

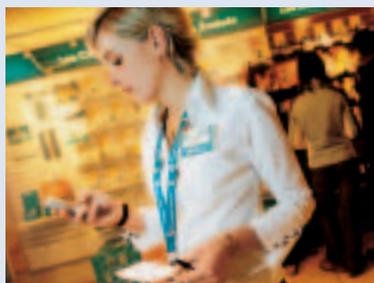
Since its **network opened** for business in 1996, Bouygues Telecom has grown rapidly in the highly competitive market of **mobile telephony** and today boasts 6.5 million individual and corporate customers. From the outset, Bouygues Telecom was renowned for its pioneering and **innovative** spirit, with the introduction of **Contracts** and then Enhanced Full Rate digital sound. It is maintaining this spirit by developing three of its key growth drivers: **permanently improving** the mobile multimedia offering, with **i-mode** launched in November 2002 and upgraded with photo and Java applications in late 2003; focusing strongly on customer relations, resulting in a major boost to commercial performance in 2003; and striving to improve its network in terms of both availability and **call quality**.

Bouygues Telecom's **aim** is to become the preferred brand of mobile services, and to continue improving the service it provides to its customers.

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Message from the Chairman

A new phase in the drive for higher earnings

Competition in the French market eased off in the first half but increased again in the second. Bouygues Telecom continued to win new customers throughout the year. Financial performance was excellent in 2003, with substantial net earnings of €201 million and sales of €3,283 million, in line with our targets. Net sales from the network totalled €2,995 million, up 12% on 2002. EBITDA amounted to 1,001 million euros, or 33.4% of sales, two points more than in the previous year (31.3%). For the second year in a row, Bouygues Telecom generated strongly positive EBIT (€461 million), and repaid part of its bank debt ahead of schedule. 2003 marked a new phase in the company's drive for higher earnings.

The Bouygues group confirmed its support for Bouygues Telecom, increasing its stake by merging BDT into Bouygues Telecom and acquiring E.ON's shares. At end-2003, Bouygues owned 83% of Bouygues Telecom as opposed to 68% a year previously. In 2004, Bouygues Telecom will pursue its ambition of increasing sales and margins, by focusing on its core business against a background of increased competition. The decision to roll out EDGE technology should give the company a new competitive advantage and enable it to confirm its leading position in terms of innovation and creativity.

Board of Directors at 31 December 2003

Chairman of the Board
Philippe Montagner

Chief Executive Officer
Gilles Pélisson

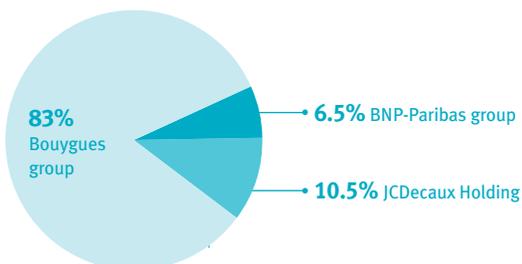
Directors
Olivier Bouygues
Michel Cicurel
Gérard Degonse
Emmanuel Florent
Jean-François Guillemin
François Polge de Combret
Olivier Poupart-Lafarge
Alain Pouyat
Holger Püchert

Supervisors
- Société centrale d'investissement, represented by Jean-Paul Bernardini
- BNP Paribas Participations, represented by Hervé Couffin

Philippe Montagner



Shareholders in % of capital and shareholding rights



Message from the CEO

Operational efforts ensured excellent financial performance



2003 was a very good year for Bouygues Telecom in terms of commercial performance, management and internal development. In all three of these areas, we were able to reap the rewards of efforts that began in 2002, and in some areas we even exceeded our targets.

i-mode was a big hit. At the end of 2003, one year after launch, we had 500,000 i-mode customers, equal to 15% of the actual user base. We created a virtuous eco-system, due to the commercial success of the NEC N22i phone, the efforts of content providers and very high service usage rates. i-mode gives us a strong and highly distinctive position in the mobile multimedia market.

Our continuing financial progress in 2003 vindicated our marketing strategy. We simplified our product range, offering customers a clear choice of major contracts - Référence and Intégral - which include various levels of features. Contract customers now make up 65% of our total customer base. We extended per-second billing from the first second to mini offers, and developed a broader Prepay range, with unique features such as Spot and Flash. In the Corporate segment, number portability enabled us to win large customers such as Géodis and Danone. Unlimited contracts such as Platinum were popular among very small companies.

We continued to improve our customer relations through more reliable systems, improved staff training and a diverse range of contact channels. We made Bouygues Telecom Clubs more attractive by standardising the 450 outlets, which now offer a broader range of handsets and can give improved advice and assistance to customers.

We continued to enhance the reach and density of our network, through the spread of dual-band technology and the rapid

roll-out of Extended GSM. We started selling our radio masts to TDF, and disposed of 1,000 in 2003.

These efforts at the operational level contributed to the improvement in our financial performance, and net sales from the network rose by 12%. We limited the number of marketing and IT projects and focused on major high-growth projects. We also concentrated on making IT systems more reliable and increasing the availability of our network. In terms of purchasing efforts, we set up strong, transparent partnerships with our suppliers, resulting in substantial cost savings. This explains the 18% increase in EBITDA to €1 billion.

As regards internal development, we worked hard to disseminate and encourage people to adopt our corporate project, The Ambition to become the preferred brand of mobile services. This made operations more fluid and boosted skills-sharing and synergies between management teams and staff at all levels. All Bouygues Telecom employees now adhere to an explicit code of conduct and a clear set of guidelines.

In 2004, we will maintain our efforts in four areas.

We will continue to take positions in high-value market segments, in order to address customer needs and increase their preference for Bouygues Telecom. We will do this by offering them simple, innovative solutions that give them real benefits.

i-mode will remain the priority. We will make the most of the services launched in late 2003 (photo, positioning, Java) as well as the enhanced portal, and we will step up customer education efforts.

We will also launch EDGE. This is a major strategic move, enabling us to offer broadband services and deal with customer needs in a pragmatic way. It will allow us to triple the bandwidth of our network, mainly by adjusting the radio



segment. We will also develop a UMTS deployment plan, leading to a trial in late 2004, followed by a roll-out in French cities.

Finally, we will continue to focus on profitability. We are aiming for profit growth of around 10% through a firm grip on operating costs and commercial expenses.

Gilles Pélisson

500,000
i-mode customers
in one year

EXECUTIVE COMMITTEE AT 31 DECEMBER 2003

Front row

Gilles Pélisson, Chief Executive Officer

Second row (left to right)

Richard Viel, International Operations & Roaming Manager

Francis Bernard, Strategy and Innovation Manager

Pierre Marfaing, Senior Vice-President, Technology, Network and Information Systems

Serge Goldstein Desroches, Organisation, Quality and Purchasing Manager

Emmanuel Forest, Senior Vice-President, Licences, Regulatory and Legal Affairs

Yves Goblet, Senior Vice-President, Marketing and Brand

Nonce Paolini, Deputy CEO

Olivier Roussat, Network Manager

Third row (left to right)

Frédéric Ruciak, Consumer Marketing Manager

Jean-Pierre Rousseau, Human Resources Manager

Patrice Rancon, Senior Vice-President, Finance and Management

Laurent Biojoux, Customer Relations Manager

Yves Caseau, Information Systems Manager

Key figures

Second consecutive year of profit

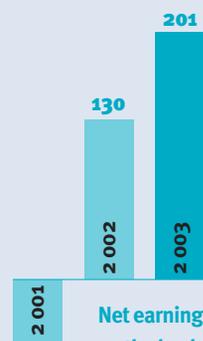
For the second consecutive year, Bouygues Telecom's operational efforts contributed to the improvement in financial performance.



6.5 million active clients, including 4.2 million Contract customers.

Net earnings

consolidated in € million



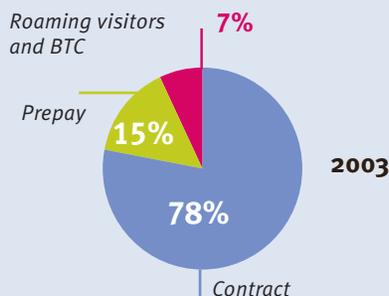
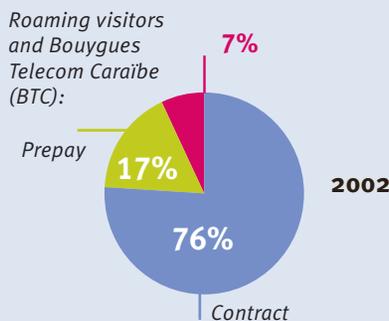
Net earnings rose by 55% in 2003, on the back of strong sales. Bouygues Telecom simplified

its range of products and services. This is reflected in the company's commercial success and productivity gains.

Net earnings

€201
million

Breakdown of net recurring sales



Consolidated sales

in € billion



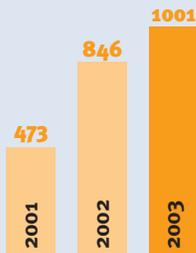
Sales growth was buoyant, due to the success of i-mode and the new, simpler range of contracts for two hours or more. Data revenues rose by 46% with respect to 2002, and accounted for 14% of total net sales from the network.

2003 sales up

+ 12%
on 2002

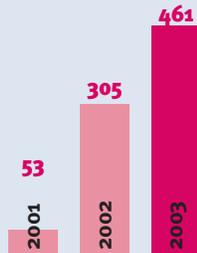
A financial review is available on request from the Corporate and Internal Communications Department.

EBITDA consolidated in € million



Despite major commercial efforts, Bouygues Telecom continued to grow EBITDA. Measures were taken to increase efficiency and rein in spending, with a more selective approach to development projects, centralised purchasing and more reliable IT systems.

EBIT consolidated in € million



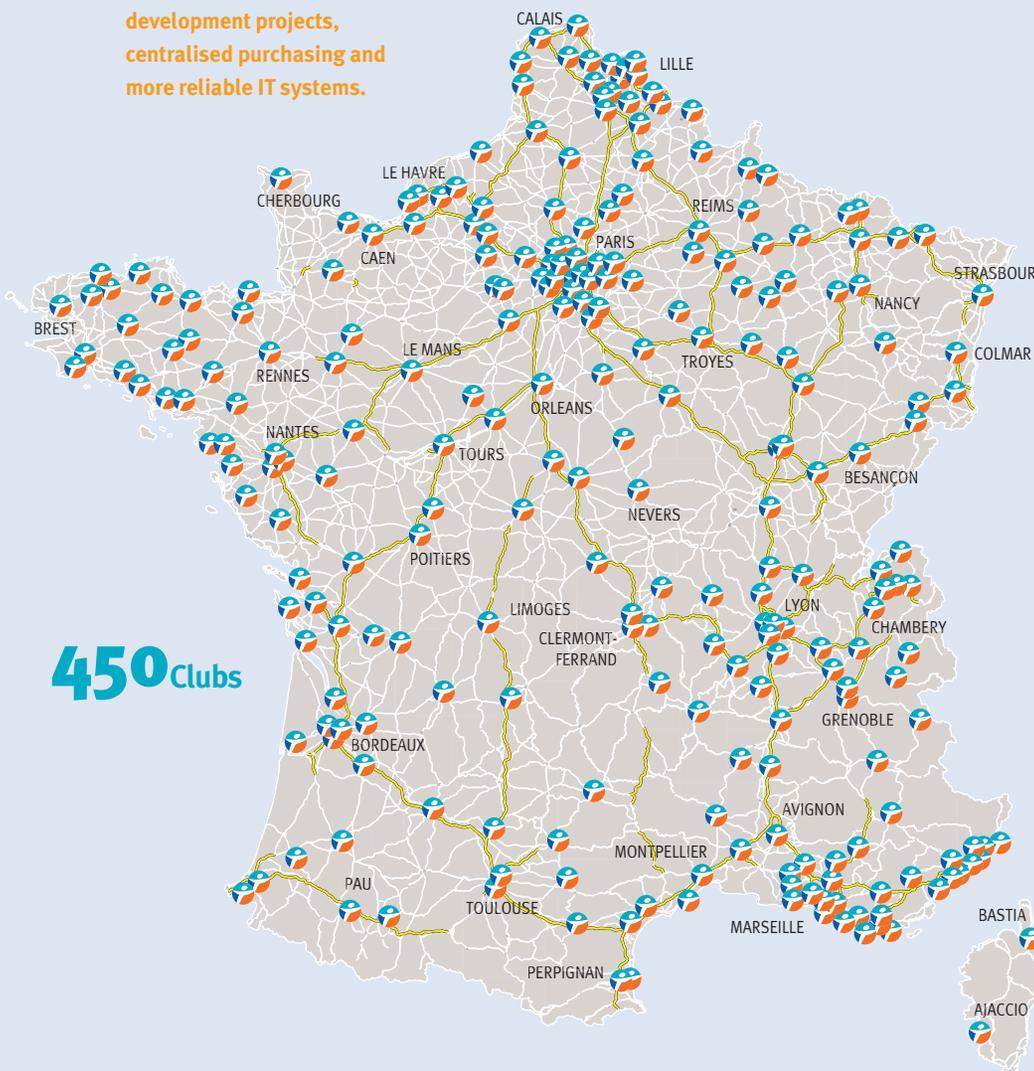
EBIT rose by 51% in 2003, and cash flow increased to €896 million.

