus and the documents incorporated by reference in this Prospectus will be available during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and collection free of charge, at the specified office of the Paying Agents. The 2008 Reference Document contains, *inter alia*, the Annual Report of the Issuer (including the Audited Consolidated Financial Statements and related Notes and Audit Report) for the 2008 financial year (“**Bouygues 2008 Financial Review**”). The 2009 Reference Document contains, *inter alia*, the Annual Report of the Issuer (including the Audited Consolidated Financial Statements and related Notes and Audit Report) for the 2009 financial year (“**Bouygues 2009 Financial Review**”).

For the purposes of the Prospectus Directive, information can be found in such documents incorporated by reference or this Prospectus in accordance with the following cross-reference table (in which the numbering refers to the relevant Sections of Annex IX of Regulation EC 809/2004):

<b>2.</b>	<b>STATUTORY AUDITORS</b>
2.1.	<i>See pages 131 and 227 of the Bouygues 2009 Financial Review.</i>
<b>3.</b>	<b>RISK FACTORS</b>
3.1.	<i>See pages 18, 106 to 119, 190 to 191, 209, 238 of the Bouygues 2009 Financial Review.</i>
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>
4.1.	<i>See page 168 of the Bouygues 2009 Financial Review.</i>
4.1.1.	<i>See page 168 of the Bouygues 2009 Financial Review.</i>
4.1.2.	<i>See page 168 of the Bouygues 2009 Financial Review.</i>
4.1.3.	<i>See page 168 of the Bouygues 2009 Financial Review.</i>
4.1.4.	<i>See page 168 of the Bouygues 2009 Financial Review.</i>

<b>5.</b>	<b>BUSINESS OVERVIEW</b>
5.1.	Principal activities:
5.1.1.	<i>See pages 28 to 103 of the Bouygues 2009 Financial Review.</i>
5.1.2.	<i>See pages 28 to 32, 45 to 47, 56 to 60, 70 to 75, 82 to 87 of the Bouygues 2009 Financial Review.</i>
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>
6.1.	<i>See page 6 of the Bouygues 2009 Financial Review.</i>
<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>
9.1.	<i>See pages 6 to 7, 122 to 130, 132 to 148 of the Bouygues 2009 Financial Review. See page 3 of the 2010 Half-Year Review</i>
9.2	<i>See page 136 of the Bouygues 2009 Financial Review</i>
<b>10.</b>	<b>MAJOR SHAREHOLDERS</b>
10.1.	<i>See pages 158 to 159 of the Bouygues 2009 Financial Review.</i>
<b>11.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>
11.1.	Historical Financial Information
	<p><i>For the year 2008:</i></p> <p><i>consolidated balance sheet: see page 164 of the Bouygues 2008 Financial Review</i></p> <p><i>consolidated income statement: see page 165 of the Bouygues 2008 Financial Review</i></p> <p><i>accounting policies and explanatory notes: see pages 169 to 214 of the Bouygues 2008 Financial Review</i></p> <p><i>audit report: see page 236 of the Bouygues 2008 Financial Review</i></p>
	<p><i>For the year 2009:</i></p> <p><i>consolidated balance sheet: see page 178 of the Bouygues 2009 Financial Review</i></p> <p><i>consolidated income statement: see page 179 of the Bouygues 2009 Financial Review</i></p> <p><i>accounting policies and explanatory notes: see pages 182 to 230 of the Bouygues 2009 Financial Review</i></p>

	<i>audit report: see page 253 of the Bouygues 2009 Financial Review</i>
	<p><i>For the first semester of 2010:</i></p> <p><i>consolidated balance sheet: see page 32 of the 2010 Half-Year Review</i></p> <p><i>consolidated income statement: see page 33 of the 2010 Half-Year Review</i></p> <p><i>accounting policies and explanatory notes: see pages 37 to 65 of the 2010 Half-Year Review</i></p> <p><i>auditors' review report: see page 67 of the 2010 Half-Year Review</i></p>
11.2.	Individual Financial statements
	<p><i>For the year 2009:</i></p> <p><i>balance sheet: see page 231 of the Bouygues 2009 Financial Review</i></p> <p><i>income statement: see page 232 of the Bouygues 2009 Financial Review</i></p> <p><i>accounting policies and explanatory notes: see pages 233 to 241 of the Bouygues 2009 Financial Review</i></p> <p><i>audit report: see pages 252 of the Bouygues 2009 Financial Review</i></p>
11.3.	Auditing of historical annual financial information
11.3.1.	<p><i>See pages 235 and 236 of the Bouygues 2008 Financial Review.</i></p> <p><i>See pages 252 and 253 of the Bouygues 2009 Financial Review.</i></p>
11.3.2.	<i>See pages 254 to 261 of the Bouygues 2009 Financial Review.</i>
<b>14.</b>	<b>DOCUMENTS ON DISPLAY</b>
14.1.	<i>See "General Information" in this Prospectus.</i>

### **2010 Half-Year Review**

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Half-Year review of operations	Pages 4 to 30
Condensed consolidated first-half financial statements	Pages 31 to 65
Certificate of responsibility	Page 66
Auditors' review report on the first half financial statements	Page 67

### **2010 First-Half Results**

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Bouygues SA	Pages 8 to 10
Bouygues Construction	Pages 11 to 15
Bouygues Immobilier	Pages 16 to 20
Colas	Pages 21 to 25
TF1	Pages 26 to 30
Bouygues Telecom	Pages 31 to 35

The information incorporated by reference in this Prospectus but not listed in the tables above is given for information purposes only.

## COMPLEMENTARY INFORMATION ABOUT THE ISSUER

*(Numbering refers to the relevant Sections of Annex IX of Regulation EC 809/2004)*

### 9. Administrative, Management, and Supervisory Bodies

<i>Name, address, position</i>	<i>Principal activities performed outside the Issuer</i>
<p><b>Martin Bouygues</b> 32 avenue Hoche 75008 Paris <b>Chairman and CEO,</b> <b>Director</b></p>	<p>Chairman, SCDM Director, TF1 Member of the supervisory board, Paris-Orléans Standing Representative of SCDM on the board of Actiby, SCDM Participations, SCDM Invest-3. Membre du Conseil de Surveillance de la Fondation d'Entreprise Francis Bouygues</p>
<p><b>Olivier Bouygues</b> 32 avenue Hoche 75008 Paris <b>Deputy CEO</b> <b>Standing Representative of SCDM</b></p>	<p>Managing Director, SCDM  Director, Finagestion Chairman &amp; CEO, Director, Seci, Director, TF1, Alstom, Bouygues Telecom, Colas, Bouygues Construction, Eurosport, Sodeci, CIE and Sénégalaise des Eaux Member of the Executive Committee, Cefina Standing Representative of SCDM on the board of SCDM Energie Non-shareholder manager, SIR and SIB Chairman, SAGRI-E and SAGRI-F</p>
<p><b>SCDM</b> 32 avenue Hoche 75008 Paris <b>Director</b></p>	<p>Chairman, Actiby, SCDM Energie, SCDM Participations, SCDM Invest-3, SCDM Investcan Director, GIE 32 Hoche</p>
<p><b>Pierre Barberis</b> 7 Pili Street, South Forbes Park Makati 1200 Metro Manilla Philippines <b>Director</b></p>	<p>Manager, Amrom Administrateur de Oberthur Technologies et François-Charles Oberthur Fiduciaire Chairman of the Board of WYDE Corp.</p>
<p><b>Patricia Barbizet</b> 12 rue François 1er 75008 Paris <b>Director</b></p>	<p>Vice Chairman of the Board of Directors PPR Managing Director and Director, Artemis CEO and member of the supervisory board, Financière Pinault Director, Total, Fnac SA, Air France KLM, TF1, Fonds Stratégique d'Investissement Member of the supervisory board, Yves Saint Laurent Member of the management board, SC Vignoble de Château Latour Standing Representative of Artemis on the board of Sebdo Le Point and Agefi CEO and Director, Palazzo Grassi</p>

<i>Name, address, position</i>	<i>Principal activities performed outside the Issuer</i>
	<p>Chairman and board member, Christies International Plc</p> <p>Supervisory board member, Gucci Group NV</p> <p>Non executive director, Tawa PLC</p> <p>DGD et Administrateur de Société Nouvelle du Théâtre Marigny</p>
<p><b>François Bertière</b></p> <p>3, Boulevard Gallieni</p> <p>92130 Issy Les Moulineaux</p> <p><b>Director</b></p>	<p>Chairman and CEO, Bouygues Immobilier</p> <p>Director, Colas</p> <p>Membre de la Fondation d'Entreprise Bouygues Immobilier</p>
<p><b>Mrs Francis Bouygues</b></p> <p>50 rue Fabert</p> <p>75007 Paris</p> <p><b>Director</b></p>	
<p><b>Georges Chodron de Courcel</b></p> <p>3 rue d'Antin</p> <p>75002 Paris</p> <p><b>Director</b></p>	<p>Deputy CEO, BNP Paribas</p> <p>Chairman, Compagnie d'Investissement de Paris and Financière BNP Paribas</p> <p>Director, Alstom, Nexans, FFP (Société Foncière Financière et de Participations) and Verner Investissements</p> <p>Supervisory Board Member, Lagardère SCA</p> <p>Non-voting Director, Scor, Safran, and Exane</p> <p>Chairman, BNP Paribas SA (Suisse)</p> <p>Vice Chairman, Fortis Bank SA/NV</p> <p>Director, Erbé SA, Groupe Bruxelles Lambert SA, Scor Global Life Rückversicherung Schweiz AG, Scor Switzerland AG and Scor Holding AG</p>
<p><b>Lucien Douroux</b></p> <p>20 rue de la Baume</p> <p>75008 Paris</p> <p><b>Director</b></p>	<p>Director, Banque de Gestion Privée Indosuez</p>
<p><b>Yves Gabriel</b></p> <p>1 avenue Eugène Freyssinet</p> <p>78280 Guyancourt</p> <p><b>Director</b></p>	<p>Chairman and CEO, Bouygues Construction</p> <p>Director, ETDE</p> <p>Administrateur de la FNTP</p> <p>Standing Representative of Bouygues Construction on the board of Bouygues Bâtiment International, Bouygues Bâtiment Ile de France and Bouygues Travaux Publics</p> <p>Président et Administrateur de Terre Plurielle, Fondation d'Entreprise Bouygues Construction</p>
<p><b>Colette Lewiner</b></p> <p>Tour Europlaza</p> <p>La Défense 4</p> <p>20, Avenue André Prothin</p> <p>92927 PARIS LA DEFENSE CEDEX</p> <p><b>Director</b></p>	<p>Purchasing Manager, TF1</p> <p>Vice President, Global Leader Energy, Utilities and Chemicals de CAP Gemini</p> <p>Administrateur de Nexans, La Poste, TGS NOPEC GEOPHYSICAL COMPANY, OCEAN RIG, LAFARGE</p>

