

Numericable Group
Morgan Stanley TMT conference

21-22 November 2013
Barcelona

Company overview and positioning

Financial overview

Appendix

The cable and fiber leader in France



2012 revenues: €1,302m
2012 Adj. EBITDA: €619m¹
2,049 employees²

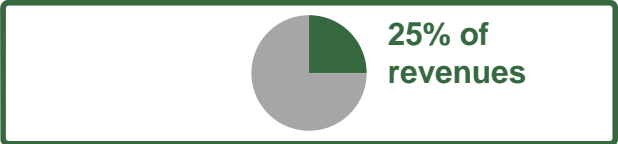
B2C

- ✓ 2012 revenues³: €826m
- ✓ 1.7m individual subscribers
 - 1m Multiplay
 - 0.2m LaBox



B2B

- ✓ 2012 revenues³: €323m
- ✓ 70% CAC 40 companies
- ✓ 11 / 20 French Ministries
- ✓ 13,000 corporate sites



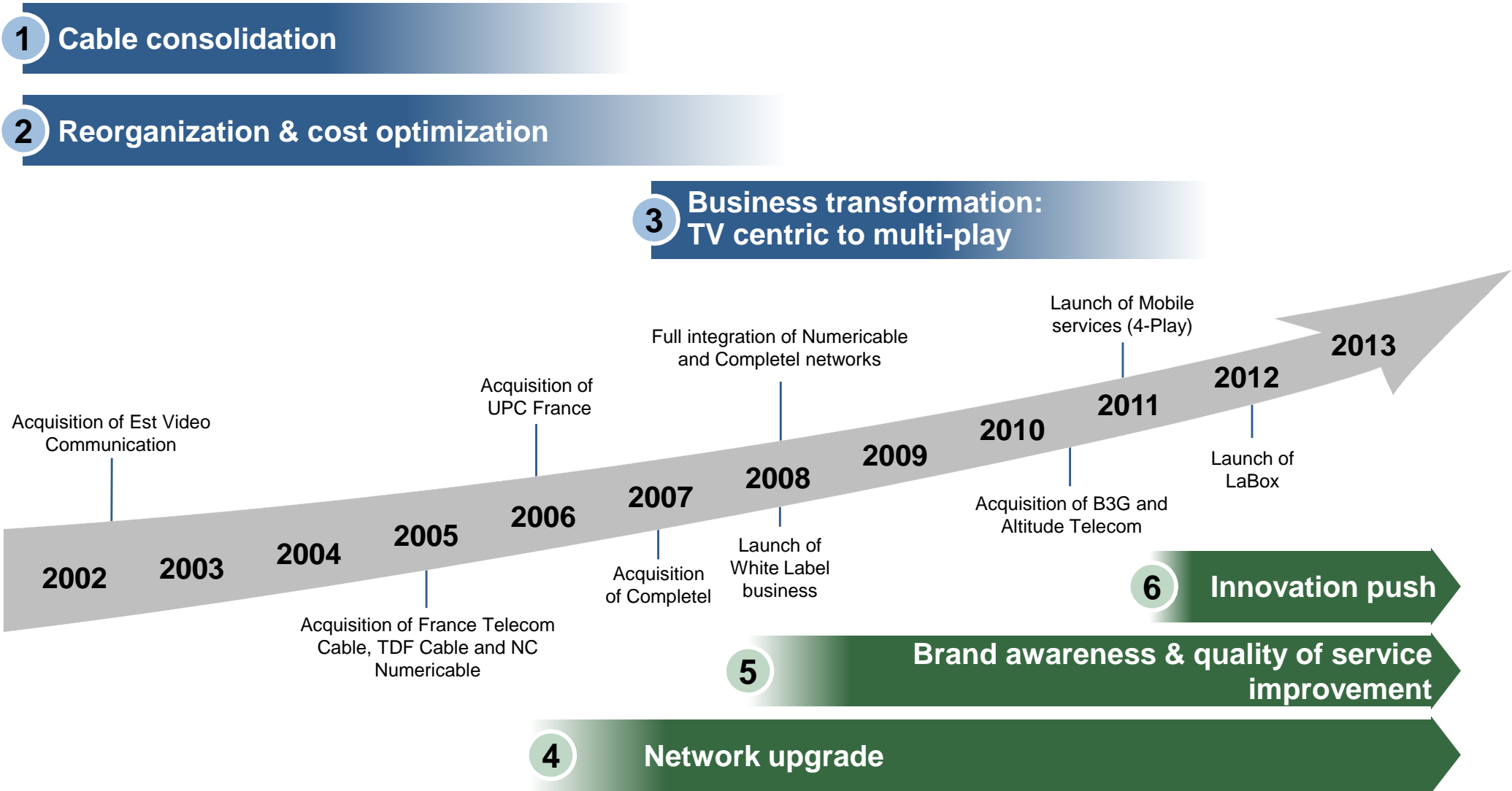
Wholesale

- ✓ 2012 revenues³: €153m
 - ✓ Wholesale voice and data, infrastructure services
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1. See Financial section for full reconciliation table between EBITDA and Adjusted EBITDA
2. As of June 2013
3. Segments' revenues after intra-Group eliminations

Successful transformation



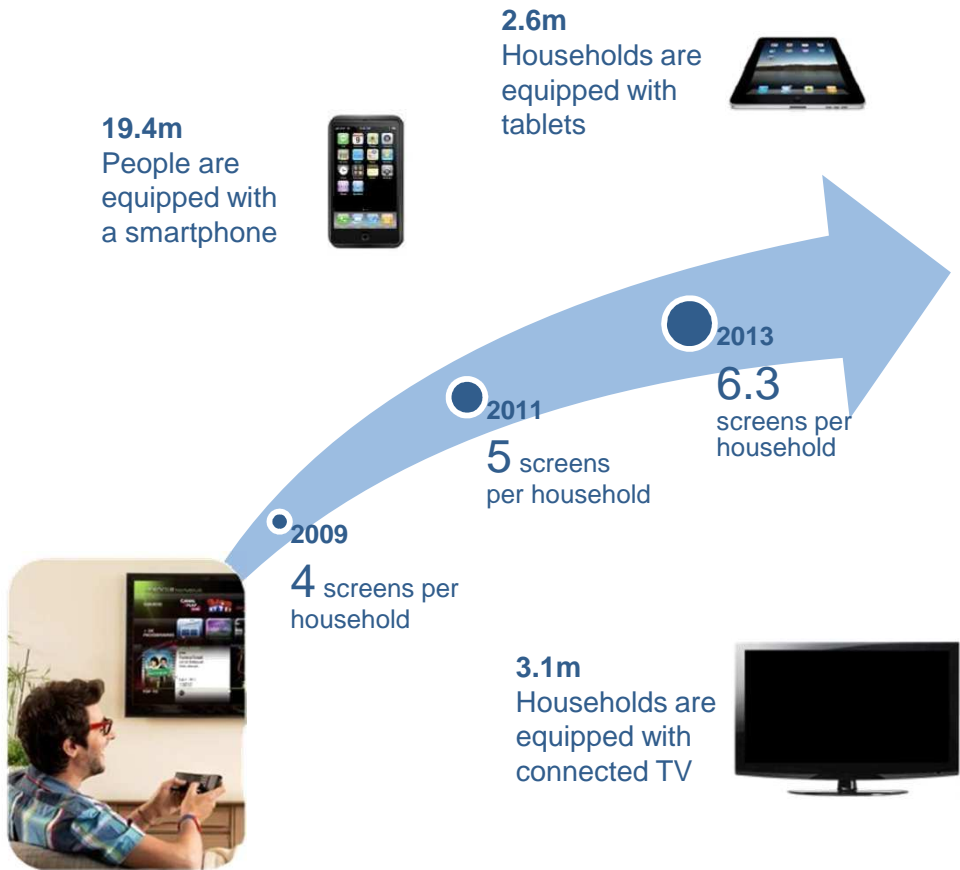
Numericable Group key investment highlights

- 1** Attractive French Very High Speed Broadband market opportunity
 - 2** Fundamental cable and fiber network advantage
 - 3** Key assets in place capturing current market opportunities and creating future value
 - 4** Growth momentum already underway
 - 5** Top-line growth acceleration from ongoing fiber upgrade and increased penetration combined with high EBITDA margins and strong cash generation
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1 Exponential consumer needs for speed and bandwidth

French households increasingly connected...

... driving exponential needs for more bandwidth

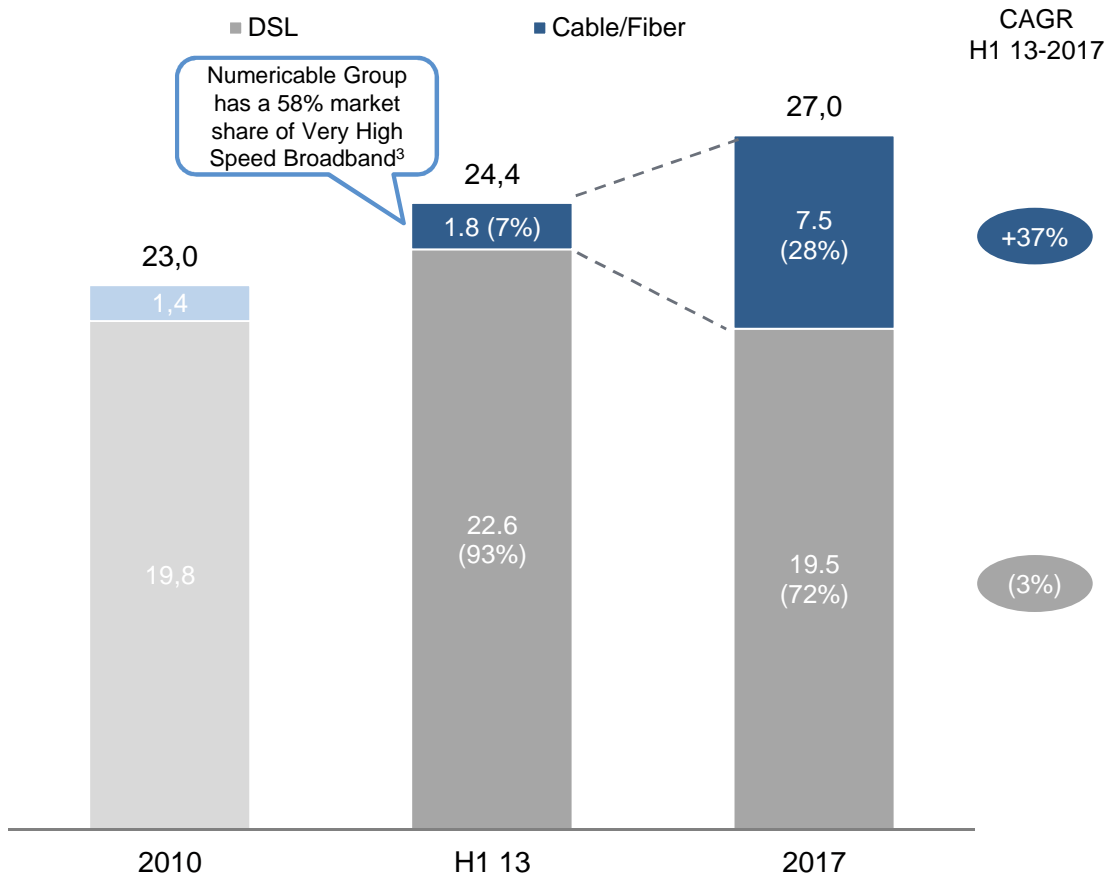


Multi Screen Household (MSH) with an overall need of ~80 Mbps

1 Structural market shift to Very High Speed Broadband

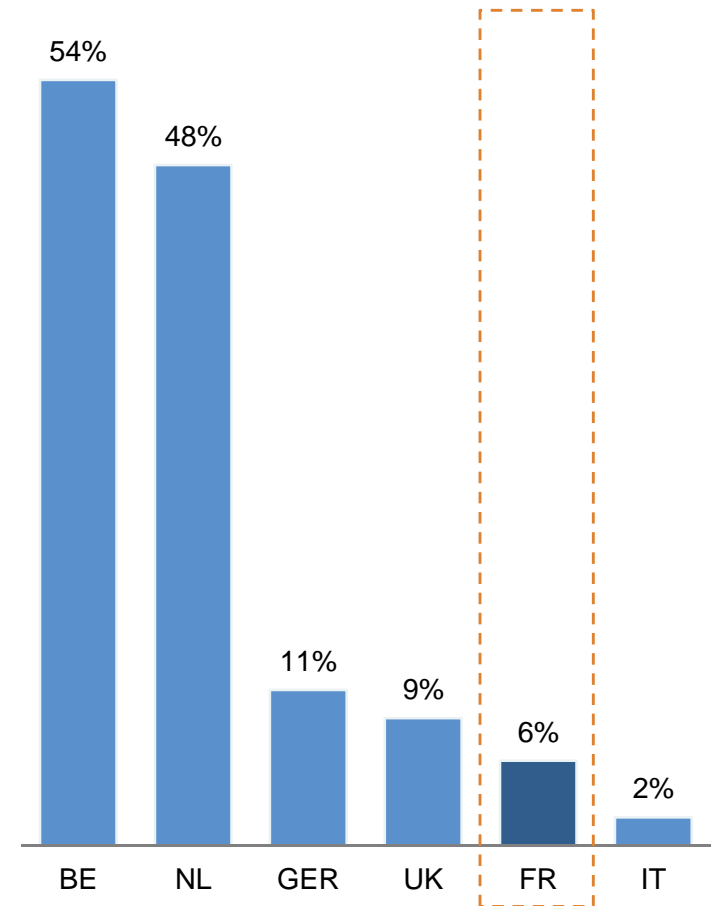
Cable and fiber set to capture growth of the French broadband market