Aggregate investment

consolidated in € billion



Investment stabilised at €496 million and amortisation and provision at €522 million. Figures for 2002 and 2003 included the €619 million cost of buying a UMTS licence.



9 locations

Boulogne-Billancourt

Arcs de Seine – Head office
Australia - Customer Relation

Nord-Est

Alsacia - Customer Relation - Regional network department - Regional sales department

Tours

Aquadia - Customer Relation

Méditerranée

Regional network department - Regional sales department

Centre-Alpes

Regional network department - Regional sales department

Ouest

Atlantica - Customer Relation - Regional network department - Regional sales department

Sud-Ouest

Océania - Customer Relation - Regional network department - Regional sales department

Paris

Lutetia - Customer Relation

Le-Plessis-Robinson

Columbia - Network - Regional network department

Source: Géoroute IGN Cartosphère

Key figures

The year in pictures

As part of our quest to become the preferred brand of mobile services, we adopted the following initiatives in terms of operations, marketing, sales and product launches.



January 2003

- Launch of the limited-edition Super Millennium contract: 45,000 contracts sold in two and a half weeks.
- Per-second billing from the first second extended to all contract and prepay customers.
- For the first time, Bouygues Telecom takes part in the "Pièces Jaunes" operation, and staff collect 400kg of loose change for charity.
- 10,000th base station installed.
- Contract with the French customs department for more than 10,000 lines over five years.

February 2003

- Bouygues Telecom and Microsoft launch the iPDA, the first GPRS-enabled pocket PC in the French market.
- i-mode: 100th official site and 100,000th customer.

March 2003

- The city of Paris and France's mobile phone operators sign a charter for the installation of base stations.
- Bouygues buys E.ON's shares in Bouygues Telecom, taking its stake to 73%, and acquires an option to buy a further 10%.

April 2003

- New range of Référence contracts, offering core services at the best price, and Intégral contracts, which offer all services including i-mode.
- Bouygues Telecom staff set up Objectif Soleil, an association that works to improve the lives of people with social and/or health problems.

May 2003

- Roll-out of Extended GSM. To get people to test the network, all Bouygues Telecom Clubs offer a no-obligation free trial, involving 20 minutes of call time and the loan of an Alcatel handset.

June 2003

- Bouygues Telecom wins the Trophée Social des Télécoms for employee relations in the telecoms sector.
- Launch of Conso i-mode contracts.
- Number portability offered to customers selecting a Contract or Business offer.
- 200,000 i-mode customers.

July 2003

- Bouygues Telecom's boat finishes fourth in the sailing Tour de France.
- Sponsorship of the Evian Masters golf tournament.

August 2003

- Launch of the NEC N223i handset, which allows emails with attachments (photos etc.) to be sent using i-mode.
- New advertising campaign: 'C'est le moment de choisir Bouygues Telecom sans changer de numéro' ('Now's the time to switch to Bouygues Telecom without changing number').

September

- Launch of Plans Up, aimed at school and university students. Promotions feature Tony Parker, the first French basketball player to win an NBA champion's medal with the San Antonio Spurs.
- In the Business segment, Bouygues Telecom reintroduces the Platinum Pro contract and launches the Mobile option, allowing unlimited calls to all fixed-line and Bouygues Telecom mobile phones from within the same fleet.
- 200th Bouygues Telecom Club opens in Rosny-sous-Bois (Northern Paris).
- Opening of Alsacia, Bouygues Telecom's sixth customer relations centre near Strasbourg.



October 2003

- New Nomad prepay range introduced, offering six top-up amounts and three exclusive advantages (Spot, Flash, Soir & Weekend) through which customers can double their call time.
- 300,000 i-mode customers.

November 2003

- i-mode's first anniversary is celebrated in an informal conference in central Paris. New services (positioning, photos and Java applications) and handsets are launched, along with the slogan 'i-mode: c'est simple, ça marche' ('i-mode: it's simple and it works').
- 400,000 i-mode customers.

December 2003

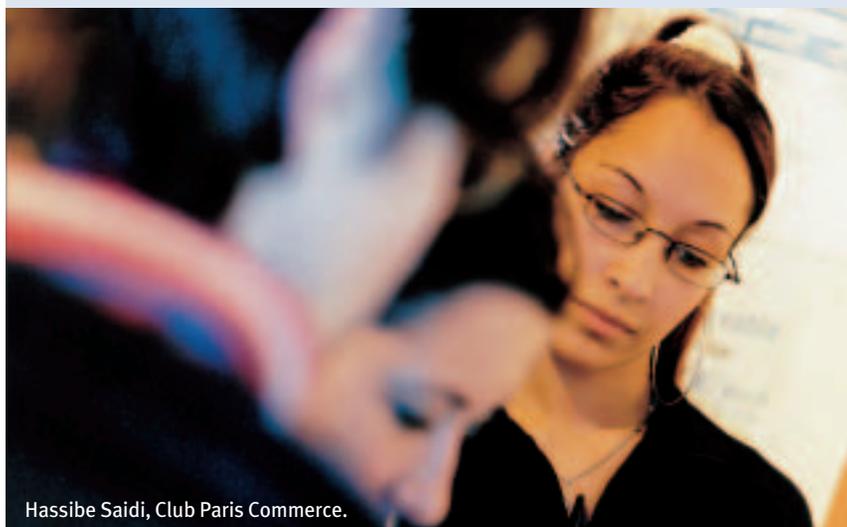
- 81 base stations damaged by floods in Southeast France. 74 are restored to working order within 48 hours.
- 2,000 France Express delivery drivers start using the new on-board IT application developed by Géodis using Bouygues Telecom's GPRS network.
- i-mode confirms its success, with almost 500,000 customers.



Market

The foundations of continuous growth

Despite operating in one of Europe's most competitive markets, Bouygues Telecom is continuing to make financial progress, and is developing strengths that drive growth.



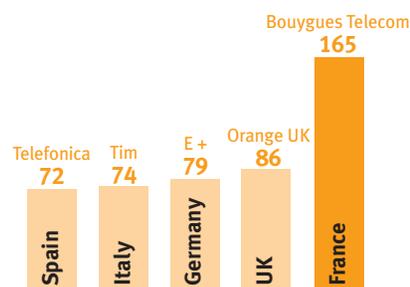
Hassibe Saidi, Club Paris Commerce.

A penetration rate of over 69% in the French market.

The French mobile phone market continued to grow in 2003, and is now larger than the fixed-line market. At end-2003, the mobile penetration rate was 69% in France, and three million new customers signed up during the year. French customers enjoy the best-value products in Europe. They favour contract rather than prepay services, and are increasing their usage. As a result, the sector offers the prospect of healthy, sustained growth. Bouygues Telecom stands out due to its novel strategy, producing some of Europe's most generous offers, and is achieving strong performance against two dominant rivals. Bouygues Telecom's revenue growth is running 50% faster than the market growth rate. The company added almost 900,000 customers in 2003, leading to a 15% increase in its customer base, and captured a significant proportion of the market's growth, with a 30% share of new customers*, versus a 16% share of the existing user base. Two thirds of these new customers were heavy-use Contract customers, generating some of the highest ARPU figures in Europe.

*in mainland France

Minutes of outgoing calls per customer per month. First half 2003



On average, Bouygues Telecom customers use their phones twice as much as those of operators in neighbouring countries.

Source: CSFB, positive outlook, January 2004

Bouygues Telecom is a pioneering player in mobile multimedia, and hit its target of half a million i-mode users in 2003. This success is due to the fact that the market was waiting for an enhanced mobile phone service that offered image, sound, video, internet and data features in addition to voice calls. By signing a licence agreement with NTT DoCoMo in April 2002, Bouygues Telecom benefited from the strong brand, proven technologies, marketing expertise and success of its Japanese partner, which has 40 million customers. As a result, Bouygues Telecom has been able to roll out one of the world's most comprehensive mobile multimedia services. In addition to adding new functions to its phones, the company worked hard to simplify its services and make them more reliable and user-friendly. By taking this approach, Bouygues Telecom has turned i-mode into a pioneering service, creating as big a splash in the market as it did when it launched Contract plans for voice calls. The market outlook for 2004 is encouraging. The launch of i-mode, followed by the launch of Vodafone Live at the end of



900,000
additional
customers
in 2003

the year, caused a step-change in the market and gave it a major boost. 40% of handset sales in December 2003 consisted of colour-screen camera-phones, whereas this figure was almost zero in the first half of the year. In addition, customers are using their mobile phones more and more. Mobility is becoming a social phenomenon, and customers are using their mobile phones to make increasing amounts of voice calls (shifting away from fixed-line phones) but also to access the internet (previously the exclusive domain of fixed lines). This is one of the main factors behind the market's sustained growth, which is estimated at 7% per year.

Given these market developments, Bouygues Telecom has developed three main growth drivers:

- major network improvements. Bouygues Telecom's

network will have caught up with the two other French networks as of early 2004, particularly in terms of availability and call quality;

- permanent efforts to enhance the mobile multimedia offering, including photo and Java applications in late 2003, and video services in 2004;
- sustained customer relations efforts, which made a major contribution to commercial performance in 2003.

With the introduction of Contract plans and now i-mode, Bouygues Telecom is setting the standard in the personal telephony market. This unique position is enabling it to maintain growth well in excess of the market rate, and the company is aiming to increase net sales from the network by around 10% in 2004. ■





Maud Collin, Club Paris Commerce.



Les Multimédias

Serving customers

i-mode p 12
Half a million customers in one year

Customer relations p 15
A more personal approach

Distribution p 18
Moving closer to customers

Products and services p 20
Simplicity, choice and great value

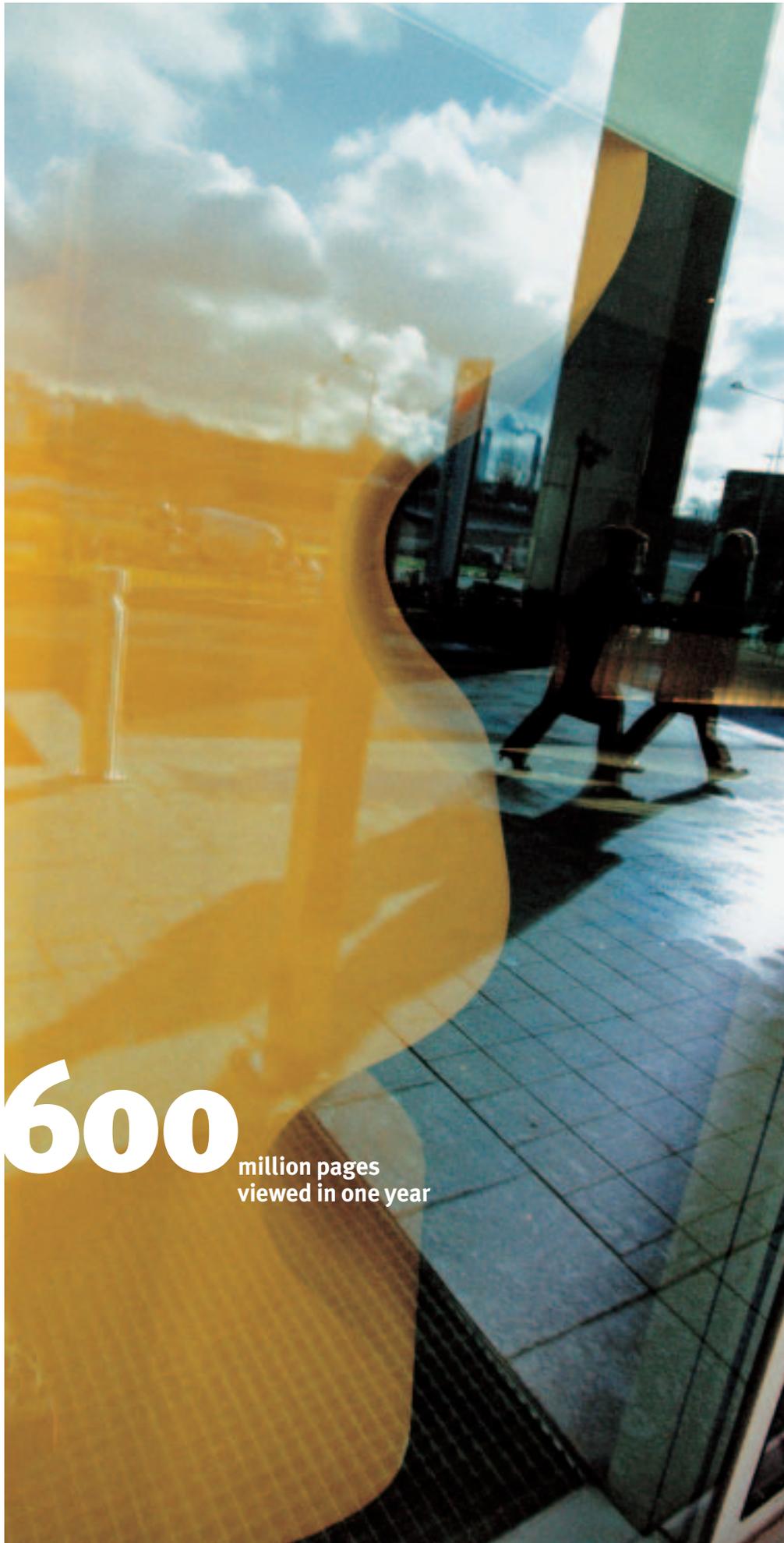
Communication p 23
Highlighting key developments

