

GROUPE



Morgan Stanley TMT Conference

November 12, 2015



1 NUMERICABLE – SFR

INITIAL RESTRUCTURING MEASURES WELL UNDERWAY

Management appointment / streamlining



Renegotiation of supplier contracts



Centralisation of procurement



IT reorganisation and in-sourcing



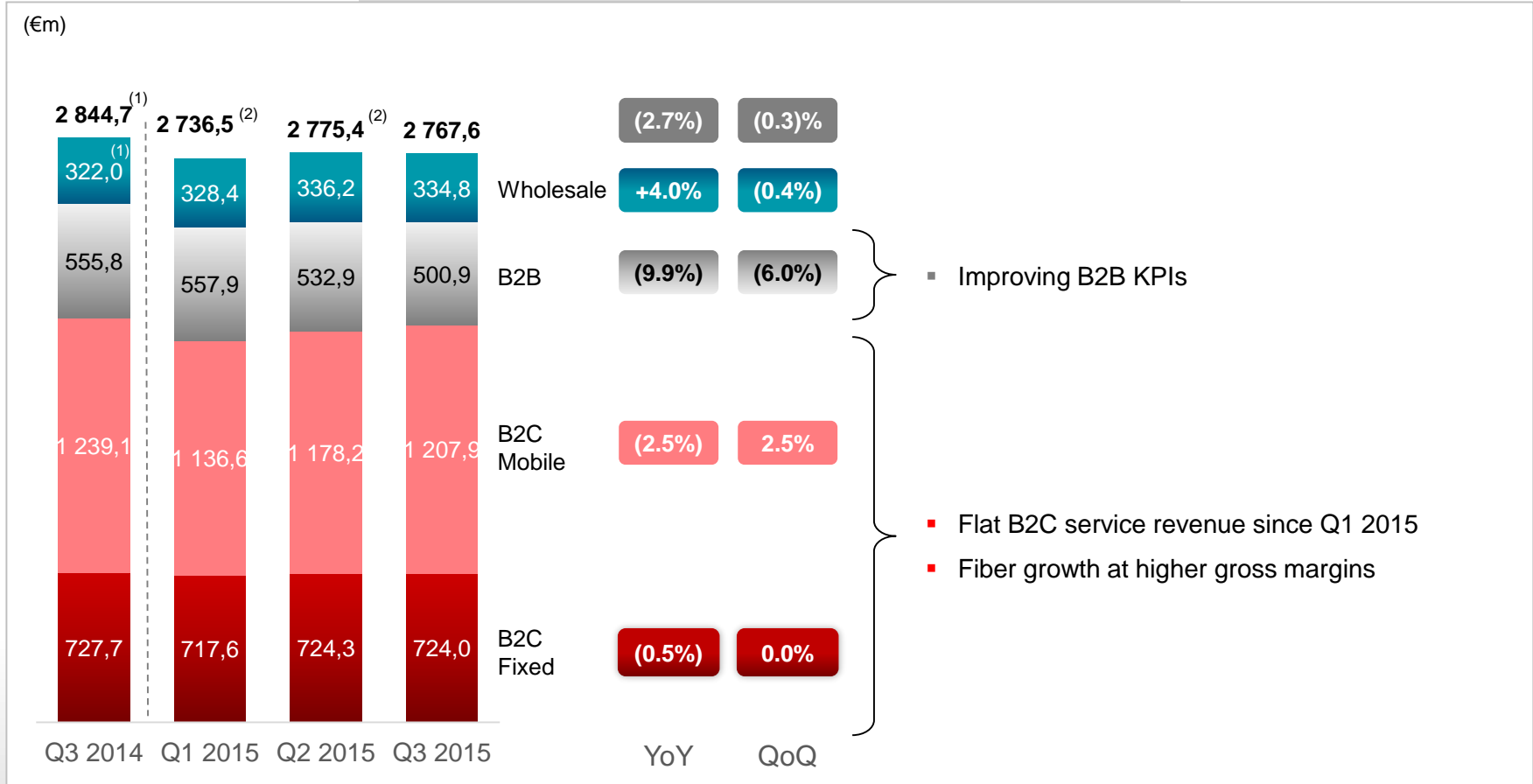
Network operations reorganisation



First Part of Restructuring Completed to Commence with Investment Focus

1 NUMERICABLE – SFR IMPROVING REVENUE TRAJECTORY

Revenue

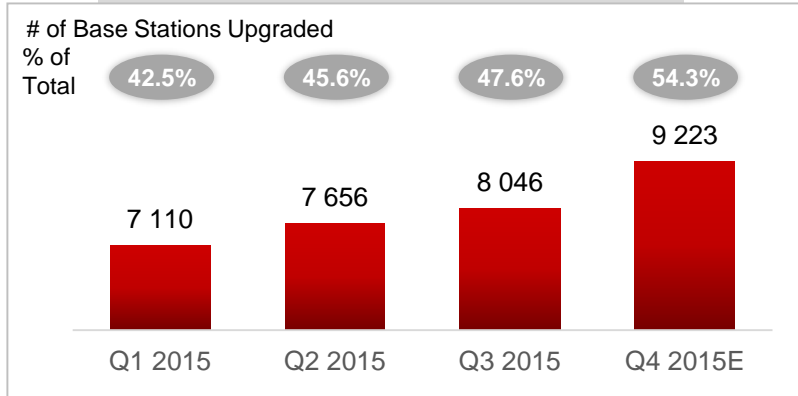


