



PRESS FILE

*The deployment of Superfast Broadband has begun!
The Public Service Concession was signed on 4 November 2016*

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With:



And:

the Nord and Pas-de-Calais inter-municipality associations

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A reminder of the Association's key events since its creation

- **December 2014:** the three founding local authorities approve the main focuses of the Joint Association and assign it the "local digital development" capability under article L1425-1: capacity to design, construct and operate an electronic telecommunications network.
- **17 June 2015:** after several months of investigation by the Digital Agency (French Ministry of Economic Affairs), the Nord-Pas de Calais SFBB project is submitted to the "France Très Haut Débit" Coordination Committee in Paris, at the General Commissariat for Investment.
- **July 2015:** the Public Service Concession (PSC) and works contract procedures are launched.
- **14 September 2015:** the executive committee of the EIB (European Investment Bank) approves the technical and financial mechanism proposed by the Association as part of the JUNCKER Plan.
- **September 2015:** the three founding local authorities officially confirm in writing their financial commitments and that the Association will take on the loans.
- **November 2015:** the Government confirms its support for superfast broadband in Nord and Pas-de-Calais, providing funding of €182 million.
- **December 2015:** bandwidth increase contracts assigned to the FM Projet/SOBECA group.
- **October 2015 - January 2016:** receipt and analysis of the five no.1 tenders and hearings with the applicants.
- **February - May 2016:** receipt and analysis of the no.2 tenders and selection of the three applicants with which negotiations will continue.
- **5 July 2016:** receipt of the no.3 tenders.
- **August 2016:** appointment of the concession holder and finalisation of the agreement.
- **21 October 2016:** deliberation by the association committee on the choice of concession holder.
- **4 November 2016:** administrative signature of the public service concession.
- **4 November 2016:** signature of an initial 25-year loan from Crédit Agricole Nord de France/LCL, for which CA-CIB will act as the paying agent.
- **18 November 2016:** plenary meeting for presenting the project to the inter-municipality associations.

France's most ambitious Superfast Broadband (SFBB) project is under way

Convinced of the need to secure the local area's digital development and undertake efforts to ensure digital inclusion, **the Regional Council and the Departments of Nord and Pas-de-Calais** decided to implement **a proactive policy on deploying Superfast Broadband (SFBB) via fibre optics** in areas not covered by operators.

To this end, at the start of 2013 **a Regional Digital Development Master Plan (RDDMP)** for the area was unanimously adopted by each of these local authorities.

At the beginning of May 2016, **negotiations** on the choice of concession holder were accelerated and **the objectives were optimised:**

- **Bring fibre optics to all premises (private and business) in the area in six years, instead of the ten years initially envisaged, by the end of 2022.**
- **Deploy higher bandwidth in areas with the poorest broadband service in two years, rather than the three years initially envisaged, by the end of 2017.**

The inter-municipality associations were informed that a major consultation was being held with the local areas concerned.

During the session of **October 21 this year**, the association committee **unanimously chose the Axione/Bouygues Energies & Services/Mirova group (acting as the asset management company of FIDEPPP 2)/Mirova SP2** to be its concession holder in charge of the construction of the network and its operation. The Public Service Concession (PSC) agreement was **signed on November 4** to enable the creation of a project company, **THD 59-62**, which Caisse des Dépôts immediately joined as a shareholder. The European Investment Bank (EIB) also signed a credit agreement with the concession holder to enable the Joint Association to receive **refinancing, with 95% sharing of gains for the Association.**

With 681,000 outlets, the Association's project - the most ambitious in France in terms of outlet numbers and speed of deployment - is also set to become one of the first to begin operating in France.

Our Association is now able to **give a detailed presentation of the SFBB deployment conditions** in the so-called public area of Nord and Pas-de-Calais (accurate schedule for fibre deployment in the local areas, as well as the consolidated financing costs).

The operational implementation of SFBB

Why SFBB?