Business customers p 24
Serving professionals

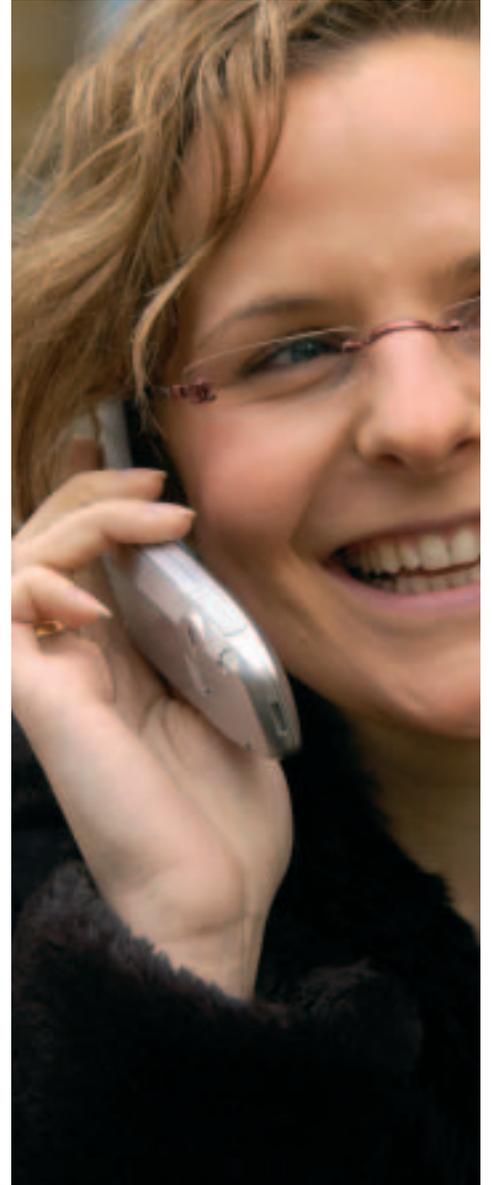
Network p 26
Density, quality, availability

Information systems p 28
Service reliability

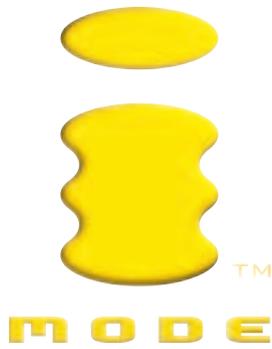
Tomorrow p 29
An innovation-dependent industry



600 million pages
viewed in one year



Magalie Moisdon, the 500,000th i-mode customer.



Half a million customers in one year

The i-mode mobile internet service was launched in November 2002, and quickly made an impression on the market. By the end of 2003, Bouygues Telecom had notched up its 500,000th i-mode customer.

Bouygues Telecom is a pioneer in the mobile multimedia market, and bolstered its innovative image with the launch of i-mode. Developed in partnership with Japanese operator NTT DoCoMo, i-mode enables customers with compatible handsets to access the internet and send and receive emails using any email address on the move, for a modest price. i-mode is already used by 42 million people worldwide, including more than two million in Europe, following unprecedented success in Japan. i-mode combines ease-of-use with a wide range of services.

In little more than a year, i-mode has attracted

more than 500,000 customers in France, equal to 15% of all Bouygues Telecom customers on contracts of two hours or more. This represents the fastest growth in any mobile multimedia service in the world, outside Japan. Two thirds of i-mode customers use i-mode services regularly, and use their phones more than non-i-mode customers, even for voice calls. More than 600 million i-mode pages have been consulted, and more than 15 million emails exchanged.

A winning bet

i-mode's popularity is linked to its pricing.

Customers on Intégral contracts can access the service with no additional charge, and those on Référence contracts for an extra €3 per month. i-mode runs on the GPRS network, and navigation is not billed by the second, but according to the volume of data exchanged. After observing the usage of initial i-mode users for a few months, Bouygues Telecom introduced Conso i-mode contracts including 750Kb, 1.5Mb and 3.5Mb of data for €5, €9 and €15 per month respectively. These contracts cover more than 90% of usage requirements, and almost 200,000 customers have signed up to them. The official i-mode portal features 130 content providers

Number of i-mode customers between February 2003 and February 2004:



The fastest-growing mobile multimedia service in the world outside Japan.

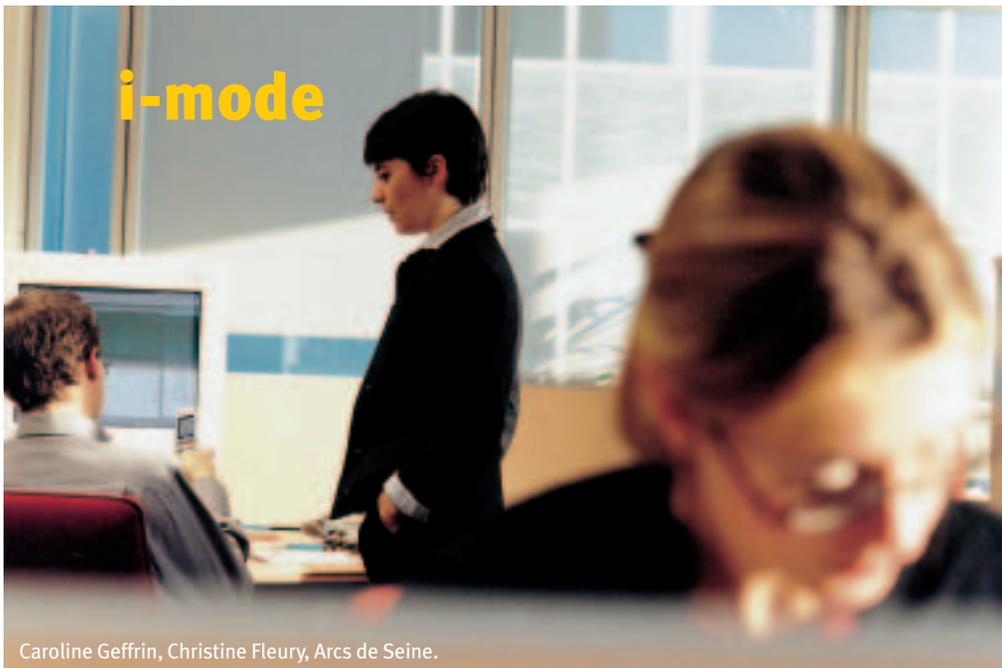


◀ The first i-mode conference

On 17 November 2003, Bouygues Telecom invited all the major i-mode players - founders, European operators and content providers - to the Pavillon Gabriel in Paris to celebrate

i-mode's success and share their experiences in a festive and informal atmosphere. The conference featured talks, round-table discussions and demonstration workshops,

and provided an opportunity to discover tomorrow's handsets, to think about next-generation applications and to consider i-mode's future.



Caroline Geffrin, Christine Fleury, Arcs de Seine.

Two thirds of i-mode customers regularly use i-mode services.



130 content providers, 230 sites.

and more than 230 sites. For some i-mode sites, a monthly subscription of €0.3 per month is required to access all their content, of which 86% is passed on to the content provider. This business model creates a virtuous circle. The remuneration structure allows content providers to update their sites regularly, which increases customer loyalty. More and more content providers are designing their sites like magazines, with an appealing front page. Almost two thirds of content providers had revamped their home page a year after launching their initial version.

i-mode version 2

A new version of i-mode was launched, a year after the initial version. New-generation i-mode handsets have gone on sale, following the NEC N22i, which was the star handset of 2003. The new handsets are ideally suited to the advanced services launched in the fourth quarter of 2003, and are Java-compatible, making navigation easier and allowing greater interactivity. The most impressive Java services include Mappy (which displays maps and allows users to move around them easily using the handset navigation buttons),

Capitol (real-time CAC40 share prices) and Tchatche (direct chat, similar to an internet chat room). Java allows users to download video games with a few clicks. These games are proving a real hit with young people, and more than 70 games were available on i-mode at the launch of the second version, including vintage games like Pac Man™ and Puzzle Bobble®. With the “Près d’ici” positioning function and Bouygues Telecom’s dense network, the content of i-mode sites adapts to the customer’s geographical position. With a few clicks, users can find their nearest cinemas, petrol stations and ATMs. i-mode-compatible camera phones can be used to send photos to any email address, and to other mobiles via MMS. The Photo Services i-mode site enables customers to create their own photo album. i-mode now features new services that simplify users’ everyday lives, a more useful portal and improved navigation. This has made i-mode a big hit, and has given Bouygues Telecom a strong and highly distinctive position in the mobile multimedia market. ■

*© 2003 Taito



i-mode: a strong and highly distinctive position in the mobile multimedia market.

New-generation handsets for i-mode version 2.

i-mode operator alliance

The i-mode alliance was set up in early 2003, and brings together non-Japanese operators that have adopted i-mode, i.e. Bouygues

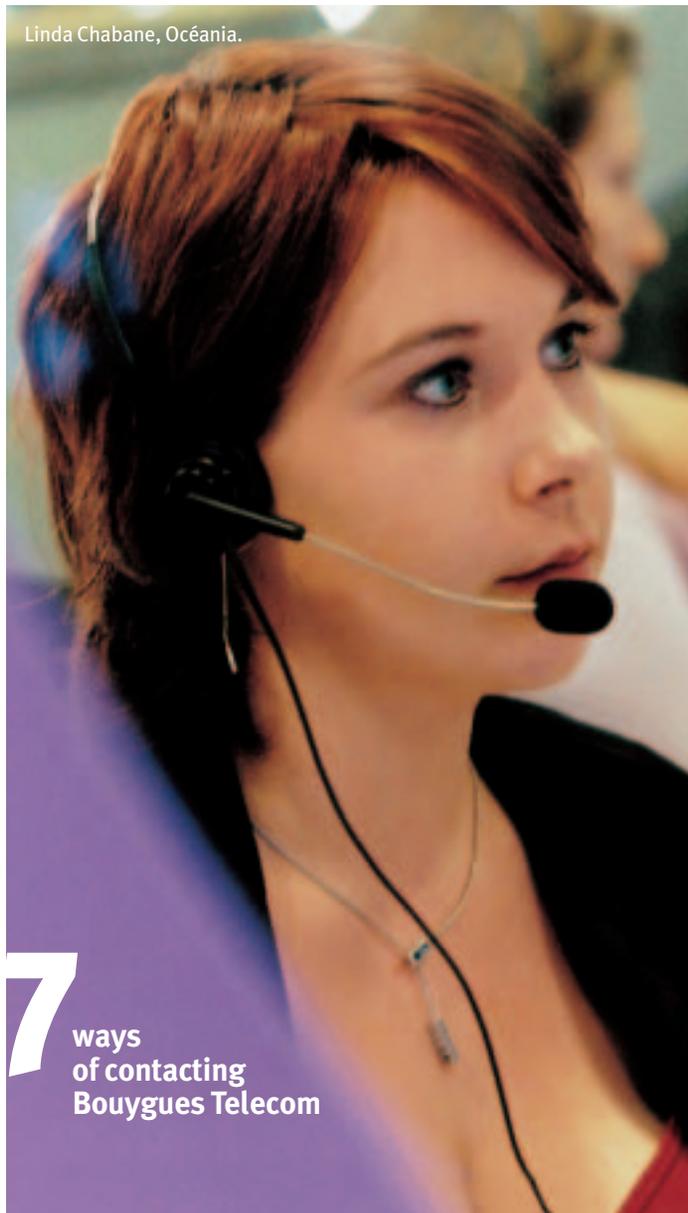
Telecom, E-plus (Germany), KPN (Netherlands), Fareastone (Taiwan), Base (Belgium), Telefonica (Spain) and Wind (Italy).

Its aim is to determine how i-mode develops outside Japan, in close collaboration with handset manufacturers.

