PROJECT SAINT MALO

BOUYGUES TELECOM

THURSDAY 5 MARCH 2020

TEACHING

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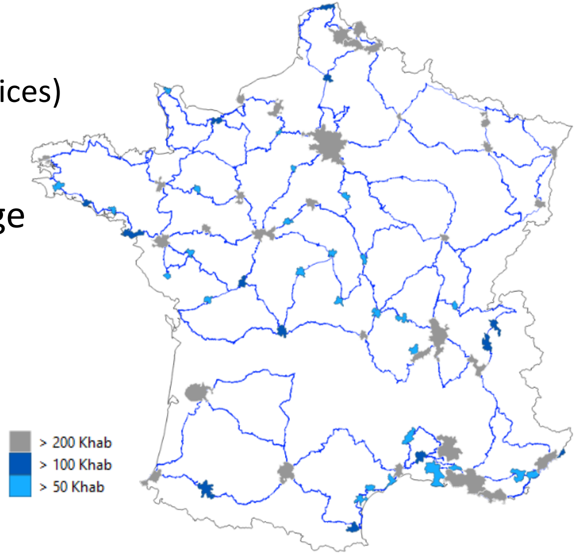
Forward-looking statements are statements that are not historical facts, and include, without limitation: financial projections, forecasts and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance of the Group. Although the Group’s senior management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Group, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and undue reliance should not be placed on such statements. The following factors, among others set out in the Group’s Registration Document (*Document de référence*) and future Universal Registration Document (*Document d’engregistrement universel*) in the chapter headed Risk factors (*Facteurs de risques*), could cause actual results to differ materially from projections: unfavourable developments affecting the French and international telecommunications, media, construction and property markets; the costs of complying with environmental, health and safety regulations and all other regulations with which Group companies are required to comply; the competitive situation on each of our markets; the impact of tax regulations and other current or future public regulations; risks related to international activities; industrial and environmental risks; aggravated recession risks; compliance failure risks; brand or reputation risks; information systems risks; risks arising from current or future litigation. Except to the extent required by applicable law, the Bouygues group makes no undertaking to update or revise the projections, forecasts and other forward-looking statements contained in this presentation.

WHAT IS SAINT MALO PROJECT ?

- Roll-out of **nationwide optical fiber infrastructure** (FTTA[a] and FTTO[b])
- Aiming to satisfy the growth in data usage on networks
  - > Connect Bouygues Telecom's network equipment (mobile antennas, central offices)
  - > Market very-high-speed fixed broadband offers to businesses
- Partnership with Cellnex[c] to roll-out and market infrastructure and manage operations through a JV
  - > Project of around €1bn over seven years
  - > Bouygues Telecom to be a minority shareholder in the JV (49%)
  - > Long-term service contract between Bouygues Telecom and the JV



(a) Fiber-To-The-Antenna
(b) Fiber-To-The-Office: a dedicated fiber loop serving all types of non-residential premises that is rolled out on a case-by-case basis as contracts are signed with private businesses or public-sector bodies
(c) Subject to authorization from antitrust authorities

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SATISFY THE GROWTH IN DATA USAGE ON NETWORKS

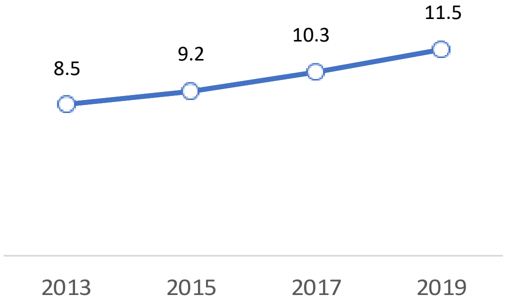
- **BTOB, A STRATEGIC BUSINESS SEGMENT DEMANDING VERY-HIGH-SPEED FIXED BROADBAND OFFERS**

