



Paris, 23 June 2015

## Bouygues press release

### **Bouygues' Board of Directors decides not to follow up on the Altice group's offer to enter into negotiations**

At its meeting of 23 June 2015, Bouygues' Board of Directors has decided unanimously, after an in-depth review, not to follow up on the Altice group's unsolicited offer to acquire Bouygues Telecom.

The Board of Directors has made its decision for the following reasons:

- The Board is convinced that the telecoms market is at the dawn of a new era of growth driven by the exponential development of digital uses.  
The Board believes that Bouygues Telecom is particularly well positioned to take advantage of this growth, considering that it has a strong and long-term competitive edge afforded by its portfolio of frequencies and its 4G network, which is recognised as being one of the best in the market. The operator, having become the fixed market's mover, is also benefiting from its breakthrough in fixed broadband and the successful launch of its Bbox Miami Android TV box. Finally, the acceleration in the company's transformation is resulting in an increasingly competitive cost structure.  
The Board believes that Bouygues Telecom has the means to return to an EBITDA<sup>a</sup> margin of at least 25% by 2017 (the same level as in 2011), a margin that should continue to rise in the longer term.
- In addition, the Board considers that the offer presents a significant execution risk, which should not be borne by Bouygues, particularly in terms of competition law in both the fixed and mobile markets. Altice has not provided a fully satisfactory response regarding this important matter that would be examined closely by the Competition Authority. Furthermore, the offer does not factor in the imminent launch of the 700 MHz frequencies auction process and its consequences on the deal.
- Finally, the Board paid great attention to the consequences of market consolidation on employment as well as the social risks inherent to such an operation. The Bouygues group has always strived to write an industrial story that creates value in the long term with its employees and suppliers, and in the interests of its customers, while respecting its commitments in terms of investment for the development of French infrastructures.

The Board renewed its full trust in Bouygues Telecom's executive management team and employees, and paid tribute to their motivation and efforts accomplished.

(a) EBITDA = current operating profit + net depreciation and amortisation expense + net provisions and impairment losses - reversals of unutilised provisions and impairment losses

The EBITDA margin is calculated on the basis of sales from network

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