<i>Name, address, position</i>	<i>Principal activities performed outside the Issuer</i>
<p><b>Patrick Kron</b></p> <p>3 avenue Malraux 92300 Levallois Perret</p> <p><b>Director</b></p>	<p>Chairman and CEO, Alstom</p> <p>Chairman, Alstom Ressources Management</p> <p>Director, Alstom UK Holdings Ltd, “Les Arts Florissants”</p> <p>Director, AFEP</p>
<p><b>Hervé Le Bouc</b></p> <p>7 place René Clair 92653 Boulogne Billancourt</p> <p><b>Director</b></p>	<p>Chairman and CEO, Colas</p> <p>Chairman and CEO, Colasie</p> <p>Standing Representative of Colas on the board of Cofiroute, Colas Midi Méditerranée, Société Parisienne d’Etudes d’Informatique et de Gestion, Aximum and Echangeur International</p> <p>Standing Representative of SPARE on the board of Sacer Atlantique</p> <p>Standing Representative of IPF on the board of SPAC and SCREG Est</p> <p>Director, Isco Industry (Korean Republic), Hindustan Colas Limited (India), Tasco (Thailand) and Colas Inc (USA)</p> <p>Member of the Supervisory Board, La Société Maghrébienne d’Entreprises et de Travaux (Morocco), La Route Marocaine (Morocco)</p> <p>Standing Representative of Colas on the Supervisory Board of Colas Emulsions (Morocco) and Grands Travaux Routiers (Morocco)</p>
<p><b>Helman le Pas de Sécheval</b></p> <p>2, avenue de Limoges BP 8527 79044 Niort Cedex 9</p> <p><b>Director</b></p>	<p>CEO Groupama Centre-Atlantique</p> <p>Vice – President – Director, Groupama Banque</p> <p>Standing Representative of Groupama Centre Atlantique on the board , GIE Groupama Systèmes d’Information</p> <p>Standing Representative of Groupama SA, co manager of SCA d’Agassac and of SCI d’Agassac</p> <p>Director, Groupama Assicurazioni Spa, Gan Assurances, Groupama Holding, Groupama Holding 2</p> <p>Standing Representative of Groupama SA on the board, SILIC</p>
<p><b>Nonce Paolini</b></p> <p>1 quai du point du Jour 92656 Boulogne Billancourt</p> <p><b>Director</b></p>	<p>CEO and Director, TF1</p> <p>Chairman, TF1 Management, TF1 Publicité</p> <p>Director, Bouygues Telecom and TF1 Digital</p> <p>Standing Representative of TF1 Management, Manager of la Chaîne Info</p> <p>Standing Representative of TF1 on the board of Extension TV, TF6 Gestion, TF1 Acquisitions de Droits, WB Television (Belgium)</p> <p>Director, Groupe AB</p> <p>Permanent Representative of TF1, Member of the Board of Directors of Groupe AB</p> <p>President, Fondation d’Entreprise TF1</p> <p>President, Association de défense des Grandes Chaînes Privées</p>
<p><b>Jean Peyrelevalde</b></p> <p>73 rue d’Anjou 75008 Paris</p> <p><b>Director</b></p>	<p>Chairman of the Executive Board of Leonardo &amp; Co</p> <p>Chairman, Leonardo Midcap</p> <p>Director, DNCA Finance, Bonnard et Gardel Holding SA</p> <p>Supervisory Board Member, KLM</p>

<i>Name, address, position</i>	<i>Principal activities performed outside the Issuer</i>
<p><b>François-Henri Pinault</b> 10 avenue Hoche 75008 Paris <b>Director</b></p>	<p>Chairman and CEO, PPR Manager, Financière Pinault Chairman of the Board of Directors, Artemis Chairman of the Supervisory Board, Gucci Group NV and Puma Vice Chairman of the Supervisory board, Boucheron Holding Director, Sapardis, Fnac SA, Soft Computing, and Tennessee Supervisory board member of Yves Saint Laurent SAS Member of the management committee, SC du vignoble de Château Latour Board member of Christies International Plc Vice Chairman of the Board of Directors, Sowind Group Vice Chairman of the Supervisory Board, CFAO</p>
<p><b>Alain Pouyat</b> 32 avenue Hoche 75008 Paris <b>Non-voting Director</b></p>	<p>Director, Bouygues Telecom, C2S, TF1, Speig and ETDE</p>
<p><b>Sandra Nombret</b> 1, avenue Eugène Freyssinet 78280 Guyancourt <b>Director</b> <b>Representative of employee shareholders</b></p>	<p>Head of Legal Service, Bouygues Bâtiment International</p>
<p><b>Michèle Vilain</b> 3, Avenue Gallieni 92130 Issy-Les-Moulineaux <b>Director</b> <b>Representative of employee shareholders</b></p>	<p>Responsible of the clients mediation, Bouygues Immobilier</p>

## TERMS AND CONDITIONS OF THE BONDS

The issue of the EUR 1,000,000,000 3.641 per cent. Bonds due 2019 (the "**Bonds**") of Bouygues (the "**Issuer**") has been authorised pursuant to a decision of the chairman of the Board of Directors and CEO (*Président-Directeur général*) of the Issuer dated 26 October 2010 acting pursuant to the resolutions of the Board of Directors (*Conseil d'administration*) of the Issuer dated 2 March 2010 and 13 October 2010. A fiscal agency agreement dated 29 October 2010, (the "**Fiscal Agency Agreement**") has been agreed between the Issuer, BNP Paribas Securities Services as fiscal agent and principal paying agent (the "**Fiscal Agent**", which expression shall, where the context so admits, include any successor for the time being as Fiscal Agent) and the other paying agents named therein (together, the "**Paying Agents**", which expression shall, where the context so admits, include the Fiscal Agent and any successors for the time being of the Paying Agents or any additional paying agents appointed thereunder from time to time). Reference below to the "**Agents**" shall be to the Fiscal Agent and/or the Paying Agents, as the case may be. Copies of the Fiscal Agency Agreement are available for inspection at the specified offices of the Paying Agents. References below to "**Conditions**" are, unless the context otherwise requires, to the numbered paragraphs below.

### 1. Form, Denomination and Title

The Bonds are issued in bearer form in the denomination of EUR 50,000 each. Title to the Bonds will be evidenced in accordance with Article L.211-3 and R.211-1 of the French *Code monétaire et financier* by book-entries (*dématisation*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Bonds.

The Bonds will, upon issue, be inscribed in the books of Euroclear France which shall credit the accounts of the Account Holders. For the purpose of these Conditions, "**Account Holders**" shall mean any financial intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. ("**Euroclear**") and the depository bank for Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**").

Title to the Bonds shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Bonds may only be effected through, registration of the transfer in such books.

### 2. Status of the Bonds

The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank *pari passu* without any preference among themselves and (subject to such exceptions as are from time to time mandatory under French law) equally and rateably with all other present or future unsecured and unsubordinated obligations of the Issuer.

### 3. Negative Pledge

So long as any of the Bonds remains outstanding (as defined in the Fiscal Agency Agreement and reminded below), the Issuer undertakes that it will not create or permit to subsist or to become effective any mortgage, lien, charge, pledge or other form of security interest (*sûreté réelle*) upon the whole or any part of its undertaking and any of its assets or revenues, present or future, to secure any Relevant Debt (as defined below) of the Issuer or a guarantee (including by way of joint liability) in respect of any Relevant Debt of others unless, at the same time or prior thereto, the Issuer's obligations under the Bonds are equally and rateably secured thereby or by such security interest as may be approved by the general assembly of the Masse (as defined below).

"**Relevant Debt**" means any present or future indebtedness for borrowed money which is in the form of, or represented by, debt securities (*titres de créance* within the meaning of Articles L. 211-1, II, 2 and L. 213-1A of the French *Code Monétaire et Financier*, including titres giving the right to receive (through conversion, exchange, subscription or otherwise) equity securities or equivalent debt instruments issued under any law other than French Law) which are for the time being, or capable of being quoted, listed, or ordinarily dealt in on any stock exchange, over-the-counter market or other securities market.

“**outstanding**” means, in relation to the Bonds, all the Bonds issued other than: (a) those which have been redeemed in accordance with the Conditions, (b) those in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest accrued on such Bonds to the date for such redemption and any interest payable under Condition 4 after such date) have been duly paid to the Fiscal Agent, (c) those which have been purchased and cancelled as provided in Condition 5 and (d) those claims in respect of which have become prescribed under Condition 12.

#### **4. Interest**

Each Bond bears interest from, and including, 29 October 2010 (the "**Interest Commencement Date**") to, but excluding, 29 October 2019 at the annual rate of 3.641 per cent., payable annually in arrear on 29 October in each year (each an "**Interest Payment Date**"), commencing on 29 October 2011.

Each Bond will cease to bear interest from the due date for redemption unless payment of principal is improperly withheld or refused. In such event it shall continue to bear interest at the rate of 3.641 per cent. per annum until whichever is the earlier of (i) the day on which all sums due in respect of such Bond up to that day are received by or on behalf of the relevant Bondholder, and (ii) the day after the Fiscal Agent has notified the Bondholders of receipt of all sums due in respect of all the Bonds up to that day (except to the extent that there is failure in the subsequent payment to the relevant Bondholder under these Conditions).

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period which is equal to or shorter than an Interest Period (as defined below), it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in the Interest Period in which the relevant period falls (including the first such day but excluding the last).

For the purpose of this Condition 4, "**Interest Period**" means the period beginning on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period beginning on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date.

#### **5. Redemption and Purchase**

The Bonds may not be redeemed otherwise than in accordance with this Condition 5 and with Condition 7.

##### **(a) Final Redemption**

Unless previously redeemed or purchased and cancelled as provided below or in Condition 7, the Bonds will be redeemed in full at par by the Issuer on 29 October 2019.

##### **(b) Redemption for Taxation Reasons**

- (A) If, by reason of any change in French law, or any change in the official application or interpretation of such law, becoming effective after 29 October 2010, the Issuer would, on the occasion of the next payment of principal or interest due in respect of the Bonds, not be able to make such payment without having to pay additional amounts as specified under Condition 8 below, the Issuer may at any time, subject to having given not more than 45 nor less than 30 days' notice to the Bondholders (which notice shall be irrevocable), in accordance with Condition 11, redeem all, but not some only, of the Bonds at their principal amount together with any interest accrued to the date set for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (B) If the Issuer would on the occasion of the next payment in respect of the Bonds be prevented by French law from making payment to the Bondholders of the full amount then due and payable, notwithstanding the undertaking to pay additional amounts contained in Condition 8 below, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and shall forthwith redeem all, but not some only, of the Bonds then outstanding at their principal amount plus any accrued interest

thereon upon giving not less than seven nor more than 30 days' prior notice to the Bondholders (which notice shall be irrevocable) in accordance with Condition 11, provided that the due date for redemption of which notice hereunder shall be given shall be the latest practicable date on which the Issuer could make payment of principal and interest without withholding for French taxes or, if such date is past, as soon as practicable thereafter.

**(c) Purchases**

The Issuer may at any time purchase Bonds in the open market or otherwise at any price.

**(d) Cancellation**

All Bonds which are redeemed or purchased by or on behalf of the Issuer pursuant to paragraph (b) (A) or (B) or (c) of this Condition will (or may, should French law cease to require so) forthwith be cancelled and accordingly may not be reissued or resold.

**6. Payments**

**(a) Method of Payment**

Payments of principal and interest in respect of the Bonds will be made in euro by credit or transfer to a euro-denominated account (or any other account to which euro may be credited or transferred) specified by the payee in a city which banks have access to the TARGET2 System. "TARGET2 System" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System, or any successor thereto.