Very-high-speed required
at all sites

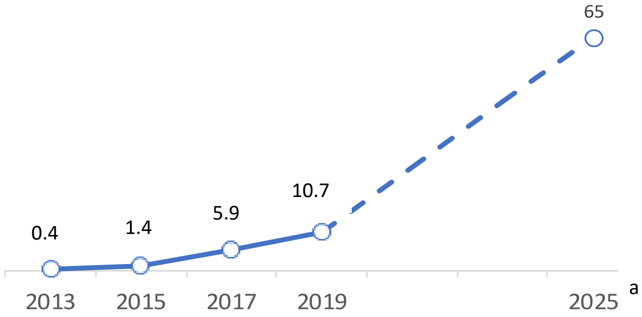
Network digitalization

- **CONTINUED GROWTH IN CUSTOMER DATA USAGE IN A GROWING MOBILE MARKET**

Postpaid Mobile Customers
(million of customers)



Data Traffic per Customer (Gb/month)



(a) Source: Ericsson

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HOW TO COPE WITH TRAFFIC GROWTH?

HAVE MORE FREQUENCIES

Participation in 3.5 GHz auction process

INCREASE CAPACITY IN BACKBONE AND BACKHAUL NETWORK

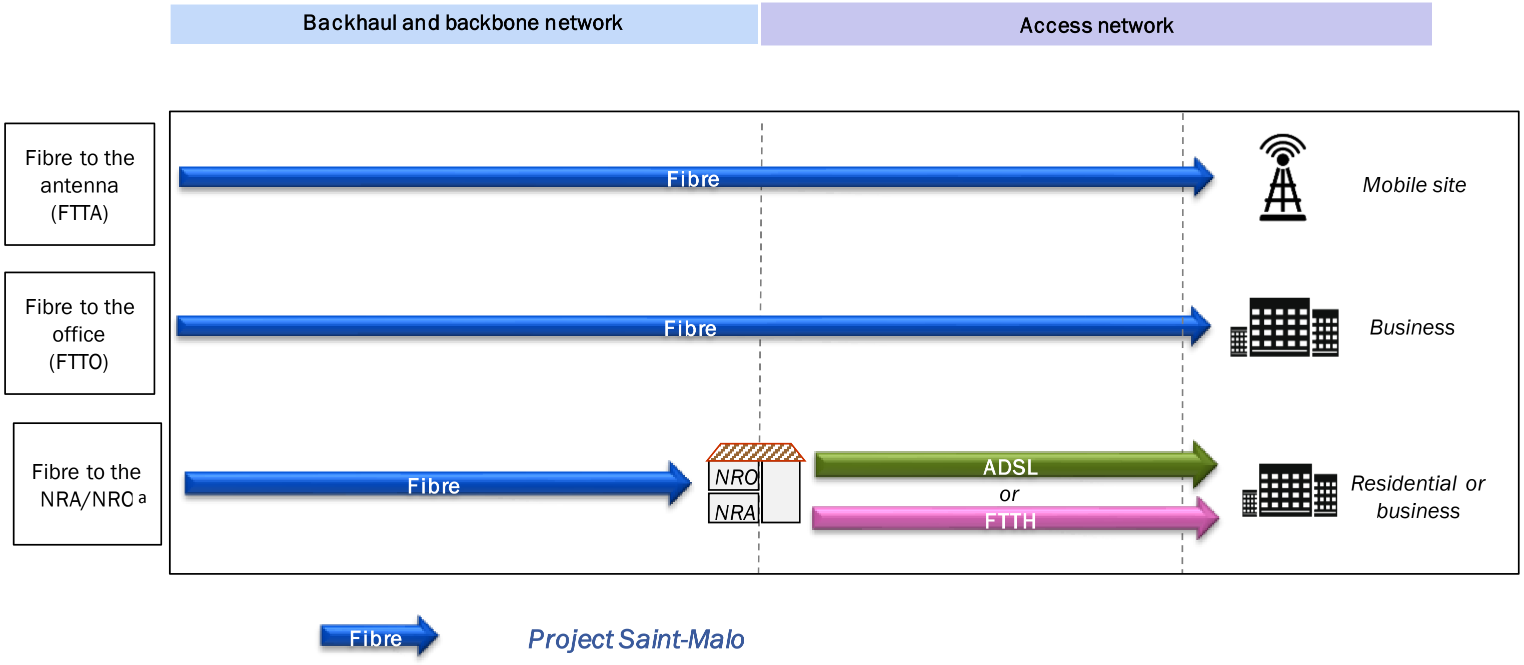
Metropolitan Offices and inside cities backhaul network already built in the very dense area

