

Annual General Meeting
27 April 2017



QUESTIONS – ANSWERS

I. Answers to written questions submitted by Mr Sébastien Groyer before the Annual General Meeting

- **Would it be possible to involve customers in the appointment of members of Bouygues' Board of Directors?**

The law is such that this proposal cannot be taken up. Under Article L. 225-18 of the Commercial Code, the appointment of directors (other than those representing employees) during the company's lifetime is the responsibility of the Ordinary General Meeting.

- **Could a seat on Bouygues' Board of Directors be allocated to a person representing customers?**

When proposing appointments to the Annual General Meeting, the Board of Directors is always careful to ensure that its membership complies both with legal requirements and with the recommendations of the Afep-Medef Code. Article 1.4 of the Afep-Medef Code states that "Since the Board acts in the corporate interest of the company, it is not desirable, except in cases provided for by law, for large numbers of special interests to be represented within it". A significant customer of the company or Group could not qualify as an independent director.

For these reasons, it does not seem desirable to appoint a customer to a seat on the Bouygues Board.

The Group's long-term future and very existence are founded on the trust of its customers and their satisfaction with the products and service it provides. The determination to respond to our customers' needs in the best possible way is central to the strategies and decisions adopted by the companies that form the Group.

II. Answers to questions asked during the Annual General Meeting

- **What prospects does the Grand Paris infrastructure plan offer?**

It is a very important project because it shows that the French state has a vision of how to modernise the country. The plan means that the Paris region will be able to grow in a structured way. Fast-growing countries are those that have greatly developed their infrastructure and the Grand Paris plan will give France an opportunity for significant growth.

- **What are the benefits of the Grand Paris plan for the Bouygues group?**

We have already received the first significant orders for work worth around €1 billion at both Bouygues Construction and Colas. There will also be benefits for Bouygues Immobilier because the zones developed under the Grand Paris plan will become more attractive.

- **What do you intend to do with your 28% stake in Alstom?**

We have loaned 20% of our stake in Alstom to the French state, which will have the option of buying 15% or 20% when the loan expires. Depending on the French state's decision, we will retain either 8% or 13% of Alstom. If the French state decides not to exercise either of these options, we will have 28%. Alstom is in a good position: its financial results show very good momentum and prospects for the transport market are buoyant, driven by the sustained expansion of urban transport and high-speed rail lines. Alstom's financial situation is robust, enabling it to invest and pursue further growth.

- **You have reduced net debt. Interest rates are very low. Will you take advantage of the situation to seek external growth?**

We have been hit by a double whammy in recent years, with the economic crisis of 2008-2009 and a violent upheaval in the telecoms market. Our primary concern has been to deal with these two situations. Our priority in 2017 is to continue to improve the Group's profitability. We will have other opportunities to talk about external growth. It will probably be stepped up in the future and we will have to exercise the greatest possible discernment in our choices.

- **Are you considering merging or selling Bouygues Telecom?**

The situation in the telecoms industry in France is now clear. We hear it said that this or that operator would prefer a market with three operators rather than four. We argued that position a few years ago but to no avail. Bouygues Telecom has improved its results. It has taken a great deal of hard work, especially on the part of the company's employees. Operators' sales and margins are improving. The choice has been made to have four operators. Obviously it is more expensive to recoup the cost of four networks rather than three, but that is the way things are.

- **We are currently seeing mergers between telecom and media firms. What are your thoughts on the subject?**

We are well placed to talk about telecoms and media, because we have had both activities in our portfolio for over 20 years. Synergies exist between Bouygues Telecom and TF1. Their people work together in certain areas. Former employees from Bouygues Telecom have moved to TF1 and vice versa. Our responsibility is to ensure that both companies serve the best interests of their shareholders, which means doing their job to the best of their abilities and optimising their resources and profits.

- **TF1 wants to charge telecom operators for using its signal. Will Bouygues Telecom be given the same treatment?**

There will be no bending of the rules because that would be unlawful. TF1's desire to improve its revenue is legitimate. TF1 has invested substantially in programmes in order to attract the largest audiences and is offering new services, so it is perfectly normal for the Group to ask telecom operators to pay more. We need to find an even-handed solution in which there is something for everyone.

- **Why do you not publish more precise human resources indicators?**

We already publish a large number of indicators relating to human resources in our Registration Document. We will consider your proposals in order to see whether increasing the number of indicators would be relevant to readers of the Registration Document.

- **Have you already been hit by cyber-attacks? How do you protect yourself?**

Yes we have, like all large groups with information systems. We have in-house specialists and outside consultants in order to anticipate such attacks as best we can. So far the Group's protection has worked well. But we can never be 100% sure. We are fortunate in having Olivier Roussat, who has gained expert knowledge of the subject given his experience at Bouygues Telecom.

- **Do you intend to increase the dividend for shareholders who have held their shares for more than two years?**

We have no intention of doing that because it is not part of the Group's tradition. A share is a share and our concern is to ensure equal treatment.

- **On 22 November 2016, a CAC 40 firm was the victim of impersonation. What internal measures have you taken to forestall this type of risk?**

We have given this issue very careful consideration. The AMF (financial markets regulator) has proposed a number of measures. We have also held discussions with Vinci, the company targeted last November. The issue is taken very seriously by our in-house teams, who also work with outside experts in order to protect us against this type of manipulation. We have taken measures that should enable us to avoid this kind of risk. However, we will say no more on the subject because revealing them could help others to get around them.

- **Has the Bouygues group already been the victim of "fake president" fraud? What measures have you taken to forestall this risk?**

"Fake president" fraud is very widespread. We have encountered it on many occasions and every attempt has failed. We remind all levels of hierarchy of the risk and provide training on the subject. The system works well because we have escaped this type of fraud. The scam is successful in companies where the president or chairman is empowered to make payments alone. At Bouygues, no-one in such a position can ever make a payment alone.

- **There are many operating risks on worksites, such as theft, racketeering and vandalism. What steps do you take to combat these risks?**

We protect ourselves. In particular, we use security companies. We do everything we can, but some regions are more difficult than others. We maintain dialogue with the local police and with the justice system.

- **Is M6 a model for TF1 to follow in terms of profitability and growth?**

M6's profitability is good, but M6 and TF1 are two companies with a different past and different obligations. TF1 leads the field in terms of audience, news and entertainment. The efforts made over the last year are producing results: audience ratings for the parent channel and the other DTT channels have improved. We are delighted that that is the case and will continue our efforts along those lines.