Customer relations

A more personal approach

Bouygues Telecom maintains its focus on service by developing attentive and effective customer relations.



Linda Chabane, Océania.

7 ways of contacting Bouygues Telecom

Automated voice server, customer advisers (614), Esp@ce clients, email, post, WAP and i-mode.



Molly Durand, Arcs de Seine.

Every day, Bouygues Telecom has almost 2,000 customer advisers* working to serve its customers.

Bouygues Telecom regards customer relations as crucial, and has set up a number of initiatives to ensure that all customers, whatever their circumstances, can receive advice, get answers to their questions and have their requests taken into account rapidly.

614: the magic number

Bouygues Telecom provides customers with a short, easy-to-remember number with which to access customer services: 614. Since May 2003, Bouygues Telecom has been the only operator offering free customer service calls while the caller remains on the automated server.

**excluding outsourced staff*



Customer relations

Using this automated server, customers can carry out ordinary operations, such as changing contracts, adding or removing a service, and finding out how many loyalty points they have. For more complex operations, customers can choose to speak to one of Bouygues Telecom's 2,000 customer advisers*, who answer calls from across the country from five customer relations centres in Paris, Bordeaux, Nantes, Tours and Strasbourg. The various software applications needed to deal with a customer request have been grouped within a single portal, making life easier for advisers, who can switch from one application to another with a simple click.

Customer advisers are now organised into teams each taking care of a specific set of customers. This approach was successfully trialled in the Nantes and Bordeaux centres. Each customer, whatever the reason for his/her call, is dealt with by the same team. This leads to a more personal service,

**excluding outsourced staff*

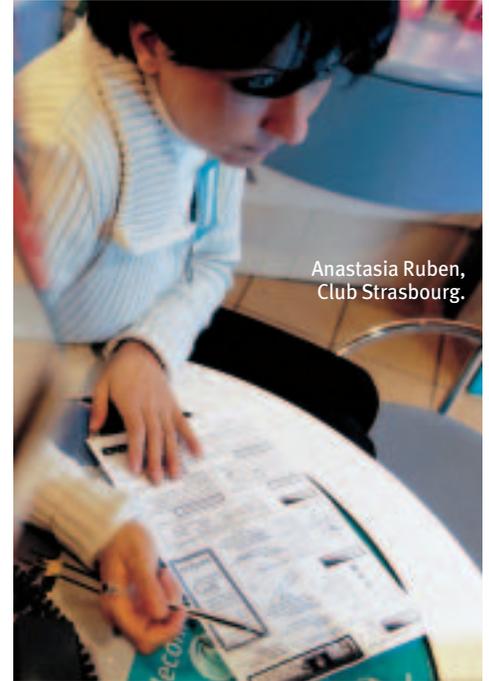
improved issue monitoring and more effective processing, and brings the company closer to its customers.

Customer service on the internet

For web users, Bouygues Telecom has developed a way of managing accounts online. The secure Esp@ce clients service, accessible from the www.bouyguetelecom.fr website, allows customers to consult their last five bills or find out how much of their monthly minutes they have used. The Esp@ce clients site is used by more than 1.6 million customers per month, making it Bouygues Telecom's fastest-growing contact channel in 2003. Mobile multimedia technology means that customers with compatible handsets can also access Esp@ce clients via i-mode or WAP.

New trials

To make advisers better-equipped to deal with customer needs, Bouygues Telecom carried out a trial in Bordeaux in 2003,



Anastasia Ruben, Club Strasbourg.

Moving closer to customers.

involving around 10 customer advisers who volunteered to work in Bouygues Telecom Clubs. Customers were able to receive advice and carry out all account operations in-store, without having to call customer services. The trial proved popular and will be repeated in 2004.

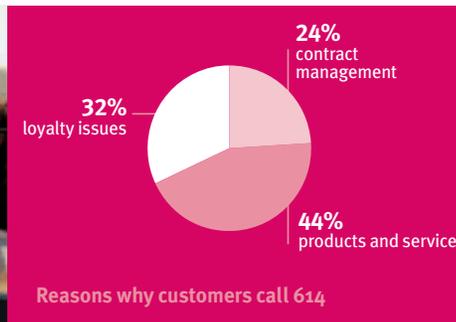
In addition, internet access points have been installed in most Bouygues Telecom Clubs. They allow customers to access Esp@ce clients, and enable in-store staff to concentrate on sales.

Making life easier for customers

More and more customers are visiting retail outlets to find out about services and new handsets. In 2003, Bouygues Telecom developed a unified system for replacing handsets in-store. As a result, customers eligible for the loyalty programme can immediately receive the latest handset. In 2003, Bouygues Telecom maintained its efforts to move closer to customers. It introduced clearer and better-explained bills, graphical monitoring of i-mode data consumption, and changes to the loyalty



A short number for accessing customer services.



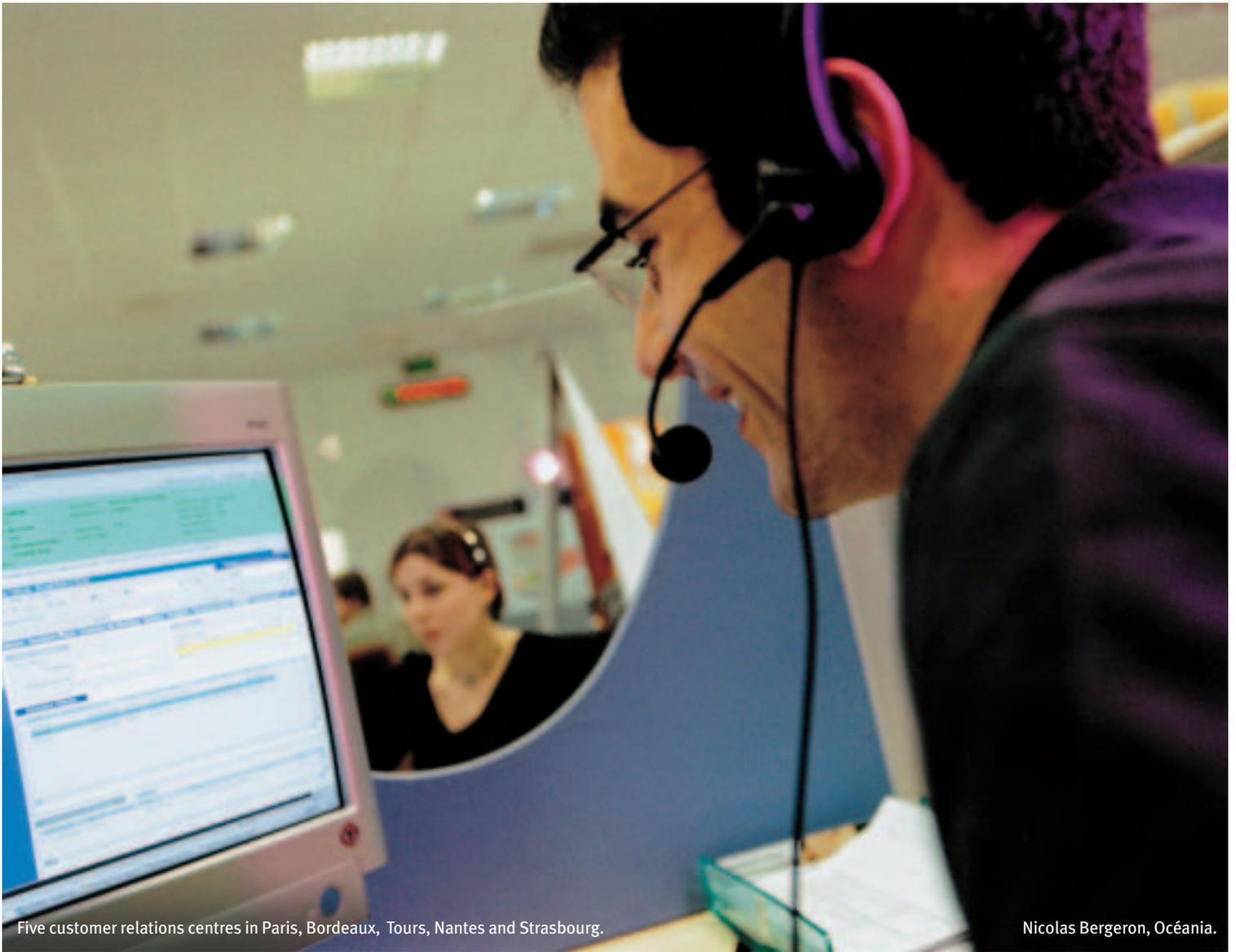
Emergency service



Sandrine Poumeyrie, Océania.

Since October 2003, Bouygues Telecom's customer advisers have been available round-the-clock to deal with lost or stolen SIM cards by suspending lines as quickly as possible.

This procedure prevents lines from being used fraudulently. At all times, customers can speak to an adviser or access a service specially designed to help them.



Five customer relations centres in Paris, Bordeaux, Tours, Nantes and Strasbourg.

Nicolas Bergeron, Océania.

programme to enable customers to change handsets more quickly and gain access to the latest technologies. These efforts are helping Bouygues Telecom develop effective, individual relationships with customers. ■



Natacha Gravet, Sophie Pestieaux, Club Basse-Goulaine.

Customer advisers working in-store.



David Simon, Club Nantes.

Individual relationships with individual customers.

Operation: customer service

Between 12 and 23 December 2003, Bouygues Telecom staff volunteered to work in more than a hundred Bouygues Telecom Clubs, serving customers face-to-face. These staff

assisted the sales force in the busy pre-Christmas period. They greeted and informed customers, carried out i-mode demonstrations and took care of renewal requests.

A survey of participants showed very positive results: 70% of them filled in the questionnaire and all of them wanted to see the initiative repeated.

Distribution

Moving closer to customers

With its network of Bouygues Telecom Clubs, supermarkets, specialist department stores and specialist mobile phone retailers, Bouygues Telecom has a presence in more than 5,000 retail outlets, as well as on the internet via L@ Boutique.



Bouygues Telecom's own retail network...



... together with the major retailers ...



... ensure comprehensive coverage of the French market.



Selda Kara, Club Strasbourg.

Bouygues Telecom uses its own network of retail outlets - called Bouygues Telecom Clubs - to sell its products and services throughout France. They provide a shop window for Bouygues Telecom's products, and are the ideal way of meeting customers and potential customers, who are guaranteed attentive service and good advice. In 2003, the Bouygues Telecom Club network (formerly known as Distribution Réseau Boutiques) expanded further, with the opening of 40 outlets, mainly in new shopping centres. The quality and variety of in-store services was improved, through the combination of customer services and sales activities. Customers can visit Bouygues Telecom Clubs for after-sales service, to borrow a mobile in the event of breakage or theft, to renew contracts, to change contracts

and to add services (call waiting, caller display etc.), without phoning the 614 customer service line. The company introduced a customer charter in early 2004, which represents a commitment to customers and contains advice such as 'test before you buy' and 'take advantage of our attractive renewal programme'. Clubs now carry almost the entire range of up-to-the-minute handsets, of which there are around 50 at any one time. They also feature i-mode spaces containing a demonstration area along with i-mode handsets and accessories.

Major retailers

Bouygues Telecom also sells its products through major retailers such as Carrefour, Auchan, The Phone House, Tel & Com, Fnac and Darty. In the last three years, Bouygues Telecom has strengthened its position in supermarkets, specialist department stores and specialist mobile phone retailers. Relationships with major retailers go beyond merely selling products through their stores and catalogues. Bouygues Telecom is the only operator to have set up a Business School, where its senior managers meet with representatives from major retailers to

discuss the future of mobile telephony and its distribution.

L@ Boutique

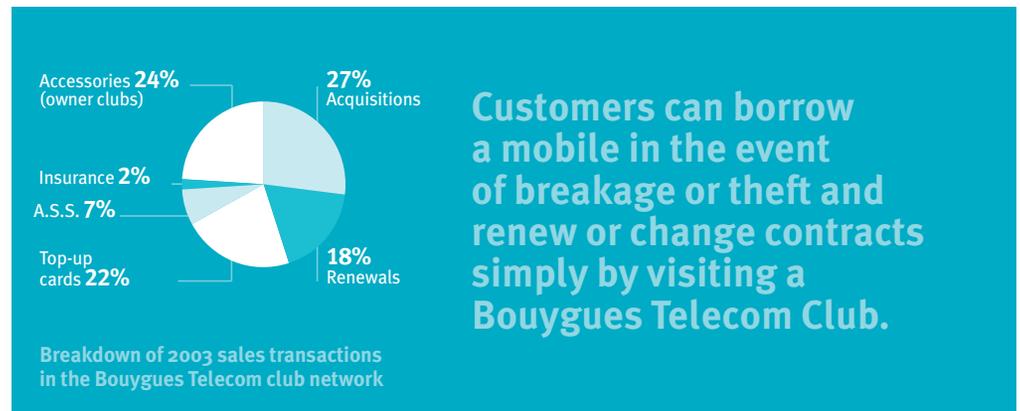
L@ Boutique is an online store, open round-the-clock, which offers all the advantages of Bouygues Telecom's various retail outlets along with a wide range of handsets, contracts and services. It features a simulator, which helps customers to select a service or a handset depending on their usage and consumption. They can pay online, by telephone, or save their order and print the address of their nearest Bouygues Telecom Club.