- To receive high-quality services such as triple play, i.e. one single subscription for three services: television (high-definition and 3D), telephone and internet (fast).
- To use these services on a near-unlimited basis, with no constraint on distances or data volumes.
- To ensure that individuals and professionals can use the digital services created for them (e-administration, e-education, e-health, telework, connected objects).
- To enable simultaneous uses and new practices connected with the rise in the number of connected objects.

How will SFBB be deployed?

Only fibre optics are capable of meeting these needs over the long term (one technology for the next 50 years) and fairly (identical bandwidths for everyone).

There are four techniques for installing fibre optics:

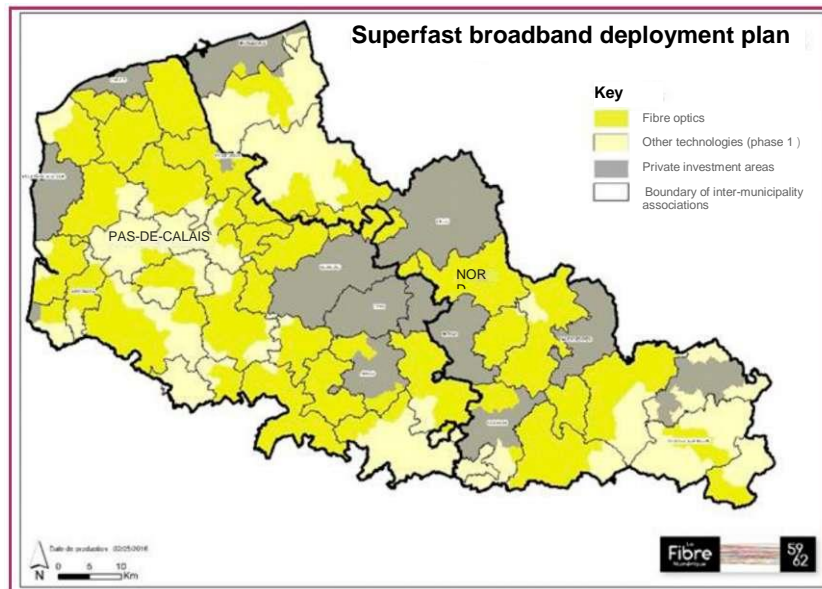
1. Use existing underground ducts.
2. Feed through facades.
3. Use existing aerial infrastructures (Orange or ERDF power poles).
4. Create new equipment: (light) civil engineering for 11% of the works.



Around 18,500 km of lines are involved, equivalent to half the circumference of the earth.

Who does the SFBB project concern?

The initiative in the Nord and Pas-de-Calais area evenly benefits both segments (public and private):



In the public segment, a major public investment (areas in yellow above):

1/3 of the outlets in Nord and Pas-de-Calais - 681,000 outlets - 1,159 municipalities, or 31% of the population.

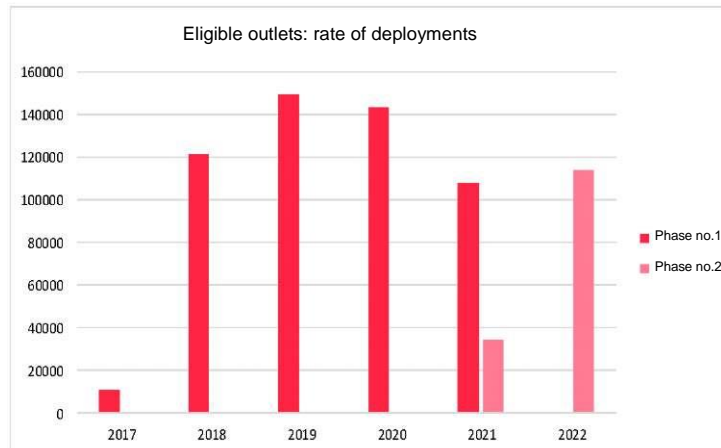
In the private plus urban segment, where operators have chosen to invest their equity capital (areas in grey above):

Close observation of this area by the Joint Association:

2/3 of the outlets in Nord and Pas-de-Calais - 387 municipalities, or 69% of the population.

What is the timetable?

