SHARE REPURCHASE TENDER OFFER

presented by

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

Terms of the Offer: 30 euros per Bouygues share
Duration of the Offer: 22 calendar days

This press release is published pursuant to Articles 231-27 1 and 2 of the AMF (Autorité des Marchés Financiers) General Regulation.

The AMF, pursuant to Article L.621-8 of the French Monetary and Financial Code and to Article 231-23 of the AMF General Regulation, and in application of its statement of compliance on the tender offer of 4 October 2011, has applied its stamp No.11-447, dated 4 October 2011, to the offer document filed by Bouygues ("**Bouygues**" or the "**Company**").

Implementation of the share repurchase tender offer by Bouygues for 41,666,666 of its own shares (the "**Offer**") is subject to an Extraordinary General Meeting of Bouygues shareholders, to be held on 10 October 2011, passing a resolution to reduce the share capital by a maximum nominal amount of 41,666,666 euros by a share repurchase tender offer for a maximum of 41,666,666 shares with a par value of 1 euro.

The Bouygues offer document, stamped by the AMF, 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, France
- BNP Paribas: 4 rue d'Antin, 75002 Paris, France
- Crédit Agricole Corporate and Investment Bank: 9 quai du Président Paul Doumer, 92920 Paris La Défense, France
- HSBC France: 103 avenue des Champs Elysées, 75008 Paris, France
- Rothschild & Cie Banque: 23 Bis avenue de Messine, 75008 Paris, France
- Société Générale: CORI/M&A/FRA, 75886 Paris Cedex 18, France

Legal, financial, accounting and other information concerning Bouygues will be made available to the public by the same means in accordance with Article 231-28 of the AMF General Regulation, no later than the day before the opening of the share repurchase tender offer.

Having approved the repurchase in principle on 30 August 2011, the Board of Directors of Bouygues, a *Société Anonyme* (public limited company) with share capital of 356,307,709 euros, registered office

32 avenue Hoche, 75008 Paris, France, registration number 572 015 246 RCS Paris, decided at its meeting of 20 September 2011 to repurchase Bouygues shares from the Company's shareholders via a tender offer with a view to their cancellation, pursuant to Articles L.225-204 and L.225-207 of the French Commercial Code. The Company's shares are admitted to trading on Euronext Paris (Compartment A), ISIN code FR0000120503.

This Offer is being conducted in accordance with Title III of Book II, and in particular with Articles 233-1 5 *et seq*, of the AMF General Regulation, subject to an Extraordinary General Meeting of Bouygues shareholders, to be held on 10 October 2011, passing a resolution to reduce the share capital by a maximum nominal amount of 41,666,666 euros by a share repurchase tender offer for a maximum of 41,666,666 shares with a par value of 1 euro.

The Offer, at a price of 30 euros per Bouygues share, relates to a maximum of 41,666,666 shares.

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

1. Reasons for the Offer

In response to the recent massive fall in its share price amid heavy trading volumes resulting from unfavourable market conditions since August 2011, Bouygues is proposing to offer a liquidity opportunity to those shareholders who wish to take it, offering them a 29% premium to the average share price for the month preceding the announcement of the Offer on 31 August 2011 and a 30% premium to the closing price on 30 August 2011 (the day before the Offer was announced).

The Offer protects the interests of those shareholders who wish to continue to support Bouygues in the longer term. It would have a strongly accretive effect on earnings per share (approximately 11% on EPS[1], assuming a 100% take-up of the Offer).

The Bouygues group has a solid balance sheet and a prudent financial management policy. Assuming a 100% take-up of the shares within the scope of the Offer, the proforma net debt of the Bouygues group on 31 December 2010 would be 3.7 billion euros, compared with proforma shareholders' equity of 9.3 billion euros as of the same date. The proforma ratio of net debt to EBITDA as of 31 December 2010 would therefore be 1.1x. Consequently, the Company's financial structure would be preserved.

Moreover, the proposal does not affect the development prospects of the Bouygues group because, according to the Company's projections, its cash flow is sufficient to cover changes in working capital needs and capital expenditure.

