

Telecommunications operator

Excellent financial results, the fruit of marketing investments in 2006

In 2007, Bouygues Telecom continued to offer an attractive line-up for both consumers and businesses. It ensured that it had the resources to meet growing demand for data and converged services from businesses and SMEs.



New brand campaign

2007 sales	Operating margin	Net profit att. to the Group	Employees	2008 sales target
€4,796m (+6%)	15.6% (+2.5 points)	€492m (+26%)*	7,700	€4,965m (+4%)

(*) From continuing operations

Highlights

- **Carbon balance** measured in 2007.
- **November:** 3G+ services released for businesses and consumers.
- **September:** signing of an agreement with Neuf Cegetel for the provision of a business and consumer DSL service; new brand campaign on the theme of freeing up personal communication; launch of Neo Pro services for SMEs.
- **July:** conclusion of an MVNO contract with cable operator Numericable.
- **June:** launch of Business Synchro, converged voice and data services, and of the "2 Fois Plus" plan.

The 9 million customer milestone passed in November

The popular Neo product range confirmed the soundness of Bouygues Telecom's sales and marketing strategy based on unlimited calling. Bouygues Telecom continued to emphasise unlimited services in its product offerings in 2007.

Bouygues Telecom rounded out its Neo and Exprima range of consumer call plans with the launch of the Exprima 24/24 plan offering unlimited calls to fixed-line numbers and the "2 Fois Plus" plan offering double call time to all numbers from 6.00pm to midnight and at weekends. The prepaid line was overhauled to boast an unrivalled price per minute as well as recharge cards that include unlimited text messages in certain time slots.

The Evolutif Pro Fixe 24/24 and Neo Pro plans offer unlimited calling for businesses and SMEs.

Universal Music Mobile had over 1 million customers at end-November.

Rollout of the HSPA network to cover more than 20% of the French population meant that 3G+ services became available from November, including an internet USB stick for all and unlimited mobile internet for business customers.

Fixed-mobile convergence

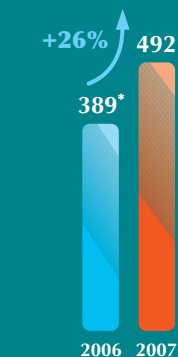
Business Synchro, a converged voice/data service using IP technologies, was launched in June. It enables firms to cut their costs and improve efficiency while offering them internet access, a one-stop contact and a single bill for fixed and mobile calls.

In September, Bouygues Telecom concluded an agreement with Neuf Cegetel giving the company access to a DSL network covering more than 60% of the population. Under the terms of the agreement, Neuf Cegetel will sell most of the network to Bouygues Telecom.

Sales € billion



Net profit € million



(* Excl. net profit from divested companies (BTC): €110m

CONDENSED CONSOLIDATED BALANCE SHEET at 31 December

(€ million)	2006*	2007
ASSETS		
• Non-current assets	3,055	3,080
• Current assets	1,102	1,324
TOTAL ASSETS	4,157	4,404
LIABILITIES AND SHAREHOLDERS' EQUITY		
• Shareholders' equity	2,324	2,370
• Non-current liabilities	118	113
• Current liabilities	1,715	1,921
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	4,157	4,404
Net surplus cash	66	188

(* Applying the same accounting policy as in 2007

Net cash € million



Value market share Sales from network (as a %)



CONDENSED INCOME STATEMENT

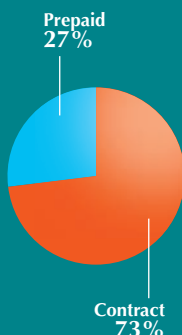
(€ million)	2006*	2007
SALES	4,539	4,796
CURRENT OPERATING PROFIT	593	746
• Other operating income and expenses	-	-
OPERATING PROFIT	593	746
• Net profit	499	492
• Minority interests	-	-
NET PROFIT ATTRIBUTABLE TO THE GROUP	499	492

(* Applying the same accounting policy as in 2007

Contract customers in millions



Customer base at 31 December 2007



Outlook for 2008

Bouygues Telecom will pursue its policy of continuous improvement of customer relations, endorsed by the renewal of AFAQ/AFNOR quality certification for another two years.

Rollout of the HSPA network will be stepped up to meet businesses' growing demand for data services.

The agreement with Neuf Cegetel will pave the way for the launch of **converged services** for business customers in the first half of 2008 and for consumers in the second half of the year.

The 8% cut in Bouygues Telecom's call termination rates from 1 January 2008 will curb growth in **sales from network**, as in previous years, although the figure is still expected to rise by 3% over the year to €4.6 billion.