681,000 outlets will be activated in six years' time at a rate of nearly 140,000 outlets per year from the second year.



How are the outlets deployed?

Cohesive deployment principles:

1. Balanced execution in both departments based on a technical block rationale.
2. All of the faulty ADSL in three years.
3. No municipality split in two for more than 24 months.
4. Initial sizing to take into account known development and planning projects (in the Local Urbanism Plans) and integration of densification).

Technical commitments for the concession holder:

1. Compliance with the specifications of the France Très Haut Débit ("France Superfast Broadband") plan and the instructions of the French telecommunications and postal regulatory body (ARCEP).
2. Compliant materials for a long-term network.

What is the cost of the project?

How are the costs shared?

Deploying France's largest superfast broadband network requires both public and private funding:

€900 million in investment

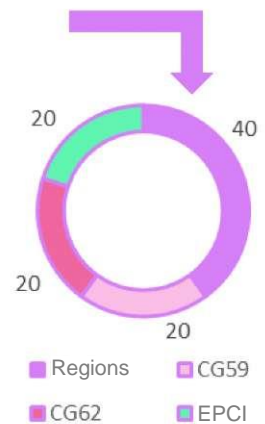
€260 million in public financing divided between:

- **Local authorities:**

- Hauts-de-France region: 40%
- Nord department: 20%
- Pas-de-Calais department: 20%
- Public establishments for inter-municipal cooperation: 20%

- **The government** as part of the France Très Haut Débit plan:

€50 million estimated for the first part



Optimised participation from the private sector

1. Investment cost optimised not in terms of the "unit cost" or the length of the line, but in the "civil engineering" section.
2. Project-mode financing, with tools that optimise the private segment ("equity capital" bridge loan, equity capital/senior debt section).
3. EIB refinancing within the first 18 months, with 95% sharing of gains for the Association.
The EIB's support for this transaction totals €105 million and has the backing of the European budget as part of the Investment Plan for Europe, otherwise known as the JUNCKER Plan.
4. Caisse des Dépôts' acquisition of 30% of the project company's equity capital.

Thanks to the Joint Association's mobilisation of public and private funding, the cost per outlet is, for the public section:

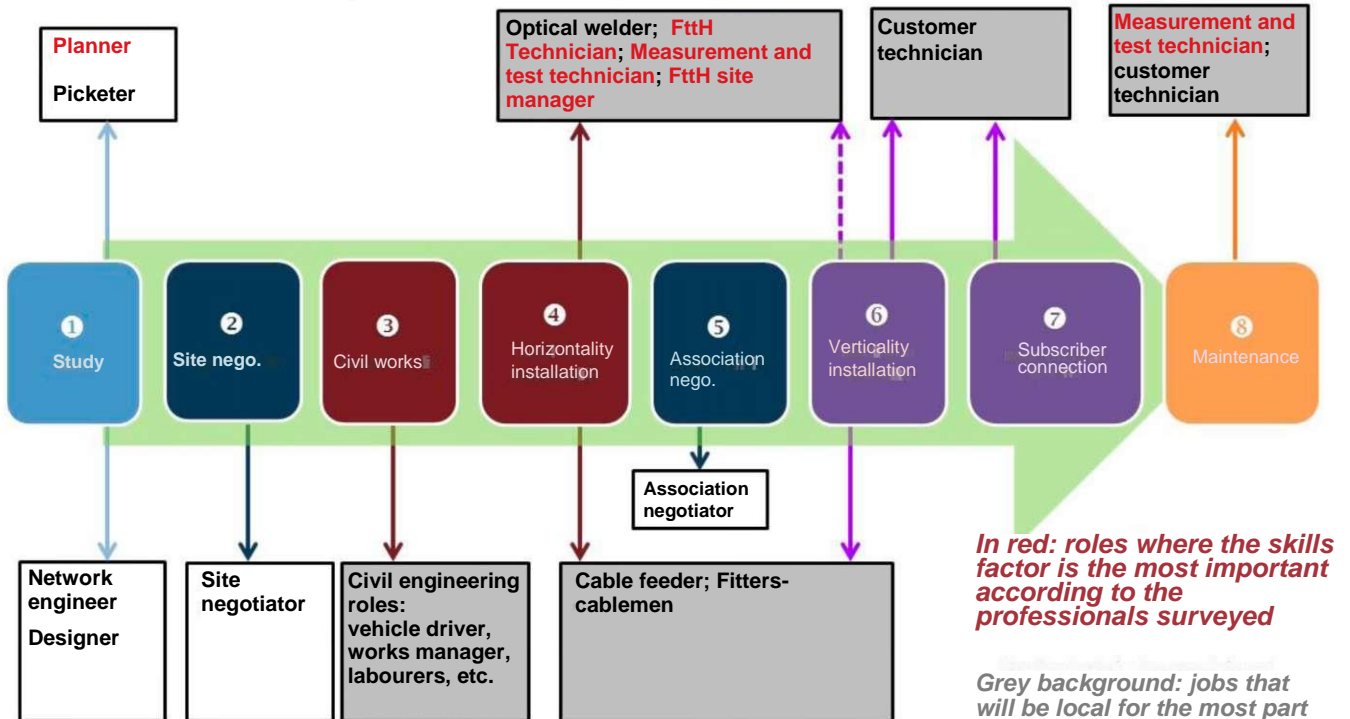
- **The same everywhere regardless of the location (Nord-Pas de Calais equalisation).**
- **Paid until the final connection: users only have to pay their subscription.**