2. Intentions of Bouygues for the next twelve months

Business strategy and orientation

Bouygues intends to continue with its current business strategy, while remaining alert to opportunities and to changes required by the global economic context.

Composition of corporate and management bodies after the Offer – Impact on employment

Implementing the Offer will not lead to any change in the corporate and management bodies of Bouygues. No impact on employment is anticipated.

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[1] 2011 earnings per share calculated 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 Offer

Legal status of the Company

The Company does not envisage making changes to its by-laws as a result of the Offer, except for those required to reflect the consequences of implementing the Offer.

Intentions regarding the listing of the Company's shares after the Offer

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

Payment of dividends

Implementation of the Offer will not affect the Company's dividend policy, which will continue to be pragmatic, based on the Group's results, prospects and environment.

Synergies, financial gains and merger prospects

This being a share repurchase tender offer by Bouygues, the Offer is not part of a planned merger with other companies. As a result, it will not lead to any synergies or financial gains.

3. Terms of the Offer

Subject to an Extraordinary General Meeting of Bouygues passing the related resolution, the Offer concerns a maximum of 41,666,666 shares of the Company 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 repurchased at a price of 30 euros per share.

The Company will announce on 10 October 2011 at the end of the Extraordinary General Meeting whether or not the aforementioned resolution has been passed. A financial notice to this effect will also be published in the daily newspaper *Les Echos* on 14 October 2011 and posted on the Company's website (http://www.bouygues.com).

4. Key metrics for assessing the Offer price

The table below summarises the valuations derived from the valuation criteria adopted, and the premiums implied by the Offer price:

	Price per share (€)	**Premium implied by the Offer price (€30.0 per share)**
Share price on 30 August 2011	**€23.09**	**+30%**
1-month average share price	**€23.20**	**+29%**
3-month average share price	**€26.56**	**+13%**
6-month average share price	€29.54	+2%
12-month average share price	€31.04	-3%
12-month low	€20.88	+44%
12-month high	€35.05	-14%
Intrinsic sum-of-the-parts	**€28.4 to €34.6**	**+6% to -13%**
Market sum-of-the-parts	**€27.2 to €31.0**	**+10% to -3%**

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

SCDM, a company controlled by Martin and Olivier Bouygues, which at the date the Offer was filed held 66,374,020 shares representing 18.63% of the Company's share capital and 27.53% of its voting rights, has announced that it will not be tendering 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

Having completed our work, we report that the Offer price of 30 euros per Bouygues share gives rise to the following premiums and discounts relative to the values derived from the valuation methods we judged to be appropriate:

Comparative summary of valuations per Bouygues share as prepared by Ricol Lasteyrie and the presenting banks

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%	Share price	23.1	26.6	29.9%	12.8%
DCF sum-of-the-parts	32.4	35.2	(7.3%)	(14.7%)	DCF sum-of-the-parts	28.5	34.7	5.3%	(13.5%)
Market sum-of-the-parts	25.9	31.0	15.8%	(3.3%)	Market sum-of-the-parts	27.3	31.1	9.9%	(3.5%)
Illustrative methods applied									
Overall DCF	31.9	34.6	(5.8%)	(13.2%)					
Transactions in Bouygues shares	27.2	32.8	10.3%	(8.5%)					

6.2 Certification of fairness of the Offer price

Our report was prepared in the context of a share repurchase tender offer, for which the Company repurchasing its shares appointed us as independent appraiser under Article 261-3 of the AMF General Regulation.

SCDM, a company controlled by Martin and Olivier Bouygues, has given an undertaking to the Company not to tender its shares to the Offer.

