FILING BY BOUYGUES OF A DRAFT PUBLIC BUYBACK OFFER OF ITS OWN SHARES

Presented by

BNP Paribas	*Crédit Agricole Corporate and Investment Bank*	*HSBC France*
Rothschild & Cie Banque	*Société Générale*	

Terms of the Offer: €30 per Bouygues share
Maximum number to be purchased in connection with the Offer: 41,666,666 Bouygues shares
Duration of the Offer: [21] calendar days ([16] trading days)

This press release, prepared by Bouygues, is published pursuant to the provisions of Articles 231-16 and 231-17 of the General Regulation of the *Autorité des marchés financiers* (French Financial Markets Authority, or "**AMF**").

THE BUYBACK OFFER AND DRAFT OFFER DOCUMENT REMAIN SUBJECT TO EXAMINATION BY THE AMF.

IMPORTANT NOTICE

Pursuant to the provisions of Articles 231-32 of the General Regulation of the AMF and R 225-153 and R 225-154 of the French Commercial Code, the Offer shall be open after the publication by Bouygues of a press release, indicating that the resolution relating to the reduction of the share capital through a public buyback offer has been validly adopted by the Extraordinary General Meeting of Bouygues Shareholders convened on 10 October 2011, and after the publication by Bouygues of a purchase notice in a journal of legal notices and in the BALO (the French Official Journal of Legal Notices).

The draft offer document is available on the websites of the AMF (www.amf-france.org) and of Bouygues (www.bouygues.com), and may be obtained free of charge from:
- Bouygues: 32, avenue Hoche – 75008 Paris
- BNP Paribas: 4, rue d'Antin – 75002 Paris
- Crédit Agricole Corporate and Investment Bank: 9 quai du Président Paul Doumer - 92920 Puteaux
- HSBC France: 103, avenue des Champs Elysées - 75008 Paris
- Rothschild & Cie Banque: 23 Bis, avenue de Messine – 75008 Paris
- Société Générale: CORI/M&A/FRA – 75886 Paris Cedex 18

After having approved the principle of the transaction on 30 August 2011, the Board of Directors of Bouygues, a French *société anonyme* with a share capital of €356,307,709, the registered office of which is located at 32, avenue Hoche – 75008 Paris, France and which is registered under number 572 015 246 on the Paris Trade & Companies Register (hereinafter "**Bouygues**" or the "**Company**"), decided at its meeting held on 20 September 2011 to implement a public buyback offer over the shares of the Company (hereinafter the "**Offer**") in view of their cancellation, pursuant to Articles L.225-204 and L.225-207 of the French Commercial Code. The Company's shares are listed on Euronext Paris (Compartment A) under ISIN code FR0000120503.

This Offer is implemented pursuant to the provisions of Title III of Book II and more specifically pursuant to Article 233-1(5) *et seq.* of the General Regulation of the AMF, subject to the approval by the Extraordinary General Meeting of Bouygues shareholders convened on 10 October 2011, of the resolution relating to the reduction of the share capital for a maximal amount of €41,666,666 through a public buyback offer concerning a maximum of 41,666,666 shares each having a par value of €1.

A maximum of 41,666,666 shares may be repurchased through the Offer which is made at the price of €30 per Bouygues share.

Pursuant to the provisions of Article 231-13 of the General Regulation of the AMF, among the presenting banks acting on behalf of Bouygues, only BNP Paribas, Crédit Agricole Corporate and Investment Bank, HSBC France and Société Générale shall guarantee the content and the irrevocable nature of the undertakings of the Company in connection with the Offer.

1. Grounds for the Offer

In response to the recent massive fall in its share price amid heavy trading volumes resulting from unfavourable market conditions experienced since August 2011, Bouygues is offering a liquidity opportunity to those shareholders who wish to take it allowing them to obtain a 29% premium to the one-month average share price prior to the announcement of the Offer and a 30% premium over the closing price of 30 August 2011 (market day preceding the announce of the Offer).

The Offer also protects the interests of shareholders who wish to remain invested in Bouygues on a longer term basis, as it is expected to have a strongly accretive impact on earnings per share (approximately 11% on EPS[1] assuming 100% of the targeted shares being actually repurchased).

The group has a solid balance sheet structure and follows a prudent financial management policy. In the event of a 100% of the targeted shares being actually repurchased, Bouygues' 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.

[1] 2011 earnings per share calculated on the FactSet consensus basis of net income attributable to the group, lowered by the impact of the post-tax financial costs incurred in connection with the transaction on a full year basis.