Evolution of French broadband subscribers by technology (m)



Further upside in Very High Speed Broadband¹ vs. other European cable markets

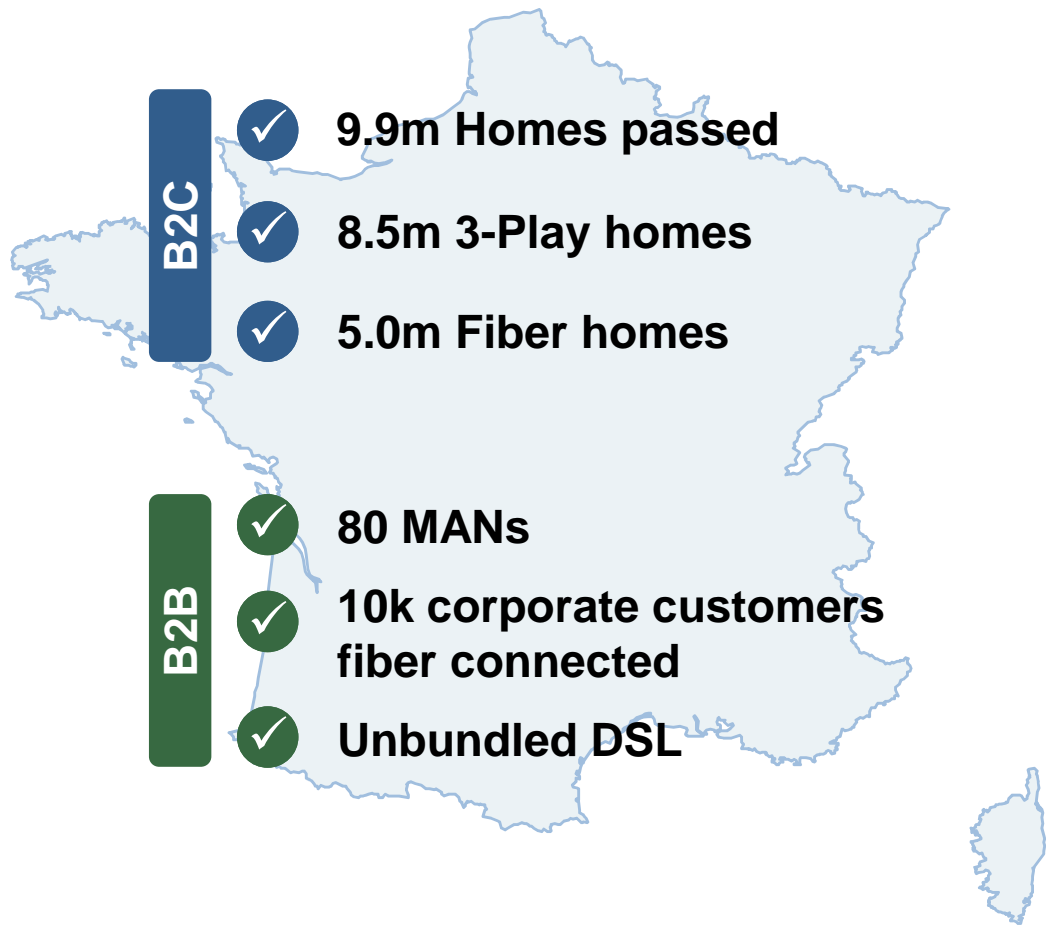
NGA² lines as a % of total broadband lines (July 2012)



Source: IDC, ARCEP, ZDnet

1. Defined as Broadband with speeds above 30Mbps (ARCEP definition); 2. Next Generation Access lines (capable of providing at least 30Mbps) include FTTH, FTTB, VDSL, Cable DOCSIS 3.0; 3. 76% including Fiber White Label with Bouygues Telecom. Defined by ARCEP as broadband with speed above 30 Mbps. Data as of H1 2013

2 One integrated network to serve all customer segments



- ⊙ **Fundamental network advantage**
 - #1** **Fiber** network in France for **residential** end **customers**
 - #1** Alternative **FTTO**¹
- ⊙ **Fully integrated network**
 - **Managed** as **one network** since 2008
 - **Complementary technologies** (Fiber, Coax, MANs, unbundled DSL)
- ⊙ **High network ownership**
- ⊙ **~ €1.4bn capex investment**² over the last 5 years 2008-2012

1. Fiber to the Office; 2. Overall investment: network, client acquisition, platforms and other

3 Key drivers of value creation in B2C

Fastest broadband



Broadband speeds up to **200Mbps**

- ⦿ **Highest speeds in French market nationwide**
- ⦿ **No bandwidth cannibalisation** between broadband and TV

Richest content



- ⦿ **Direct access to key premium content** (80 co-exclusive channels, shared with CanalSat)
- ⦿ **More HD channels** than competitors
- ⦿ **Most comprehensive VOD offering**

Leading technology

LA BOX FIBRE
by Numericable



- ⦿ **Most advanced set-top box** in the market
- ⦿ **Innovative products and services** including multi-screen, catch-up TV, tablet remote control, etc.

3 An appealing customer offering covering all market segments

Offer	iStart	Start	Power	Power+ Family	Power+ Extra	Platinum
Broadband	Up to 100 Mbps	Up to 100 Mbps	Up to 200 Mbps	Up to 200 Mbps	Up to 200 Mbps	Up to 200 Mbps
TV channels	Free DTT channels	200	240	280	300	320
o/w HD	10	10	34	41	41	54
o/w exclusive	—	—	40³	80³	80³	80³
LaBox	X	X	✓	✓	✓	✓
Fixed Telephony ¹	Unlimited F2F and F2M in France + 100 other countries	Unlimited F2F and F2M in France + 100 other countries	Unlimited F2F and F2M in France + 100 other countries	Unlimited F2F and F2M in France + 100 other countries	Unlimited F2F and F2M in France + 100 other countries	Unlimited F2F and F2M in France + 100 other countries
Mobile	X	X	60min voice + unlimited SMS	60min voice + unlimited SMS	60min voice + unlimited SMS	60min voice + unlimited SMS
Price	€25 / month	€35 / month	€45 / month	€55 / month	€77 / month	€98 / month

Entry level packages ~25% of gross adds⁴

Premium packages ~75% of gross adds⁴


Pack OCS + BeIN Sport

- Innovative Sport & Series package for €20/month
- Exclusive access to latest US series, TV shows and movies
- Exclusive French and International sport events including French Ligue 1 and UEFA Champions League



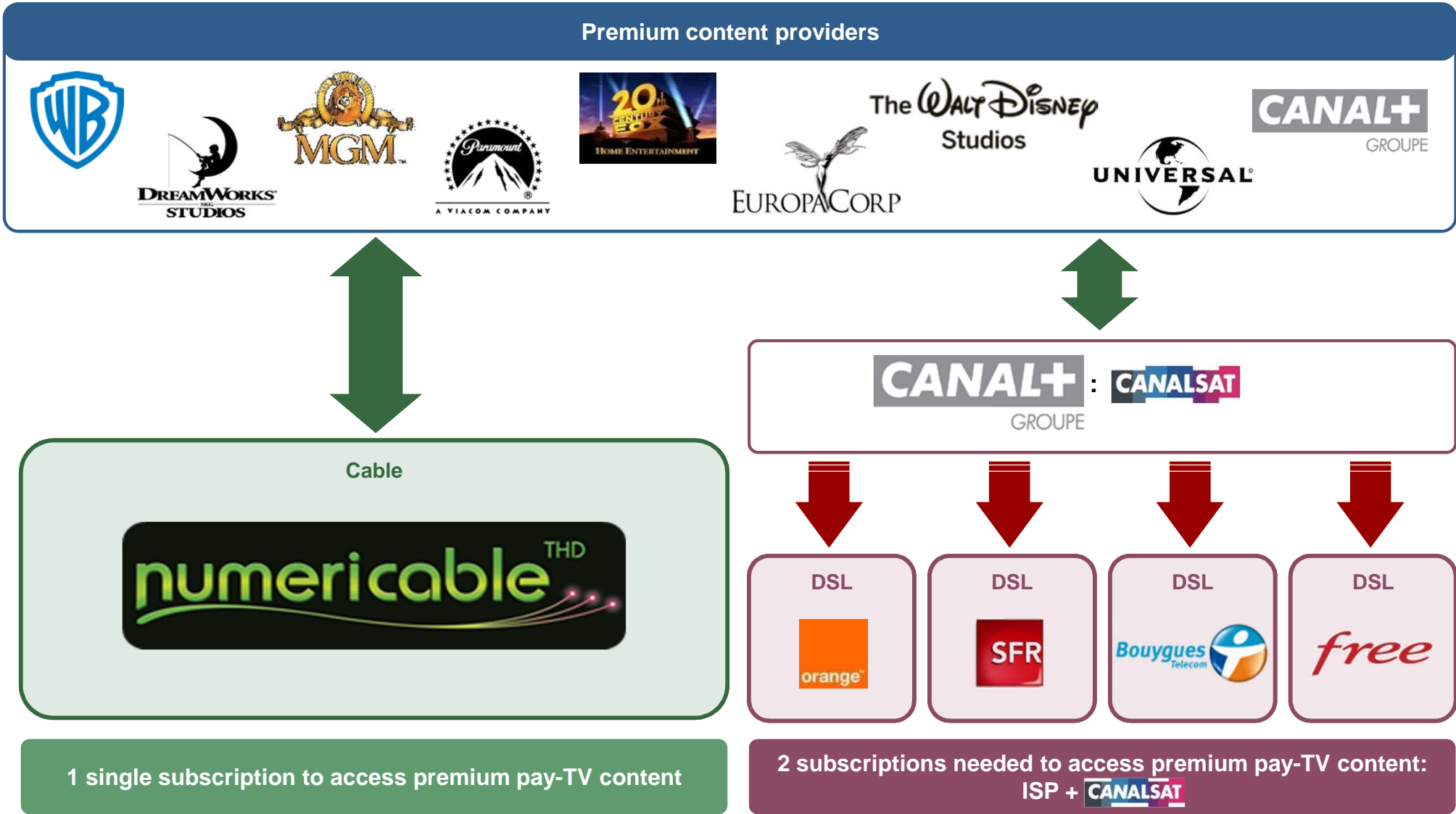
Pack Canal+

- Basic offer for €40/month
- Possibility to subscribe to additional channels
- Access to Canal+ VOD



Source: Company information
 1. Calls to 100+ international destinations; 2. Run-rate monthly cost for Pack Panorama + Pack Series Cinema; 3. Shared exclusivity between Numericable and CanalSat; 4. Based on gross adds from September 2012 to June 2013

3 Numericable has direct access to key premium content

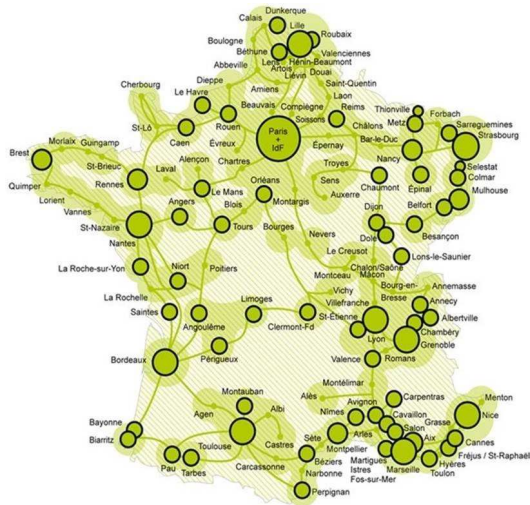


↔ Distribution agreements

➔ Auto-distribution

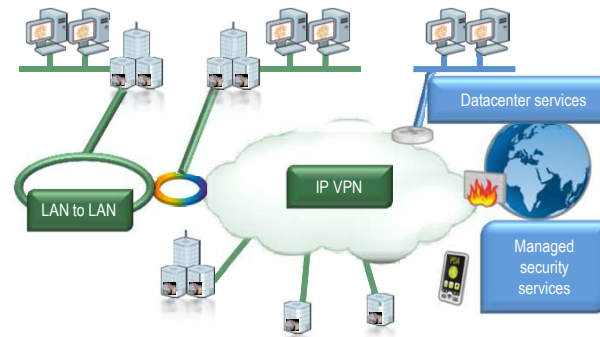
3 Key drivers of value creation in B2B

Broadband (fiber) network capillarity



- Significant **network granularity**
- 10,000 corporate customers fiber connected
- **Combination of fiber & DSL** increasing addressable market

