

BOUYGUES CONSTRUCTION



BUILDING SOLUTIONS FOR A DEMANDING WORLD



PROFILE

Bouygues Construction is a global leader in the building, civil works and electrical contracting and maintenance sectors. Operating in some sixty countries, it combines the power of a large group with the flexibility of a network of companies organised as seven complementary entities. Thanks to its expertise in financing, designing, constructing, maintaining and operating buildings and structures, it offers its customers a vast range of innovative solutions.

Bouygues Construction has adopted a structured strategy with regard to sustainable development, enabling it to strike a balance between economic profitability and the social, community and environmental impact of its businesses.

Employing 43,000 people throughout the world, the Group generated sales of €6.9 billion in 2006.

Key figures 2006

€6.9 bn

> Sales

43,000 employees

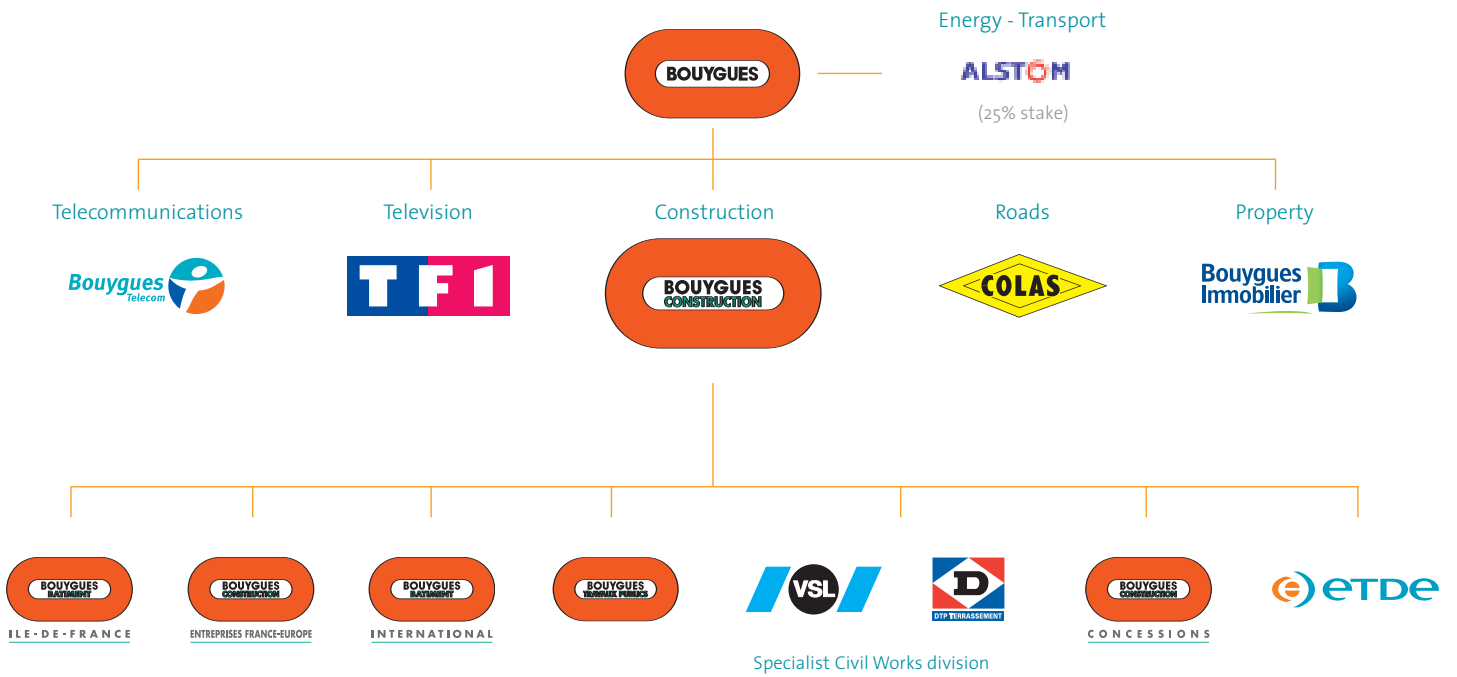
> France: 22,000

> International: 21,000

€2.7 bn

> International sales



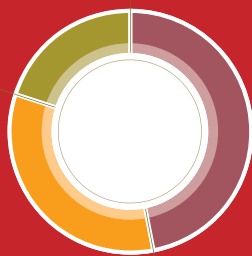


€305 m

> Operating profit

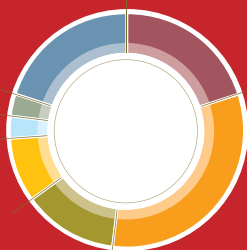
€209 m

> Net profit, Group share



■ Breakdown of sales 2006 by business area

- - Building and civil works, France: 47%
- - Building and civil works, international: 33%
- - Electrical contracting and maintenance: 20%



■ Breakdown of sales 2006 by entity

- - Bouygues Bâtiment Ile-de-France: 20%
- - Bouygues Entreprises France-Europe: 32%
- - Bouygues Bâtiment International: 13%
- - Bouygues Travaux Publics: 9%
- - VSL: 3%
- - DTP Terrassement: 3%
- - ETDE: 20%

The Group's Concessions division recorded receipts of €202 million in 2006.