Such payments shall be made for the benefit of the Bondholders to the Account Holders (including Euroclear or the depository bank for Clearstream, Luxembourg).

Payments of principal and interest on the Bonds will be subject in all cases to any fiscal or other laws and regulations applicable thereto, but without prejudice to the provisions of Condition 8.

**(b) Payments on Business Days**

If any due date for payment of principal or interest or any other amount in respect of any Bond is not a Business Day, then the holder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day and the holder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition "Business Day" means a day on which (i) Euroclear France, Euroclear and Clearstream, Luxembourg are open for business, and (ii) commercial banks and foreign exchange markets are open for general business in Paris and Luxembourg and (iii) the TARGET2 System is operating.

**(c) Fiscal Agent and Paying Agents**

The name and specified office of the initial Fiscal Agent and Principal Paying Agent is as follows:

**Fiscal Agent and Principal Paying Agent:**

**BNP Paribas Securities Services**

Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent or any Paying Agent and/or appoint another Fiscal Agent and additional or other Paying Agents or approve any change in the office through which the Fiscal Agent or any Paying Agent acts, provided that it will at all times maintain a Fiscal Agent having a specified office in a European city.

## 7. Change of Control

If at any time while any Bond remains outstanding there occurs a Change of Control and within the Change of Control Period a Rating Downgrade occurs as a result of that Change of Control or as a result of a Potential Change of Control (a “**Put Event**”), the holder of each Bond will have the option (the “**Put Option**”) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Bonds under Condition 5(b)) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Bond on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to but excluding the Optional Redemption Date.

A “**Change of Control**” shall be deemed to have occurred at each time that any person or persons acting in concert (other than a Permitted Holding Company (as defined below) acting alone or in concert) come(s) to own or acquire(s) such number of the shares in the capital of the Issuer carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of the Issuer. “**Permitted Holding Company**” means each and any company or other legal entity whose share capital (or equivalent) and associated voting rights are controlled by Martin Bouygues and/or Olivier Bouygues and/or any of their respective heirs, successors and/or beneficiaries through which any or all such persons at any time hold directly or indirectly shares in the capital of the Issuer.

“**Change of Control Period**” means:

(i) the period commencing on the date of the first public announcement of the result (*avis de résultat*) by the *Autorité des marchés financiers* (the “**AMF**”) of the relevant Change of Control and ending on the date which is 90 days thereafter (inclusive) provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Change of Control; or

(ii) the period commencing 180 days prior to the date of the first public announcement of the result (*avis de résultat*) by the AMF of the relevant Change of Control and ending on the date of such announcement (inclusive) provided that (a) a Rating Downgrade occurs during that period and (b) such Rating Downgrade results from a Potential Change of Control.

“**Rating Agency**” means any of the following: Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., any other rating agency of equivalent international standing requested from time to time by the Issuer to grant a rating to the Bonds and, in each case, their respective successors or affiliates.

A “**Rating Downgrade**” shall be deemed to have occurred in respect of a Change of Control or in respect of a Potential Change of Control if within the Change of Control Period the rating previously assigned to the Bonds by any Rating Agency is (x) withdrawn or (y) changed from an investment grade rating (BBB-, or its respective equivalents for the time being, or better) to a non-investment grade rating (BB+, or their respective equivalents for the time being, or worse) or (z) if the rating previously assigned to the Bonds by any Rating Agency was below an investment grade rating (as described above), lowered by at least one full rating notch (for example, from BB+ to BB or their respective equivalents), provided that (i) a Rating Downgrade otherwise arising by virtue of a particular change in rating shall be deemed not to have occurred in respect of a particular Change of Control or Potential Change of Control, as the case may be, if the Rating Agency making the change in rating does not publicly announce or publicly confirm that the reduction was the result of the Change of Control or the Potential Change of Control, as the case may be, and (ii) any Rating Downgrade has to be confirmed in a letter, or other form of written communication, sent to the Issuer and publicly disclosed.

“**Potential Change of Control**” means any public announcement or statement by the Issuer, any actual or potential bidder relating to any potential Change of Control of the Issuer.

Promptly upon the Issuer becoming aware that a Put Event has occurred, the Issuer shall give notice (a “**Put Event Notice**”) to the Bondholders in accordance with Condition 11 specifying the nature of the Put Event and the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 7.

To exercise the Put Option to require redemption or, as the case may be, purchase of a Bond under this Condition 7, the holder of that Bond must transfer or cause to be transferred by its Account Holder its Bonds to be so redeemed or purchased to the account of the Fiscal Agent specified in the Put Option Notice for the account of the Issuer

within the period (the “**Put Period**”) of 45 days after the Put Event Notice is given together with a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a “**Put Option Notice**”) and in which the holder may specify a bank account to which payment is to be made under this Condition 7.

The Issuer shall redeem or, at the option of the Issuer procure the purchase of, the Bonds in respect of which the Put Option has been validly exercised as provided above, and subject to the transfer of such Bonds the account of the Fiscal Agent for the account of the Issuer as described above on the date which is the fifth Business Day following the end of the Put Period (the “**Optional Redemption Date**”). Payment in respect of any Bond so transferred will be made in euros to the holder to the specified euros-denominated bank account in the Put Option Notice on the Optional Redemption Date via the relevant Account Holders.

## **8. Taxation**

### **(a) Tax Exemption for Bonds**

All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Bonds shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

### **(b) Additional Amounts**

If French law should require that payments of principal or interest in respect of any Bond be subject to deduction or withholding in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed or levied by or on behalf of the French Republic or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holder of each Bond, after such deduction or withholding, will receive the full amount then due and payable thereon in the absence of such withholding, except that no such additional amounts shall be payable with respect to any Bond:

- (i) to, or to on behalf of, a holder (or beneficial owner (*ayant droit*)) who is subject to such taxes, duties, assessments or governmental charges in respect of such Bond by reason of his having some connection with the French Republic other than the mere holding of such Bond; or
- (ii) to, or on behalf of, a holder (or beneficial owner (*ayant droit*)) who could avoid such deduction or withholding by making a declaration of non-residence or similar claim for exemption but fails to do so; or
- (iii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to the European Council Directive 2003/48/EC of 3 June 2003 or any other European Union Directive implementing the conclusions of the ECOFIN Council meeting of 26 and 27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any references in these Conditions to principal and interest in respect of the Bonds shall be deemed also to refer to any additional amounts which may be payable under the provisions of this Condition 8(b).

## **9. Events of Default**

If any of the following events (each, an “**Event of Default**”) occurs:

- (a) any amount of principal of, or interest on, any Bond is not paid on the due date thereof and such default is not remedied within a period of 15 days from such due date; or
- (b) any other obligation of the Issuer under the Bonds is not complied with or performed within the period of 30 days after receipt by the Fiscal Agent and the Issuer of written notice of such default given by the Representative (as defined in Condition 10 below); or

- (c) in the event of default by the Issuer in the payment of the principal, interest or premium in respect of any Relevant Debt (as defined in Condition 3) or in respect of any guarantee by the Issuer of Relevant Debt of others, when and as the same shall become due and payable, if such default shall continue for more than the grace period, if any, applicable thereto, or in the event that any Relevant Debt of the Issuer shall have become repayable before the due date thereof as a result of acceleration of maturity caused by the occurrence of any event of default thereunder and shall not have been repaid or in the event that any such guarantee shall have been called and is not paid, it being understood for the purpose of this paragraph that, to the extent the Issuer contests in good faith that such Relevant Debt is due or that such guarantee is callable, no such event shall be deemed to have occurred until a competent court renders a final judgement that such Relevant Debt is due or that such guarantee is callable, provided that the aggregate amount of the Relevant Debt or guarantees in respect of which one or more of the events mentioned in this Condition 9 (c) have occurred equals or exceeds € 15,000,000 or its equivalent in other currencies; or
- (d) if the Issuer makes any proposal for a general moratorium in relation to its debt or applies for the appointment of a *mandataire ad hoc* or enters into a conciliation procedure (*procédure de conciliation*) with its creditors or a judgement is issued for the judicial liquidation (*liquidation judiciaire*) or for a judicial transfer of the whole of the business (*cession totale de l'entreprise*) of the Issuer or, to the extent permitted by applicable law, if the Issuer is subject to any other insolvency or bankruptcy proceedings or the Issuer makes any judicial conveyance, assignment or other judicial arrangement for the benefit of its creditors or enters into a composition (*accord amiable*) with its creditors, provided that an event of default shall also occur under this paragraph (d) with respect to one or more Principal Subsidiaries (as defined below) if after excluding the value of the securities of one or more Principal Subsidiaries subject to proceedings of the type described in this paragraph (d) the total shareholders' equity appearing in the latest audited financial statements (*comptes individuels*) of the Issuer would become less than 66 per cent. of the total shareholders' equity appearing in such audited financial statements before such exclusion.

For the purposes of this paragraph (d):

- (i) "**Principal Subsidiary**" means at any time relevant a Subsidiary of the Issuer:
- (a) whose total fixed assets or operating income (or, where the Subsidiary in question prepares consolidated accounts, whose total consolidated fixed assets or consolidated operating income, as the case may be), attributable to the Issuer represent not less than 15 per cent. of the total consolidated fixed assets or the consolidated operating income, as the case may be, of the Issuer, all as calculated by reference to the then latest audited accounts (or consolidated accounts, as the case may be) of such Subsidiary and the then latest audited consolidated accounts of the Issuer and its consolidated Subsidiaries; or
  - (b) to which is transferred all or substantially all the assets and undertakings of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary;
- (ii) "**Subsidiary**" means in relation to any person or entity at any time, a "*filiale*" as defined in Article L.233-1 of the French *Code de commerce* (the "**Code**") or any other person or entity controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the Code; or
- (e) the Issuer ceases to carry on all or a material part of its business, except for the purposes of and followed by a merger or a reorganisation (*cession, scission* or *apport partiel d'actifs*) pursuant to which the surviving company assumes all of the obligations of the Issuer with respect to the Bonds. For the purpose of this paragraph (e), a part of the Issuer's business will be deemed material if the operating income (or, where the business in question is operated by one or more Subsidiaries which prepare consolidated financial statements, the total operating consolidated income) attributable to such business represents 50 per cent. or more of the total consolidated operating income of the Issuer, all as calculated by reference to the then latest audited financial statements (or consolidated financial statements, as the case may be) relating to the business in question and the then latest audited consolidated financial statements of the Issuer;

then each Bondholder acting through the Representative (as defined in Condition 10) may upon written notice to the Fiscal Agent given on behalf of the Bondholders before all defaults shall have been cured, cause the Bonds to become immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with any accrued interest thereon without further formality.

## **10. Representation of the Bondholders**

### **(a) The Masse**

The Bondholders will be grouped automatically for the defence of their common interests in a single *masse* (hereinafter referred to as the "*Masse*").

The Bonds are issued abroad for the purposes of Article L.228-90 of the Code (as defined in Condition 9). Accordingly and pursuant to such Article, the *Masse* will be governed by the provisions of the Code (with the exception of the provisions of Articles L.228-48, L.228-59, L.228-65, L.228-71, R.228-63, R.228-67, R.228-69, R.228-72 and R.228-78 thereof), subject to the following provisions.