Automatic top-ups

Prepay customers have their own distribution network. Nomad services are sold through traditional outlets, but the introduction of electronic top-ups means that top-up vouchers can be bought from a much wider range of retailers, such as bakers, petrol stations, post offices, tobacconists, supermarkets and even Crédit Lyonnais ATMs. At end-2003, top-up vouchers were available from more than 65,000 outlets, and 50% of top-ups were carried out electronically. ■



5,000 retail outlets, including 450 Bouygues Telecom Clubs



Customers can borrow a mobile in the event of breakage or theft and renew or change contracts simply by visiting a Bouygues Telecom Club.

Téléciel: wholesaler of the year

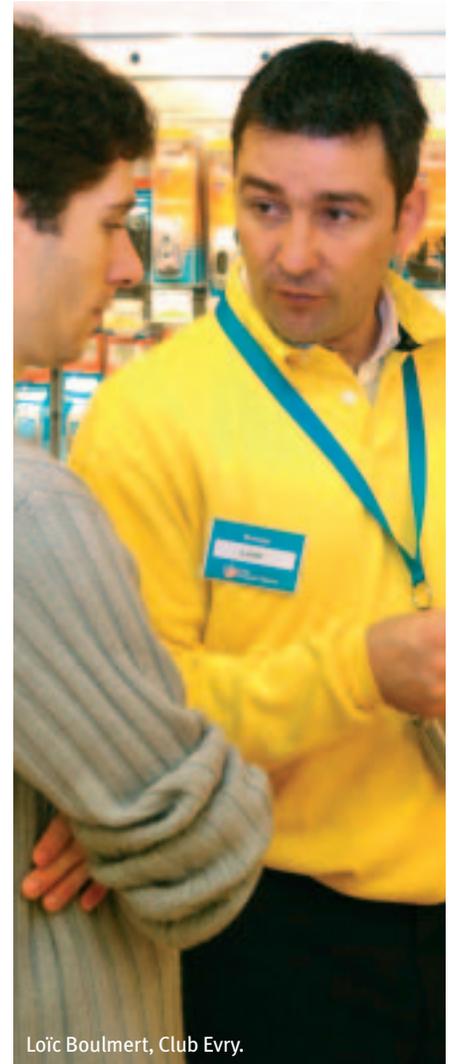
Bouygues Telecom-approved wholesalers such as Innova and Stock Com supply and sell to more than 2,300 stores. Among these wholesalers, Téléciel, a wholly-owned subsidiary of Bouygues Telecom,

supplies almost 1,200 independent outlets and decentralised retail outlets. In July 2003, Téléciel was named wholesaler of the year by Journal des Télécoms following a survey of retail outlets.

Téléciel has grown remarkably in the last three years, with sales rising from €22.3 million in 2000 to €78.1 million in 2003.

Katia Guillemard, Océania.

65% of Bouygues Telecom
users are Contract customers



Loïc Boulmert, Club Evry.

Giving customers a real choice.

Products and services

Simplicity, choice and great value

Addressing customer needs by giving them a real choice is Bouygues Telecom's guiding principle when designing products and services.

In 2002, Bouygues Telecom adopted a policy of favouring value-added products that involve the customer making a commitment. This policy was maintained in 2003. In line with its aim of offering simple, good-value products, Bouygues Telecom created a new range of Référence and Intégral contracts in April to replace its Forfaits Evolutifs pick-and-mix contracts.

Référence: a basic service at the best price

The Référence range offers a basic mobile phone service, and is aimed at medium-use customers. In addition to voice calls,

customers benefit from free features such as caller display and rollover minutes.

Intégral: the all-inclusive contract

The Intégral range is aimed at heavy-use customers who use their phones not just for voice calls. On top of the basic Référence features, it includes i-mode access, 15 text messages per month and an itemised bill every two months. This new range was a rapid success. Customers like the contracts' good value and all-inclusive nature, and retailers like their simplicity. In 2003, Bouygues Telecom acquired 673,000 new Contract customers, up 41% on 2002.

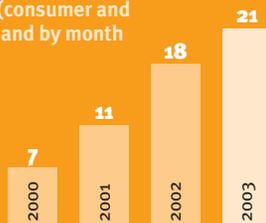
Millennium: great-value contracts

In addition to its permanent product range, Bouygues Telecom occasionally markets Millennium contracts, which include unlimited calls to fixed-line and Bouygues Telecom numbers at certain times. These contracts are always sold in limited numbers, and are very popular with heavy users and those prepared to abandon their fixed lines and make all their calls using their mobiles.

New-look mini offers

In 2003 Nomad was the only prepaid service in France to bill users by the second as

Average number of SMS sent by customer (consumer and business) and by month



In 2003, almost 2 billion SMS were exchanged on the Bouygues Telecom network.



International coverage

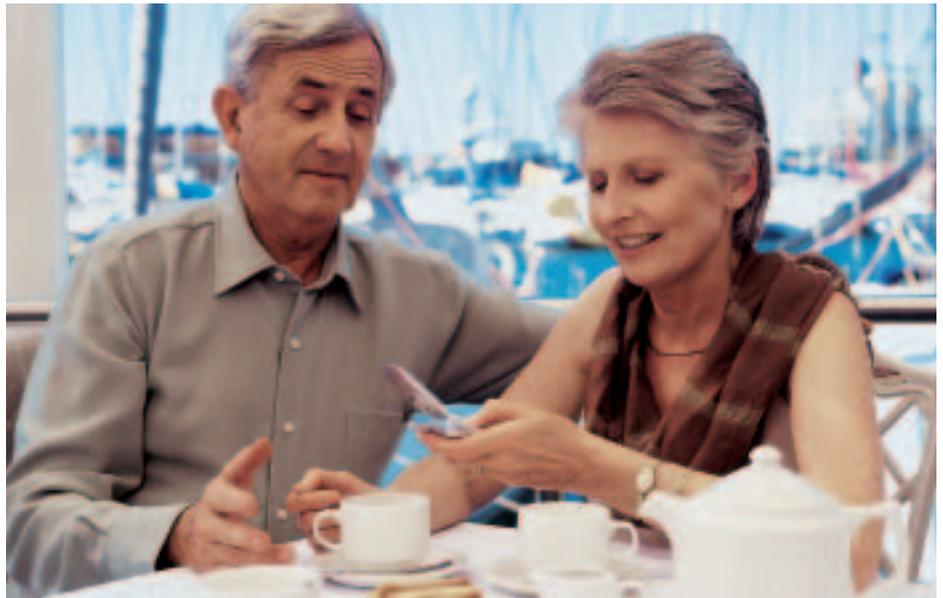
To assist customers when travelling abroad, Bouygues Telecom has signed roaming agreements with almost 350 operators in more than 170 countries and destinations. It is easy for customers to connect when abroad, since

their mobiles connect automatically to one of Bouygues Telecom's partner networks. Similarly, customers of foreign networks can use Bouygues Telecom's network when they come to France. Roaming was initially reserved

for Contract customers, but was made available to Nomad customers in 2003 in around 40 countries. Bouygues Telecom has also signed around 30 GPRS roaming agreements.

Bixente Lizarazu taking part in the roaming promotion.

Products and services



Mobile telephony attracts all generations.

- of the first second at no extra cost. After two years of discounting inactive Prepay customers, Bouygues Telecom introduced a new Nomad range in November 2003. A wider range of top-ups was introduced (from €10 to €75) in response to changing call time top-up patterns. Top-up validity periods for outgoing calls were adjusted (2 weeks to 6 months according to the top-up value), while validity periods for incoming calls were set at 8 months (2 months for €10 top-ups). To make the Prepay range even more competitive, Bouygues Telecom offers Nomad customers exclusive options, enabling them to double their call time.
 - Avantage Flash, which gives bonus minutes if customers use up their credit more quickly.
 - Avantage Soir & Weekend, which gives

bonus minutes if customers call at evenings and weekends.

- Avantage Spot, which gives bonus minutes if customers agree to listen to an advert before their call is put through.

Successful services

Alongside the success of i-mode, Bouygues Telecom offers customers with non i-mode compatible phones services such as SMS, SMS+, MMS, a voice-activated kiosk and phone personalisation. In 2003, almost 2 billion SMS messages were sent on the Bouygues Telecom network. The popularity of SMS is due to the ease with which messages can be written and sent. The biggest SMS users are young people. But people of all generations are increasingly

attracted by this unobtrusive method of communication. To encourage SMS usage, Bouygues Telecom was the first operator to offer SMS plans, including up to 480 texts per month.

The arrival of mobiles with colour screens and polyphonic ringtones has made MMS (messages including images and sound) a big hit with customers. The rise of MMS should continue in 2004 as mobile multimedia systems become fully compatible with each other. Customers now have a vast array of ways to personalise their mobile phone screens and ringtones. Via its 3214 service (accessible from all operators, launched in 2001) and its website, Bouygues Telecom offers a wide variety of voicemail messages, images and ringtones. In 2003, Bouygues Telecom offered exclusive ringtones and images through partnerships with basketball player Tony Parker and TV presenter Cauet. These were a big success, and in November and December 2003 almost 150,000 items were downloaded. This shows that customers are very keen on making their phone unique. ■



4.2 million Contract customers at end-2003, up 41% on 2002.

Bouygues Telecom Caraïbe

Bouygues Telecom Caraïbe opened for business in December 2000, and has been fully owned by Bouygues Telecom since 23 December 2003. The unit

has a network covering Martinique, Guadeloupe and Guyana, and had 116,000 customers at end-2003. Due to the nature of the Caribbean market, Bouygues

Telecom Caraïbe offers mainly top-up Contracts, which account for more than 40% of its customers. In 2003, it generated sales of €71 million.

Communication

Highlighting key developments

Bouygues Telecom builds its brand through consumer advertising campaigns and the sponsorship of sporting and cultural events.



3rd consecutive season as a partner to the French soccer league cup

In 2003, each of Bouygues Telecom's advertising campaigns were to highlight a specific key development. New i-mode services were publicised using TV ads, which made good use of humour. The ads show i-mode being used in everyday situations, in order to educate consumers about i-mode services in a practical way. When Bouygues Telecom launched Extended GSM, it ran a campaign on TV and in the press to emphasise the quality of its coverage. Prospective

customers were invited to test the network in-store, with no obligation. The campaign reduced the gap between how non-customers think of Bouygues Telecom's network and the network's current high quality.

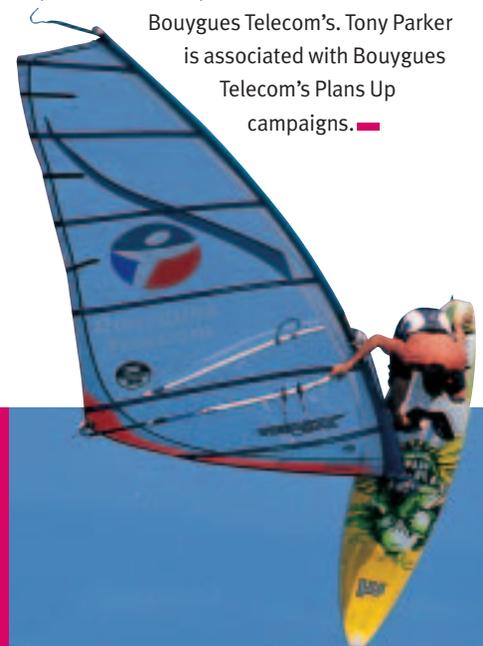
Grass-roots sponsorship

In order to get closer to existing and prospective customers, Bouygues Telecom associates itself with sports such as sailing, skiing and golf. It raises its brand profile

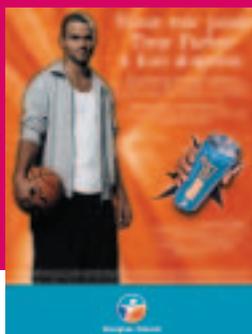
by sponsoring events such as the French soccer league cup. Bouygues Telecom also reaches a young audience - which is a vital segment of the market - by sponsoring TV shows like Star Academy on TF1, the NRJ Music Awards and the Fête du Cinéma film promotion.

For the last two years, the footballer Bixente Lizarazu has partnered Bouygues Telecom, and the company has used his image for roaming campaigns in particular. A new partnership has been signed with Tony Parker, a rising star in the world of basketball and an idol to young French people, whose professional and personal values are similar to

Bouygues Telecom's. Tony Parker is associated with Bouygues Telecom's Plans Up campaigns. ■



Raphaël Filipi.