> Active in 60 countries

> 39% of 2006 sales generated outside France

Strategy

Four priorities for development

Bouygues Construction remains focused on four key areas for development which are complementary to its core professions: electrical contracting and maintenance, property development, public-private partnerships (PPPs) and transport infrastructure concessions.

Electrical contracting/maintenance

The electrical contracting and maintenance businesses provide Bouygues Construction with complementary business cycles that generate recurring revenue. Their development is grounded in ETDE's strong organic growth (15% on average since 2005) and an external growth strategy – 13 acquisitions in 2006 – seeking to extend territorial coverage at the same time as acquiring new technical competences.

Property development

Property development contributes significantly to Group sales: in 2006, specialist subsidiaries Sodéarif in the Paris region, Cirmad in the French provinces and Losinger and Marazzi in Switzerland posted sales worth €674 million. The Group's property development companies conduct a customer policy aimed at covering the requirements of its

international clientele, a product policy geared to the development of ensemble operations, and an investor policy operating through AdValys, an asset management company.

Public-private partnerships

PPPs are long-term contracts that allow a public authority to enter into an agreement with a private partner to design, finance, build and operate a project in return for tenancy. Bouygues Construction has developed expertise in this area over many years, in both France and internationally, on projects such as hospitals, schools and transport infrastructures.

Infrastructure concessions

Projects of this type involve the design, finance, construction and operation of major transport infrastructures. They enable the Group to be awarded large-scale construction contracts, and following handover, to benefit from recurrent long-term operating income. In 2006, this business generated over €200 million of revenue.

Growth in Europe



Expansion in Europe constitutes a strategic priority for Bouygues Construction. The Group is strengthening its presence in Europe, chiefly through external growth, and it is developing synergies.

Among the geographical regions throughout the world experiencing growth, the 27-country European Union is of great strategic interest to the Group because of the needs of the newly instated members, particularly with regard to infrastructures. Six of Bouygues Construction's seven entities do business in Europe outside France, whether through permanently established structures or on a one-off basis to carry out specific major projects. Their strategies vary according to their markets, but they are all fully in line with the Group's four priorities for development. They are also developing commercial synergies that can even culminate in the creation of joint subsidiaries, enabling them to provide their customers with a full-service offering. Bouygues Construction is also committed to a policy of external growth. The Group has recently acquired several large companies, particularly in Eastern Europe.

Other benefits result from this international presence: a benchmarking tool, career opportunities for the Group's employees, local reservoirs of potential talent, and a great cultural richness.

Innovation as a driver of performance

Research and innovation, at the core of Group strategy, help ensure that projects delivered by all the Bouygues Construction entities are competitive.

R&D and innovation have a vital part to play in the development of the Group. They form part of the strategic plans of each of the entities, which have a record of innovation in the framework of their projects, at the sales, design or build stages. Research programmes focus on improving the performance of materials and site equipment, safety and quality of execution, optimising lead times, making certain jobs less arduous, and lessening environmental impact.

In addition, an R&D Committee coordinates transversal research projects, strengthens the culture of innovation and builds on knowledge between the entities.



The Group

Bouygues Construction is organised in major operating entities whose subsidiaries constitute a vast network. Developing specialisations in their localities and in their core activities and widely acknowledged for their professionalism, they are highly responsive and maintain close relationships with their customers.



> Bouygues Bâtiment Île-de-France

The benchmark for construction in the Paris region



Bouygues Bâtiment Ile-de-France operates a comprehensive offering with seven specialities organised in operating units: Rénovation Privée, Construction Privée, Habitat Résidentiel, Ouvrages Publics, Habitat Social and Brézillon (industrial civil engineering, environment and rehabilitation). Specialist property development and project management companies Sodéarif and Élan ensure that the organisation is fully comprehensive. With a market share of 10%, it is leader in the construction sector in the Paris region.

- Sales 2006: €1,376 million
- Workforce: 4,450

> Bouygues Entreprises France-Europe

A leader in Western Europe



Bouygues Entreprises France-Europe is active in the construction and civil works sectors in France and neighbouring Western European countries (Belgium, Luxembourg, Spain, Switzerland, United Kingdom). It operates through its eleven major subsidiaries, a dedicated property development network (Cirmad) and a company specialised in post-tensioning systems and repair to engineering structures (VSL France). In construction, it is firmly positioned as a principal contractor capable of managing very large contracts and technically complex work.