Furthermore, the contemplated transaction does not affect the development perspectives of the Bouygues Group insofar as its self-financing capacity covers the fluctuations in its working capital requirement as well as its investments, according to the Company's forecasts.

2. <u>Intentions of the Company for the next twelve months</u>

Business strategy and orientation

Bouygues intends to pursue its activities in accordance with its current strategy, while closely monitoring opportunities and changes required by the global economic context.

Composition of the corporate and management bodies after the Offer - impact on employment

There will be no changes in the composition of the corporate and management bodies of Bouygues as a result of the implementation of the Offer. There will be no consequence on the employment situation.

Articles of Association of the Company

The Company does not intend to amend its Articles of Association further to the Offer, with the exception of any changes required in order to reflect the consequences of the implementation of the Offer.

Intention concerning the listing of the Company's shares after the Offer

The Company does not intend to request the delisting of Bouygues shares from Euronext Paris after the Offer.

Distribution of dividends

The implementation of the Offer will not affect the dividends' policy of the Company, which will be continued in a pragmatic manner.

Synergies, financial gains and prospect of a merger

As this is a public buyback offer, the Offer is not part of a plan to merge Bouygues with other companies. Consequently, no synergies or financial gains will be made.

3. <u>Terms of the Offer</u>

Subject to approval by the Extraordinary General Meeting of Bouygues shareholders of the resolution mentioned above, a maximum of 41,666,666 shares may be repurchased with a view to their subsequent cancellation, pursuant to Articles L. 225-204 and L. 225-207 of the French Commercial Code. The shares would be bought at a price of €30 per share.

The Company will announce on 10 October 2011 after its Extraordinary General Meeting, whether the above mention resolution has been approved or not. A financial notice will also be published for this respect in the daily newspaper Les Echos on 12 October 2011 and will be posted on the Company’s website (http://www.bouygues.com).

4. <u>Main criteria regarding the evaluation of the Offer price</u>

The following table summarizes the valorizations exteriorized by the selected evaluation criteria together with the premium inducted by the Offer price.

	Price per share (€)	**Premium inducted by the Offer price (€30.0 per share)**
Share price on 30 august 2011	**€ 23.09**	**+30%**
Average share price 1 month	**€ 23.20**	**+29%**
Average share price 3 months	**€ 26.56**	**+13%**
Average share price 6 months	€ 29.54	+2%
Average share price 12 months	€ 31.04	-3%
Lowest share price over the last 12 months	€ 20.88	+44%
Highest share price over the last 12 months	€ 35.05	-14%
Intrinsic « Sum-of-the-parts »	**€ 28.4 - € 34.6**	**+6% - -13%**
Market « Sum-of-the-parts »	**€ 27.2 - € 31.0**	**+10% - -3%**

5. Agreements likely to have a significant impact on the Offer

SCDM, a company controlled by Messrs. Martin and Olivier Bouygues, which currently holds 66,374,020 shares of the Company representing 18.63% of Bouygues' share capital and 27.53% of its voting rights, announced that it will not tender any of its shares to the Offer.

6. Conclusions of the work of the independent appraiser, Ricol Lasteyrie

"6. Summary of our work

6.1 Values applied

With the completion of our work, the price offered in the context of the Offer, i.e., 30 euros per Bouygues share, comprises the following premiums and discounts relating to the values resulting from the valuation methods we deemed relevant:

Comparative summary of the results of Ricol Lasteyrie and presenting banks - Value per Bouygues

Ricol, Lasteyrie	€		Premium/(discount) at 30 €		Presenting banks	€		Premium/(discount) at 30 €	
	low	high	low	high		low	high	low	high
Principal methods applied					Valuation criteria applied				
Share price	23.1	29.6	29.9%	1.4%	Stock price	23.1	26.6	29.9%	12.8%
Sum of DCF shares	32.4	35.2	(7.3%)	(14.7%)	Sum of DCF shares	28.5	34.7	5.3%	(13.5%)
Sum of market shares	25.9	31.0	15.8%	(3.3%)	Sum of market shares	27.3	31.1	9.9%	(3.5%)
Other methods applied									
Global DCF	31.9	34.6	(5.8%)	(13.2%)					
Transactions involving Bouygues shares	27.2	32.8	10.3%	(8.5%)					

6.2 Certification of fairness of the offered price

Our report was prepared in the context of a public share buyback offer, for which the Company purchasing its shares has appointed us independent appraiser pursuant to Article 261-3 of the AMF General Regulations.

SCDM, the company controlled by Messrs. Martin and Olivier Bouygues, informed the Company of its commitment not to contribute its shares to the Offer.