¹ Q3 2014 revenue adjusted for €30m of one-time revenue related to voice interconnection sold and mobile base stations fiber links sold to 3rd party

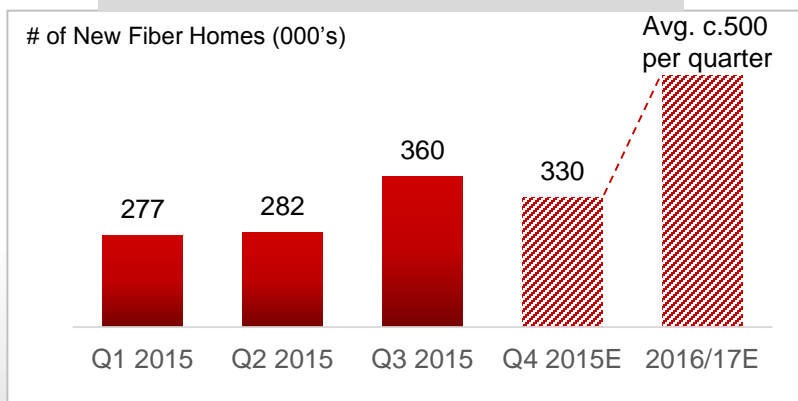
² Include €(4m) of intercompany adjustments in Q1 2015, and €4m of other revenue in Q2 2015

1 NUMERICABLE – SFR ACCELERATING NETWORK INVESTMENTS

3G Coverage Improvements

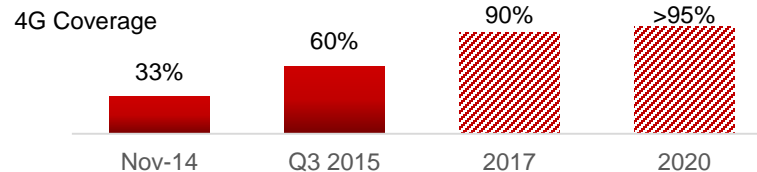


Fiber Upgrade



Network and Investment Strategy

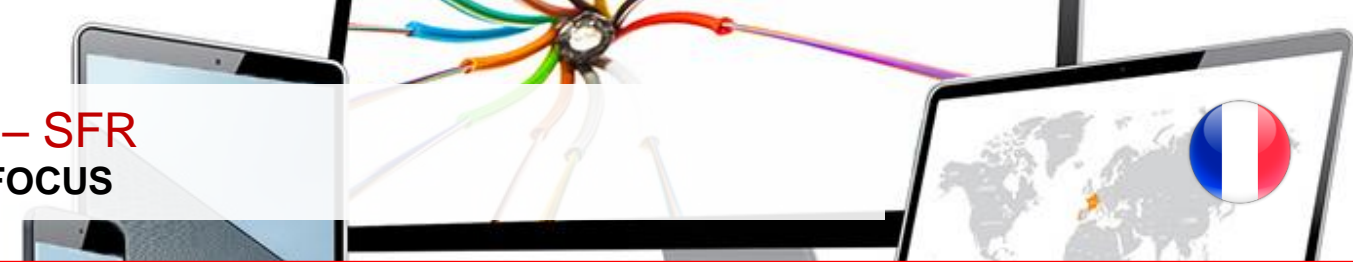
- Underinvested mobile network at SFR closing
 - Initial focus on 3G backhaul and radio capacity
- 4G deployment ramping up in Q4 (5.2k base stations by the end of 2015)