### **(b) Legal personality**

The *Masse* will be a separate legal entity, by virtue of Article L.228-46 of the Code, acting in part through a representative (the "**Representative**") and in part through a general assembly of the Bondholders (the "**General Assembly**").

The *Masse* alone, to the exclusion of all individual Bondholders, shall exercise the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds.

### **(c) Representatives**

The office of Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer and its Chief Executive Officers (*Directeurs Généraux*), the members of its board of directors, its statutory auditors, its employees as well as their ascendants, descendants and spouses;
- (ii) companies possessing at least 10 per cent. of the share capital of the Issuer or of which the Issuer possesses at least 10 per cent. of the share capital;
- (iii) companies guaranteeing all or part of the obligations of the Issuer;
- (iv) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing a business in whatever capacity.

The initial Representative will be:

Gabriel Lévy  
51 rue des Belles Feuilles  
75116 Paris, France

The alternative representative of the *Masse* (the "**Alternative Representative**") will be:

Alice Bonardi  
1-3 rue Taitbout  
75009 Paris, France

In the event the Representative is unable to perform his duties, he will be replaced by the Alternative Representative.

The Alternative Representative replaces the Representative when the Representative is no longer able to fulfil his duties upon his receipt of notice by registered mail from the Representative, the Issuer or any other interested party of the inability of the Representative to fulfil his duties. In the event of such replacement, the Alternative Representative shall have the same powers as the replaced Representative.

In the event the Alternative Representative is unable to perform his duties, a replacement will be elected by a General Assembly.

The Representative and the Alternative Representative will not be entitled to any remuneration.

All interested parties will at all times have the right to obtain the name and the address of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

**(d) Powers of the Representative**

The Representative shall, in the absence of any decision to the contrary of the General Assembly, have the power to take all acts of management to defend the common interests of the Bondholders.

All legal proceedings against the Bondholders or initiated by them in order to be justifiable, must be brought against the Representative or by him, and any legal proceedings which shall not be brought in accordance with this provision shall not be legally valid.

The Representative may not interfere in the management of the affairs of the Issuer.

**(e) General Assemblies**

General Assemblies may be held at any time, by convening either by the board of directors of the Issuer or by the Representative, the person convening the General Assembly being also responsible for the determination of its agenda. One or more Bondholders, holding together at least one-thirtieth of outstanding Bonds may address to the Issuer and the Representative a demand for convening the General Assembly; if such General Assembly has not been convened within two months from such demand, such Bondholders may commission one of themselves to petition the competent court in Paris to appoint an agent (*mandataire*) who will call the meeting. One or more Bondholders may also under the same conditions, require the addition to the agenda of a General Assembly of proposed resolutions.

Notice of the date, hour, place, agenda and quorum requirements of any General Assembly will be published as provided under Condition 11 not less than 15 days on first call, and not less than 6 days on second call, prior to the date of the General Assembly.

Each Bondholder has the right to participate in General Assemblies in person or by proxy. Each Bond carries the right to one vote.

**(f) Powers of General Assemblies**

A General Assembly is empowered to deliberate on the fixing of the remuneration of the Representative and on his dismissal and replacement, and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the Bonds, including authorising the Representative to act as law as plaintiff or defendant.

A General Assembly may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, any proposal relating to the issue of securities carrying a right of preference compared to the right of the Bondholders, any proposal relating to the total or partial renunciation to the guarantees granted to Bondholders, the extension of the due date for payment of the interest and the alteration of the terms of repayment or the interest rate, any proposal relating to the alteration of the object or form of the Issuer, or any proposal relating to a merger or a split-off of the Issuer (in the cases specified in Articles L.236-13 and L.236-18 of the Code). However, it is expressly specified that a General Assembly may not increase amounts payable by the Bondholders, nor establish any unequal treatment between the Bondholders, nor decide to convert the Bonds into shares.

General Assemblies may deliberate validly at the first convening only if Bondholders present or represented hold at least a fifth of the principal amount of the Bonds then outstanding. At the second convening, no quorum shall be required. Decisions at General Assemblies shall be taken by a simple majority of votes cast by the Bondholders attending such meeting or represented thereat.

In accordance with Article R.228-71 of the Code, the right of each Bondholder to participate in General Meetings will be evidenced by the entries in the books of the relevant Account Holder of the name of such Bondholder as of 0:00, Paris time, on the third business day in Paris preceding the date set for the meeting of the relevant General Meeting.

**(g) Notice of decisions**

Decisions of the General Assemblies must be published in accordance with the provisions set out in Condition 11 not more than 90 days from the date thereof.

**(h) Information to the Bondholders**

Each Bondholder or representative thereof will have the right, during the 15 day period preceding the holding of each General Assembly, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented thereat, which will be available for inspection at the offices of the Issuer and of the Paying Agents and at any other place specified in the notice of General Assembly during normal business hours.

**(i) Expenses**

The Issuer will pay all reasonable expenses incurred in the operation of the *Masse*, including expenses relating to the calling and holding of General Assemblies and the expenses which arise by virtue of the remuneration of the Representative, and more generally all administrative expenses resolved upon by a General Assembly, it being expressly stipulated that no expenses may be imputed against interest payable on the Bonds.

**(j) Single *Masse***

In the event of the consolidation of the Bonds with further issues of Bonds giving identical rights to Bondholders and if the terms and conditions of such Bonds so permit, the Bondholders of all such issues shall be grouped together in a single *Masse*.

**11. Notices**

Any notice to the Bondholders shall be valid if delivered to Euroclear France, Euroclear and Clearstream, Luxembourg, provided that as long as the Bonds are listed on the Regulated Market of the Luxembourg Stock Exchange and the rules of that exchange so require, such notice shall also be published in a leading daily newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort* or the *Tageblatt*) and/or on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the date of delivery to Euroclear France, Euroclear and Clearstream, Luxembourg or, where relevant and if later, such publication or, if published more than once or on different dates, on the first date on which such publication is made.

**12. Prescription**

Claims against the Issuer for the payment of principal and interest in respect of the Bonds shall be prescribed 10 years (in the case of principal) and 5 years (in the case of interest) from the due date for payment thereof.

**13. Further Issues and Consolidation**

The Issuer may from time to time without the consent of the Bondholders issue further bonds to be assimilated (*assimilables*) with the Bonds as regards their financial service, provided that such bonds and the Bonds shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further bonds shall provide for such assimilation. In the event of such assimilation, the Bondholders and the holders of any assimilated (*assimilables*) bonds will for the defense of their common interest be grouped in a single *Masse* having legal personality.

The Issuer may from time to time, without the consent of the Bondholders, on giving not less than 30 days' prior notice to the Bondholders, consolidate the Bonds with one or more issues of other bonds ("**Other Bonds**") issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such Other Bonds have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in

respect of all periods subsequent to such consolidation, the same terms and conditions as the Bonds.

The relevant fiscal agency agreement(s) will be amended accordingly and notice of such consolidation will be given to the Bondholders in accordance with Condition 11.

#### **14. Governing Law and Jurisdiction**

The Bonds and the Fiscal Agency Agreement shall be governed by and construed in accordance with French law.

Any suit, action, or proceeding against the Issuer in connection with the Bonds may be brought in any competent court located in the jurisdiction of the Paris *Cour d'Appel*.

## **USE OF PROCEEDS**

The Bonds are being issued (i) in order to be delivered in the exchange offer of the Issuer's outstanding €1,150,000,000 4.50 per cent. Bonds due 2013 and €1,000,000,000 4.375 per cent. Bonds due 2014, the terms of which are further described in an offer memorandum dated 18 October 2010 and (ii) to lengthen the Issuer's debt maturity profile and take advantage of favourable market conditions.

The proceeds of those of the Bonds not issued in connection with the exchange offer will be used for general corporate purposes.

## LITIGATION

### EXCEPTIONAL EVENTS – LITIGATION AND CLAIMS

#### **Litigation and claims**

Bouygues group companies are involved in a variety of litigation and claims in the normal course of their business. In particular, subsidiaries of Bouygues Construction and Colas are involved in competition law litigation and claims. Risks are assessed on the basis of past experience and analysis by the Group's in-house legal departments and external counsel. To the company's knowledge, there is at present no exceptional event, litigation or claim liable to substantially affect the activities, assets and liabilities, results or financial position of the Group as a whole. Litigation and claims are subject to regular review, especially when new facts arise. The amounts provided in the financial statements appear to be adequate in light of these assessments. The Bouygues group uses all legal means to defend its legitimate interests.

#### **Bouygues Construction**

##### **TGV Nord – Compensation claim**

The civil compensation claim brought more than ten years ago by SNCF (the French national rail operator) against around 20 construction companies alleging anti-competitive practices in connection with the award of construction contracts for the TGV Nord and TGV Rhône-Alpes high-speed rail lines has been resolved by an out-of-court settlement between SNCF and the construction companies.

This agreement, signed in October 2009, extinguished the compensation claims made by SNCF and resulted in the reciprocal withdrawal of proceedings and actions in respect of the appeals lodged against the judgment delivered by the Paris Administrative Court on 27 March 2009.

##### **Île-de-France regional authority contracts**

In 2008, the Île-de-France regional authority filed a compensation claim in respect of losses it believes it incurred as a result of anti-competitive practices in connection with the award of contracts to renovate secondary school buildings in the region. An application for an interim payment of €75 million, representing one half of the loss claimed by the authority, was rejected by the urgent applications judge on 15 January 2009. On 11 February 2010, the regional authority filed an action with the Paris court of first instance against 11 individuals and 14 companies (including Bouygues SA, Bouygues Bâtiment Ile-de-France and Brézillon) claiming compensation of more than double the amount originally claimed before the urgent applications judge. The defendants' motions will be considered at a hearing in December 2010.

##### **Finland – Olkiluoto**

Bouygues Travaux Publics has a contract to build the nuclear reactor at the OL3 power plant in Finland. This contract was signed with Areva NP in March 2005. Following problems with the interpretation of the fee-charging arrangements for this contract, the parties reached an out-of-court settlement on 10 September 2009.

##### **Arbitration – Uganda**

In April 2005, Bouygues Travaux Publics initiated arbitration proceedings relating to the terms on which a contract to build a road from Bugiri to Jinja (Uganda) had been terminated. An arbitration panel ruling issued on 9 July 2008 confirmed that the decision by Bouygues Travaux Publics to terminate the contract had been lawful. Following this ruling, out-of-court discussions between the parties led to Bouygues Travaux Publics

being compensated by the Ugandan government for losses incurred as a result of the termination of the contract. The compensation was paid in full within the given time limit.

### **South Africa – Gautrain project**

Bouygues Travaux Publics is working with a local partner on a large-scale project to build a rail link between Johannesburg and Pretoria in the Gauteng province of South Africa.

Difficulties have arisen in executing this project, due largely to delays in making land available along some sections of the line. Bouygues Travaux Publics has responded to these difficulties by asking the arbitration panel stipulated in the contract to rule on the terms of and responsibility for these delays. The panel is due to hold its final hearing in late 2010. For its part, Gauteng Province has asked the arbitration panel to rule on a number of issues relating to the conformity of the execution of the project with the contractual terms.