Comprehensive product offering



- Addresses all fixed telecom needs
- Flexibility for **tailored customer propositions**
- **Competitive pricing**

Customer responsiveness

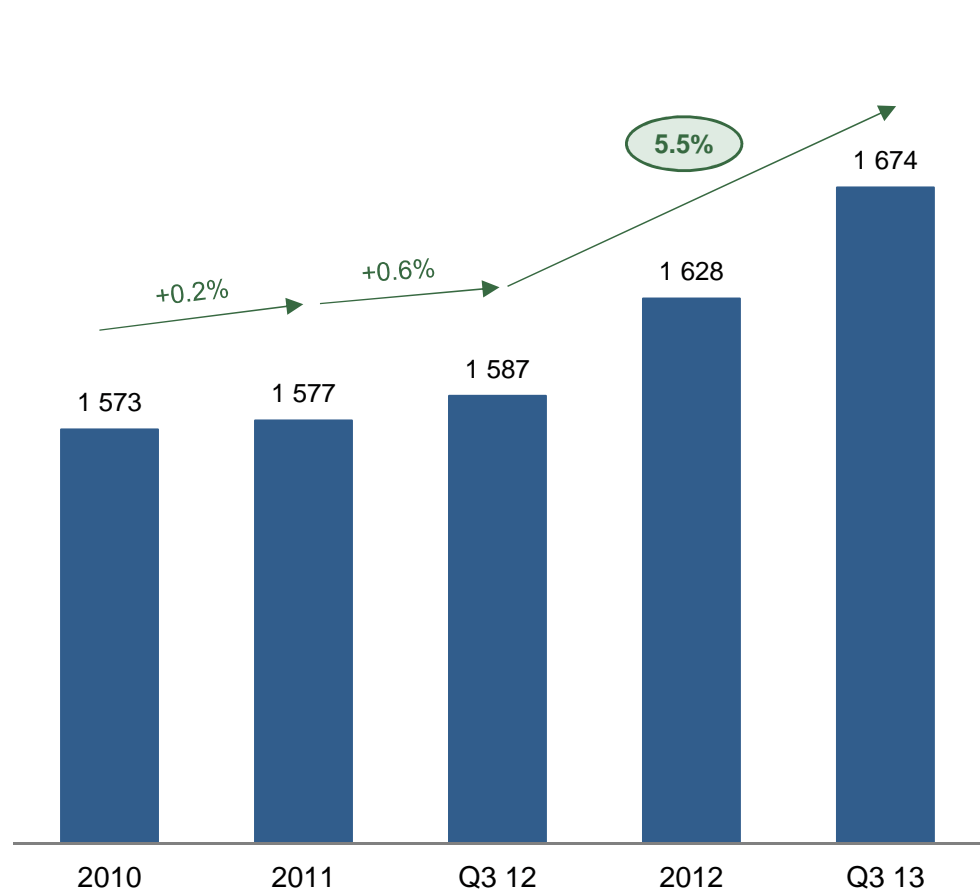


- Sales force **coverage of all market segments**
- **255** direct and indirect **sales staff**
- Strong regional and local presence

4 Growth momentum already underway

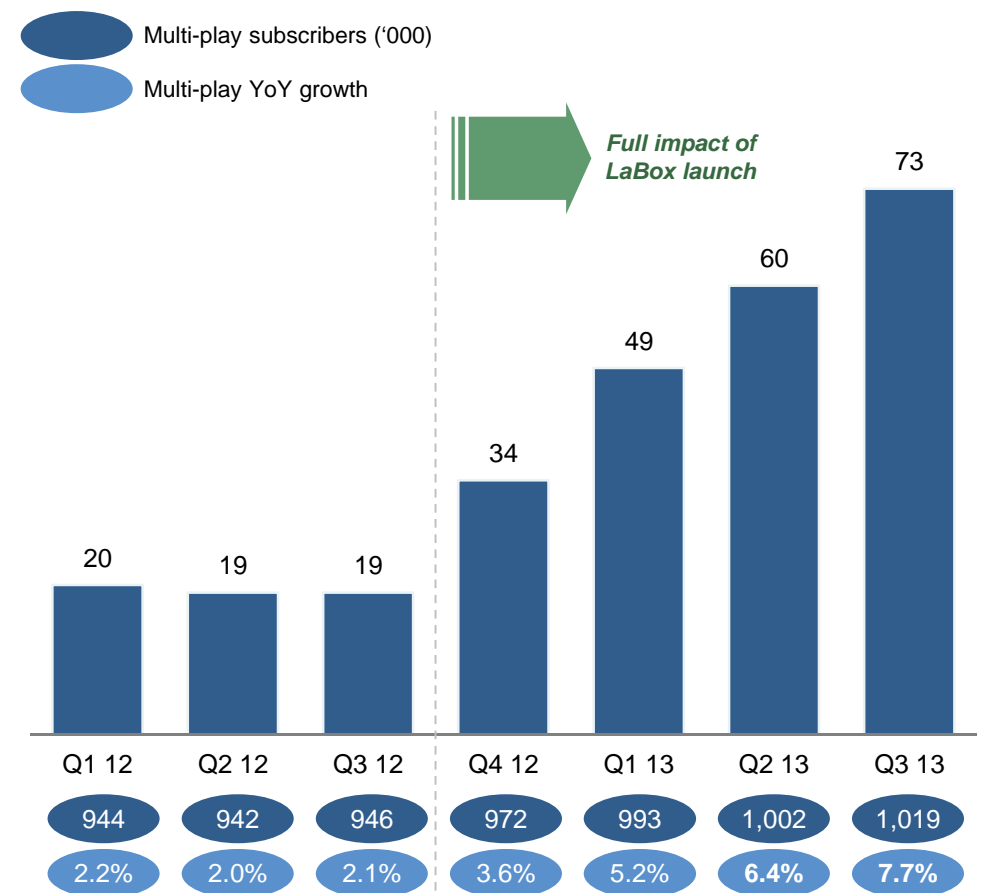
Attractive growth in customer base...

Total individual subscribers ('000)



...has accelerated in recent quarters

Multi-play YoY net adds ('000)

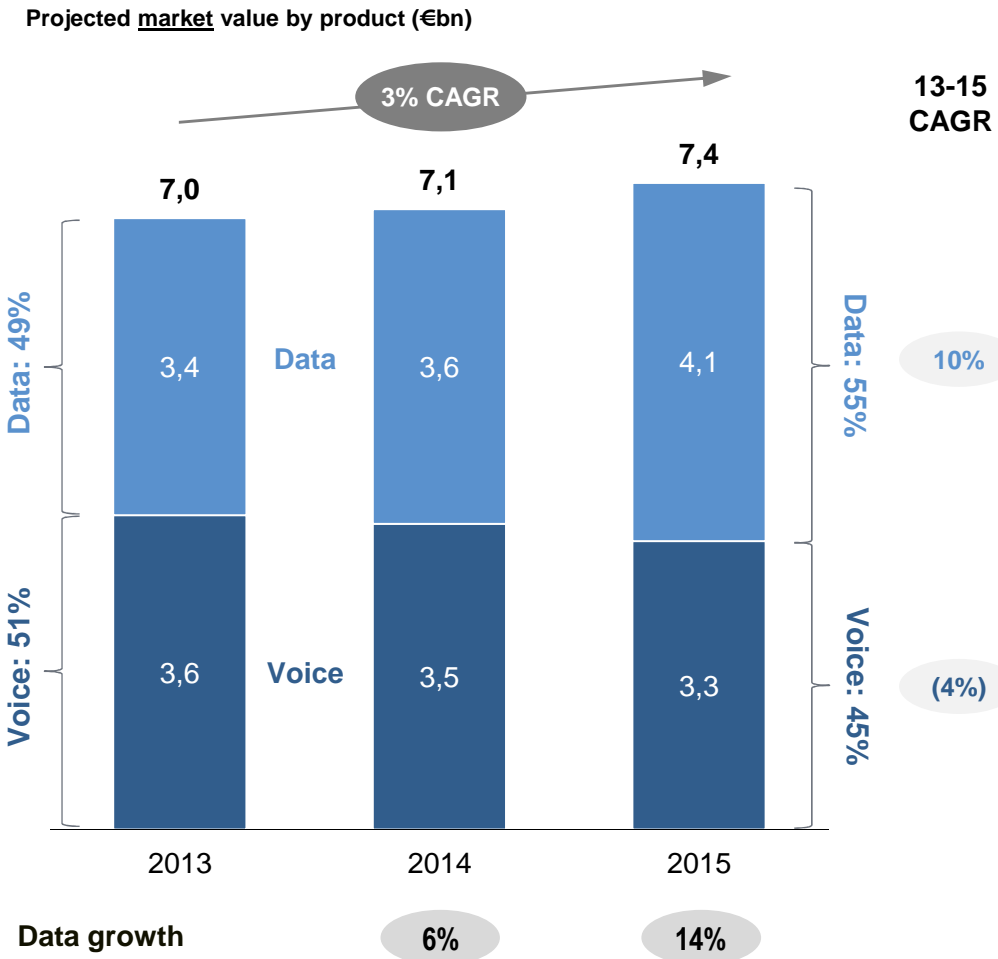


Source: Company information

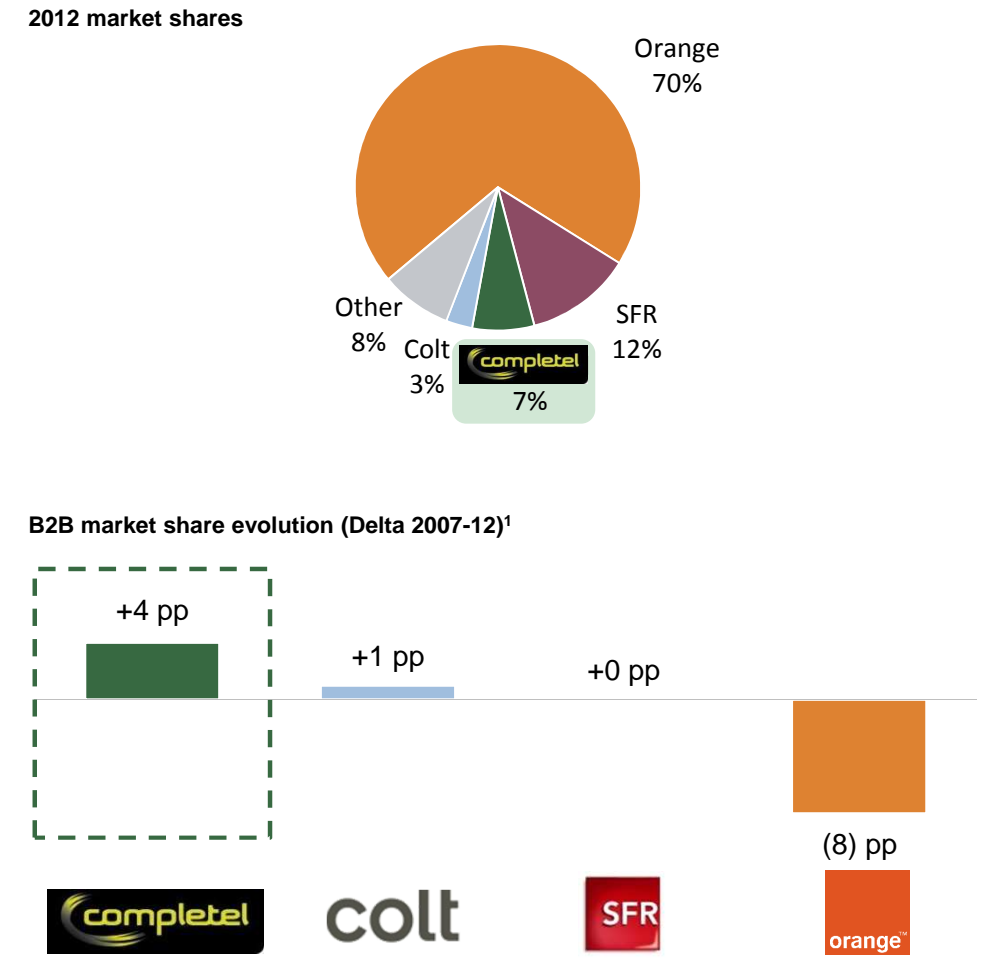
1. Refers to organic subscriber growth (excludes subscribers acquired as a result of acquisitions as per UPC reporting)

