

The Bouygues Telecom-SFR merger: A PROJECT FOR FRANCE, COMMITMENTS FOR THE FUTURE

Here is a wonderful, practical example of the spirit of responsibility which now unites everybody behind the goal of making France more competitive and reducing unemployment. Practical is the operative word, because Bouygues Telecom's offer to acquire SFR is not a pact but a coherent, comprehensive, detailed, costed and funded business project. A proactive project for a strategic industry that has been laid to waste, it is good for France, good for our economic health and good for employment in our country.

In a nutshell, our project is to create a major digital communications group in France. We are proposing to merge Bouygues Telecom and SFR; to sell Bouygues Telecom's mobile network and a portfolio of frequencies to Free; to invest massively; and to boost employment in France, in particular by bringing back some of the services currently provided from outside our borders.

The first and most important effect of Bouygues Telecom's offer is to reduce the number of operators in France from four to three – the same market configuration as in other large countries – and hence to follow the prevailing trend in Europe. That is exactly what the Minister for Industry, Arnaud Montebourg, said when he explained that France would be stronger with three operators than with four.

That is the rationale of our offer. That is what we will do. And of course we will comply with any conditions that the regulatory authorities might impose and scrupulously fulfil the commitments we give.

Our proposal addresses the regulatory issues. The sale of our mobile network to Free, which is an extension to our offer to merge with SFR, ensures strong, infrastructure-based competition in France. The arrangements we propose will maintain a competitive market for the benefit of consumers.

Bouygues Telecom has given a number of commitments. If some of them have not been heard clearly enough, I wish to repeat them here solemnly and publicly so that everyone can see how logical, how responsible and how good for France they are.

We are committed to helping to recreate healthy competition which is suited to the scale of the French market and will boost employment and our country's economy.

We are committed to making major investments as a result of the extensive synergies we will be able to generate. We will spend €2 billion a year on the fixed and mobile network, including €400 million a year on optical fibre, which the government regards as a priority. Let me be clear: we will be investing in FTTH (fibre to the home). It is the most advanced and the most promising fibre technology and the only one to offer speeds suited to future uses. It is the technology on which the government has based France's very-high-speed broadband plan (*plan France Très haut débit*). I also note that many local authorities are placing FTTH at the centre of the very-high-speed networks they have decided to roll out.

We are committed through this investment to helping to boost activity in the telecoms industry in France, which has undisputed expertise. Similarly, we will continue and step up the work of our Bouygues Telecom Initiatives business incubator, which gives many French start-ups a helping hand. We intend to very vigorously increase the incubator's investment capacity by giving it more capital and human resources. Our expertise in helping start-ups has bred some remarkable successes, such as Melty, a leading online media site for young people. Created in 2009, it is now expanding throughout Europe and attracts millions of visitors. There are many more stories like this one to be written. We will be doing our bit.

We are committed to making no redundancies, voluntary or compulsory. On the contrary, we will boost employment by bringing call centres back to France and by expanding sales networks and customer service.

We are committed to keeping the headquarters of the new entity in France, seeking a listing on the Paris stock exchange and paying our taxes in France, not Luxembourg or anywhere else.

These commitments are not just icing on the cake. They are rooted in our convictions and make perfect business sense. We want to bring our customer relations centres back to France, because we know they are more effective when based here. We want to help small French businesses, because they have undisputed and widely recognised capacities for innovation. We want to profoundly reshape the telecoms sector, because everyone has something to gain from it.

That is why we want to do this. That is why we are giving these commitments.