In parallel with the settlement of these disputes, the parties are conducting out-of-court negotiations to determine the terms under which a minimum rail service could be provided in time for the start of the Football World Cup in June 2010.

### **Flamanville - EPR**

Bouygues Travaux Publics has a contract, signed with EDF in October 2006, to build a European Pressurised Reactor (EPR) at the Flamanville nuclear power plant in France. In light of technical difficulties encountered in concrete reinforcement and in the completion of the design phase, Bouygues Travaux Publics and EDF signed a major amendment to the contract on 3 July 2009 defining the terms on which Bouygues Travaux Publics will deploy additional resources.

### **Bouygues Immobilier**

Bouygues Immobilier is not currently involved in any significant litigation or claims, with the exception of litigation relating to decontamination works in connection with the “Grand Sillon” residential project in Saint-Malo, France.

A Bouygues Immobilier group company is engaged in a residential property project in Saint-Malo on land sold by EDF. The dispute relates to the discovery of major pollution during construction work even though in the deed of sale EDF had given Bouygues Immobilier a guarantee that the land had been decontaminated. Decontamination work has cost several million euros and delayed delivery of the project. An expert assessment and legal action are in progress, relating in particular to the financial consequences for future occupants who have suffered damage on account of the delay.

### **Colas**

#### **Significant litigation and claims at 31 December 2009**

- Notification of complaints by the French Competition Authority about the practices of SES, a road signage company sold prior to the complaint, on the grounds of a lack of autonomy vis-à-vis its parent company Aximum. The Competition Authority held its hearing in September 2010 and is expected to deliver its ruling in the coming months. The Government Commissioner did not propose any sanction, either in his observations or at the hearing.
- Claim for civil damages by the Hungarian contracting authority against Debmüt, a Hungarian subsidiary, based on various rulings by the Hungarian competition authorities. The claimant estimates the damage at €20

million. The court-appointed expert concluded that there was no damage. The court is due to rule on a challenge to the expert assessment.

- Reassessment notice from Urssaf (the French social security authority) in respect of relief from social security charges under the Law of 21 August 2007 promoting work, employment and purchasing power and under the Fillon plan for the years 2006 to 2008, claiming payment in full on the grounds of failure to file information electronically as required (according to Urssaf) under the French Social Security Code.

## **TF1**

### **Litigation relating to intellectual property (copyright and similar rights)**

After a lawsuit was brought against TF1 in 2007 by the SPPF, a non-commercial partnership of record producers, TF1 was sued by a second such partnership, the SCPP, in June 2008. These organisations dispute TF1's right to use recordings under the legal licence instituted in French law in 1985, and have demanded compensation for the loss they claim to have incurred in the period 1997 to 2005 (€33 million for SPPF and €57 million for SCPP). In connection with these suits, TF1 has asked the SPRE (the body which collects performing rights fees in France) to reimburse the sums paid to it during this period under the legal licence and has brought third-party proceedings with audiovisual producers. Negotiations with all the players in the sector started in 2007, continued in 2008, and were completed in 2009. The agreements signed as a result of these negotiations are intended both to settle past disputes on terms consistent with the provisions carried in the financial statements, and to agree on new arrangements for the future. The agreements cover all use of commercial music made in TF1 programmes (with the exception of music used in advertisements, films, audiovisual works and videos, which from the outset were not involved in the negotiations). The agreements also cover music used on the other TF1 group channels.

The TF1 Group was affected by the pirating of content for which it held the rights. Legal action was taken in 2008 to put a halt to these acts and demand damages from platforms such as Dailymotion and YouTube. The corresponding proceedings have been transferred to the Paris court of first instance, which is the only court with jurisdiction over copyright violations.

The TF1 Group also took legal action against the website Wizzgo, which offered an online video copying service. In November 2008, that service was held to be illegal by the Paris court of first instance. Wizzgo appealed that decision, before being placed in liquidation in January 2009. The companies of the TF1 Group registered their debts with the liquidator in April 2009.

TF1 International, which in September 2009 became TF1 Droits Audiovisuels, is involved in litigation with the US producer On My Own. TF1 Droits Audiovisuels complained that the version of the film *Miracle at Santa Anna* that was delivered to it did not satisfy the provisions of the deal memo signed with the producer in October 2007. The company therefore applied to the Paris commercial court to cancel the deal memo for non-compliant delivery by On My Own and sought €3 million in damages. For their part, On My Own and Spike Lee (the film-maker) sued TF1 Droits Audiovisuels in the Paris court of first instance for non-performance of the deal memo; they demanded payment of the €7.3 million provided for in the memo, plus damages. All the proceedings have now been referred to the court of first instance, which will deliver its ruling by end 2010 at the earliest.

### **Litigation relating to reality TV shows**

TF1 Production, TF1's audiovisual production subsidiary, is subject to numerous proceedings relating to the *Île de la Tentation* reality TV show, claiming not only that participants' contracts should be reclassified as contracts of employment but also that the participants be granted "performing artist" status. The French courts delivered divergent rulings on such proceedings during 2008.

In a ruling of 3 June 2009, the *Cour de Cassation* (the French supreme court) held that there had indeed been a contract of employment. However, it objected to the Appeal Court's ruling that this amounted to "concealed employment", on the grounds that the intention to conceal had not been proven. The case has been referred back to the Paris Appeal Court for a retrial, with judgment expected by the end of 2010.

Other proceedings are in progress before the Boulogne-Billancourt employment tribunal. These also target other shows, such as *Koh Lanta*, the rights to which were acquired by TF1 from third-party producers. Some claimants have cited the TF1 channel (buyer of the broadcasting rights) as a possible "co-employer" alongside the producer.

In rulings delivered on 15 September 2009, the tribunal extended the solution adopted for the *Île de la Tentation* cases to *Koh Lanta*, while also ordering one of the claimants – who had been declared the winner of the show – to repay the prize money.

A number of contestants, dissatisfied with the sums obtained at first instance, have appealed against the judgments in their cases; the Versailles Appeal Court will rule on these appeals in the coming months.

In light of the latest judgments, the financial impact of these cases remains relatively limited. However, current case law in this field may lead broadcasters to review the terms on which reality TV shows are made, which could have an impact on the cost of this type of programme.

### **Litigation relating to competition law**

On 12 January 2009, TF1 received a notification of complaint from the French Competition Authority relating to practices in the pay television sector. A complaint was upheld against TF1 SA for anti-competitive practices regarding the exclusive distribution of some of its themed pay channels.

On 8 April 2009, TF1 filed a brief contesting the charge, arguing that the agreements at issue had been referred to the Ministry of the Economy and Finance and authorised with regard to merger control, and that in any case they were necessary to the economic balance of the channels and satisfied the conditions for exemption. The Competition Authority is due to deliver its ruling during the first half of 2010. If the authority rules against TF1, there is a risk that TF1 will be fined or will lose some or all of its exclusive rights to the channels in question. The Rapporteur has not taken a position on the question of the sanctions incurred or the orders that could be made. The Competition Authority's ruling is expected in the coming weeks.

### **Bouygues Telecom**

#### **Competition law**

- On 30 November 2005, Bouygues Telecom was fined €58 million by the Competition Council in connection with the mobile phone operator collusion case. Bouygues Telecom appealed to the Paris Appeal Court, which on 12 December 2006 upheld the Competition Council ruling. Bouygues Telecom lodged an appeal with the *Cour de Cassation* on 9 January 2007. In a ruling dated 29 June 2007, the *Cour de Cassation* upheld the fine imposed on the three operators for collusion but overturned the fine for exchange of information between 1997 and 2003 (fine imposed on Bouygues Telecom: €16 million), sending the case back on this point to the Paris Appeal Court which, in a ruling of 11 March 2009, upheld the fine for exchange of information. Bouygues Telecom has lodged a further appeal against this ruling with the *Cour de Cassation*. The *Cour de Cassation* delivered its judgment on 7 April 2010, overturning the part of the Paris Appeal Court judgment relating to the fine imposed on Orange for unlawful exchange of information but not the part relating to the fines imposed on SFR and Bouygues Telecom on the same grounds.

Bouygues Telecom has also brought a case in the European Court of Human Rights alleging breach of the right to a fair trial contained in the European Convention on Human Rights; this case is ongoing.

- Bouygues and Bouygues Telecom have brought proceedings before the court of first instance of the European Communities challenging the State aid provided when France Telecom was recapitalised in 2002.

The court delivered its judgment on 21 May 2010, overturning the European Commission decision of 2 August 2009 holding that the declarations made by the French government in July 2002 and the €9 billion line of credit extended to France Telecom constituted state aid incompatible with the common market. The European Commission, Bouygues Telecom and Bouygues SA have appealed the judgment to the Court of Justice of the European Communities.

- Bouygues Telecom has filed a complaint with the Competition Authority about the practices of Orange, which dominates the French mobile telephony market, in terms of B2B offerings. This complaint is still being investigated. Orange has offered to give undertakings to the Competition Authority which could bring proceedings to an end. To date, Orange has still not made its proposed undertakings known.
- Following Apple's refusal to appoint Bouygues Telecom as an official iPhone distributor, Bouygues Telecom lodged a complaint with the Competition Council against Apple and Orange France challenging the exclusivity of the arrangement. In a ruling dated 17 December 2008, Bouygues Telecom obtained an interim suspension of the exclusivity granted to Orange France pending a decision on the merits. Apple and Orange France appealed against the Competition Council's ruling, but it was upheld by the Paris Appeal Court on 4 February 2009. This decision was appealed to the *Cour de Cassation* which, in a ruling of 16 February 2010, objected to the Paris Appeal Court ruling on the basis that inadequate grounds had been given. In parallel, Apple and Orange France gave undertakings to the Competition Authority not to renew the exclusivity for a three-year period. On 12 January 2010, the authority accepted these undertakings, thereby bringing an end to the litigation. Consequently, the February 2010 *Cour de Cassation* ruling had no bearing on the case.
- Bouygues Telecom lodged a complaint with the Competition Council alleging abuse by Orange France and SFR of their joint dominant position in unlimited on-net offers. The Competition Authority delivered its ruling on 15 May 2009, referring the case back for more detailed investigation of the discriminatory pricing complaint. Orange France has appealed against this ruling.
- The Competition Authority has decided to investigate the competition issues raised by cross-selling practices allegedly used by SFR and Bouygues Telecom to use their mobile subscriber base to win new broadband customers. Bouygues Telecom will be heard during 2010.
- On 19 January 2010, Bouygues Telecom lodged a complaint with the Competition Authority alleging abuse by Orange France and France Telecom of their dominant position as regards the distribution of the Orange Sport channel, available exclusively to subscribers of Orange France. Bouygues Telecom also alleged anti-competitive collusion between France Telecom/Orange France and the National Football League.
- Bouygues Telecom will also start proceedings challenging the State subsidy given in connection with the granting of the fourth 3G licence.