4 Fastest growing B2B operator within an expanding market

Favorable structural market shift: increasing demand for data



Fastest growing B2B operator in the French market

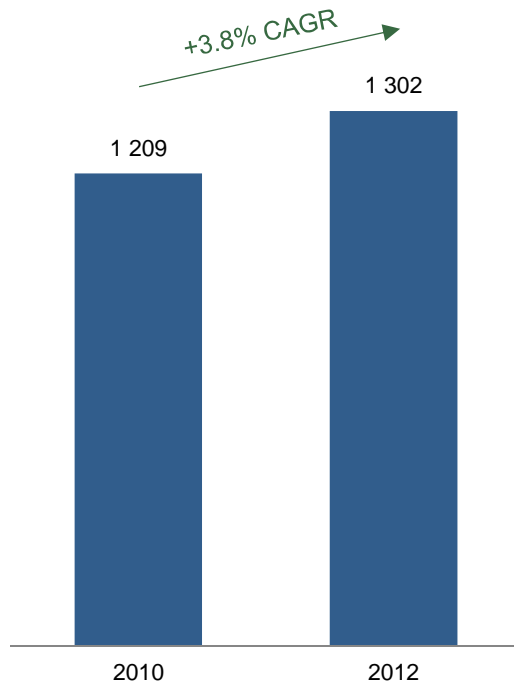


Source: Market value from Company estimates based on various sources – Markess International (cloud services), IDATE (split voice and data) and OBS' (Orange Business Services) document de référence; Market share data from management estimates based on companies' information and ARCEP market data
 1. Excludes other smaller operators

5 Strong financial performance

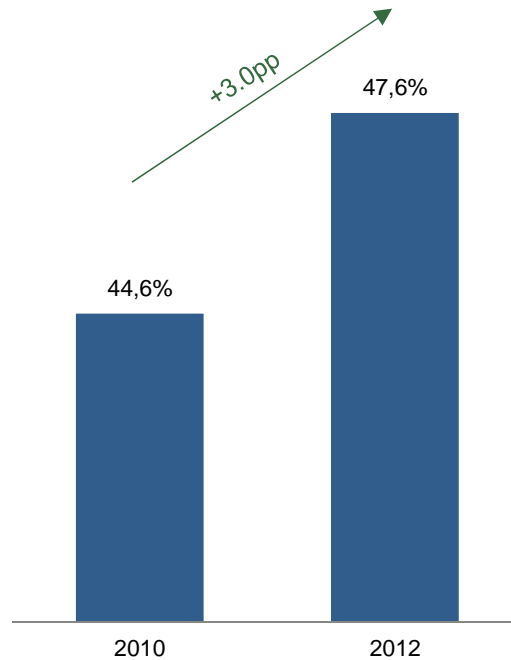
Attractive top-line growth

Revenues (€m)



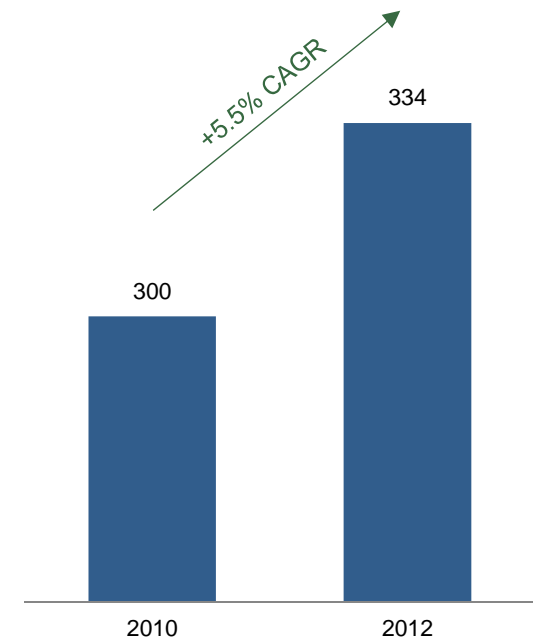
Substantial efficiency gains

Adj. EBITDA¹ margin (%)



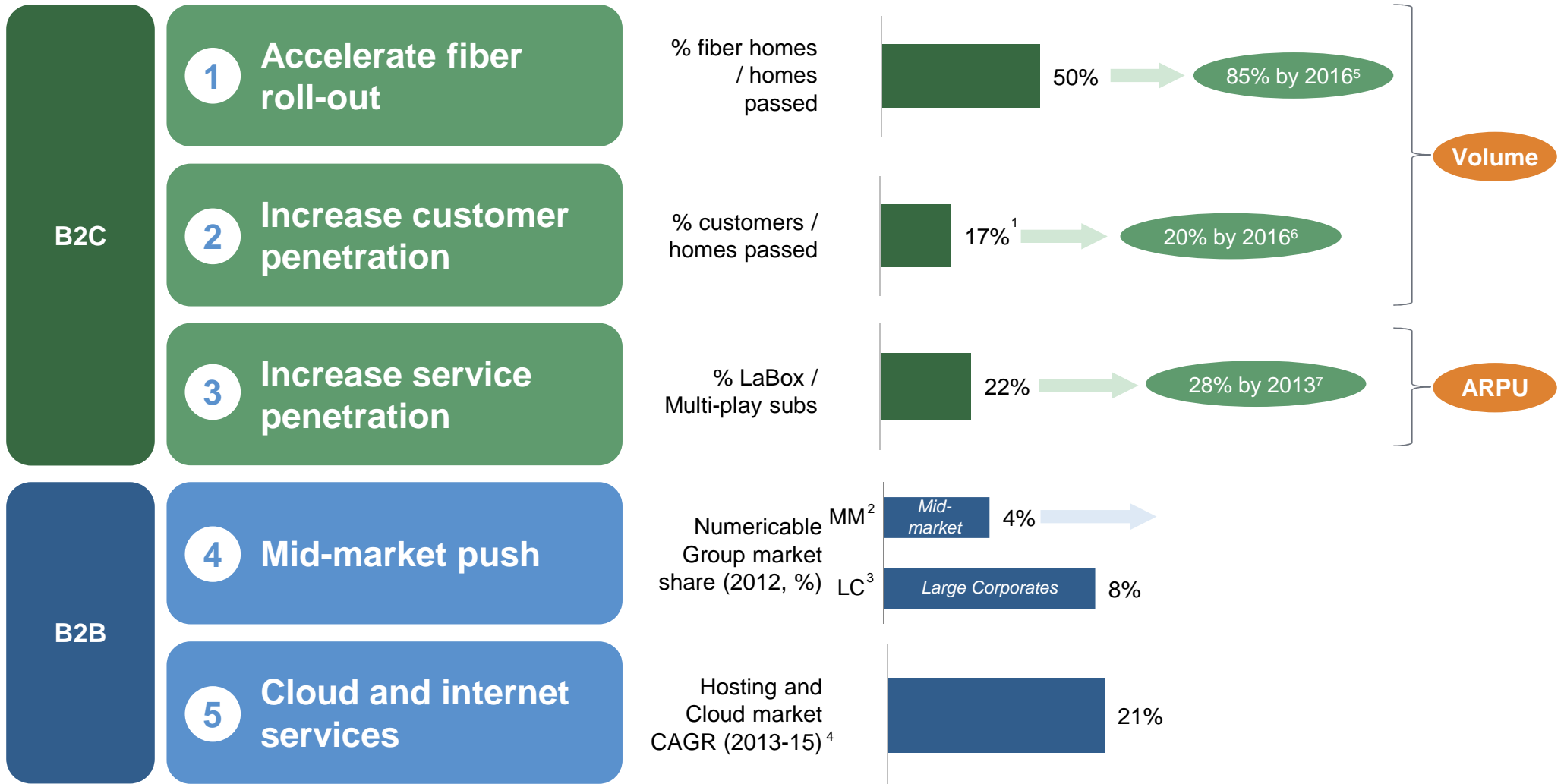
Significant cash-flow generation

Adj. EBITDA¹-Capex² (€m)



1. See Financial section for full reconciliation table between EBITDA and Adjusted EBITDA; 2. Based on capital expenditures net of subsidies received

5 Our strategy to drive growth



Source: Company information, management estimates based on publicly available information; ARCEP market data and management analysis

1. Based on 1,674k individual subs / 9.9m homes passed as of Q3 13; 2. Mid-market; 3. Large Corporates; 4. Based on management estimates; 5. Based on target of upgrading all triple-play enabled homes to fiber by 2016; 6. Based on additional 200-250k subscribers by 2016; 7. Based on 300k LaBox subscribers by end 2013

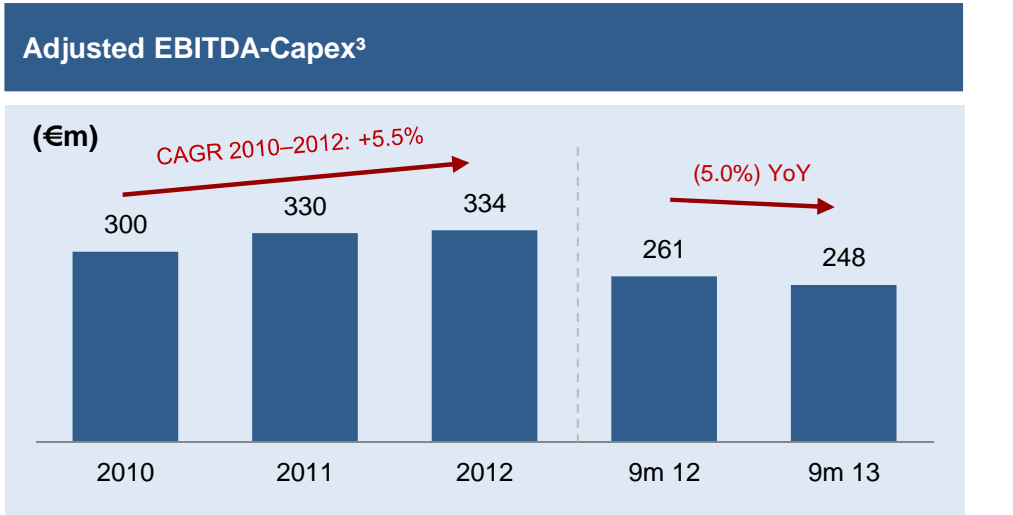
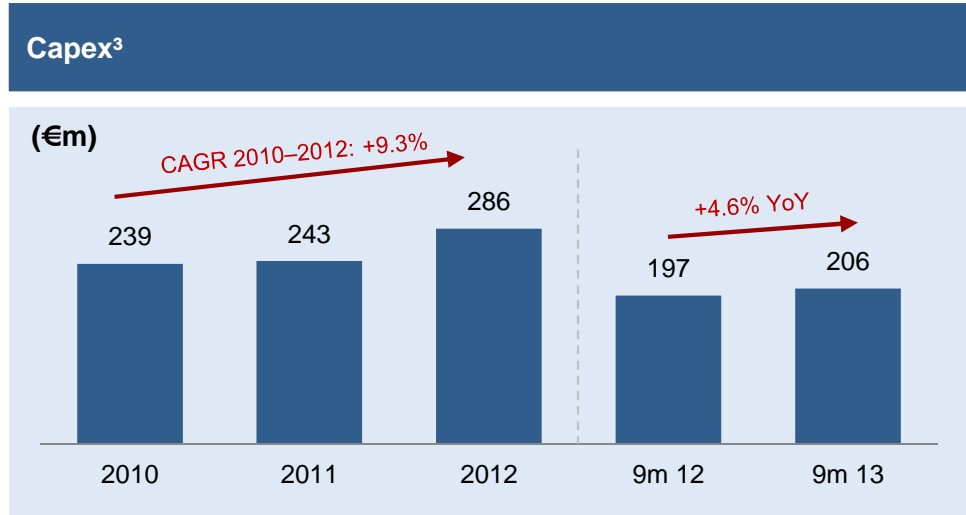
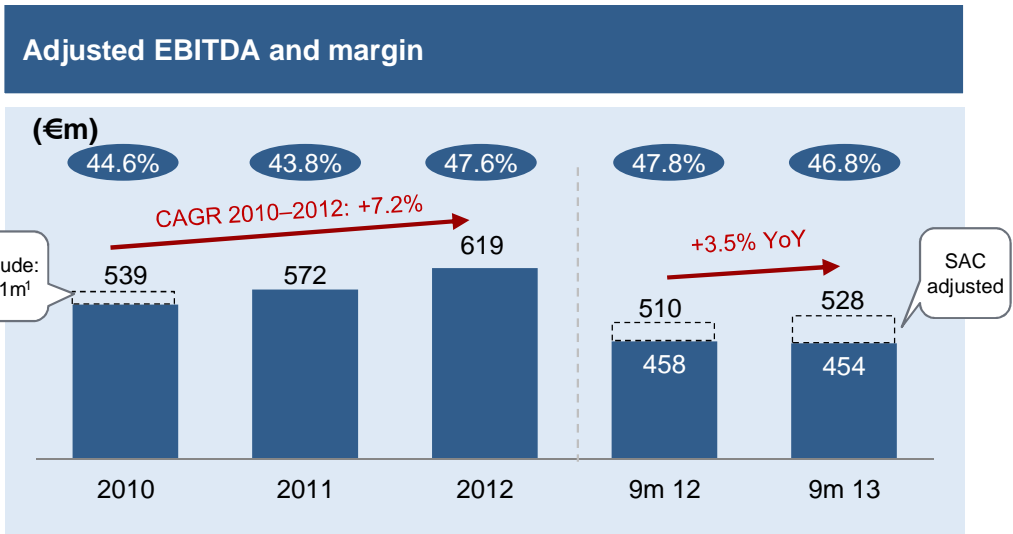
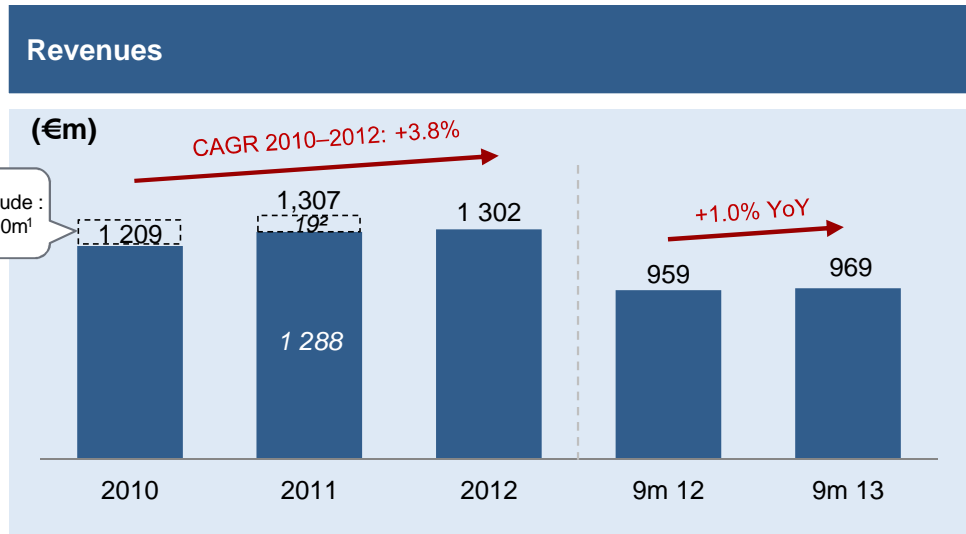
Company overview and positioning