A service offering is provided for inter-municipality associations, which are contributing (excluding financial costs) **€68 per outlet** (estimated at 18/11/2016).

A project fostering local employment

"Fibre optic-specific" and "traditional" jobs will be in place throughout the deployments:

Examples of fibre-specific jobs



Examples of roles NOT specific to fibre

To construct these networks, **2,600 Full-Time Equivalent** workers will be employed during the construction period, including:

- 1 336,000 hours of integration, of which 300,000 during the construction period and 20% during training (continuous and initial from secondary school through vocational education).
- 2 Commitment to local and non-secondment jobs
- 3 No rank 2 subcontracting (excluding "niche" professions)
- 4 Work awarded to micro-enterprises/SMEs at rates similar to those charged in Oise and Aisne => no strain on margins for micro-enterprises/SMEs
- 5 A developer to coordinate training requests: the AFPA
- 6 One-stop shops to act as a go-between for the integration facilitators

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The project participants for the concession holder

Axione

Within the Bouygues Energies & Services Group, Axione is a global player in telecoms services for local authorities, operators and equipment suppliers. Axione has in-house proficiency across the entire telecoms skill chain: design, construction, marketing, operation, maintenance, etc. Established in 30 departments of France, Axione operates 20 Public Initiative Networks (PIN) as part of public/private partnerships and two service contracts.

PINs represent a total of €900 million in public/private investments and serve 7 million inhabitants, 6,500 municipalities and 310,000 businesses. Nearly 150 partner operators use the networks run by Axione. Outside French territory, Axione also operates the Public Service Concession of Gabon. The Nord-Pas de Calais Public Service Concession is the 21st PIN awarded to Axione.

Bouygues Energies & Services

Bouygues Energies & Services is a global player in energy and services. From engineering to operations, this Bouygues Construction subsidiary provides tailored solutions and services for infrastructures (energy, telecoms, transport), buildings and industry.

Bouygues Energies & Services has 13,600 employees in France, the United Kingdom, Switzerland, Canada and Africa. It generated revenues of €2.3 billion in 2015.

Mirova

Mirova takes a comprehensive approach to responsible investment: equities, fixed income, non-specialised infrastructures and renewable energies, impact investing¹, voting and engagement arrangements. Mirova has €6.1 billion under management and €42.9 billion in voting and engagement arrangements. Mirova provides the skills of around 60 multidisciplinary experts: themed management specialists, engineers, financial and ESG³ analysts, project financing specialists and socially responsible financing experts. www.mirova.com

A French "société anonyme" capitalised at €7,461,327.50 - Approved by the AMF under no.GP 02 014 Paris Trade and Companies Register no.394 648 216

1 : Impact investing: management with a strong social/environmental impact.