ADD MORE SITES

From 21,000 mobile sites in 2019 to 28,000 in 2023

ROLL-OUT OF NATIONWIDE OPTICAL FIBER INFRASTRUCTURE (FTTA AND FTTO)

- Backhauling of mobile sites and central offices: capacity multiplied between 10 to 100
- Expand FTTO and develop wholesale



(a) NRA/NRO: Central Offices

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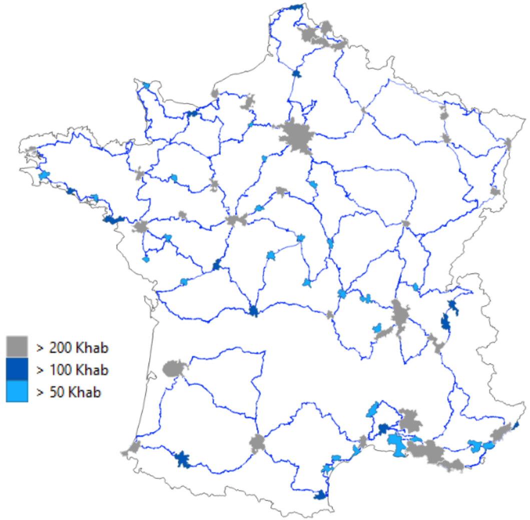
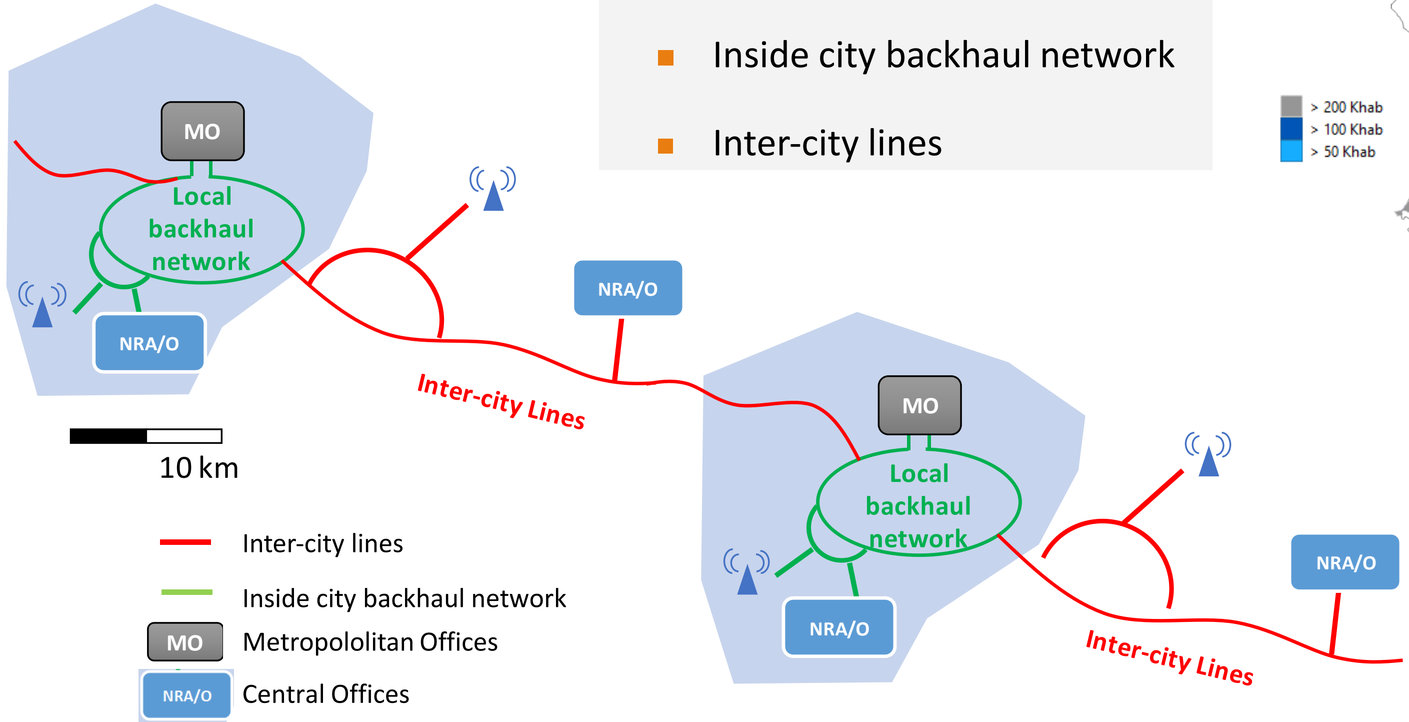
DETAILED SAINT MALO INFRASTRUCTURE