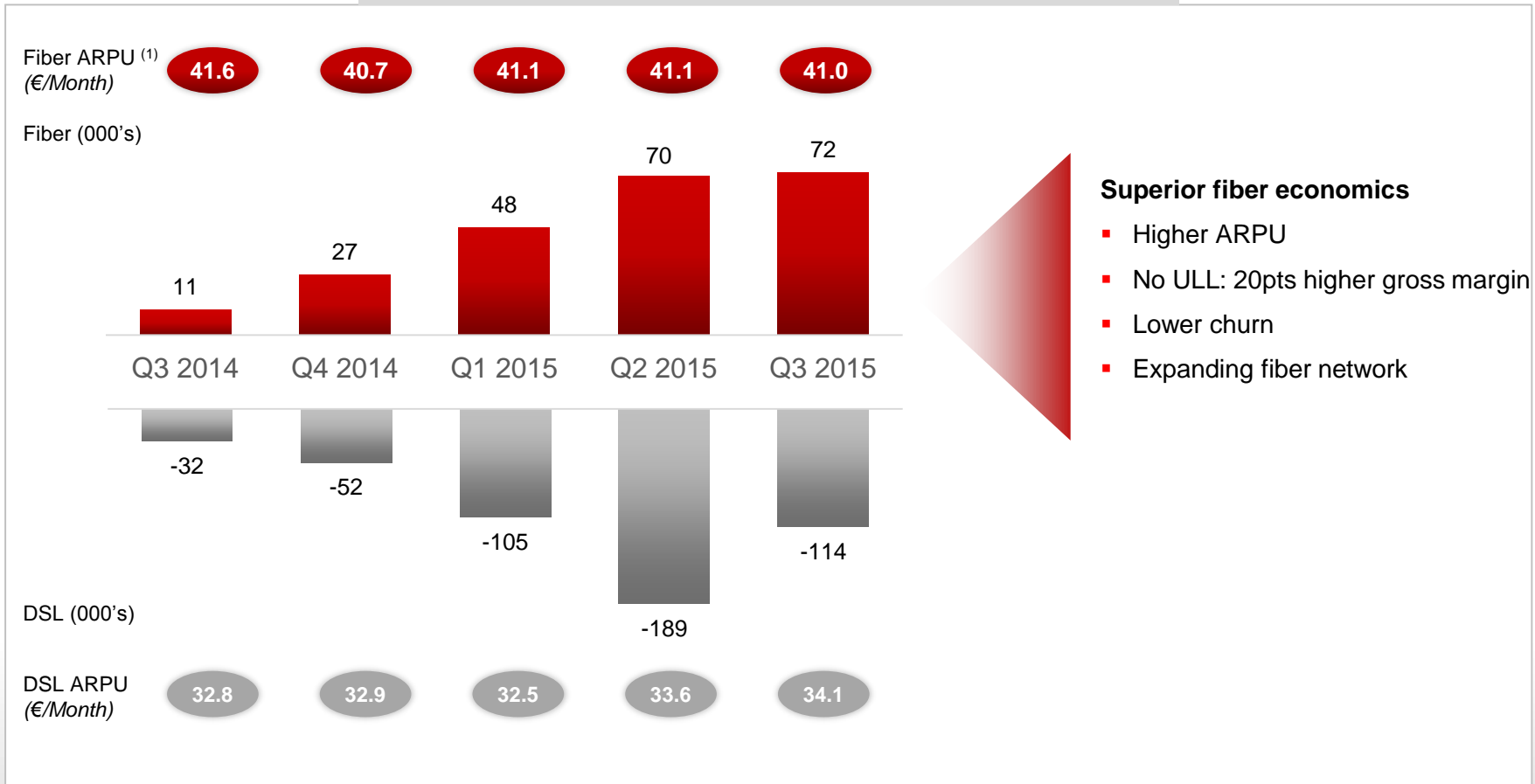
- Investment timeline defined by
 - Re-negotiation of supplier contracts
 - Rationalization of equipment suppliers
 - Technical reorganisation
- Future-proof fiber build-out acceleration: better ARPU, lower churn, no ULL, payback < 4 years
 - 12m homes 2017
 - 18m homes 2020
 - 22m homes 2022