Financial overview

Appendix

Financial snapshot

Combination of growth and cash flow generation

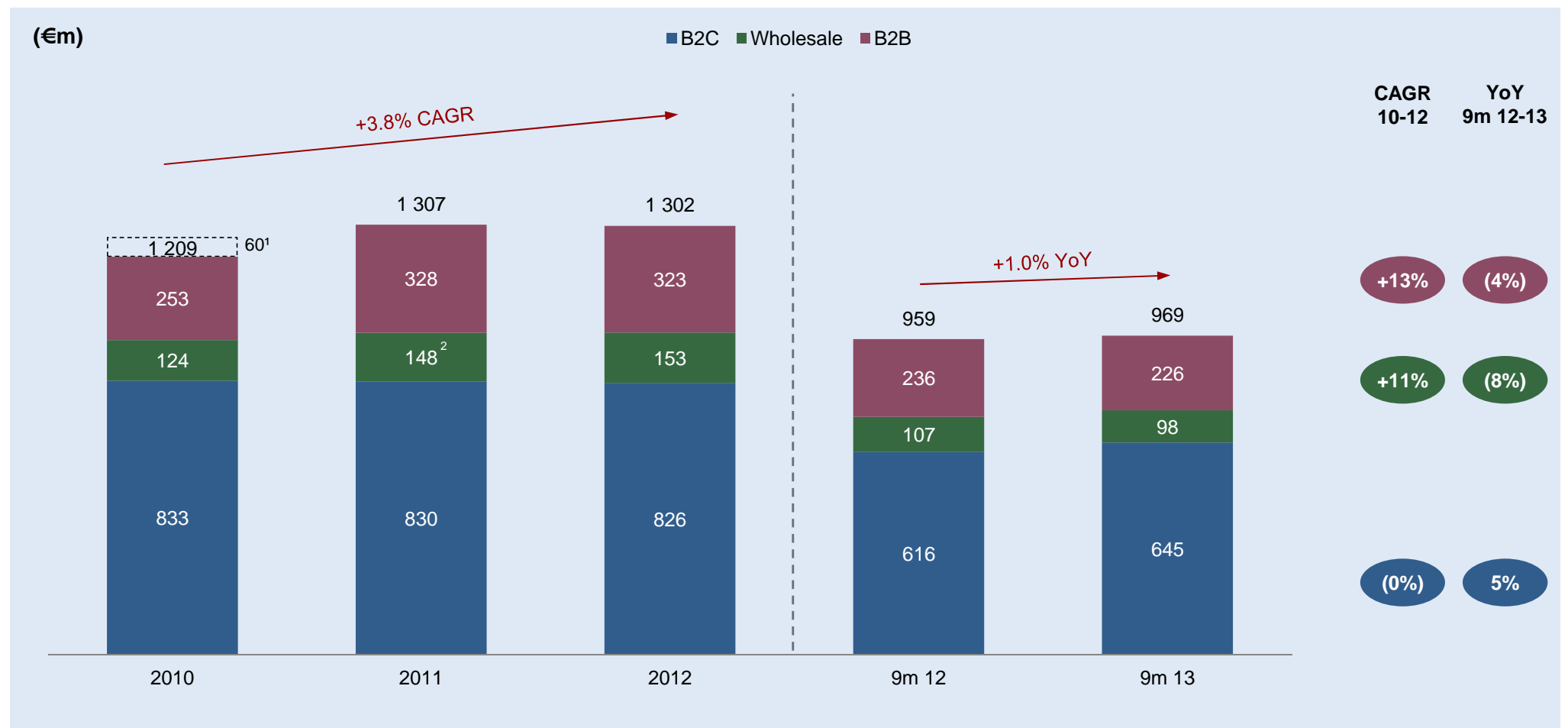


Note: Revenues after inter-segment eliminations

1. Revenues and EBITDA recorded by Altitude in 2010 (consolidated only from January 1, 2011); 2. Exceptional payment of €19m by SFR in 2011, in connection with the termination of a long-term IRU; 3. Capital expenditures net of subsidies received

Positive core revenue development for Numericable Group

Consolidated revenues and breakdown by segment

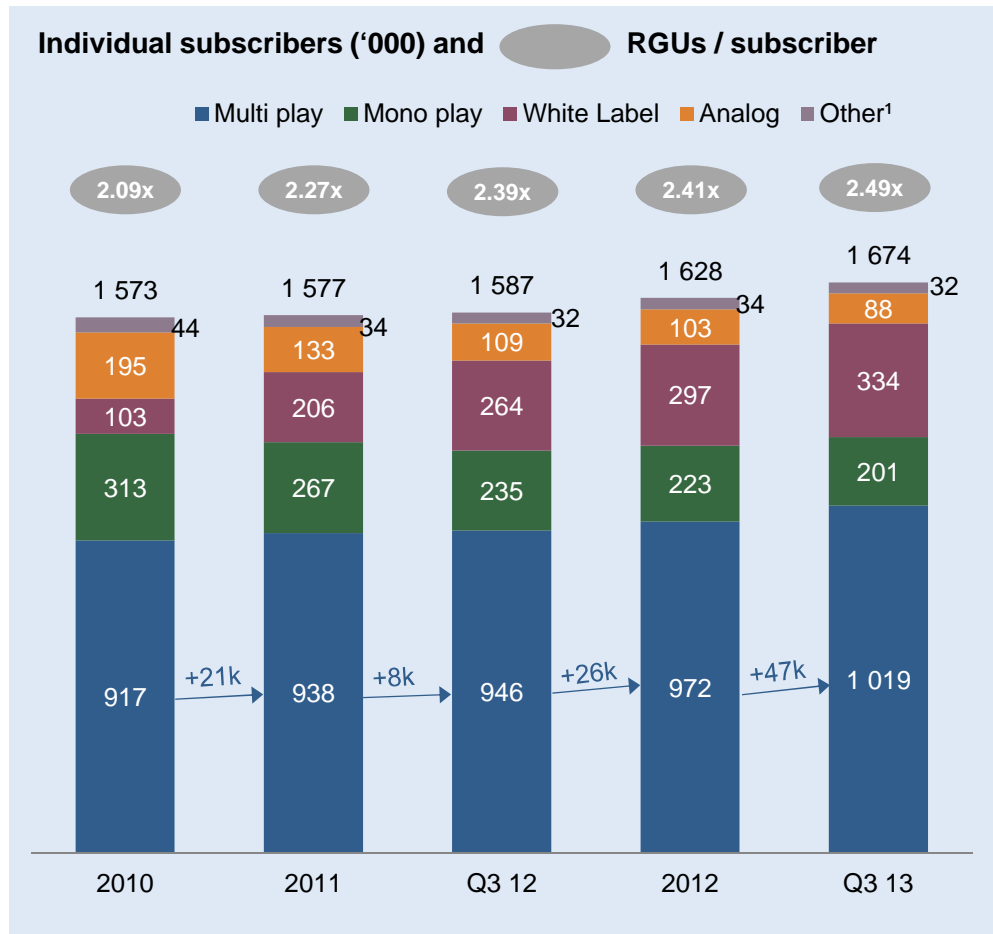


Note: Revenues after inter-segment eliminations

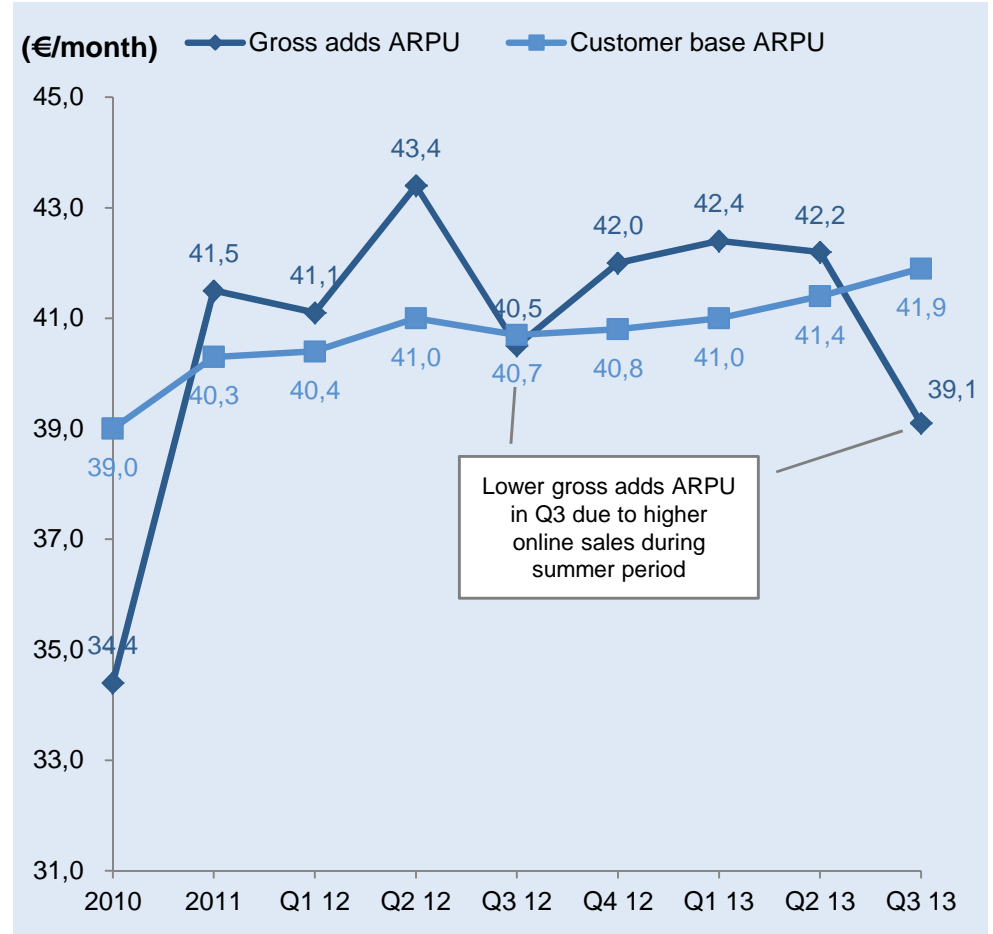
1. Revenues recorded by Altitude in 2010 (consolidated from January 1, 2011); 2. Includes a one-off income related to SFR (€19m revenues)