Plans Up

Bouygues Telecom has launched a communication platform called Plans Up. It includes a website aimed at young people, which offers exclusive promotions across the entire Bouygues Telecom range. Whether they are Contract or Prepay customers, school and university students are sure of finding a deal to suit them. Two months after launch, the website had been visited by more than 600,000 people, of which 60% were prospective customers.

Business customers

Serving professionals

Bouygues Telecom provides companies with innovative voice and data services, which it sells through a diverse range of channels.

Eric Antonini, Arcs de Seine



Emmanuel Colman, Lutetia.



150,000 businesses and professionals rely on Bouygues Telecom

The iPDA, the first GPRS-compatible pocket PC in the French market.



Bouygues Telecom's business

customers are very diverse in nature, ranging from large corporations to single professionals.

The company signed 30 new framework agreements in 2003 with major corporations like EDF, BNP, Géodis, INSEE and Compass. Overall, Bouygues Telecom has 180 major corporate customers. Contracts are managed by specially-allocated account managers and sales staff.

Bouygues Telecom's corporate product range is sold via 150 local distributors and around 10 national chains including The Phone House, Neuf Telecom and Débitel. Single professionals - self-employed people and

those working in the trades and professions - can use the consumer distribution network (Bouygues Telecom Clubs, wholesalers and large-scale retailers).

Voice: new products

Bouygues Telecom offers a broad range of voice products for businesses, including a no-obligation service billed by the minute or the second, plans featuring preferential rates on calls made within a fleet of mobile and fixed-line phones, and fleet contracts with shared call minutes. For single professionals, Bouygues Telecom launched a limited-edition product called Platinum Pro in April 2003. In response to the need for self-employed people to make calls on the move during working hours, Platinum Pro offers unlimited calls between 6am and 8pm on working days. Following the success of this product, it was relaunched in September 2003.

Data: from tailored solutions to package deals

In the data market, Bouygues Telecom offers both tailored solutions, designed to meet companies' individual needs, and package deals aimed more at small and medium-sized companies. Working in partnership with the leading mobile technology players, value-added resellers and IT services companies, Bouygues Telecom and its GPRS network can

enable customers to use applications and gain secure access to their IT systems on the move. The smart device market is also an area of rapid growth in more specialist areas (vending machines, positioning services, pay-and-display ticket machines, transport etc.). In 2003, Bouygues Telecom helped popularise GPRS by distributing the iPDA, the first smart pocket PC in the French market and its mobile internet pack via IT resellers and wholesalers. Comprising a modem card, a SIM card and a GPRS contract, this pack enables users to send emails and surf the internet on the move. Also in 2003, Bouygues Telecom launched a WiFi service to complement its GPRS offering. WiFi is a wireless technology that allows users to connect to the internet and access their corporate intranet via hotspots.

Finally, the vast array of i-mode applications - corporate directory, intranet, email etc. - means that this technology is starting to spread among companies. For example, the Ecole de Ski Français adopted i-mode in 2003 to organise its classes more efficiently. Ski instructors are informed in real time when a new skier has enrolled. ■



30% major accounts

25% professionals

45% companies



The Ecole de Ski Français adopted i-mode in 2003 to organise its classes more efficiently.

Breakdown of business customers in 2003

Number portability

In June 2003, France's three mobile operators jointly introduced mobile number portability. By making it easier to move numbers between operators, number portability is

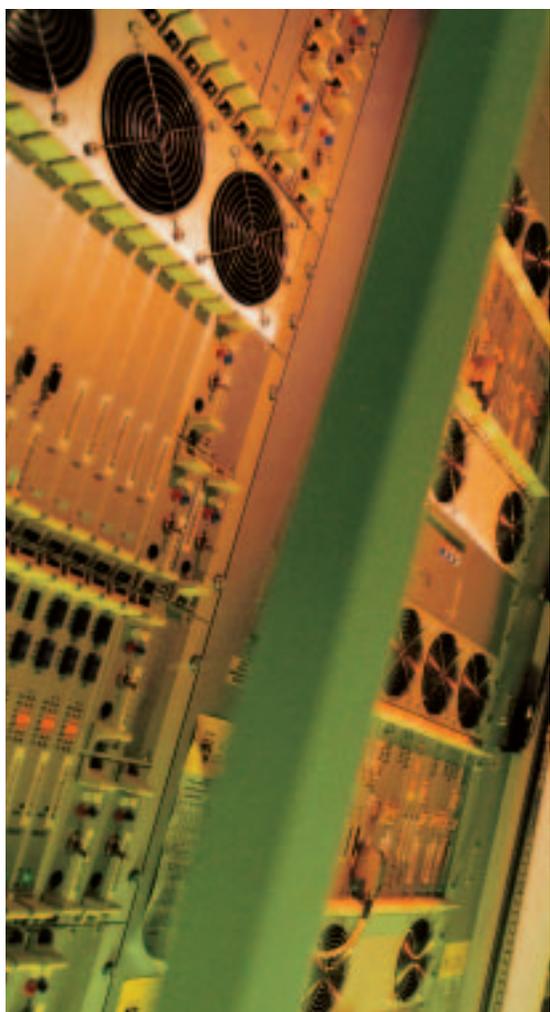
a real boon for companies and self-employed people. Every month, 15-20% of the contracts signed by Bouygues Telecom involve customers switching existing numbers.



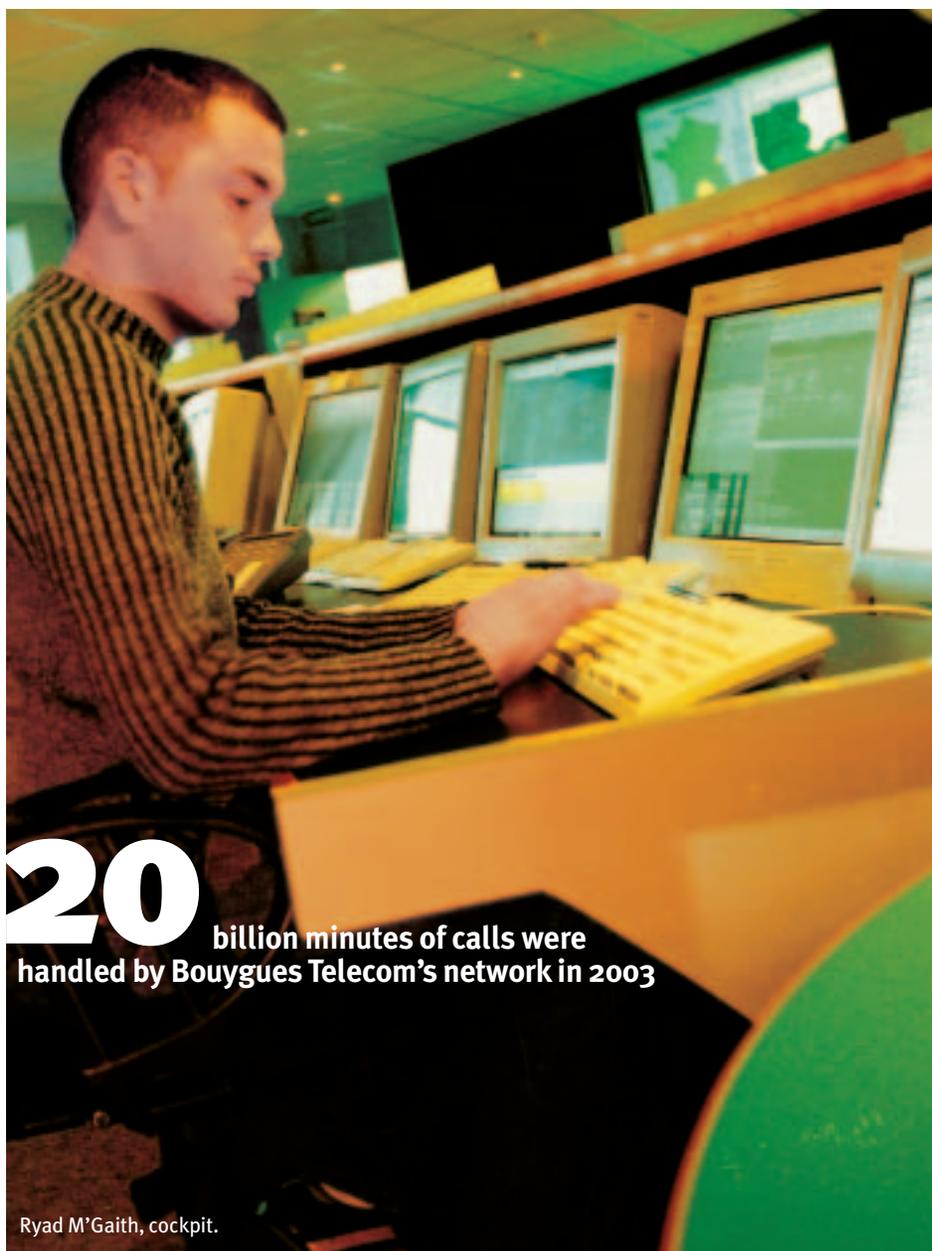
Network

Density, quality, availability

Bouygues Telecom, whose network opened for business in 1996, rolled out the DCS1800 standard in record time. The network has grown from 2,000 base stations in 1997 to 10,600 in 2003.



Test-bed.



20 billion minutes of calls were handled by Bouygues Telecom's network in 2003

Ryad M'Gaith, cockpit.

Bouygues Telecom was France's first operator to offer customers sound quality comparable to that of a fixed-line phone, introducing Enhanced Full Rate digital sound in 1998. Since then, technical innovations such as interference reduction and echo attenuation have been introduced into the network. This network quality was recognised by the ART, France's telecoms regulator, in its mobile phone network service quality survey published in February 2003.

Network performance is monitored round the clock by a team of around 60 controllers, to ensure constant quality for customers.

Enhancing network density

Bouygues Telecom is continuing to develop its network using a dual strategy. Since 1999, Bouygues Telecom has been using GSM 900MHz frequencies to improve coverage in sparsely-populated zones using dual-band technology, i.e. adding 900MHz aerials to 1800MHz base stations. In 2002, Bouygues Telecom was awarded new Extended GSM frequencies, operating in the GSM900 band. As a result, the company opened 560 new base stations in 2003, and

converted more than 1,600 to dual band. Extended GSM technology increases coverage around each base station by up to 30%. The use of DCS1800 and Extended GSM technology is leading to a further improvement in network availability and is continuing to reduce the risk of saturation. To demonstrate the performance of its network, Bouygues Telecom offered a no-obligation 20-minute free trial via Bouygues Telecom Clubs and major retailers in 2003. Overall, the company invested more than €350m in its network last year.

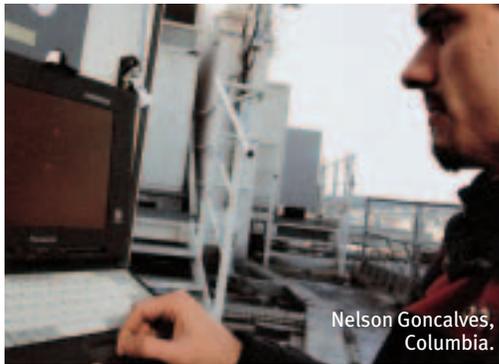
Covering blind spots

France's three mobile operators have made a commitment to cover blind spots, i.e. areas - mainly rural - that are not currently covered by any operator. Bouygues Telecom's preferred solution of local roaming has been adopted in 65% of blind spots. With this solution, one operator installs an aerial on a mast and allows customers of the other two operators to use it to connect to their networks. As a result, each operator takes the responsibility for only a third of the blind spots. Passive infrastructure (pylons) is financed by central and local government, while operators

EDGE: a step towards 3G technology

In 2001, Bouygues Telecom rolled out a GPRS (Global Packet Radio Service) network to respond to changes in usage, such as increased data traffic. Progress in digital compression means that new services such as video calls, which require greater bandwidth, are likely to be introduced in the near future. In 2003, Bouygues Telecom decided to roll out EDGE (Enhanced Data for GSM Evolution) technology, which triples the bandwidth of the GPRS network. The UMTS network will initially be rolled out in very densely-populated areas.

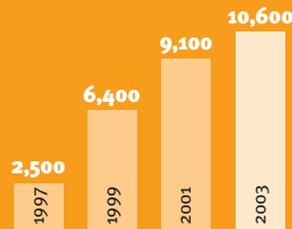
finance the telecoms hardware (aerials). Bouygues Telecom was the first operator to install an aerial in a blind spot, in Osne-le-Val (eastern France) in February 2004. Several hundred similar sites are likely to be opened in 2004. ■



Nelson Goncalves, Columbia.

More than 1,300 staff take day-to-day care of its network.

Chart: number of base stations



More than €350 million invested in the network in 2003.