2 : Source: Mirova 31/12/2015.

3 : ESG: Environmental, Social/Societal and Governance.

Mirova, an asset management company approved by the AMF and wholly owned by Natixis Asset Management, is involved via FIDEPPP 2 and Mirova SP2 investors in the concession holder project company THD 59-62. Mirova is the asset management company for the Public-Private Partnership Investment and Development Fund 2 (FIDEPPP 2) and BTP Impact Local (BTP IL) and, as such, has key references in the digital infrastructures sector.

FIDEPPP 2 is a Specialised Professional Investment Fund as referred to in articles L.214-154 et seq. of the French Monetary and Financial Code. It was fully subscribed, to the value of €120 million, by entities of the BPCE Group (Caisses d'Epargne, Crédit Foncier, Natixis and BPCE International et Outre-mer) to continue the investment policy of the first fund FIDEPPP created in 2005 to enable the government and local authorities to execute their infrastructure projects with the backing of the BPCE group and Caisses d'Epargnes as lender and investor.

The projects that Mirova finances through its investment vehicles involve different public service sectors:

- Transport: tramways, railways, ports, airports, roads and motorways.
- Education: educational establishments, universities, secondary schools and primary schools.
- Environment: water, waste, energy equipment.
- Health: hospitals, nursing homes and retirement homes.
- Security and legal: prison establishments, courthouses.
- Defence: police stations, ministry of defence.
- Telecommunications: DSL, FTTH networks.
- Culture & Sport: stadiums, ice rinks, swimming pools, zoos, congress centres.

Mirova has been involved in local digital development since 2009 following the FIDEPPP's acquisition of 55% of Axione Infrastructures (the owner of 12 Public Initiative Networks). It is also closely involved with the sources of financing in this sector, as shown by the July 2014 organisation, together with its partners Axione and Caisse des Dépôts, of the first enhanced bond issue by the European Investment Bank in France and Europe in the telecommunications sector to ensure the long-term financing of Axione Infrastructures' Public Initiative Networks.

Mirova is therefore very active in the calls for tender issued as part of the France Superfast Broadband Plan and is already a shareholder, through the various funds it manages, in four Public Initiative Networks. This includes the Aisne department's network, for which the first project financing was arranged in July 2015 with the fund BTP Impact Local as a 55% shareholder of the concession holder project company THD Aisne and Caisse d'Epargne Picardie as a lender.

Caisse des Dépôts and digital in Hauts-de-France

Caisse des Dépôts and its subsidiaries form a public group that is a long-term investor serving the public interest and fostering the economic development of local areas. Its mission was reasserted by the economy modernisation act of 4 August 2008.

The Caisse des Dépôts Group is a public group and a long-term investor serving the public interest and fostering the economic development of the country.

Caisse des Dépôts set itself the objective of supporting major economic and societal developments in the country, and in particular the following transitions:

- Territorial transition: Caisse des Dépôts supports local organisations, local authorities and their operators with their development projects.
- Ecological and energy transition: Caisse des Dépôts mobilises its financing capabilities, its subsidiaries and its tools to support the policies of the ecological and energy transition.
- Digital transition: Caisse des Dépôts supports the development of every component of the digital economy through all of its actions: expertise, engineering, lending and investment.
- Demographic transition: Caisse des Dépôts supports and protects individuals throughout their lives by delivering innovative solutions.

By helping to finance public-interest projects, Caisse des Dépôts contributes its ability to make a long-term commitment, its institutional stability and its neutrality.

To support the digital transition of local areas and the country, it mobilises all of its capabilities and in particular invests as a minority shareholder in digital infrastructure and service projects, which support growth in the economy and local areas.

Superfast Broadband is a key area for the CDC, which collaborates with public organisations and manufacturers to deploy this technology nationwide. These projects form part of ongoing efforts by Caisse des Dépôts, which for the last 15 years has been helping to reduce the digital divide by investing in Public Initiative Networks (PIN).