Continued growth of customer base and number of RGUs

Increasing subscriber base and RGUs/individual subscriber



Positive ARPU development (€/month)²

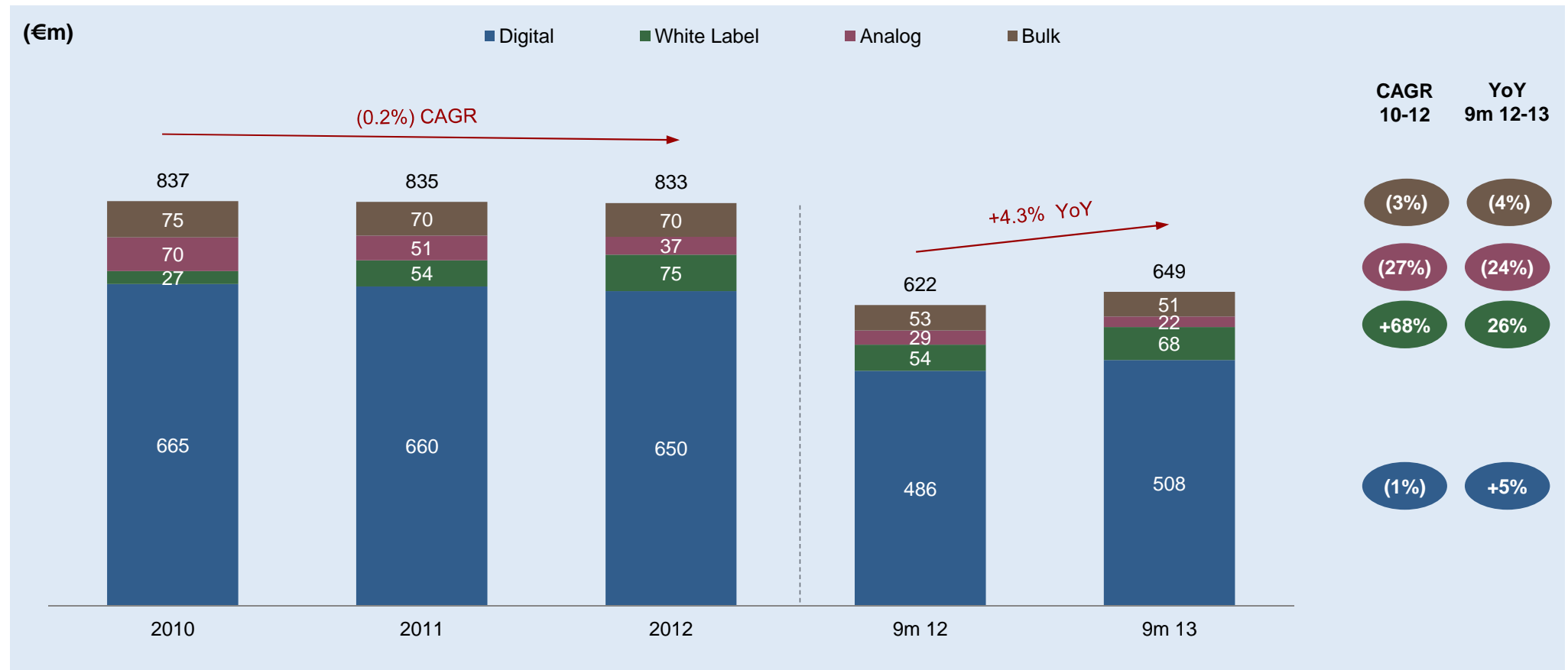


1. Include Mono play broadband, fixed telephony and mobile subscribers
 2. Digital only

B2C revenues development

Fundamentals in place for future growth

B2C revenues and breakdown by category¹

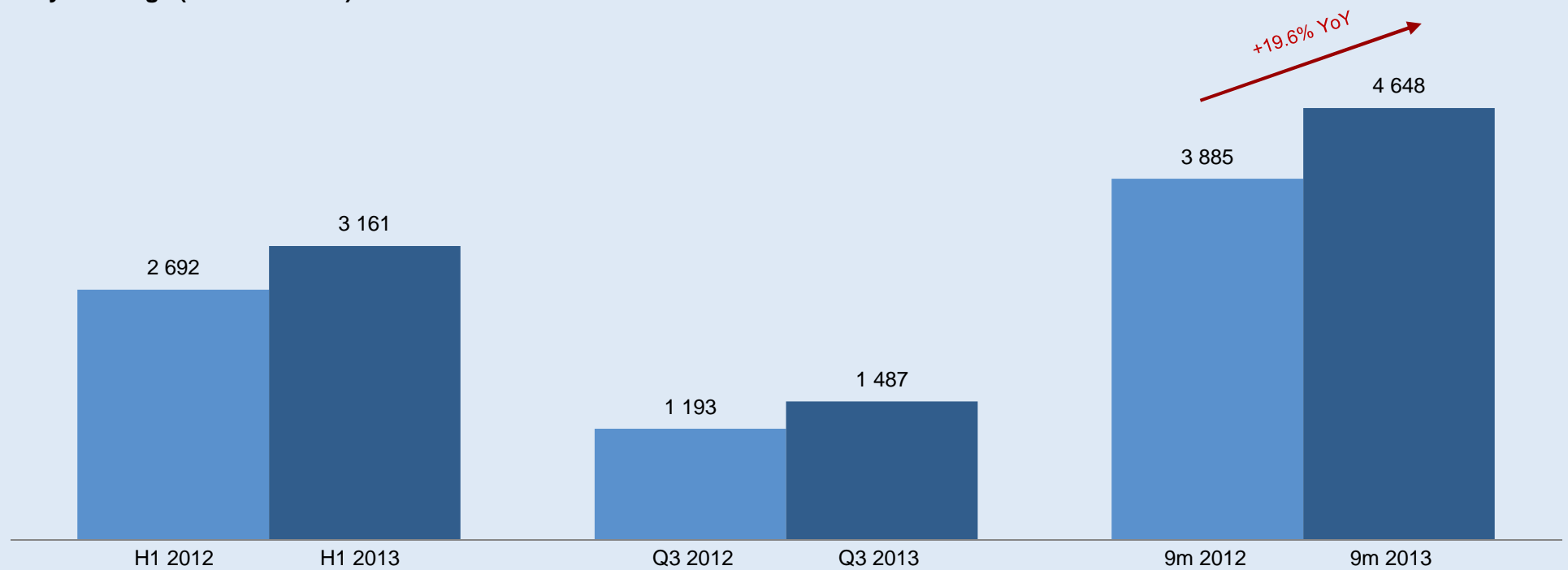


1. Before inter-segment eliminations

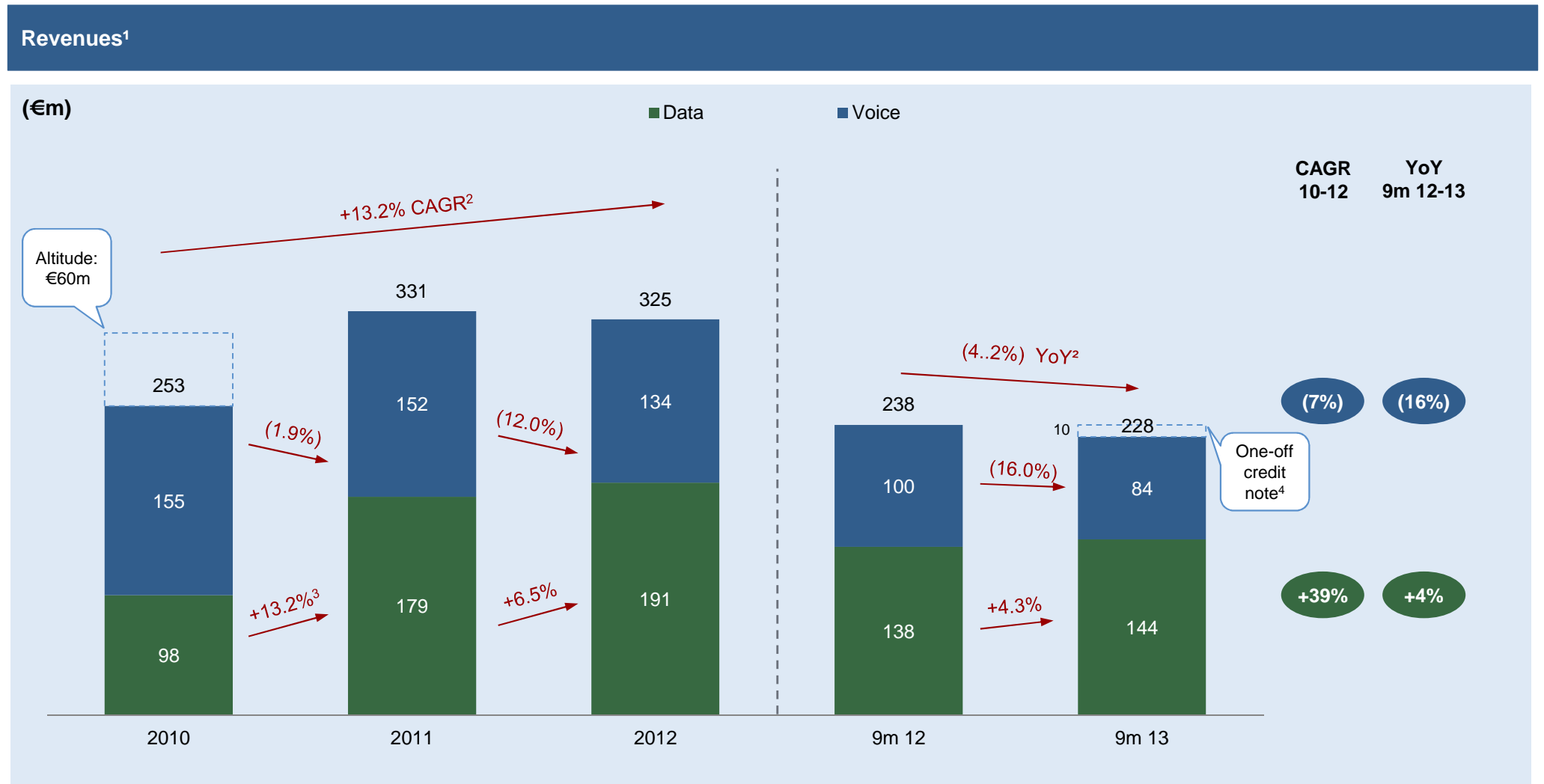
Momentum in B2B bookings

B2B Bookings

Monthly bookings (€ '000 / month)



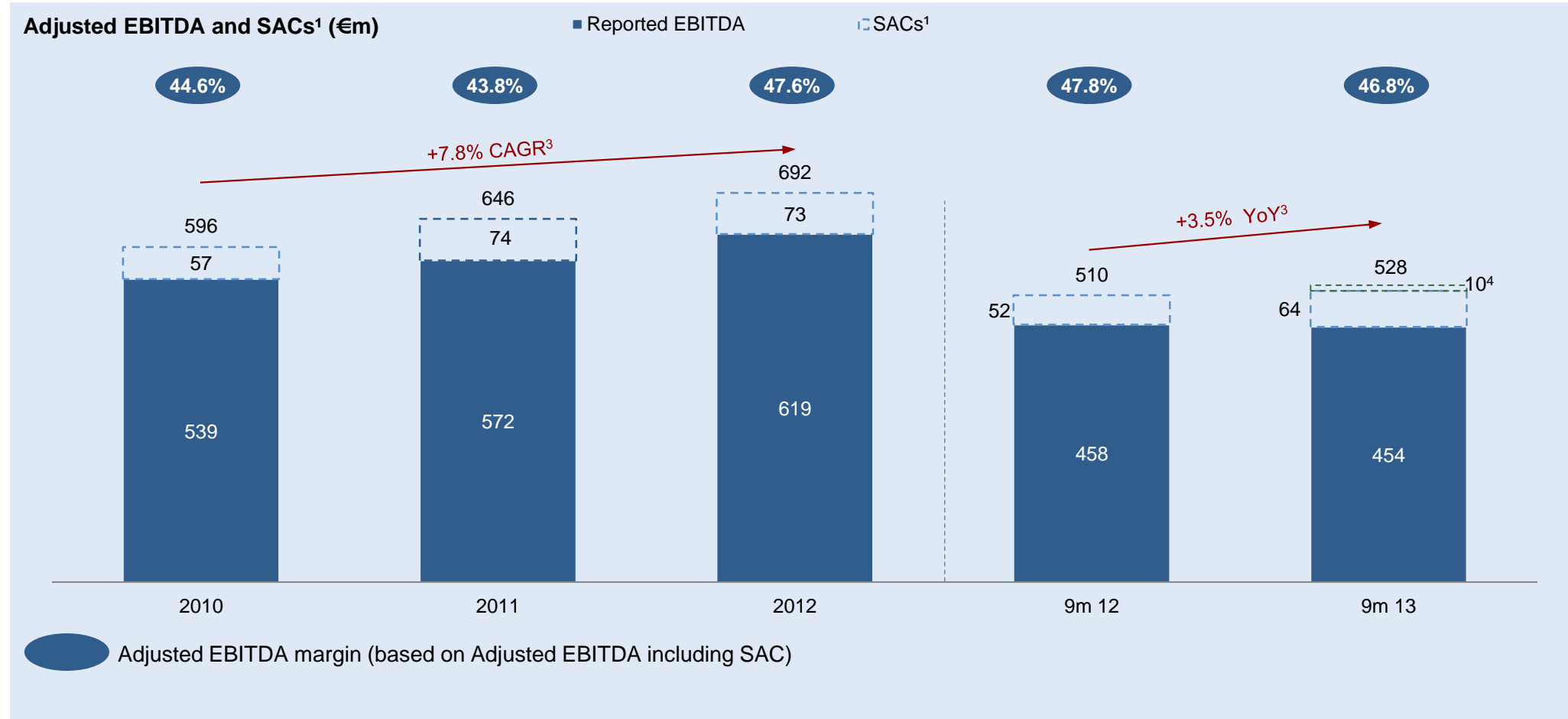
Profitable growth in B2B driven by data, despite cuts in voice termination rates