Exceptional disposal

In rural and sparsely-populated areas, base-station aerials are installed on pylons. Bouygues Telecom has agreed to sell almost 1,800 pylons to Télédiffusion de France. By the end of 2003, 1,000 pylons had been sold.

The advantage of these pylon sales for Bouygues Telecom is that it cuts operating expenditure and gives it a specialist partner. Infrastructure-sharing means that other operators will be able to rent spaces on these pylons to install

their own aerials. Bouygues Telecom is the first French operator to have signed an agreement of this kind.

Information systems

Service reliability

Information systems provide a link between our marketing, customer relations, support and corporate client teams. Their reliability is crucial in ensuring that the company runs smoothly.

Nathalie Silhol, Fabrice Sanvert, Lutetia.

In 2003, Bouygues Telecom made its information systems more efficient and improved service continuity. New, more reliable and powerful servers were installed, and the network that connects them was modernised, resulting in a substantial improvement in customer service. For example, the enquiry response time for customer advisers fell from 20 seconds two years ago to less than 2 seconds in late 2003. Customers are benefiting greatly from this time saving.

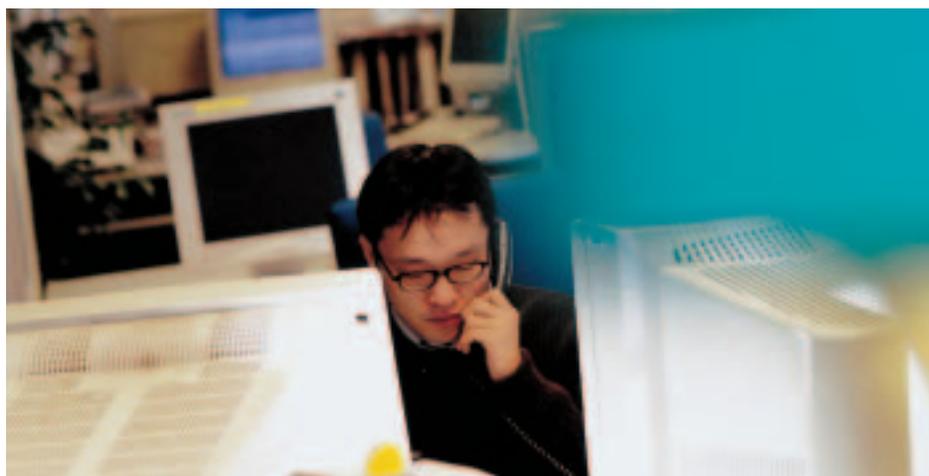
New requirements

By dialling 614, Bouygues Telecom customers

can change operators or switch from prepay to contract - and vice-versa - without changing their number. The introduction of number portability required Bouygues Telecom to update all of its customer relationship applications so that numbers originating from other operators would not be rejected, and would be treated as Bouygues Telecom numbers. These changes had an impact on line activation and cancellation, on the billing system, and on provisioning, which is the interface between information systems and the network. These major changes enabled Bouygues Telecom to turn this legal obligation into a commercial success. ■



10 - point improvement
in service quality in the space of a year

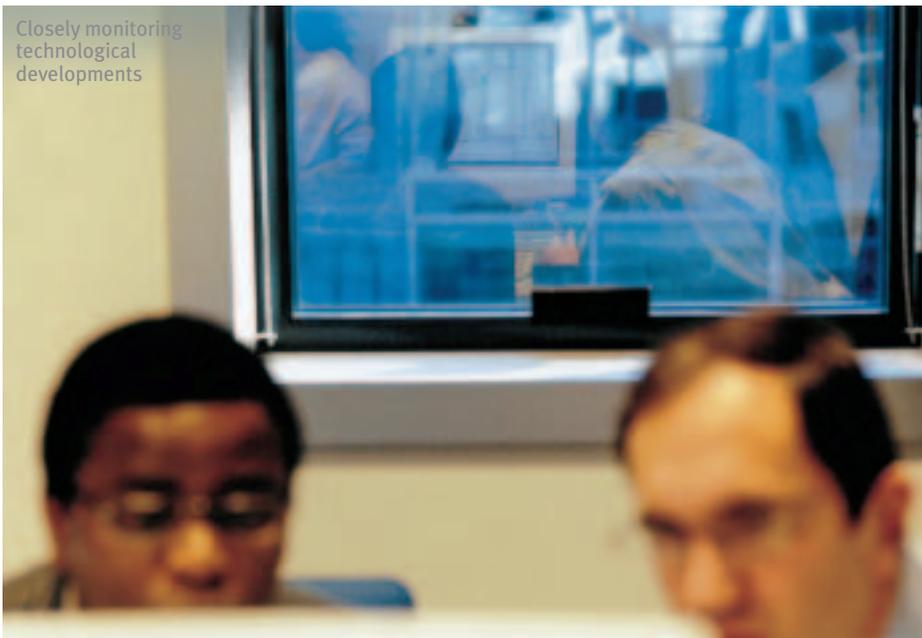


Customer service depends on smoothly-running information systems.

Tomorrow

An innovation-dependent industry

Bouygues Telecom remains true to its innovative image by remaining at the leading edge of technology.



Bouygues Telecom has shown its commitment to innovation with the introduction of i-mode, enhanced full rate digital sound, the voice-activated kiosk and positioning services. Bouygues Telecom has two offices outside France that keep a close eye on technological developments. The Tokyo office mainly analyses i-mode developments and innovations in Japan, while the San Francisco office organises partnerships with US internet companies. In addition, Bouygues Telecom's staff are a fertile source of innovation. In 2003, the company filed 12 patents, and one of them - a software package used to draft contracts - was sold to a commercial company.

The services of the future

Bouygues Telecom is researching mobile applications that may become a reality in future due to the convergence between mobile technology and consumer applications. These include phone imaging services, watch-phones and satellite positioning. Its collaboration with Sony led to a new version of the AIBO, Sony's robot-dog, which can respond to commands given from a mobile phone equipped with special software. It can be instructed to move around, take a photo and send it to a handset. In future, home automation applications are likely to be introduced, making everyday life easier. Bouygues Telecom's experiments are paving the way for the services of the future. ■



A new smart PDA



Watch-phone



High-quality video
and audio



Delphine Tété Lucas, Arcs de Seine.



Improving the social environment

Sustainable development p 32
Social and environmental responsibility

Sponsorship p 34
Solidarity

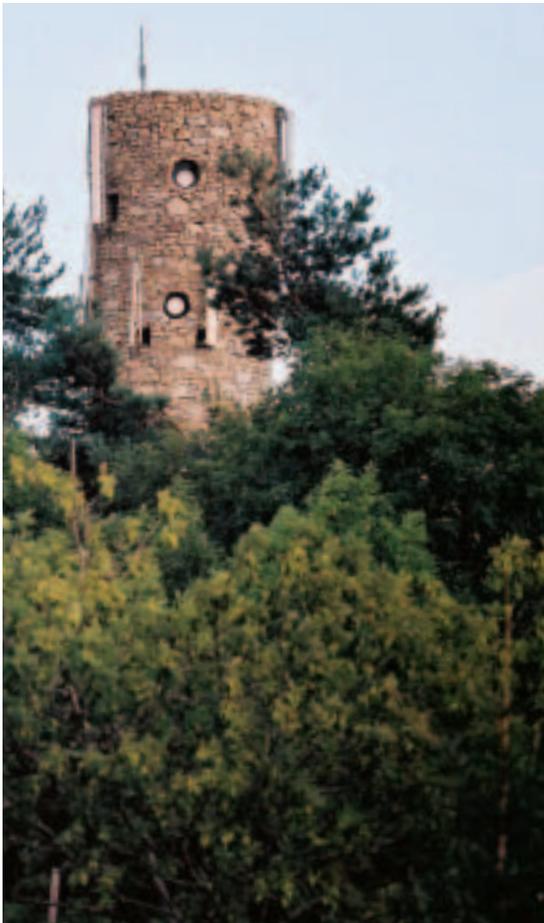
Human resources p 35
Looking after our staff

Our Ambition p 37

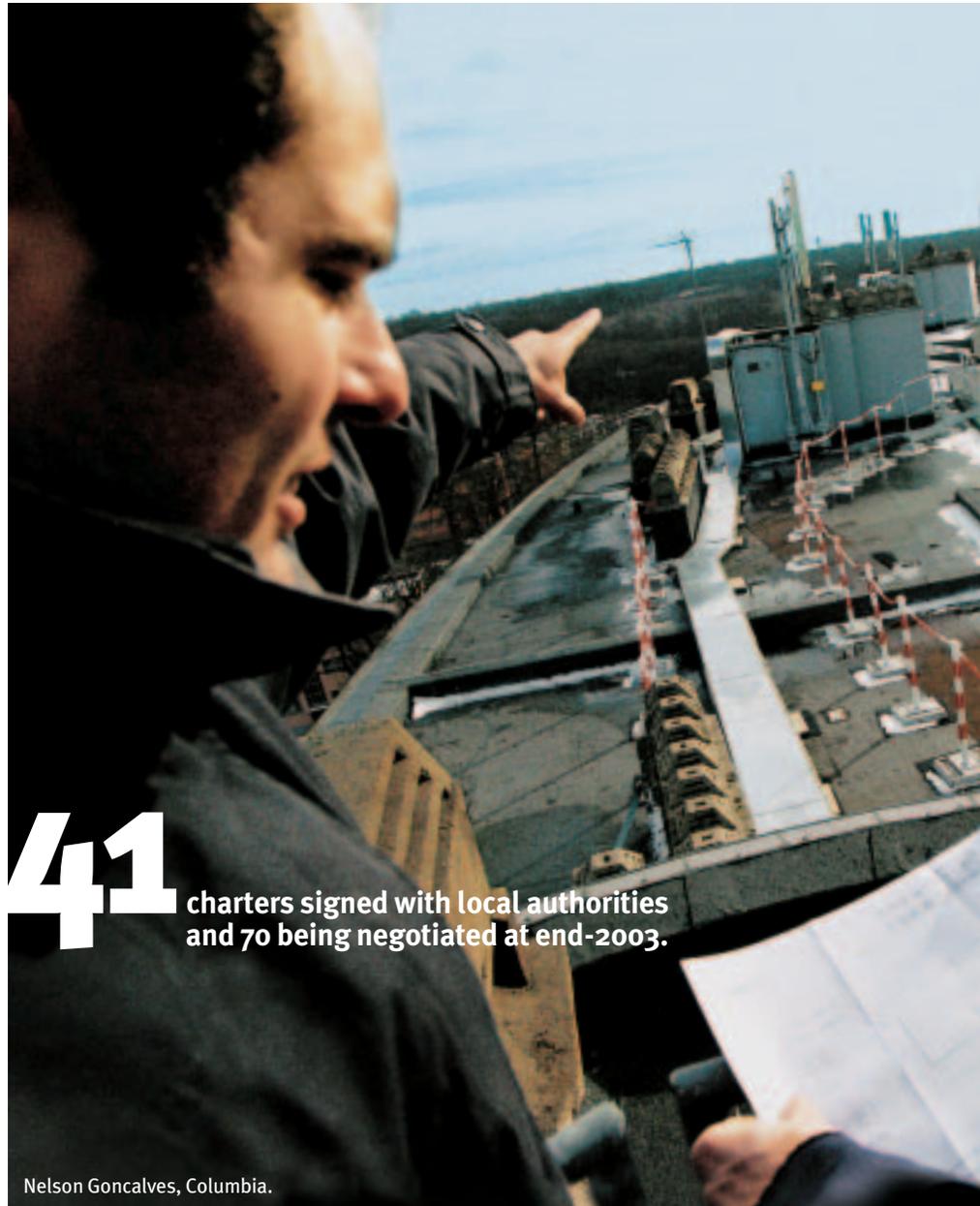
Sustainable development

Social and environmental responsibility

In April 2003, Bouygues Telecom signed up to the United Nations Global Compact, confirming its commitment to sustainable development.



Minimising the visual impact of radio masts.



41 charters signed with local authorities and 70 being negotiated at end-2003.

Nelson Goncalves, Columbia.

Within its sphere of influence, Bouygues Telecom is committed to promoting nine principles relating to human rights, working conditions and respect for the environment.

Protecting health

The growth of the mobile phone industry has raised questions regarding the long-term health effects of radio waves. As a responsible company, Bouygues Telecom is playing an active role in researching the effects of radio waves, and is committed to reporting publicly all the scientific information at its disposal. The company

discloses this information in several ways: through the www.sante.bouyguestelecom.fr website and its Mobile Telephony and Health brochure, by replying individually to every letter it receives and by commissioning, on request, an independent firm to measure ambient electromagnetic fields in a person's home.

Bouygues Telecom also applies the precaution principle. Precautionary initiatives include installing markers around base stations to show the exposure boundaries set by the government, including hands-free kits with all mobile phone packages and the supplying specific absorption rate (SAR) information with handset performance data.