### **Regulatory matters**

- In February, Orange France and SFR applied to the *Conseil d'État* to have the Arcep<sup>1</sup> decision of 2 December 2008 overturned. This decision set call termination rates for the period from 1 July 2009 to 31 December 2010. Orange France and SFR are challenging the termination rates set for Bouygues Telecom, which are higher than their termination rates. On 24 July 2009, the *Conseil d'État* partially overturned the decision and decided to reduce the rate differential, but only from 1 July 2010.
- In connection with the granting of the fourth 3G licence, Bouygues Telecom made two applications to the *Conseil d'État* aimed at overturning firstly the order of 29 July 2009 confirming the Arcep decision of 16 July

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<sup>1</sup> The French regulatory authority for electronic communication and postal services

2009 setting the terms for the granting of the fourth 3G licence, and secondly the decree of 29 July 2009 setting the licence fee of the fourth operator at €240 million, mainly on the grounds of unfair competition. In a ruling of 12 October 2010, the *Conseil d'État* dismissed the applications on the grounds that the reduction in the licence fee paid by the fourth operator was justified by the difference in situation between the operators, which had increased to the detriment of a new entrant, and by the fact that improved competition was in the public interest. The *Conseil d'État* also found that the reduction was not more than was necessary to take account of the difference in situation.

- Bouygues Telecom has also made an application to the *Conseil d'État* seeking to overturn the Arcep decision of 12 January 2010 authorising Free Mobile to use bandwidth to establish and operate a third-generation public-access mobile network.

### **Consumer protection – Customers**

Following the ruling in the mobile phone operator collusion case, over 3,500 compensation claims were filed against Bouygues Telecom by customers and the “UFC-Que Choisir” consumer organisation. In December 2007, the Paris commercial court accepted Bouygues Telecom’s arguments and declared the proceedings null and void. UFC-Que Choisir lodged an appeal, which was rejected by the Paris Appeal Court on 22 January 2010. UFC-Que Choisir lodged an appeal with the *Cour de Cassation* on 12 April 2010.

Bouygues Telecom and Apple have been taken to court by a customer whose i-Phone screen suddenly cracked for no apparent reason (no impact or external pressure). The customer applied to the urgent applications judge in the Cannes commercial court for the appointment of a court expert, and this application was allowed by the judge on 3 December 2009. Bouygues Telecom believes that conduct of the case should reside with Apple (the manufacturer), as only Apple is in a position to defend the technical specifications of its product. Apple has decided to lodge an appeal against the decision, and the proceedings are ongoing in parallel with the expert analysis that was due to begin in mid-February 2010.

### **Contracts**

Following the instigation of bankruptcy proceedings against the equipment manufacturer Nortel, an agreement was signed on 25 November 2009 with a view to the sale of the entire worldwide assets of Nortel’s GSM and GSM-R activities. In a ruling of 30 March 2010, the Versailles commercial court ordered the sale of Nortel Networks’ assets to Kapsch. Bouygues Telecom has registered its debt and claimed the inventories that belong to it. The court will consider the inclusion of these claims in Nortel Networks’ liabilities in the coming weeks. Bouygues Telecom is also facing direct claims for payment from subcontractors of Nortel whose invoices were not paid by Nortel. The proceedings are ongoing.

### **Mobile phone base stations**

A criminal complaint has been filed by residents living close to a Bouygues Telecom base station on the grounds that their daughters have allegedly developed heart problems due to the proximity of the antennae. The allegation is based on the administration of noxious substances. The basic criminal complaint was non-suited. It cannot be ruled out that the plaintiffs will bring a combined civil and criminal complaint before the senior investigating judge.

As regards civil liability, the Nanterre court of first instance has ordered Bouygues Telecom to dismantle a base station on the grounds of nuisance to adjacent properties. Bouygues Telecom lodged a fixed-date appeal against this ruling in the Versailles Appeal Court. On 4 February 2009, the Versailles Appeal Court upheld the ruling of the Nanterre court of first instance.

However, the Lyon court of first instance, in a ruling of 15 September 2009, non-suited an application made by parents to have a base station located next to a school dismantled. The vast majority of courts to which such matters were referred in 2009 did not apply the precedent set by the Versailles Appeal Court.

### **Patents**

An American company has brought an action against Bouygues Telecom and all telecoms operators worldwide alleging infringement of a patent for an application used for international SMS messaging. The American court rejected the claim on grounds of lack of personal jurisdiction. However, a discovery procedure has been opened against American mobile operators, at the conclusion of which the plaintiff may lodge a further appeal against the judgment delivered in favour of Bouygues Telecom.

### **Bouygues SA**

Bouygues SA is in dispute with the French tax authorities following the capital increase reserved for employees under the *Bouygues Partage* employee share ownership plan. The dispute relates to the tax deductibility of the difference between the value of the shares on the date of the capital increase and the subscription price of the shares. The most unfavourable outcome would have an impact of about €30 million on the consolidated financial statements.

# RECENT DEVELOPMENTS



Paris, le 31 août 2010

## COMMUNIQUÉ DE PRESSE BOUYGUES

### 1<sup>ER</sup> SEMESTRE 2010

- CHIFFRE D'AFFAIRES : 14,7 MILLIARDS D'EUROS (-1%)
- RÉSULTAT NET : 532 MILLIONS D'EUROS (-3%)
- PERFORMANCES OPÉRATIONNELLES SATISFAISANTES DANS QUATRE MÉTIERS, PREMIER SEMESTRE PLUS DIFFICILE POUR COLAS
- OBJECTIF DE CHIFFRE D'AFFAIRES 2010 REVU EN HAUSSE À 30,4 MILLIARDS D'EUROS

Au premier semestre 2010, le chiffre d'affaires du Groupe est meilleur qu'attendu et s'établit à 14,7 milliards d'euros, en retrait de 1% par rapport au premier semestre 2009 et de 2% à périmètre et change constants. Le résultat opérationnel ressort à 698 millions d'euros (-10%) et le résultat net à 532 millions d'euros (-3%). La structure financière est très saine, avec un endettement net dans la continuité de l'amélioration constatée à fin décembre 2009.

### Chiffres-clés

(millions d'euros)	1 <sup>er</sup> semestre 2009 retraité	1 <sup>er</sup> semestre 2010	Variation	1 <sup>er</sup> semestre 2009 publié
Chiffre d'affaires	14 790 <sup>1</sup>	14 655	-1%	14 929
Résultat opérationnel	772 <sup>1</sup>	698	-10%	789
Résultat net part du Groupe	547	532	-3%	547
Endettement net <sup>2</sup>	6 259	4 205	-2 054 M€	6 259
Ratio d'endettement <sup>2</sup>	72%	43%	-29 pts	72%

<sup>1</sup> A méthode comptable comparable à 2010 : exclusion des contributions de Finagestion

<sup>2</sup> Fin de période

### Commentaires par métier

**Bouygues Construction** réalise un premier semestre satisfaisant. Le chiffre d'affaires est en ligne avec l'objectif annuel et s'élève à 4 530 millions d'euros, en baisse de 5% (-6% en France et -3% à l'international). La marge opérationnelle est quasi stable à 3,2% au premier semestre 2010. Le résultat net s'établit à 89 millions d'euros, en baisse de 26%, et continue d'être affecté par la baisse des taux d'intérêts.

Au premier semestre 2010, les prises de commandes de Bouygues Construction s'établissent à un niveau jamais égalé de 6,1 milliards d'euros, en hausse de 38% par rapport au premier semestre 2009 (+12% en France et +73% à l'international). Le carnet de commandes atteint ainsi un chiffre record de 13,9 milliards d'euros, en hausse de 16% par rapport à fin décembre 2009. Il n'intègre pas encore le contrat du Sports Hub de Singapour, signé en août 2010 pour un montant de 770 millions d'euros.

Les performances de **Bouygues Immobilier** au premier semestre sont meilleures que prévu. Le chiffre d'affaires s'établit à 1 313 millions d'euros, en recul de 8% (+5% en Logement et -33% en Immobilier d'entreprise). La marge opérationnelle est en amélioration d'un point à 8,3% par rapport au premier semestre 2009, grâce à la restauration des marges dans le Logement. Le résultat net s'établit à 56 millions d'euros (-7%).

La dynamique commerciale du premier semestre reste soutenue en Logement avec des réservations en progression de 39% (1 175 millions d'euros). Les réservations en Immobilier d'entreprise restent à un niveau faible dans un marché en bas de cycle. Au total, les réservations s'élèvent à 1 243 millions d'euros (+32% par rapport à fin juin 2009).

Le carnet de commandes est en progression de 3% par rapport au 31 mars 2010, à 2,2 milliards d'euros.

Le premier semestre 2010 a été plus difficile pour **Colas**. L'activité du deuxième trimestre a permis de rattraper une partie du retard pris au premier trimestre. Le chiffre d'affaires s'élève ainsi à 5 002 millions d'euros, en baisse de 2% par rapport au premier semestre 2009 (-3% en France et -1% à l'international). Une situation économique dégradée en Europe Centrale et une pression concurrentielle forte ont pesé sur la rentabilité, le résultat opérationnel s'établissant à -47 millions d'euros (dont -57 millions d'euros en Europe Centrale) contre +75 millions d'euros à fin juin 2009. Au premier semestre 2010, le résultat net ressort à -29 millions d'euros contre +58 millions d'euros à fin juin 2009. Dans ce contexte, Colas poursuit les mesures engagées en 2009 et met en place un plan d'action renforcé en Europe Centrale et en France qui permettra de renouer avec une progression de la marge opérationnelle en 2011. Le carnet de commandes à fin juin 2010 s'élève à 7 198 millions d'euros, stable par rapport à fin juin 2009 (+4% en France et -4% à l'international).

**TF1** réalise un bon premier semestre avec une stratégie qui porte ses fruits. Le chiffre d'affaires est tiré par la reprise des investissements publicitaires et s'établit à 1 285 millions d'euros, en progression de 14%. Le résultat opérationnel est multiplié par trois à 104 millions d'euros et le résultat net est en croissance de 51% à 74 millions d'euros. TMC et NT1, dont l'acquisition a été finalisée le 11 juin 2010, seront consolidées par intégration globale dans les comptes à partir du 1<sup>er</sup> juillet 2010.

Grâce à ses performances commerciales, **Bouygues Telecom** a généré une forte croissance organique. Le chiffre d'affaires, à 2 732 millions d'euros, progresse de 4%, de même que le chiffre d'affaires réseau qui s'élève à 2 506 millions d'euros. Hors impact de la baisse des terminaisons d'appel voix et SMS, la croissance du chiffre d'affaires réseau aurait atteint 13%. L'EBITDA ressort à 734 millions d'euros, en hausse de 5%, et le résultat net s'établit à 264 millions d'euros, en baisse de 1%.

La bonne dynamique commerciale se poursuit. 351 000 nouveaux clients Forfait Mobile ont rejoint Bouygues Telecom au premier semestre 2010, soit 24% de la croissance nette du marché<sup>1</sup>. Au 30 juin 2010, Bouygues Telecom comptait 10 514 000 clients Mobile, dont 8 277 000 clients Forfait (78,7% du total, soit +3,1 points sur un an). L'activité Fixe continue sa progression avec 214 000 activations nettes au premier semestre 2010 (dont 97 000 au deuxième trimestre) et un parc activé<sup>2</sup> au 30 juin 2010 de 525 000 Bbox. Ces bons résultats confirment le succès de la stratégie de croissance de Bouygues Telecom.