1 NUMERICABLE – SFR

B2C FIXED: FIBER FOCUS



Fiber vs. DSL Net Adds



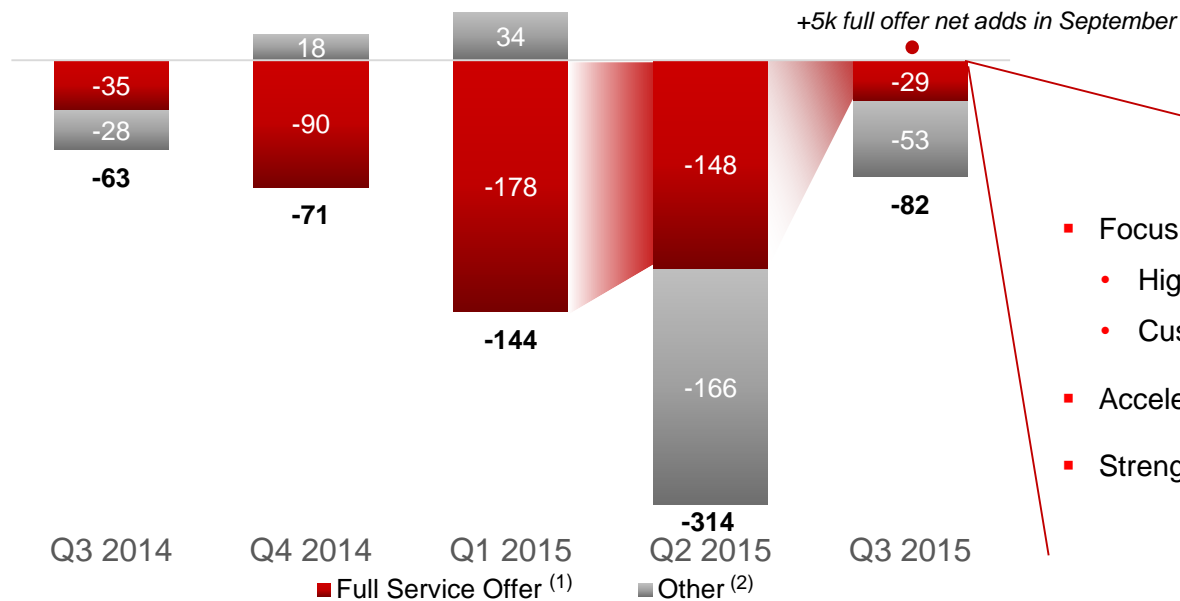
¹ FTTB ARPU

1 NUMERICABLE – SFR

B2C MOBILE: BEST KPIS SINCE ACQUISITION

Postpaid Net Adds/ (Net Losses)

(000's)



- Focus on full service customers
 - Higher ARPU
 - Customer relationship
- Accelerating network investments
- Strength of brand, and sales force

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015
Full Service Offer ARPU (€/Month)	30.1	29.2	28.8	29.3	29.6
Other ARPU (€/Month)	18.7	17.8	17.4	18.0	18.6

¹ Offre complete

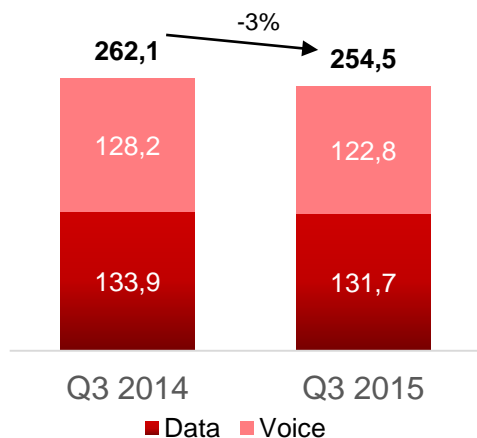
² Includes offre simple, distant access, and lines for testing