3 STRUCTURAL ELEMENTS

- Up to 90 Metropolitan Offices
- Inside city backhaul network
- Inter-city lines





SAINT MALO, THE MOST EFFICIENT SOLUTION

Options

OPTION A

- Build our own Metropolitan Offices and inside cities backhaul network
  - Few capex (25% to 30% of Saint Malo cost)
- Rent inter-city lines
  - High opex in the long term
  - No FTTO offers outside cities

OPTION B - SAINT MALO

- Build a **complete** and **shared infrastructure**
  - No short term impact on FCF
  - Lower opex in the long term vs option A
- Possibility to **take over the infrastructure** after 20 years
- **More revenue** from BtoB and wholesale (FTTO)

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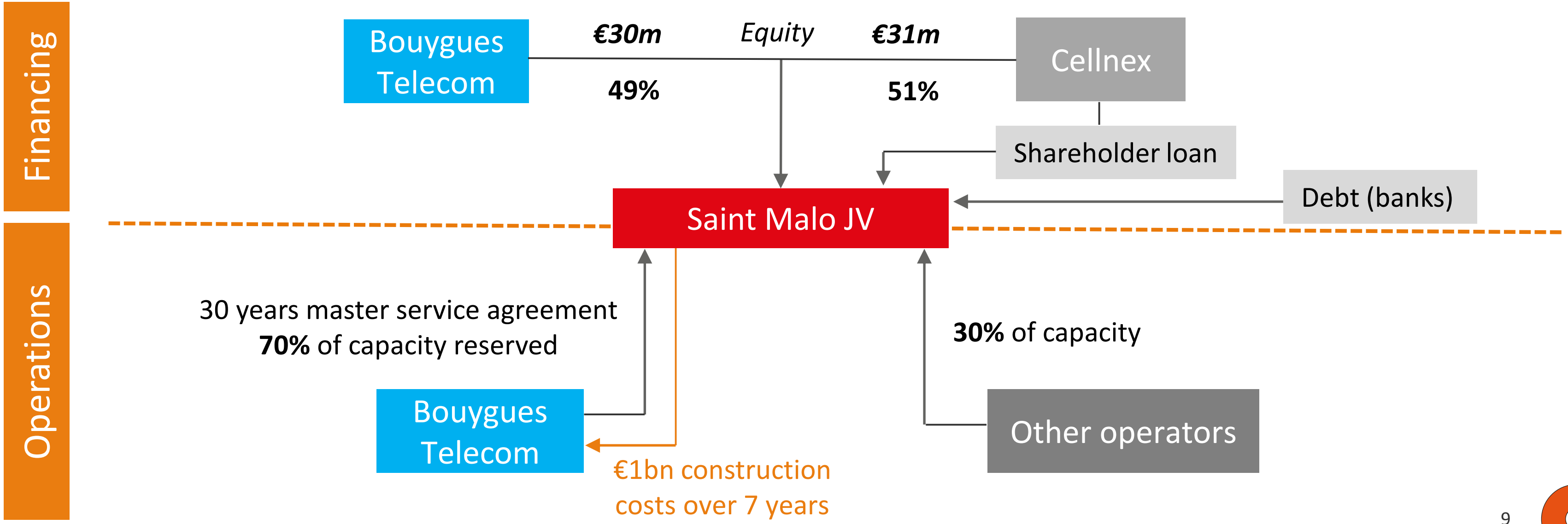
SAINT MALO FINANCIAL STRUCTURE