Upon completion of our work, we noted that the price of 30 euros per Bouygues share offered in the context of this Offer comprises:

- *a 30% premium over the spot price as of 30 August 2011, just prior to the announcement of the transaction and premiums of 1% to 13% over the 6-month and 3-month weighted average share prices;*

- *a discount gap of 7% to 15% on the intrinsic values resulting from updating the cash flows from the Company's most recent business plans at a spot market rate as of 31 August 2011 and at a 3-month market rate;*

- *a discount and premium gap of -3% to 16% on the market values resulting from the application of multiples of comparable companies by business line.*

Regarding a Company buy-back offer of its own shares, the fairness of the offered price must be assessed with regard to the shareholders' situation, whether or not they contribute their shares to the Offer. In this specific case, the Offer targets a maximum of 41.6 million shares, i.e., 11.7% of the share capital; in the event that the number of shares contributed by shareholders exceeds the number of shares covered, a mechanism of reduction will be applied to each vendor shareholder pro rata the number of shares he holds, with no shareholder then being able to contribute all their shares to the Offer.

Within this framework, the price must represent a balance between, on the one hand, a short-term market value and, on the other hand, an intrinsic value, assuming a longer-term view and reflecting the share's appreciation potential.

In this specific case, the price of 30 euros proposed as part of this deal offers a premium over market values (share price and analogical approaches), justifying the interest in selling by those shareholders who so wish, and a reasonable discount from the Company's intrinsic values (DCF analyses), justifying the interest, by shareholders who continue to hold company equities, in the company's buyback of its own shares.

Within this context and on these bases, we are of the opinion that the price of 30 euros is fair to Bouygues' shareholders from a financial point of view, in the context of a voluntary Offer for all shareholders.

Done at Paris,
20 September 2011

Jean-François Sablier ***Sonia Bonnet-Bernard"***

7. Reasoned opinion of the Board of directors of Bouygues

The Board of directors of Bouygues held on 20 September 2011 issued the following reasoned opinion: « *The board of directors of Bouygues has been convened on 20 September 2011 to resolve upon the filing by the Company of a public buyback offer (the « Offer ») over a maximum of 41,666,666 of its own shares, representing 11.7% of the share capital and at least 8.7% of the voting rights. The Chairman of the Board has presented the main conditions of the Offer.*

1. The Board of Directors of Bouygues has reviewed the draft offer document which is expected to be filed today with the Autorité des marchés financiers and which contains the valuation work conducted by Rothschild & Cie Banque, BNP Paribas, Crédit Agricole CIB, HSBC France and Société Générale. In this respect, the Board of Directors considered that this Offer is an opportunity for the shareholders of Bouygues wishing to sale shares to do so at a price offering them the following premiums:

- *30% compared to the closing share price of 30 August 2011(market day preceding the announcement of the Offer).*
- *29% compared to the one-month weighted average share price prior to the announcement of the Offer.*

The Board also acknowledged that the contemplated transaction will have an accretive impact on earnings per share, in proportion with the Offer take-up, for the shareholders who choose not to tender their shares (approximately 11%, assuming a 100% of the targeted shares being actually repurchased).

Ricol Lasteyrie, represented by Ms. Sonia Bonnet-Bernard, acting as independent appraiser appointed by the company pursuant to provisions of article 261-3 of the General Regulation of the Autorité des marchés financiers in order to deliver a fairness opinion on the financial terms of the Offer, concluded that the price of the Offer was fair for all shareholders whether they would choose to tender their shares or not, which was acknowledged by the Board.

2. The Board of Directors further noticed that the implementation of the Offer will have no impact on the employment policy; similarly the implementation of the Offer will neither affect the strategy of the Bouygues Group, nor the dividends' policy of the Company. Moreover, it is acknowledged that the Offer will have no general impact on Bouygues financial situation even in the event of 100% of the targeted shares being actually repurchased; in such case, the Group's proforma net debt as of 31 December 2010 would amount to €3.7 billion, compared to 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.

3. The undertaking by SCDM – the company controlled by Messrs. Martin and Olivier Bouygues which currently holds 18.6% of Bouygues' share capital - not to tender its shares to the Offer has been taken into consideration by the Directors for issuing this reasoned opinion.

4. After further discussions, all members of the Board of Directors, present or represented, on the basis of, inter alia, the report of the independent appraiser which concluded that the price of the Offer was fair for all Bouygues' shareholders, unanimously decided that the implementation of the Offer was in the interest of Bouygues, its shareholders and its employees.

8. Contacts

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