<sup>1</sup> Donnée Arcep

<sup>2</sup> Parc activé = nombre de Bbox en fonctionnement = nombre de clients facturés

## Alstom

La contribution\* d'Alstom au résultat net du Groupe s'élève à 216 millions d'euros, en croissance de 19%. Alstom a annoncé un carnet de commandes à fin juin 2010 de 42 milliards d'euros, soit 27 mois d'activité et un objectif de marge opérationnelle entre 7% et 8% pour les exercices 2010/2011 et 2011/2012. Dans un environnement commercial difficile à court terme, Alstom conserve un solide potentiel dans ses trois métiers. **Rappel** : Bouygues a reçu 4,4 millions d'actions Alstom en échange de sa participation de 50% dans la société commune Alstom Hydro Holding. A l'issue de cette opération, le Groupe a comptabilisé un produit financier inclus dans le résultat net à hauteur de 41 millions d'euros au premier trimestre 2010.

\* Contribution calculée sur la base du résultat net au 31 mars 2010 publié par Alstom.

## Structure financière

Au 30 juin 2010, l'endettement net du Groupe s'établit à 4,2 milliards d'euros, en baisse de 2,1 milliards d'euros par rapport au 30 juin 2009. Les capitaux propres atteignent 9,9 milliards d'euros, en hausse de 1,2 milliards d'euros. Le ratio d'endettement ressort à 43%, en amélioration de 29 points. Le cash flow libre s'élève à 590 millions d'euros, stable par rapport au premier semestre 2009. Standard & Poor's a confirmé en juillet 2010 sa notation A- perspective stable.

## Objectif de chiffre d'affaires 2010 revu en hausse à 30,4 milliards d'euros

Une bonne activité commerciale et un chiffre d'affaires meilleur qu'attendu au premier semestre permettent de relever l'objectif de chiffre d'affaires 2010 à 30,4 milliards d'euros, contre 30,1 milliards d'euros annoncés en juin 2010.

Le premier semestre 2010 confirme la capacité de réaction et d'adaptation du Groupe dans chacun de ses métiers. Fort d'une structure financière solide, Bouygues saura saisir les opportunités de croissance de ses marchés.

CHIFFRE D'AFFAIRES DES MÉTIERS (millions d'euros)	2009	Objectif 2010			Variation %
		Publié en mars	Publié en juin	Publié en août	
Bouygues Construction	9 546	9 100	9 100	9 100	-5%
Bouygues Immobilier	2 989	2 100	2 150	2 300	-23%
Colas	11 581	11 500	11 500	11 500	-1%
TF1	2 365	2 410	2 460	2 530	+7%
Bouygues Telecom	5 368	5 370	5 420	5 450	+2%
Holding et divers	134	130	130	130	ns
Retraitements intra-Groupe	(630)	(610)	(660)	(610)	ns
<b>TOTAL</b>	<b>31 353</b>	<b>30 000</b>	<b>30 100</b>	<b>30 400</b>	<b>-3%</b>
<i>dont France</i>	<i>21 678</i>	<i>20 600</i>	<i>20 800</i>	<i>21 100</i>	<i>-3%</i>
<i>dont international</i>	<i>9 675</i>	<i>9 400</i>	<i>9 300</i>	<i>9 300</i>	<i>-4%</i>

Retrouvez l'intégralité des comptes et annexes sur le site [www.bouygues.com](http://www.bouygues.com).

Les comptes ont fait l'objet d'un examen limité des commissaires aux comptes et le rapport correspondant a été émis.

Le rapport financier semestriel est consultable sur [www.bouygues.com](http://www.bouygues.com).

La réunion de présentation des résultats aux analystes financiers sera retransmise en direct sur Internet le 1<sup>er</sup> septembre 2010 à partir de 11h sur [www.bouygues.com](http://www.bouygues.com).

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Contact investisseurs et analystes :  
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[www.bouygues.com](http://www.bouygues.com)

COMPTE DE RÉSULTAT CONSOLIDÉ RÉSUMÉ (millions d'euros)	1 <sup>er</sup> semestre		Variation %	1 <sup>er</sup> semestre 2009 publié
	2009 retraité*	2010		
<b>Chiffre d'affaires</b>	<b>14 790</b>	<b>14 655</b>	<b>-1%</b>	<b>14 929</b>
<b>Résultat opérationnel</b>	<b>772</b>	<b>698</b>	<b>-10%</b>	<b>789</b>
Coût de l'endettement financier net	(170)	(162)	-5%	(171)
Autres produits et charges financiers	3	36	ns	3
Charge d'impôt	(203)	(204)	=	(208)
Quote-part du résultat net des entités associées	206	237	+15%	206
Résultat net des activités poursuivies	608	605	=	619
Résultat net d'impôt des activités arrêtées ou en cours de cession	11	0	ns	0
Résultat net	619	605	-2%	619
Intérêts minoritaires	(72)	(73)	+1%	(72)
<b>Résultat net part du Groupe</b>	<b>547</b>	<b>532</b>	<b>-3%</b>	<b>547</b>

\* Reclassement des charges et des produits du groupe Finagection en résultat net d'impôt des activités arrêtées ou en cours de cession

COMPTE DE RÉSULTAT CONSOLIDÉ DU PREMIER TRIMESTRE (millions d'euros)	1 <sup>er</sup> trimestre		Variation %	1 <sup>er</sup> trimestre 2009 publié
	2009 retraité	2010		
<b>Chiffre d'affaires</b>	<b>6 579*</b>	<b>6 443</b>	<b>-2%</b>	<b>6 655</b>
Résultat opérationnel	165*	162	-2%	174
<b>Résultat net part du Groupe</b>	<b>159</b>	<b>181</b>	<b>+14%</b>	<b>159</b>

\* A méthode comptable comparable à 2010 : exclusion des contributions de Finagection

COMPTE DE RÉSULTAT CONSOLIDÉ DU DEUXIÈME TRIMESTRE (millions d'euros)	2 <sup>ème</sup> trimestre		Variation %	2 <sup>ème</sup> trimestre 2009 publié
	2009 retraité	2010		
<b>Chiffre d'affaires</b>	<b>8 211*</b>	<b>8 212</b>	<b>=</b>	<b>8 274</b>
Résultat opérationnel	607*	536	-12%	615
<b>Résultat net part du Groupe</b>	<b>388</b>	<b>351</b>	<b>-10%</b>	<b>388</b>

\* A méthode comptable comparable à 2010 : exclusion des contributions de Finagection

CHIFFRE D'AFFAIRES DES MÉTIERS (millions d'euros)	1 <sup>er</sup> semestre		Variation %	Variation à périmètre et change constants
	2009	2010		
Bouygues Construction	4 758	4 530	-5%	-6%
Bouygues Immobilier	1 433	1 313	-8%	-9%
Colas	5 116	5 002	-2%	-3%
TF1	1 130	1 285	+14%	+13%
Bouygues Telecom	2 625	2 732	+4%	+4%
Holding et divers	73*	70	ns	ns
Retraitements intra-Groupe	(345)*	(277)	ns	ns
<b>Total</b>	<b>14 790*</b>	<b>14 655</b>	<b>-1%</b>	<b>-2%</b>
<i>dont France</i>	<i>10 496</i>	<i>10 369</i>	<i>-1%</i>	<i>-1%</i>
<i>dont international</i>	<i>4 294*</i>	<i>4 286</i>	<i>=</i>	<i>-3%</i>

\* A méthode comptable comparable à 2010 : exclusion du chiffre d'affaires de Finagection (175 millions d'euros en Holding et divers, -36 millions d'euros en retraitements intra-Groupe)

Contribution des métiers à L'EBITDA (millions d'euros)	1 <sup>er</sup> semestre		Variation %
	2009	2010	
Bouygues Construction	304	307	+1%
Bouygues Immobilier	132	91	-31%
Colas	286	142	-50%
TF1	90	123	+37%
Bouygues Telecom	702	734	+5%
Holding et divers	(22)*	(19)	ns
<b>TOTAL</b>	<b>1 492*</b>	<b>1 378</b>	<b>-8%</b>

\* A méthode comptable comparable à 2010 : exclusion de la contribution de Finagection (43 millions d'euros en 2009)

Contribution des métiers au RÉSULTAT OPÉRATIONNEL (millions d'euros)	1 <sup>er</sup> semestre		Variation %
	2009	2010	
Bouygues Construction	164	144	-12%
Bouygues Immobilier	104	109	+5%
Colas	75	(47)	ns
TF1	38	104	x2,7
Bouygues Telecom	415	409	-1%
Holding et divers	(24)*	(21)	ns
<b>TOTAL</b>	<b>772*</b>	<b>698</b>	<b>-10%</b>

\* A méthode comptable comparable à 2010 : exclusion de la contribution de Finagection (17 millions d'euros en 2009)

Contribution des métiers au RÉSULTAT NET PART DU GROUPE (millions d'euros)	1 <sup>er</sup> semestre		Variation %
	2009	2010	
Bouygues Construction	121	89	-26%
Bouygues Immobilier	60	56	-7%
Colas	57	(28)	ns
TF1	21	32	+52%
Bouygues Telecom	240	237	-1%
Alstom	182	216	+19%
Holding et divers	(134)	(70)	ns
<b>TOTAL</b>	<b>547</b>	<b>532</b>	<b>-3%</b>

**TRÉSORERIE NETTE PAR MÉTIER**  
(millions d'euros)

	A fin juin		Variation M€
	2009	2010	
Bouygues Construction	2 500	2 922	+422 M€
Bouygues Immobilier	(138)	58	+196 M€
Colas	(919)	(952)	-33 M€
TF1	(820)	(120)	+700 M€
Bouygues Telecom	(681)	(505)	+176 M€
Holding et divers	(6 201)	(5 608)	+593 M€
<b>TOTAL</b>	<b>(6 259)</b>	<b>(4 205)</b>	<b>+2 054 M€</b>

**Contribution des métiers à la  
CAPACITÉ D'AUTOFINANCEMENT**  
(millions d'euros)

	1 <sup>er</sup> semestre		Variation %
	2009	2010	
Bouygues Construction	242	245	+1%
Bouygues Immobilier	89	97	+9%
Colas	289	164	-43%
TF1	85	132	+55%
Bouygues Telecom	707	715	+1%
Holding et divers	78*	104	ns
<b>TOTAL</b>	<b>1 490*</b>	<b>1 457</b>	<b>-2%</b>

\* A méthode comptable comparable à 2010 : exclusion de la contribution de Finagestion (26 millions d'euros en 2009)

**Contribution des métiers aux  
INVESTISSEMENTS NETS**  
(millions d'euros)

	1 <sup>er</sup> semestre		Variation %
	2009	2010	
Bouygues Construction	64	114	+78%
Bouygues Immobilier	2	1	-50%
Colas	136	135	-1%
TF1	45	21	-53%
Bouygues Telecom	285	227	-20%
Holding et divers	7*	3	ns
<b>TOTAL</b>	<b>539*</b>	<b>501</b>	<b>-7%</b>

\* A méthode comptable comparable à 2010 : exclusion de la contribution de Finagestion (32 millions d'euros en 2009)

## TAXATION

*The statements herein regarding taxation are based on the laws in force in the Republic of France and/or, as the case may be, the Grand-Duchy of Luxembourg as of the date of this Prospectus and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to invest in the Bonds. Each prospective holder or beneficial owner of Bonds should consult its tax advisor as to the French or, as the case may be, the Luxembourg tax consequences of any investment in or ownership and disposition of the Bonds.*

### **EU Directive on the Taxation of Savings Income**

On 3 June 2003, the European Council of Economic and Finance Ministers adopted the Directive 2003/48/EC regarding the taxation of savings income (the "**Directive**"). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within its jurisdiction to, or for the benefit of, an individual resident in that other Member State (the "**Disclosure of Information Method**").