1. Before any inter-segment eliminations; 2. Based on reported B2B revenues; 3. Organic growth rate, based on 2011 pro forma revenue excluding Altitude; 4. Compensation settlement related to the Altitude Telecom merger

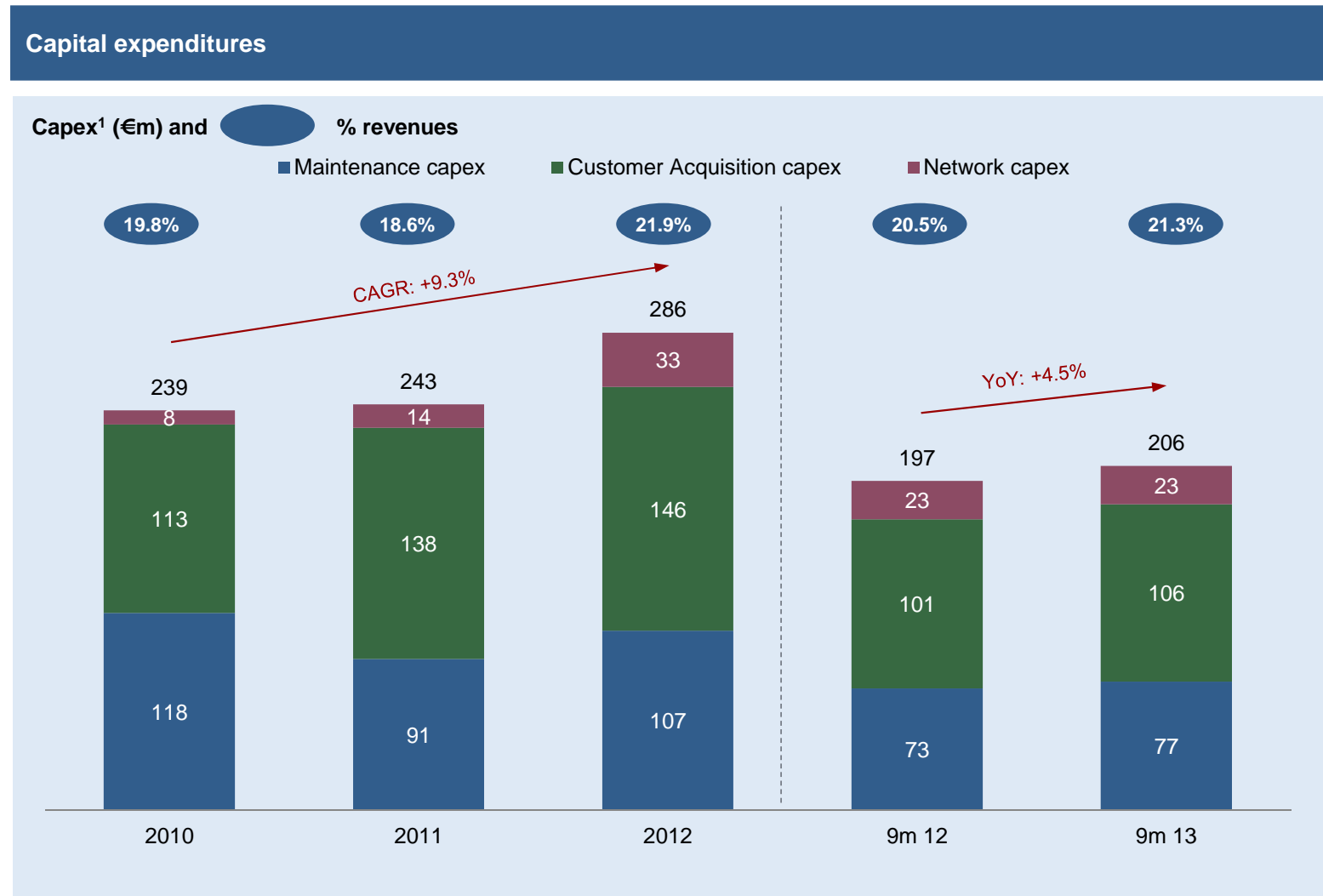
Adjusted EBITDA development

Adjusted EBITDA (reported and excl. SACs¹), EBITDA margin²



1. Subscribers Acquisition Costs related to marketing, advertising and fees paid to third party distribution channels; 2. EBITDA margin based on reported EBITDA (including SACs); 3. CAGR and YoY growth based on EBITDA excl. SACs; 4. Compensation settlement related to the Altitude Telecom merger

Investment in network and customers as main capex drivers



- Ongoing fiber upgrade plan driving the increase of network capex
- Largest portion of capex relates to customers acquisition and retention
 - Set-top boxes, installation and in-home wiring for new customers
 - Related capex for B2B and Wholesale customer base projects
 - SACs are not capitalized (incl. in P&L)
- Network capex refers to:
 - Broadband router, footprint expansion and fiber upgrades
 - Investment in DOCSIS 3.0 technology and network capacity
- Maintenance capex includes:
 - IT, power, cooling
 - Commercial premises, HQ
 - Capitalized labor

1. Capital expenditures net of subsidies received

Sustainable capital structure

Capital structure as of Sept 2013

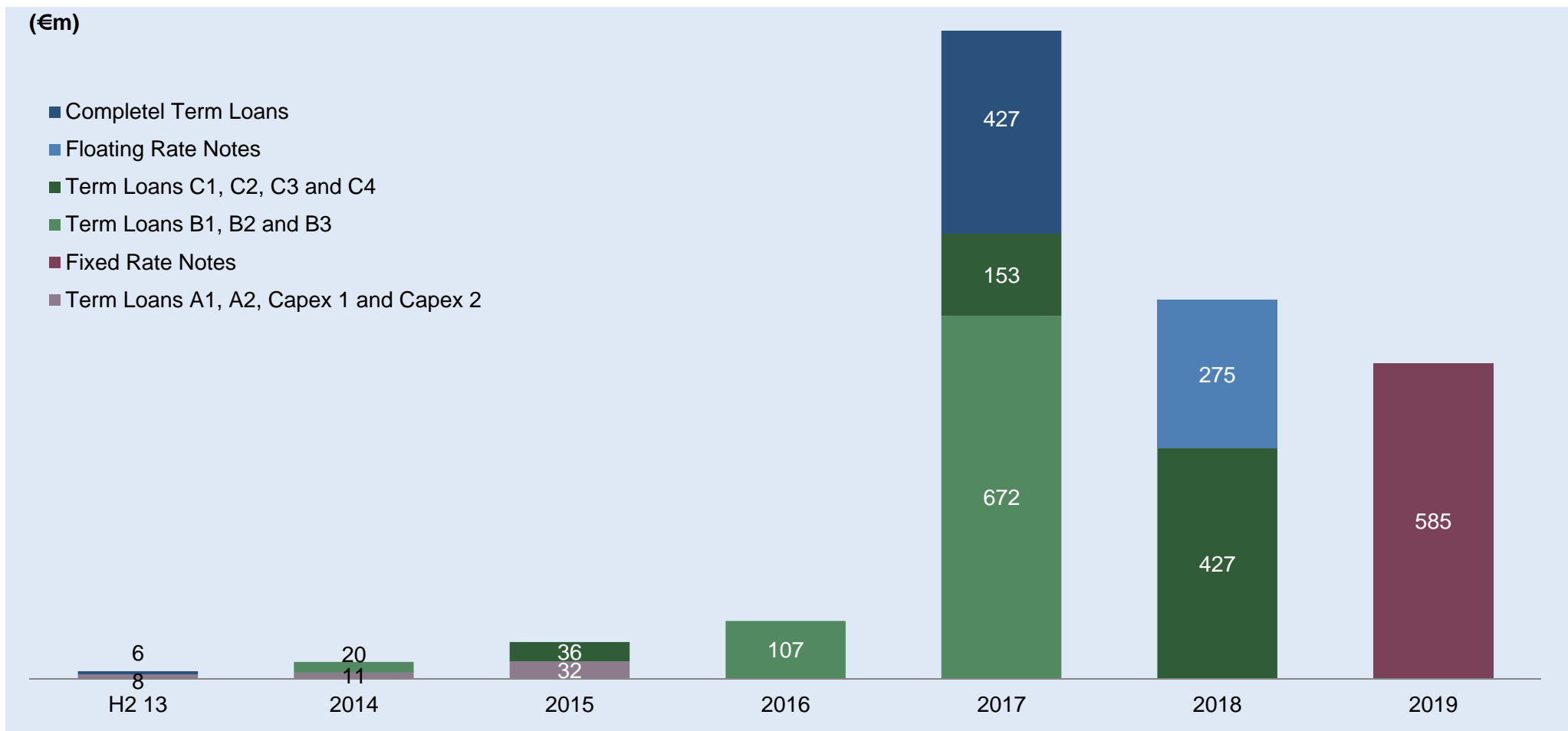
€ M	Maturity	Margin/Coupon (2)		Sept 2013
		Sept 2013	After IPO (3)	
Cash				20,9
Term loans A2 and Capex 2	June 2015	E + 387.5bps	E + 275bps	58,0
Term Loan B1	June 2014	E + 350bps	E + 275bps	11,2
Term Loan B2	June 2016	E + 475bps	E + 375bps	106,5
Term Loan B3	Dec 2017	E + 500bps	E + 400bps	672,2
Term Loan C1	Dec 2015	E + 400bps	E + 325bps	35,9
Term Loan C2	Dec 2017	E + 525bps	E + 425bps	42,3
Term Loan C3	Dec 2017	E + 500bps	E + 400bps	110,9
Term Loan C4	Dec 2018	E + 525bps	E + 425bps	426,8
Completel Term Loan	Sept 2017	Var	E + 400bps	427,2
€ 360MM 12.375% Senior Secured Notes 2019	Feb 2019	12,375%	12,375%	360,2
€ 225MM 8.75% Senior Secured Notes 2019	Feb 2019	8,750%	8,750%	225,0
€ 275MM E+7.875% Senior Secured Notes 2018	Oct 2018	E3M + 787.5bps	E3M + 787.5bps	275,0
Other Financial Debt (1)				24,4
Total debt				2 775,7
Net debt				2 754,8
Undrawn Facilities				
Revolving Credit Facility				65,0
Altice B2B's Revolving Credit Facility				24,0

- Net debt of €2.75bn as of Sept 30, 2013
- Primary proceeds from IPO of €250m
- Target leverage of close to 4.0x at 2013 year end
- Diverse sources of capital with €1.9bn from the bank debt market and €0.9bn of bonds (fixed and floating rate)
- Ypso France current corporate rating is B (Positive outlook)/B2
- Altice B2B France current corporate rating is BB- (Negative outlook)
- Margins/Coupons may be affected by any changes in Euribor levels

1. Includes both cash and PIK margins (where applicable); PF margins for IPO are all cash; 2. Impact of the margin ratchet (due to merger with Completel and primary proceeds) and 25bps margin reduction at IPO; 3. Other financial debt includes leaseings, accrued interests and net capitalised fees

No major repayment before September 2017

Maturities profile¹



1. As of June 30, 2013. Refers only to cash outcome (i.e. excludes change in up-front fees amortization). €8m of Term loans maturing in H2 13 were repaid in September 2013

Strong performance expected to continue

	Short-term guidance 2013 Guidance	Mid-term guidance 2014-2016 Guidance	Long-term guidance 2017 and beyond
Fiber homes	<ul style="list-style-type: none"> 5.1m-5.2m B2C fiber plugs 	<ul style="list-style-type: none"> Triple-play enabled network (currently 8.5m homes) fully upgraded to fiber 	–
B2C customers	<ul style="list-style-type: none"> ~1.7m individual customers (including White Label) 1.35m-1.4m multi-play customers ~300k LaBox customers 	<ul style="list-style-type: none"> Growth of 200k-250k customers 	–
Revenue growth	<ul style="list-style-type: none"> Consolidated growth in line with H1 2013 (>1.0%) 	<ul style="list-style-type: none"> Growth of 2% to 5% per annum accelerating gradually, in line with network upgrade 	–
Adjusted EBITDA	<ul style="list-style-type: none"> €610m-€620m 	<ul style="list-style-type: none"> Adj. EBITDA growth rate superior to revenue growth with a margin target of 50% in 2016 driven by higher product mix 	<ul style="list-style-type: none"> Growth rate at least equal to that of 2016, as Company fully leverages its upgraded network
Capex	<ul style="list-style-type: none"> €320m-€330m including €40m-50m for network fiber upgrades (including DSP92) 	<ul style="list-style-type: none"> ~€300m per annum plus total network upgrade (including DSP92) of c.€220m-230m during the 2014-2016 period 	<ul style="list-style-type: none"> Progressively normalizing around 20% of revenues
Leverage	<ul style="list-style-type: none"> €200m-250m primary issuance at IPO Target net leverage post IPO at 2013 year end of close to 4.0x 	<ul style="list-style-type: none"> Target net leverage to remain around 3.5x-4.0x between 2014-2016 Leverage range in line with main peers 	–
Dividends	<ul style="list-style-type: none"> The Company will actively evaluate the potential for future dividend payments based on excess cash flows available and as permitted under its financing agreements within its target leverage First dividend might be considered in 2015 in respect of FY 2014 		