Controlling environmental impact

Bouygues Telecom is committed to preserving the environment and heritage of France's regions when installing radio masts. In urban areas, the company favours installing masts in existing sites or buildings. In rural areas, Bouygues Telecom contacts regional environmental agencies in order to select appropriate locations. The visual impact of masts is minimised through

careful selection of materials, suppliers and finishes. In 2003, Bouygues Telecom adopted new rules concerning factors such as the position of a mast on the roof of a building and the maximum height of pylons (30 metres).

Bouygues Telecom is also conducting research into energy and paper consumption. The company encourages car-sharing among its staff, and the size and weight of some publicity documents have been reduced.

Waste is collected and recycled. Waste sorting was introduced across the entire company in 2003, and each employee now has a paper basket with which to separate paper from other waste so that it can be recycled. Bouygues Telecom also collects old phone batteries across 500 reception centres and Bouygues Telecom Clubs. ■



The decision to scrap paper purchase requests, store supplier invoices in digital form and eliminate payment authorisations saved the equivalent of 750,000 sheets of A4 paper.



Sorting waste at the office.



A charter governing the installation of base stations

The city of Marseille and France's mobile operators signed a charter on 27 March 2003, reflecting operators' desire to continue developing mobile telephony in compliance with standards on transparency of information, limits on public exposure to

electromagnetic fields, service quality and respect for the urban landscape. This charter forms part of a general effort to co-operate with local authorities, in order to ensure the harmonious and sustained development of the network.

Sponsorship Solidarity

As a company that encourages interpersonal communication, Bouygues Telecom is applying its expertise to the field of corporate sponsorship, which gives it the opportunity to express its values and its active role in society.

Special collections of loose change on Bouygues Telecom sites.



400 kg of loose change collected
at Bouygues Telecom sites in 2003

In 2003, Bouygues Telecom started to provide assistance to people with social and/or health problems, using the skills and energy of its staff to drive projects forward. As part of the “Pièces jaunes” operation, Bouygues Telecom signed a three-year partnership with the “Hôpitaux de Paris - Hôpitaux de France” foundation, under which it organises collections of loose change on its sites. Bouygues Telecom joined forces with France’s association of emergency hospital physicians to launch “Un SMS pour les urgences” in December 2003. This scheme encourages Bouygues Telecom Contract customers and staff to make donations via SMS. The money collected will be used to improve emergency treatment conditions.

Enhancing communication

Bouygues Telecom supported around 30 associations in 2003 by donating phones with free air time. For example, as part of the “Téléphone Maison” partnership with medical rehabilitation centres, the company donated phones to children in hospital to allow them to remain in contact with their families. Finally, since sponsorship represents one of Bouygues Telecom’s key values, the company supports “Objectif Soleil”, an association set up by its staff, which helps people with social and/or health problems. ■

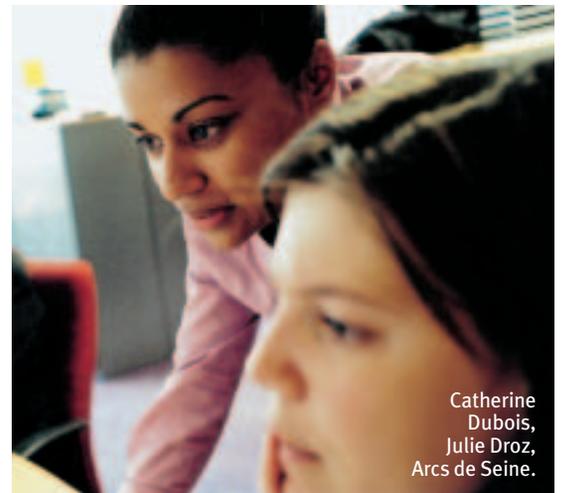


Helping people with social and/or medical problems is one of Bouygues Telecom’s key goals.

Human resources

Looking after our staff

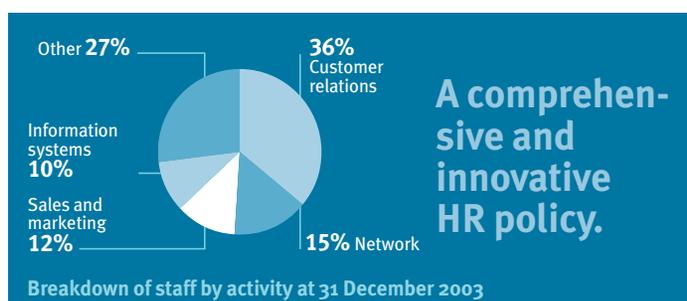
Bouygues Telecom's team of more than 6,900 staff, covering more than a hundred specialist activities from network engineering to customer relations, represents a vital resource.



The company looks after this resource through an innovative HR policy, based on a set of powerful and motivating values.

Recruitment

In 2003, Bouygues Telecom hired more than 1,500 staff, particularly in customer relations. The workforce is young, with an average age of 31, and the company maintains close relations with major engineering and business schools such as INT, Supélec and Essec. As part of its partnership with engineering school Eurecom, Bouygues Telecom is assisting students due to graduate in 2005 through occupational conferences and student/manager meetings.



Human resources

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Remuneration policy

Bouygues Telecom's remuneration policy rewards employees' individual skills and strengths, along with team and company-wide performance. There are several components to an employee's remuneration: basic salary, bonuses and commission payments for customer advisers, sales staff and managers, bonus thirteenth month's salary, holiday bonuses and an employee savings plan.

In 2002, a three-year profit-sharing agreement came into force, giving each member of staff a financial interest in the company's success. The plan is based on hitting targets in terms of strategic indicators such as consolidated EBIT and consolidated net sales.

Training

Training is a crucial development tool. Bouygues Telecom focuses on developing managerial skills. 160 departmental heads and directors have taken part in a novel programme, involving a 360-degree evaluation of their team leadership skills. These evaluations are carried out by their superiors, their peers and their teams. In 2003, training accounted for around 6% of

Bouygues Telecom's payroll. On average, each member of staff takes part in almost three training sessions per year. Overall, Bouygues Telecom carried out 220,000 hours of training in 2003.

Illness prevention policy

For several years, Bouygues Telecom has followed an effective illness prevention policy. An employee health team provides a high-quality medical service to staff, in collaboration with occupational health staff. In their annual check-up, staff can take part anonymously in a stress and wellness survey. Occupational health staff can propose individual assistance if necessary. Health information is regularly posted on the intranet. Training and safety challenges - fire prevention, road safety etc. - are organised every year in order to prevent work accidents. In the space of four years, the number of work accidents taking place on business trips has fallen by four-fifths. Accident frequency (number of accidents per million hours worked) was 1.29 in 2003, as opposed to the average of 3.88 in Bouygues Telecom's industry. This figure is the result of efforts to get all staff to take part in safety initiatives, along with measures taken to limit risks,



Recruitment ad.

particularly those incurred during business trips, such as the use of videoconferencing, whenever possible.

Staff development

Bouygues Telecom won the "Trophée Social des Télécoms", an award for innovation in employee relations. The company's innovative approach is shown by two initiatives. Firstly, the Resource Centre enables employees to take part in free workshops to develop their personal knowledge and talent during days off resulting from shorter working hours. These workshops involve activities as varied as producing a TV news programme or learning Japanese. In 2003, staff took part in more than 1,800 courses. The Mobility Unit is intended to promote mobility in both professional and geographical terms. In 2003, the unit received its own budget, and 72% of Bouygues Telecom's recruitment was fulfilled internally. ■



Nabil Achemaoui, Arcs de Seine.
Olivier Durcef, Club Evry.

Rewarding individual skills and strengths.



Three training sessions per person per year.

Staff satisfaction survey

Bouygues Telecom carries out a staff satisfaction survey every year, in order to find out employees' opinions about what improvements need to be made within the company. Questions

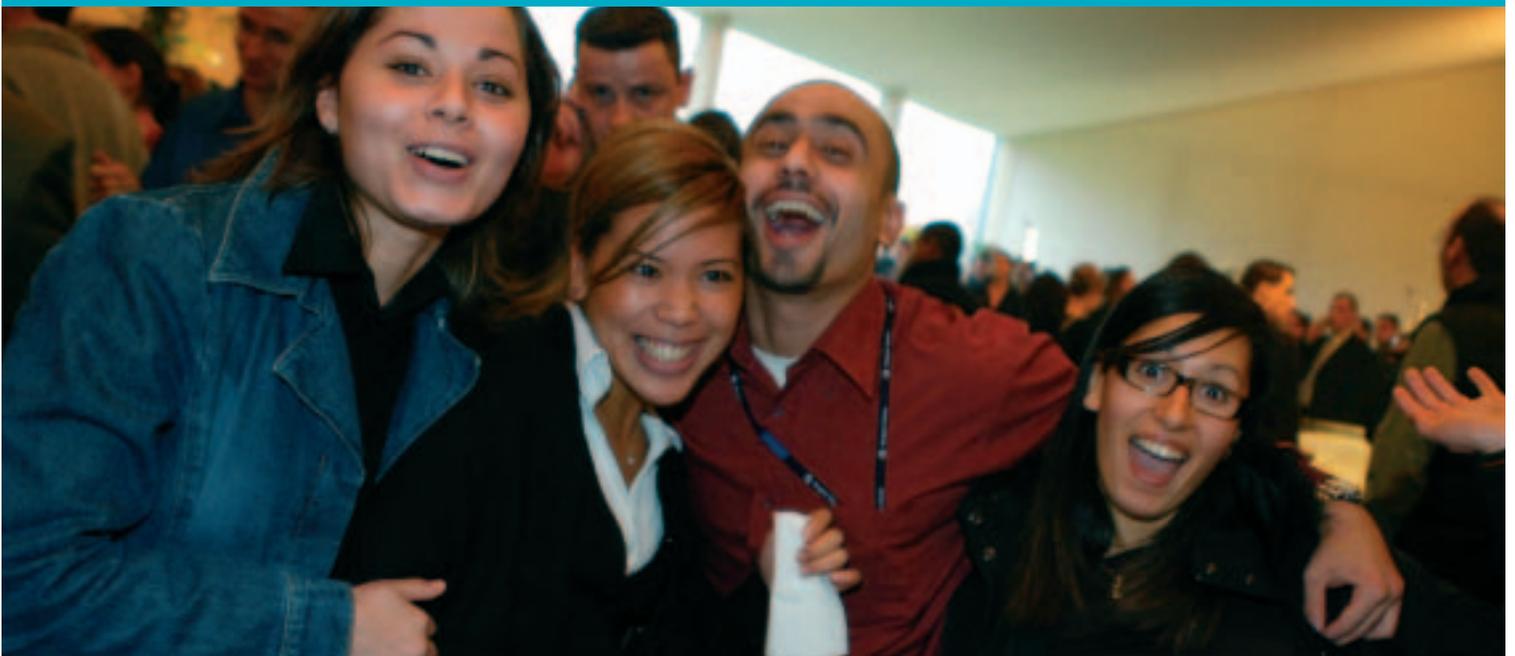
relate to organisation, working conditions and professional development. The survey is anonymous, and results are assessed by an independent research institute.



Our Ambition

Aiming to be the preferred brand of mobile services.

In late 2002, the Executive Committee defined the market in which the company intends to operate and the strengths it will employ to reach its goals in a mission statement entitled 'The Ambition'. This document sets out values intended to encourage dialogue, skills-sharing and teamwork among all our staff, for the benefit of our customers. It defines four guiding principles - **Simplicity, Solidarity, Synergy** and **Success** - that are central to the company's progress. In 2003, to make these values a reality, Bouygues Telecom staff attended a half-day training course on The Ambition, devised by the HR department.





Simplicity

is the principle that governs personal relationships both within the company and with customers. It requires management to be accessible, to maintain dialogue and pay the closest possible attention to each member of staff. The principle of simplicity must guide our working methods and systems. It is a discipline that we must adopt in our day-to-day activities, ensuring that customer requirements are dealt with attentively and efficiently.



Solidarity

ensures the smooth running of the company. It requires staff to operate as team players, seeking collective success - which is a condition for individual success - in both everyday and unusual situations. Solidarity throughout the entire workforce is the best way of guaranteeing our customers the highest quality of service.





Synergy

describes Bouygues Telecom's preferred way of working, making its actions as efficient as possible. Synergy means harnessing all skills across all disciplines in order to hit a target or realise a project. Responsibility is given to those operating closest to the ground, encouraging all staff to pool their efforts in order to give customers the best that Bouygues Telecom has to offer.

Success

belongs to customers, who benefit from our unrivalled products, customer service and support. It belongs to our teams, for whom it is a source of strong professional satisfaction. It also belongs to all Bouygues Telecom employees, who experience the pleasure of contributing to the group's performance and of having their personal efforts recognised. Success should be celebrated, since it is the hallmark of work well done and provides an opportunity to strengthen our bonds.





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The cockpit, the national network supervision centre.

