Paris, 31 August 2011

Bouygues press release

Bouygues announces a proposed share repurchase tender offer

- **€1.25 billion offer covering 11.7% of the share capital[1]**
- **Repurchase price of €30, a premium of 30% to the closing share price of 30 August 2011**
- **Significant financial leeway preserved**
- **SCDM will not tender its shares to the offer**
- **Estimated accretive impact of 11% on EPS[2]**

About the offer

The Bouygues Board of Directors, having met on 30 August 2011, is announcing a proposed share repurchase tender offer of a total amount of €1.25 billion covering a maximum of 11.7% of the company's share capital at a price of €30 per share. The repurchased shares will be cancelled.

The price of €30 per share represents a premium of 30% to the closing share price of 30 August 2011 and a premium of 29% to the one-month average share price. It has been set on the basis of a multi-criteria analysis, details of which will be provided in the offer document. The Bouygues Board of Directors has appointed Ricol Lasteyrie as independent appraiser to certify whether the financial terms of the offer are equitable for all shareholders. This certification will be submitted to the next meeting of the Bouygues Board of Directors, which will be required to issue a reasoned opinion on the offer. The certification will also be included in the offer document.

Reasons for the offer

In response to the recent massive fall in its share price amid heavy trading volumes, Bouygues is proposing a liquidity opportunity to those shareholders who wish to take it, offering them a premium of 29% to the one-month average share price.
The offer also protects the interests of those shareholders who wish to continue to support the Group in the longer term. It is expected to have a strongly accretive impact on earnings per share (approximately 11% on EPS[2], assuming a 100% take-up of the tender offer).

[1]Based on the number of shares at 30 August 2011

[2]2011 earnings per share is computed on the basis of the FactSet consensus for net profit attributable to the Group after deducting the full-year effect of the after-tax financial costs associated with the repurchase offer. The number of shares used in this EPS calculation assumes a 100% take-up for this offer

Bouygues has a market capitalisation of €8.4 billion (at the 30 August 2011 closing share price), as compared with consolidated shareholders' equity attributable to the Group of €9 billion as of 30 June 2011, and reduced net debt by €2.4 billion during the 2009 and 2010 financial years. The Bouygues group enjoys a very strong balance sheet and has a very prudent financial management policy.

In the event of a 100% take-up of the tender offer, the Group's proforma net debt as of 31 December 2010 would be €3.7 billion, compared with proforma shareholders' equity of €9.3 billion as of the same date. The proforma net debt/EBITDA ratio would therefore be 1.1x as of 31 December 2010. Consequently, the company's financial structure would be preserved.

SCDM, which held 18.1% of Bouygues' share capital as of 30 June 2011, has indicated that it does not intend to tender its shares to the offer.

The Supervisory Boards of the Bouygues group employee share ownership funds, which held 19.8% of the company's share capital as of 30 June 2011, will meet shortly to decide whether or not they will tender their shares to the offer.

The offer will be submitted for approval by an Extraordinary General Meeting, scheduled for 10 October 2011. It will also be subject to a state of compliance from the Autorité des Marchés Financiers (AMF), the French financial markets regulator. As an indication, the offer period would be expected to run from 11 to 31 October 2011.

At the Board meeting, Martin Bouygues stated: "This proposal benefits all of our shareholders. It is good financial management, and does not alter our industrial strategy. I am confident in the outlook for the Bouygues group, which will continue to prioritise profitable growth over the long term."

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