Company overview and positioning

Financial overview

Appendix

Highly experienced management team



Eric Denoyer, Chief Executive Officer

- Joined in 2004
- CEO since January 2011
- Previously Head of Wholesale since 2008; Deputy CEO Completel; General Manager Numericable
- Prior Numericable: General Manager Tiscali France; various technical positions at Alcatel



Thierry Lemaitre, Chief Financial Officer

- Joined in 2010
- CFO since May 2010
- Prior Numericable: CFO of Wanadoo; Global Head of Financial Control of FT Fixed and Mobile Divisions



Philippe Le May, Chief Technology Officer

- Joined in 2006
- CTO since 2008
- Deputy CTO since 2006
- Prior Numericable: Engineering Director at UPC France; Network Access Architect at SFR / Cegetel



Eric Klipfel, B2C General Manager

- Joined in 2000
- B2C General Manager since June 2010
- Previously B2C Deputy General Manager since 2008; Head of Customer Service and Marketing; B2C Regional Director



Thierry Podolak, B2B General Manager

- Joined in 1999
- B2B General Manager since December 2007
- B2B Deputy General Manager since 2006
- Prior Numericable: Marketing Director at Alcatel



Eric Pradeau, Wholesale General Manager

- Joined in 2000
- Wholesale General Manager since January 2011
- Previously Wholesale Deputy General Manager since 2009; Head of B2B Regulatory Affairs
- Prior Numericable: Business Planning at Cegetel



Angélique Benetti, Head of Content

- Joined in 2003
- Prior Numericable: CSA representative; Head of Content & Chief Legal Officer at UPC France

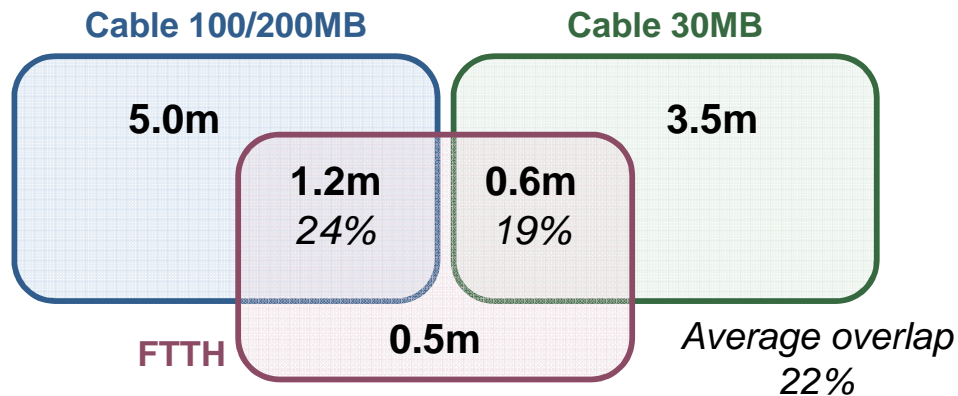


Jerome Yomtov, General Counsel

- Joined in 2009
- General Counsel since 2009
- Prior Numericable: M&A at HSBC; Technical adviser at the Ministry of Economy, Finance and Industry

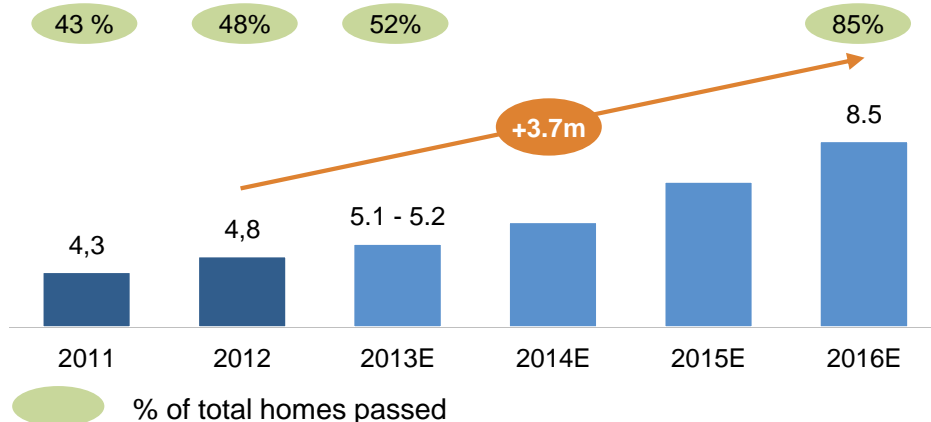
Leading residential fiber network, basis for competitive advantage

Estimated FTTH overlap with Numericable's cable network



Dynamic ongoing fiber upgrade

Numericable fiber homes (m)



Competitors face challenges in their fiber and VDSL roll-out

⦿ Limited competitor fiber roll-out to date

- Slow FTTH roll-out by Orange to date
- 2011 announcement from Orange² to cover 40% of French households by 2015 vs. current 2.1m households covered as of June 2013
- Less than 250k incumbent fiber subs (as of June 2013)
- SFR and Iliad more mobile focused

⦿ Upgrading from DSL comes with challenges

- ca. €400-€2,000³ / households to upgrade from DSL to fiber vs. €50³ for Numericable
- Vertical roll-out often requiring agreement from building managers or *Syndics de copropriété*, especially in densely populated areas

⦿ VDSL with limited capabilities

- VDSL will be allowed in France on direct distribution copper pairs only (no Digital Distribution Frame)
- Only up to c. 16%¹ of population will benefit from higher broadband speeds post VDSL upgrade
- On cable areas, >92% of the DSL lines will not benefit from any speed upgrade with VDSL technology

1. ZDnet has estimated that only 16% of French households would be in a position to benefit from increased transmission speeds under VDSL2; 2. Announcement during Investor Day on May 31st, 2011; 3. Before any government subsidies

The best box in the market

	 LaBox Fiber 	 Freebox Revolution 	 Livebox Play 	 Bbox Sensation 	 SFR Evolution 	 Le Cube Canal 
Max speed	30/100/200Mbps	28Mbps ^{1:2}	28Mbps/200Mbps	28Mbps/200Mbps	28Mbps/300Mbps ¹	-
Processor	Intel	Intel	Intel	Intel	ST	ST
HD TV quality	Full HD	IPTV	IPTV	Full HD	IPTV	Full HD
Blu ray	Blu Ray 3D	Blu Ray	Blu Ray 3D	✗	✗	✗
Hard drive	500Gb	250Gb	320Gb	320Gb	40 to 200Gb	320Gb (external)
HTML5	✓	✓	✓	✗	✗	✗
YouTube on TV	HD	Basic	Basic	✗	✗	✗
Open Internet	✓	✓	✓	✗	✗	✗
Social networks	✓	✓	✓	✗	✗	✗
Keypad on remote	✓	✗	✓	✗	✗	✗
PIP³	✓	✓	✗	✗	✗	✗
Multi-tuner	2+2	1+1	1+1	1+1	1+1	1+1

1. Can also be used on FTTH with max speed of up to 1Gbps, but volume is low
 2. On October 1st 2013, Iliad announced an increase in speed offered to its eligible FTTH subs to 1Gbps (download) and 200Mbps (upload) with no change in price. On the same day, the French regulator ARCEP published a press release highlighting the inaccuracy of some of Iliad's announcements with regards to its very high speed broadband offer
 3. Picture-in-picture is a feature of some TV receivers in which one program is displayed on the full TV screen at the same time as one (or more) other programs are displayed in inset window(s)

A comprehensive range of mobile offerings enabling the success of our quad-play packages

Basic mobile

- 1 hour F2F and F2M in France
- Includes F2F to 40 other countries and F2F/F2M to French overseas departments, USA, Canada and Hawaii
- Unlimited SMS in France

€2/ month

Package 2h

- 2 hours F2F and F2M in France
- Includes F2F to 40 other countries and F2F/F2M to French overseas departments, USA, Canada and Hawaii
- Unlimited SMS in France
- 3G / 3G+ up to 20Mb

€10/ month

Package Ultra Mobile

- Unlimited F2F and F2M in France
- Unlimited F2F to 40 other countries and F2F/F2M to French overseas departments, USA, Canada and Hawaii
- Unlimited SMS in France
- 3G / 3G+ up to 3Gb

€20/ month

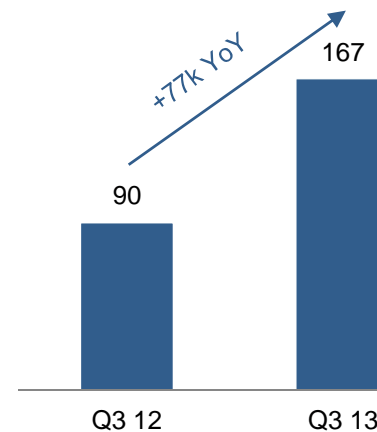
Package Ultra Mobile Monde

- Unlimited F2F and F2M in France
- Unlimited F2F to 100 other countries and F2F/F2M to French overseas departments, USA, Canada, Hawaii, China and Hong-Kong
- Unlimited SMS in France
- 3G / 3G+ up to 3Gb

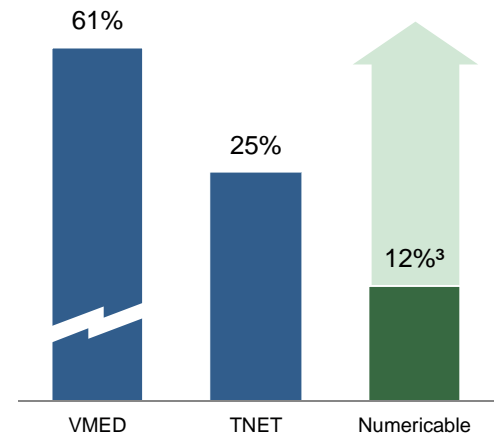
€30/ month

- Launched mobile operations in 2011 through MVNO with Bouygues Telecom
- Defensive mobile strategy to drive adoption of quad-play packages
- Comprehensive SIM-only offering from entry packages to all-in-one plans
- Only operator to offer all-in-one packages for less than €20/month in store
- 12% of gross adds taking mobile² (mobile included in packages starting from Power)

Mobile telephony RGUs ('000)



Mobile penetration of subscriber base¹

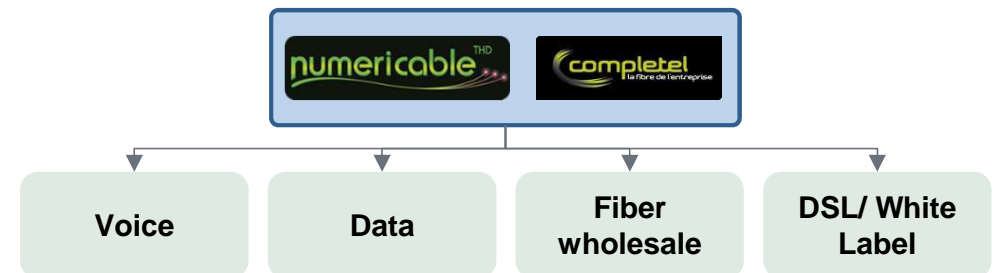


1. Not available for Ziggo and KDG; 2. Based on Q3 13 B2C Gross adds; 3. Based on Digital and Analog TV subscriber base of 1,340k as of September 2013

Wholesale: Monetization of extra network capacity




- ⊙ Wholesale provides additional **value creation**
 - **Monetization of spare network capacity**
 - **Acceleration of payback time for network investments**
- Segment has historically evolved in line with B2B – from voice to data to fiber
- ⊙ **First mover advantage**
 - Network capillarity key requirement; Numericable Group capitalizing on dense local fiber
 - Customers commit to buy vs. make
- ⊙ **Limited number of players** capable of providing the full range of services
- ⊙ **Key strategy is to capture opportunities**
 - Increase of mobile backhaul: ongoing upgrade of mobile operators' radio sites to 4G
 - Roll-out of WiFi in metropolitan areas

Wholesale business structure



- ⊙ **One-stop shopping** – wide product and customer portfolio (>200 national and international operators)
- ⊙ Strong focus on high margin products

French wholesale market breakdown

#1		Market leader
#2		Strong number two
#3		Ca. 10-20% market share