For these purposes, the term "paying agent" is widely defined and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, withhold an amount on interest payments. The rate of such withholding is currently 20% and will increase to 35% as from 1 July 2011. Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of several jurisdictions (Switzerland, Liechtenstein, San Marino, Monaco and Andorra), providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rates applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

On 13 November 2008, the European Commission published a proposal for amendments to the Directive. The proposal included a number of suggested changes that, if implemented, would broaden the scope of the rules described above. The European Parliament approved an amended version of this proposal on 24 April 2009. Investors who are in any doubt as to their position should consult their professional advisers.

### **Luxembourg Taxation**

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Bondholders and to certain residual entities (as described below) there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Bondholders, and to certain residual entities (as described below) upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Bonds.

## **Individuals**

### Luxembourg non-residents

Under the Luxembourg laws dated 21 June 2005 implementing the Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called “residual entities” within the meaning of Article 4.2 of the Directive (i.e. an entity established in a Member State or in certain EU dependent or associated territories without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC).

The withholding tax rate is 20% (as from 1 July 2008) increasing to 35% (as of 1 July 2011). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

### Luxembourg residents

A 10% withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents or to certain residual entities (as described below) that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EC or for the exchange of information regime).

Only interest accrued after 1 July 2005 falls within the scope of the withholding tax. Interest income from current and sight accounts (*comptes courants et à vue*) provided that the remuneration on these accounts is not higher than 0.75% are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed Euro 250 per person and per paying agent is exempt from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

## **Corporations**

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporations holders of the Bonds on payments of interest (including accrued but unpaid interest).

Luxembourg resident corporations are taxable on an accrual basis at 28.59% (in 2010) on interest income.

## **French Taxation**

The following is a summary of certain tax considerations that may be relevant to holders of Bonds who (i) are non-French residents, (ii) do not hold their Bonds in connection with a business or profession conducted in France, as a permanent establishment or fixed base situated in France, and (iii) do not currently hold shares of the Issuer.

The Directive was implemented into French law under Article 242 *ter* of the French *Code Général des Impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Following the introduction of the French *loi de finances rectificative* pour 2009 no. 3 (n° 2009-1674 dated 30 December 2009) (the “**Law**”), payments of interest and other revenues made by the Issuer with respect to the Bonds will not be subject to the withholding tax set out under Article 125 A III of the French *Code Général des Impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code Général des Impôts* (a “**Non-Cooperative State**”). If such payments under the Bonds are made in a Non-Cooperative State, a 50% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of any applicable double tax treaty) by virtue of Article 125 A III of the French *Code Général des Impôts*.

The 50% withholding tax is applicable irrespective of the tax residence of the Bondholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, interest and other revenues on such Bonds will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid to a bank account opened in a financial institution located in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 *et seq.* of the French *Code Général des Impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax at a rate of 25% or 50%, subject to more favourable provisions of any applicable double tax treaty, but by virtue of Article 119 *bis* of the French *Code Général des Impôts*.

Notwithstanding the foregoing, neither the 50% withholding tax provided by Article 125 A III of the French *Code Général des Impôts*, or by Article 119 *bis* 2 of the French *Code Général des Impôts* nor the non-deductibility of the interest and other revenues, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, will apply in respect of a particular issue of Bonds provided that the Issuer can prove that the main purpose and effect of such issue of Bonds is not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”).

In addition, under ruling (*rescrit*) 2010/11 (FP and FE) of the *Direction générale des finances publiques* dated 22 February 2010, an issue of Bonds benefits from the Exception without the Issuer having to provide any evidence supporting the main purpose and effect of such issue of Bonds, if such Bonds are:

offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

As the Bonds are admitted at the time of their issue to the operations of a central depository, payments of interest or other revenues made by or on behalf of the Issuer with respect to the Bonds will not be subject to the withholding tax set out under article 125 A III of the *Code général des impôts* or under Article 119 *bis* 2 of the same Code and they will be subject neither to the non-deductibility set out under article 238 A of the *Code général des impôts*.

## SUBSCRIPTION AND SALE

Pursuant to a subscription agreement dated 26 October 2010 (the "**Subscription Agreement**"), Société Générale, BNP PARIBAS, Crédit Agricole Corporate and Investment Bank, HSBC Bank plc, NATIXIS and The Royal Bank of Scotland plc (the "**Joint Lead Managers**") have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions contained therein, to subscribe and pay for the Bonds (in the conditions set out in the section headed "Use of Proceeds" of this Prospectus) at an issue price of 100 per cent. of the aggregate principal amount of the Bonds less the commissions agreed between the Issuer and the Joint Lead Managers. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

### **General Restrictions**

Each Joint Lead Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Bonds or have in its possession or distribute this Prospectus or any other offering material relating to the Bonds. No action has been, or will be, taken in any country or jurisdiction that would permit a public offering of the Bonds, or the possession or distribution of this Prospectus or any other offering material relating to the Bonds, in any country or jurisdiction where action for that purpose is required. Accordingly, the Bonds may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Bonds may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Bonds by it will be made on the same terms.

### **France**

Each of the Joint Lead Managers has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Bonds to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, directly or indirectly, the Prospectus or any other offering material relating to the Bonds and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French *Code monétaire et financier*.

This document has not been and will not be submitted to, nor approved by, the *Autorité des marchés financiers* (AMF).

### **United Kingdom**

Each Joint Lead Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the Bonds in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Bonds in, from or otherwise involving the United Kingdom.

### **United States**

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act or such state securities

laws. The Bonds are being offered and sold only outside of the United States to non-U.S. persons in reliance upon an exemption from registration under the Securities Act pursuant to Regulation S.

Each Joint Lead Manager has represented and agreed that:

- (i) it has not offered or sold, and will not offer or sell, the Bonds (a) as part of their distribution at any time or (b) otherwise until 40 days after the later of the commencement of the offering and the issue date of the Bonds, within the United States or to, or for the account or benefit of, U.S. persons; and
- (ii) it will have sent to each distributor or dealer to which it sells Bonds during such 40-day period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States or to, or for the account or benefit of, U.S. persons.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until 40 days after the commencement of the offering of the Bonds, an offer or sale of Bonds within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

## GENERAL INFORMATION

1. The estimated costs for the admission to trading are EUR 7,730.
2. The Bonds have been accepted for clearance through Euroclear France and Clearstream, Luxembourg and Euroclear with the Common Code number of 055381461. The International Securities Identification Number (ISIN) for the Bonds is FR0010957662. The address of Euroclear France is 155, rue Réaumur, 75081 Paris Cedex 02, France.
3. The issue of the Bonds has been authorised pursuant to a decision of the Chairman of the Board of Directors and CEO (*Président-Directeur général*) of the Issuer dated 26 October 2010, acting pursuant to the resolutions of the Board of Directors (*Conseil d'Administration*) of the Issuer dated 2 March 2010 and 13 October 2010.
4. The Issuer publishes (i) audited annual consolidated and non-consolidated accounts, (ii) semi-annual unaudited consolidated accounts and (iii) quarterly unaudited consolidated accounts. The Issuer's statutory auditors carry out a limited review of such semi-annual accounts. The Issuer does not currently publish semi-annual or quarterly non-consolidated accounts.
5. In accordance with French law, the Issuer is required to have a minimum of two statutory auditors (*commissaires aux comptes*) and two substitute statutory auditors. The statutory auditors are currently Ernst & Young Audit (represented by Jean Bouquot) and Mazars (represented by Gilles Rainaut). The consolidated and unconsolidated financial statements of the Issuer have been audited without qualification by Ernst & Young Audit and Mazars for the years ended 31 December 2008 and 2009. Ernst & Young Audit and Mazars are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. The latest audited financial information is the December 2009 audited financial statements.
6. Except as otherwise disclosed in this Prospectus, the Issuer certifies that there has been no material adverse change in the prospects of the Issuer since 31 December 2009.
7. Except as otherwise disclosed in this Prospectus, the Issuer certifies that there has been no significant change in the financial or trading position of the Group, which has occurred since 30 June 2010.
8. The Issuer certifies that, to the best of its knowledge, during a period covering at least the previous 12 months, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Issuer and/or Group's financial position or profitability.
9. The following documents will be available during the life of this Prospectus and during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection and collection free of charge, at the specified office of each of the Paying Agents:
  - (a) the Fiscal Agency Agreement;
  - (b) the documents incorporated by reference in this Prospectus.
10. The following documents will be available during the life of this Prospectus and during usual business hours on any weekday (except Saturdays, Sundays and public holidays) for inspection at the head office of the Issuer at 32, avenue Hoche, 75008 Paris and may also be consulted online in the 'Finance' section of the *www.bouygues.com* website:
  - (a) the *statuts* of the Issuer;
  - (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in the documents incorporated by reference;
  - (c) the historical financial information of the Issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the 2009 Reference Document; and

(d) the latest interim financial information.

11. The phone number of the Issuer at its registered office is +33 1 44 20 10 00.
12. The yield of the Bonds is 3.641 per cent. per annum and is calculated at the issue date on the basis of the issue price. It is not an indication of future yield.
13. There are no conflicts of interests between any duties of the members of the Board of Directors (*Conseil d'Administration*) to the Issuer and their private interests and/or their other duties.
14. Save as discussed in “Subscription and Sale” and item 9.1 in “Documents to be Incorporated by Reference”, so far as the Issuer is aware, no person involved in the offer of the Bonds has an interest material to the offer.

**REGISTERED OFFICE OF THE ISSUER**

**BOUYGUES**

32, avenue Hoche  
75008 Paris  
France

**JOINT LEAD MANAGERS**

**SOCIÉTÉ GÉNÉRALE**

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France

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92920 Paris La Défense Cedex  
France

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**NATIXIS**  
30, avenue Pierre Mendès France  
75013 Paris  
France

**The Royal Bank of Scotland plc**  
135 Bishopsgate  
London EC2M 3UR  
United Kingdom

**FISCAL AGENT AND PRINCIPAL PAYING AGENT**

**BNP Paribas Securities Services**

Les Grands Moulins de Pantin  
9, rue du Débarcadère  
93500 Pantin  
France

**LISTING AGENT IN LUXEMBOURG**

**BNP Paribas Securities Services, Luxembourg Branch**

33, rue de Gasperich  
Howald-Hesperange  
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Grand-Duchy of Luxembourg

## AUDITORS OF THE ISSUER

### **Ernst & Young Audit**

Faubourg de l'Arche  
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France

### **Mazars**

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Tour Exaltis  
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France

## LEGAL ADVISERS

### *To the Issuer*

*(as to French law)*

### **Jean-François Guillemin**

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### *To the Joint Lead Managers*

*(as to French law)*

### **Linklaters LLP**

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