Caisse des Dépôts has devoted nearly €230 million in equity capital to investing in Broadband and Superfast Broadband. It is a shareholder in 40 Public Initiative Networks. With this new investment in THD59-62, Caisse des Dépôts has 17 Public Initiative Networks in partnership with Axione, CDC's main partner in PINs. The THD59-62 project forms part of Caisse des Dépôts' comprehensive support for regional superfast broadband coverage: the CDC has already awarded €75 million in loans in the Picardy area and €19 million in loans in the Nord-Pas-de-Calais area for SFBB networks. It has already invested in the networks in Oise and Aisne.

Furthermore, like the Joint Association, Caisse des Dépôts is also working on the emergence and structuring of digital service projects.

Caisse des Dépôts invests in a variety of fields such as smart and sustainable territories (mobility services, telecentres, urban data platforms, etc.), digital public services, the cloud, digital trust (security issues), e-health, services fostering independence and "ageing well" in a digital environment, e-tourism, the digitisation of heritage and cultural works, e-education, etc.

In a burgeoning sector where technical and financial disruptions are frequent, Caisse des Dépôts delivers innovation and accelerates the circulation of new digital services in local areas and to French society.

On 3 November 2016, the General Manager of Caisse des Dépôts and the Chairman of the Hauts de France Region signed a responsible investment charter. Under this agreement, Caisse des Dépôts and the Hauts de France Region commit to jointly ensuring that investment in this major Superfast Broadband infrastructure project delivers progress and creates multiple opportunities for the Region in terms of employment, economic growth and innovations.

www.caissedesdepots.fr - Press contact: press department - 01 58 50 40 00

The France Très Haut Débit Plan

Launched in the spring of 2013, the France Très Haut Débit Plan aims to provide superfast broadband coverage to the entire nation by 2022, i.e. offer high-speed internet access to all homes, businesses and administrative bodies. To achieve this objective, it has attracted €20 billion of investment in ten years, shared between private operators, local authorities and the government (€3.3 billion as part of the "Investments of the Future Programme").

www.francethd.fr

The National Fund for the Digital Society (FSN) of the Investments of the Future Programme is headed by the General Commissariat for Investment.

With €3.3 billion in capital, the FSN was set up as part of the development of the digital economy. It provides subsidies, equity capital, quasi-equity capital and loans, and aims to meet two objectives:

- Action 01: accelerate the deployment of new superfast broadband networks (€2.6 billion) in liaison with the Digital Agency, which heads the France Très Haut Débit Plan.
- Action 02: support the development of new digital usages, services and content (€662 million).

<http://investissement-avenir.gouvernement.fr/>

The European Investment Bank

Founded in 1957 by the Treaty of Rome, the EIB is the bank of the European Union, forming, together with the European Investment Fund (EIF - a subsidiary dedicated to supporting SMEs), the EIB Group.

As a result of its expertise and its financial attractiveness thanks to its triple A rating, the EIB Group is a key player in recovery through investment in Europe and particularly in France, with just over €8.7 billion in new financing in 2015, 46% of which to support climate action. The EIB Group's exceptional efforts in France in 2015 to support the real economy were carried out in liaison with its public and private partners.

Since 2015, the EIB Group has been the operator of the Investment Plan for Europe. The projects financed by the European Fund for Strategic Investments (EFSI) are by nature riskier, the objective being to support investment in certain priority sectors for the future of the European economy, such as innovation and the industry of the future. The Investment Plan for Europe is escalating in France: 48 transactions totalling €3.8 billion have already been approved and are set to attract over €17 billion in investment. For more information, visit www.eib.org

The Investment Plan for Europe is the Juncker Commission's decisive strategy to support investment and stimulate the creation of jobs and growth in Europe. It enables its strategic partner, the EIB, to finance innovative and higher-risk projects. On 14 September 2016, the Commission proposed strengthening the European Fund for Strategic Investments (EFSI) by increasing its duration, financial capability and attributes.

Follow the Investment Plan on Twitter #investEU.