- **FINANCIAL SCHEME ALLOWING BOUYGUES TELECOM TO**
  - Keep 49% of Saint Malo JV to **take profit of value creation**
  - **Limit** the injection of capital



SAINT MALO KEY POINTS

- A NATIONWIDE AND HIGH-CAPACITY OPTICAL FIBER INFRASTRUCTURE USED FOR
  - Backhauling mobile sites and central offices (**capacity multiplied** between **10 to 100**)
  - **Expanding FTTO** and **developing wholesale**
- A PRAGMATIC FINANCIAL SCHEME
  - **No short term impact** on **Free Cash Flow**
  - Possibility to **take over the infrastructure** after 20 years
- AN OPPORTUNITY TO STRENGTHEN OUR COMPETITIVENESS TO ACCELERATE IN THE FIXED BTOB AND TO DEVELOP WHOLESALE BUSINESS

BOUYGUES TELECOM'S FLEXIBLE FTTH ACCESS STRATEGY

Area	Total premises on the market[a]	Horizontal infrastructure	Vertical infrastructure
Very Dense Area	6.4m	• **50%** with CityFast[b]: fixed annual opex • **50%** with SFR or Orange: capex	• **Joint investment**: acquisition of vertical infrastructure (capex) + cost of maintenance/customer • **Or rental cost**/month/customer
Medium Dense Area AMII	13.2m	• Roll-out agreement with Orange and SFR: capex	• **Joint investment** by tranche of 5% (capex) + cost of maintenance/customer • **Or rental cost**/month/customer
Public Initiative Network Area	15.9m	• **Agreements with PIN operators**: rental cost/month/customer (possibility of investment like in the Medium Dense Area/AMII)	

(a) As disclosed by Arcep in its public consultation of 5 October 2017
(b) Operator owned by Axione and Mirova providing FTTH access services in the Very Dense Area

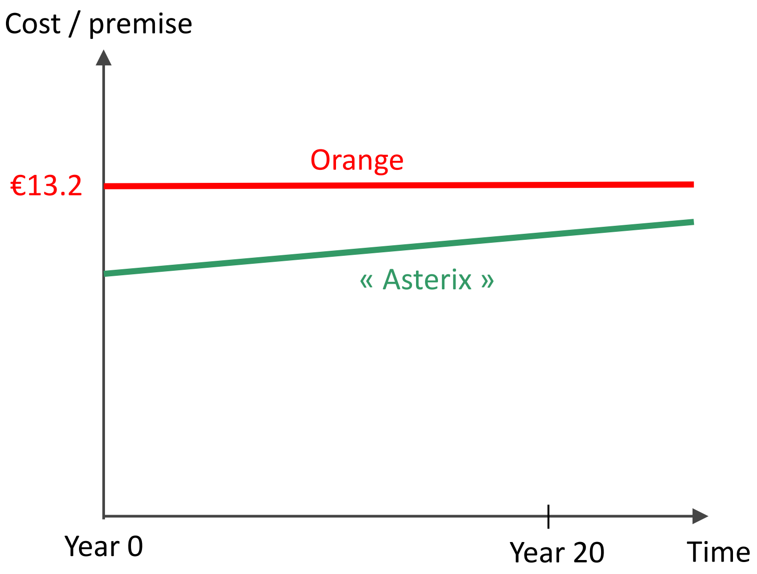
WHAT IS “ASTERIX PROJECT” ?