- Sales 2006: €2,159 million
- Workforce: 8,300

> Bouygues Bâtiment International

An operator for major projects



Established in twenty countries through a network of local subsidiaries, Bouygues Bâtiment International is specialised in complex projects of all types: private- and public-sector housing, office developments, hotels, schools, airports, industrial plants and leisure facilities. From developing financial packages to operating buildings and facilities, the company has a role to play at every stage of a project. Its expertise can be applied to all types of contracts as main contractor, in a design-build capacity, as a concession operator or in the context of a PPP.

- Sales 2006: €931 million
- Workforce: 9,900

> Bouygues Travaux Publics

An expert in complex sites



Bouygues Travaux Publics specialises in underground works, complex civil engineering projects and engineering structures, as well as road, port and public transport infrastructures. It has three areas of competence: finance, large-scale project management and expertise in highly technical operations. Bouygues Travaux Publics' diversification strategy includes developing businesses in the sectors of nuclear decommissioning, steel frame construction and the renovation of tunnels and engineering structures.

- Sales 2006: €601 million
- Workforce: 2,800



> VSL

An expert in post-tensioning and cable-stay systems



VSL is an expert in post-tensioning systems for engineering structures and buildings, a technique that improves the load-bearing properties of concrete by incorporating high-tensile steel cables into structures. The company is also specialised in cable-

stay systems for large bridges. With operations all around the world, VSL is planning its development around an active R&D policy, the creation of partnerships with companies in adjacent areas of business and the development of a sales policy based on alliances.

- Sales 2006: €238 million
- Workforce: 3,000

> DTP Terrassement

A specialist in terrestrial infrastructures



DTP Terrassement specialises in terrestrial infrastructure projects. Active in France and a number of other countries, particularly in Africa, its expertise encompasses a wide range of projects: linear projects, major structures, small local sites, opencast mining, concessions and environmental projects. Certified ISO 9001 (quality), OHSAS 18001 (safety) and ISO 14001 (environment), it has introduced numerous innovations seeking to improve its teams' performance and onsite safety.

- Sales 2006: €217 million
- Workforce: 2,200

> Concessions division

The Group's specialist in concessionary operations



The Concessions division manages and operates the transport infrastructure concession companies in which Bouygues Construction holds a stake. With the benefit of this experience, the division also plays a role in the start-up of new projects to be operated as concessions, so providing the Group with opportunities to deliver its competences in technical design, finance, legal affairs and construction. Operating in eight countries, it manages over 650 kilometres of roads and other structures.

- Receipts 2006: €202 million
- Workforce: 700

> ETDE

A systems integrator offering technical solutions and services



ETDE is a systems provider and integrator offering a range of services to both private- and public-sector customers in energy, services, industry, transport, the environment and telecoms. ETDE offers its customers a comprehensive range of services encompassing finance, design, contracting, maintenance and operation in its four main business areas: utility networks, electrical, mechanical and HVAC engineering, facilities management, and telecoms networks and services. It now generates 28% of its sales outside France.

- Sales 2006: €1,390 million
- Workforce: 11,500



Sustainable development

Bouygues Construction has introduced a structured sustainable development policy which forms an integral part of its strategy. Combining a quest for performance with respect for people, the Group has committed itself to a long-term vision through a highly operational approach.

In October 2006, Bouygues Construction signed up to the United Nations Global Compact.

> A focus on action

Following an analysis of the common challenges faced by all Group companies in dealing with stakeholders, seven key themes relating to sustainable development have been mapped out. These key themes have been broken down into commitments which in turn result in 42 concrete actions applicable to all Group entities.

To oversee rollout, a Sustainable Development department has been set up. It is supported by a committee made up of representatives of the entities.

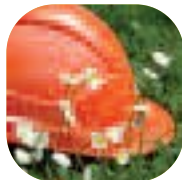
> Rollout and achievements

Each of the Group's entities carries out self-assessment of the 42 common actions, scoring the level attained on a scale of 1 to 4, with 1 being the lowest level and 4 being a level of excellence. They then select their priority actions and decide how to implement them.

Numerous measures were put in place throughout the Group in 2006. In particular, Bouygues Construction teams concentrated on listening to customers more attentively, involving subcontractors in Quality, Safety, Environment (QSE) procedures, reducing the environmental impact of sites, promoting environmentally responsible design, encouraging diversity and developing work opportunity and training initiatives for young people and the disadvantaged.

7 key sustainable development themes

- Foster a trusting relationship with our customers, based on consideration, transparency and innovation
- Incorporate risk into the day-to-day management of the company
- Lead our business sectors in terms of occupational health and safety
- Develop our employees' skills and promote equal opportunity
- Establish balanced, long-term relationships with our partners, suppliers and subcontractors
- Ensure that our businesses respect the environment
- Participate in the economic and social life of the regions where we operate



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