1 NUMERICABLE – SFR

B2B – IMPROVING UNDERLYING TRENDS

B2B Fixed Trends (c.50% of B2B) ⁽¹⁾

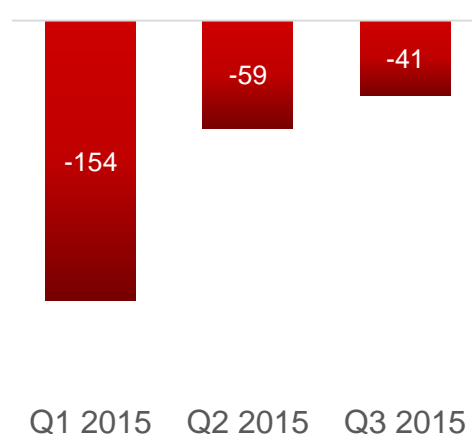
Data + Voice Revenue (€m) ⁽¹⁾



- Mix shifting towards data
- Data business acceleration
- Accelerating fiber delivery
- Price pressure on voice
- New sales organisation

B2B Mobile Trends (c. 30% of B2B)

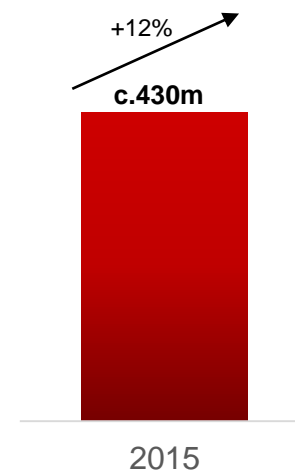
Net Losses (000's)



- Difficult Q1 2015: low gross adds, high churn
- Churn still above expectations but further decreasing
- Gross adds recovering since Q1 2015 (-3% YTD YoY)
- Improving ARPU trends
- New sales organization

B2B ICT Trends (c.20% of B2B)

Revenue (€m) ⁽¹⁾

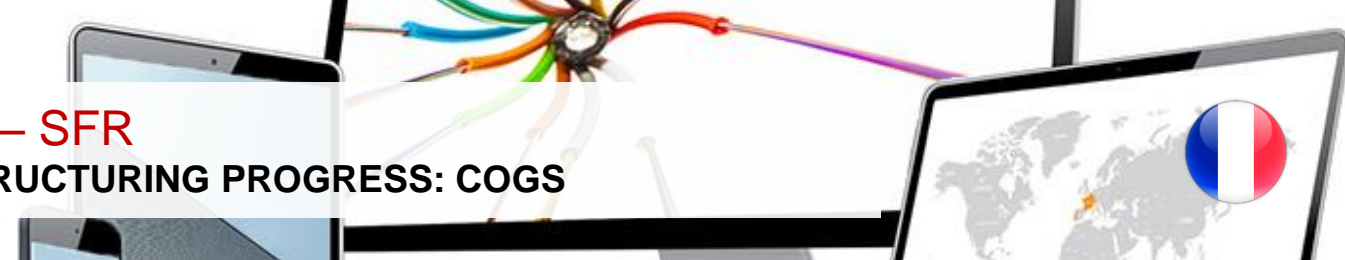


- Security, Unified Communications, LAN/Wifi and housing and hosting services
- Revenue and margin growth driven by strong market demand
- Numericable-SFR to benefit from Altice Group synergies on platform development

¹ The figures shown in the section for France are Numericable-SFR Group financials. These numbers may hence vary from the financial numbers published by the stand alone Altice NV financials for France after the elimination of intercompany transactions between the Numericable-SFR Group and other companies of the Altice Group.

1 NUMERICABLE – SFR

SIGNIFICANT RESTRUCTURING PROGRESS: COGS



Cost of Goods Sold – Data Costs

(€m)

920

3/4 ULL / last
mile rental

1/4 connectivity
/ leased line

Q3 2015
Annualised
Data Costs

Key Drivers

- DSL- fiber migration and substitution
- Fiber network build-out
- Defined B2B projects (c.€400m B2B data costs)