- Objective: **speed up the roll-out of** Bouygues Telecom’s **FTTH**[a] in **the Medium Dense Area** while **optimizing** its **cost**
- Currently, Bouygues Telecom accesses Orange’s FTTH vertical network in the Medium Dense Area
  - via joint investments by 5% tranche of completed lines in one area
  - or through rental (€/customer/month)
- Bouygues Telecom is looking for a partner to start a JV to co-finance the roll-out of FTTH in the Medium Dense Area, to market infrastructure and to manage operations
  - Bouygues Telecom to be the minority shareholder in the JV

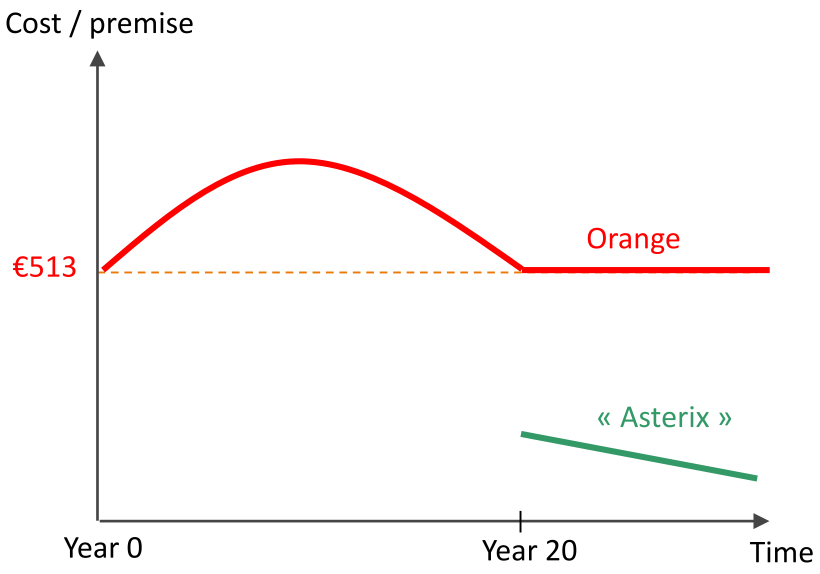
(a) Fiber-To-The-Home – optical fiber from the central office (where the operator's transmission equipment is installed) all the way to homes or business premises (Arcep definition)