Having completed our work, we report that the Offer price of 30 euros per Bouygues share represents:

- *a premium of 30% to the spot price on 30 August 2011, the day before the Offer was announced, and premiums of between 1% and 13% to 6-month and 3-month weighted average prices;*
- *a range of discounts from 7% to 15% to the intrinsic values obtained by discounting cash flows based on 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 range from a discount of 3% to a premium of 16% to market values obtained by applying multiples of companies in comparable sectors.*

Given that this is an offer by the Company to repurchase its own shares, the fairness of the Offer price has to be assessed in light of the situation of the shareholders, whether or not they tender their shares to the Offer. In the particular case, the Offer relates to a maximum of 41.6 million shares, i.e. 11.7% of the share capital; if the Offer is oversubscribed, each tendering shareholder will have his application scaled down in proportion to the number of shares held by him, in which case no shareholder will be able to tender all his shares to the Offer.

In this context, the price must represent a balance between a short-term market value and an intrinsic value that takes into account a longer-term view and reflects the upside potential of the share.

In the particular case, the Offer price of 30 euros provides a premium to market values (share price and analogous approaches) that gives an incentive for interested shareholders to sell their shares, while providing a reasonable discount relative to the intrinsic values of the Company (DCF analyses) to ensure that the offer by the Company to repurchase its own shares is in the interests of non-tendering shareholders.

In this context and on these bases, in our opinion the price of 30 euros is fair to the shareholders of Bouygues from a financial perspective, in the context of an optional Offer to all shareholders.

Signed in Paris,
On 20 September 2011

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

7. Reasoned opinion of the Board of Directors of Bouygues

At its meeting of 20 September 2011, attended by all the Board members except Patricia Barbizet, Mrs Francis Bouygues and Hervé Le Bouc, who were represented by proxy, the Board of Directors gave the following reasoned opinion on the Offer:

"The Board of Directors of Bouygues met on 20 September, 2011 to give, in particular, its opinion on the Company's plan to file a share repurchase tender offer (the "Offer") relating to a maximum of 41,666,666 Bouygues shares representing 11.7% of the share capital and a minimum of 8.7% of the total voting rights. The Chairman described to the Board the main terms of the Offer.

1. The Board of Directors of Bouygues considered the draft offer document due to be filed that day with the Autorité des Marchés Financiers (AMF – the French financial markets authority), which includes the valuations proposed by the banks Rothschild & Cie Banque, BNP Paribas, Crédit Agricole CIB, HSBC France and Société Générale. In this connection, the Board noted that the Offer would be an opportunity for interested shareholders to sell shares at a price offering the following premiums to recent share prices:

- *30% to the closing price on 30 August 2011 (the day before the Offer was announced);*
- *29% to the average price (weighted by volumes) for the month preceding the announcement of the Offer.*

The Board also noted that the transaction would have an accretive effect on earnings per share for non-tendering shareholders, in proportions dependent on the take-up rate (approximately 11% based on a take-up rate of 100%).

The firm of Ricol Lasteyrie, represented by Sonia Bonnet-Bernard, acting as independent appraiser retained by the Company, on the conditions stipulated in Article 261–3 of the AMF General Regulation, to produce a report on the financial terms of the Offer, has concluded that the Offer price was fair for both tendering and non-tendering shareholders, which the Board noted.

2. The Board of Directors also noted that it was not expected that implementing the Offer would have an impact on employment, or on the Bouygues group's strategy or dividend policy. In addition, it was established that the Company's financial structure would be preserved even with a 100% take-up rate, in which case the Group's proforma net debt as at 31 December 2010 would be 3.7 billion euros, *compared with proforma shareholders' equity of 9.3 billion euros as of the same date. The proforma ratio of net debt to EBITDA would be 1.1x as at 31 December 2010.*

3. The Board members were reminded of the undertaking by SCDM – the holding company controlled by Martin and Olivier Bouygues which owns 18.6% of the share capital of Bouygues – not to tender its Bouygues shares to the Offer, and the members took this into account in giving the present opinion.

4. After discussion, the Board of Directors, having noted in particular the work of the independent appraiser concluding that the Offer price was fair for all Bouygues shareholders, decided unanimously, including all members present or represented, that it was in the interests of Bouygues, its shareholders and its employees to implement the Offer".

8. Contacts

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