1 NUMERICABLE – SFR

INITIAL RESTRUCTURING PROGRESS: OPEX TO DATE

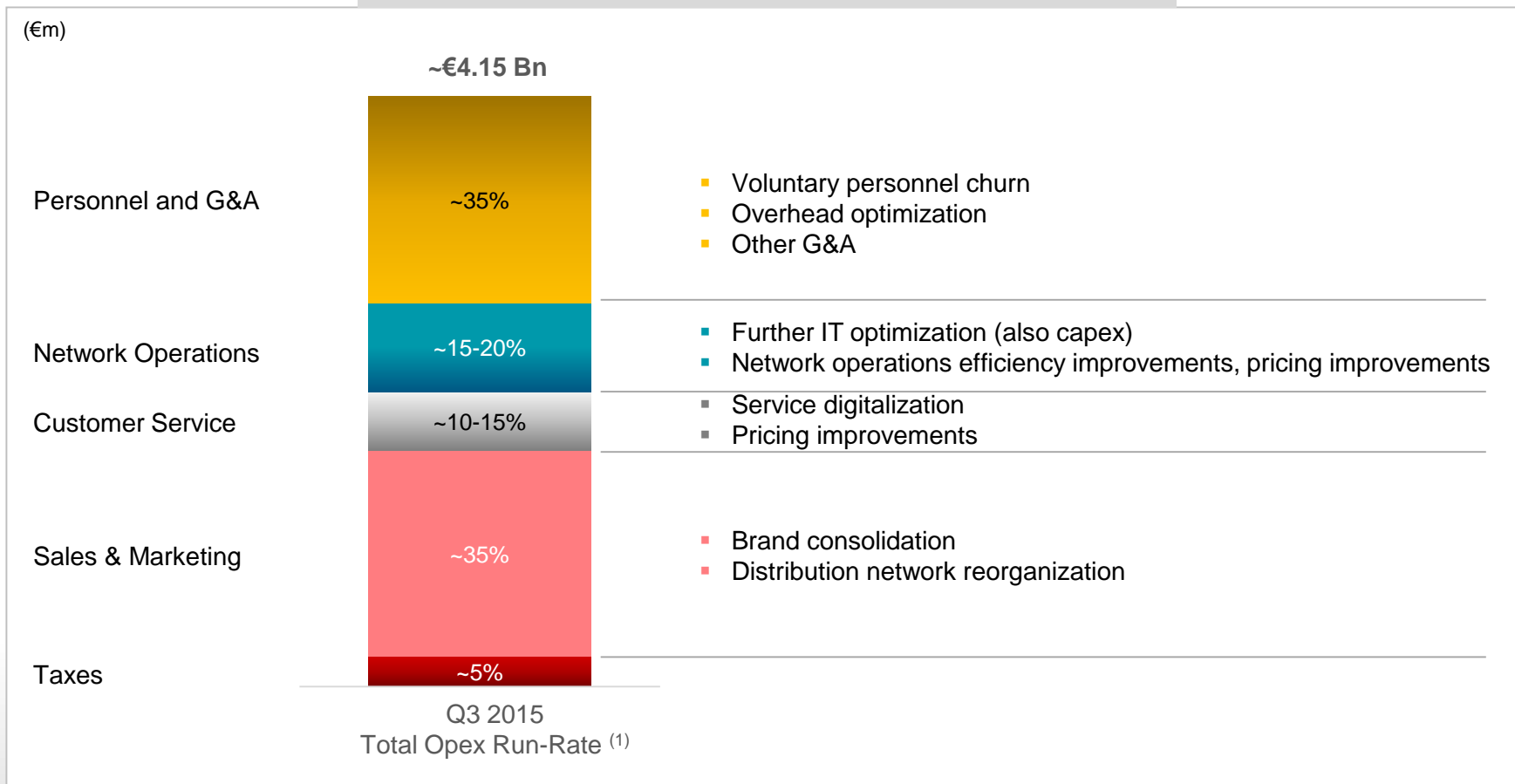


	2015 Savings (€m)	
Customer Service	~55	<ul style="list-style-type: none"> Supplier price negotiations
Sales and Marketing	~230	<ul style="list-style-type: none"> Equipment subsidies rationalisation Brand consolidation Distribution network optimisation
Network Operations and Maintenance	~235	<ul style="list-style-type: none"> IT simplification / in-sourcing (~50% external personnel reduced, c.1,100) Network operations productivity improvements / efficiencies B2B platform consolidation
Personnel	~35	<ul style="list-style-type: none"> In-sourcing Voluntary personnel churn
G&A	~35	<ul style="list-style-type: none"> Real estate portfolio streamlining Other G&A
Total Opex	~590	
COGS	~75	<ul style="list-style-type: none"> Data cost, content renegotiation
Capex	~90	<ul style="list-style-type: none"> Price renegotiations, IT simplification

1 NUMERICABLE – SFR RESTRUCTURING OUTLOOK



Defined Work Plan to Address Cost Structure



¹ Excluding capitalized costs