OPTIMIZE BOUYGUES TELECOM’S FFTH COSTS IN MEDIUM DENSE AREA AREA

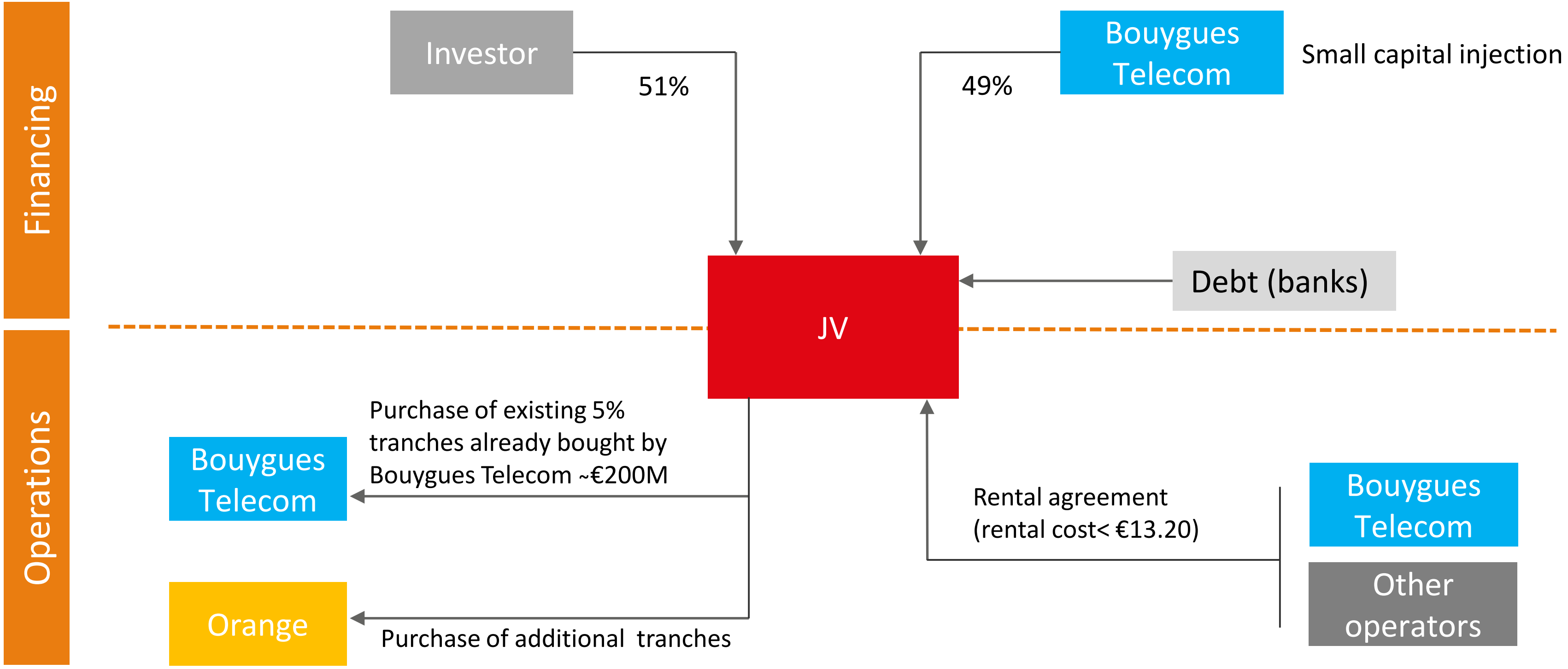
COST TO ACCESS ONE FTTH PREMISE



COST TO BUY ONE FTTH PREMISE



ASTERIX FINANCIAL STRUCTURE



ASTERIX KEY POINTS

- **SPEED UP THE ROLL-OUT OF BOUYGUES TELECOM'S FTTH IN THE MEDIUM DENSE AREA**

- **OPTIMIZE THE ACCESS COST OF THE PREMISES**
  - An access **cost lower** than €13.20/month/subscriber as the JV will buy 5% tranches and will be able to rent to other operators
  - No impact during the first three years
    - Savings on unit access cost
    - Access cost on the existing premises sold by Bouygues Telecom to Asterix JV
  - **Positive impact** expected **after three years**

- **CALL OPTION TO TAKE CONTROL OF THE JV AFTER 20 YEARS**

- **SMART CAPEX AND OPEX MANAGEMENT WHILST KEEPING DIFFERENTIATION**

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Very Dense Area	6.4m	• **50%** with CityFast[b] (fixed annual opex) • **50%** with SFR or Orange (capex)	• **Joint investment**: acquisition of vertical infrastructure (capex) + cost of maintenance/customer • **Or rental cost**/month/customer
Medium Dense Area AMII	13.2m	• **Project "Asterix" (access cost**/month/customer on Orange's FTTH vertical network through the JV) • Roll-out agreement with SFR: **joint investment** by tranche of 5% (capex) + cost of maintenance/customer **or rental cost**/month/customer	
Public Initiative Network Area	15.9m	• **Agreements with PIN operators**: rental cost/month/customer (possibility of investment like in the Medium Dense Area/AMII)	

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