



numericable Group

SFR

“The Future Begins Today”

**Creating the French Champion
in Very High Speed Fixed – Mobile
Convergence**

7 April 2014

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Our Ambition: Create the French Champion in Very High Speed Fixed-Mobile Convergence

Fixed-Mobile Convergence is the New Paradigm for Our Customers

We Benefit From Complementary Networks and Talents

We Will Deliver Superior Growth Through Higher and Better Investment

Strong Value Creation Through Significant Industrial Synergies

Summary Terms of the Transaction

€13.5 Bn in cash for Vivendi financed through a €47 Bn capital increase, 74.6% subscribed by Altice, and €8.8 Bn of new debt⁽¹⁾

20% ownership for Vivendi in the New SFR – Numericable Group

Potential additional consideration of €750 MM for Vivendi⁽²⁾

Altice to retain control of the New SFR – Numericable Group with 60% ownership in the combined entity

Carlyle and Cinven have agreed to transfer their current stake in Numericable to Altice in return for a combination of cash and Altice shares

New SFR – Numericable Group to remain based in Paris and listed on the Paris Euronext Stock Exchange

Notes:

¹ €4.7 Bn capital increase with preferential subscription rights fully underwritten by Altice (for 74.6%) and a syndicate of banks (for 25.4%)

² Payable to Vivendi if the combined entity's (EBITDA – CAPEX) is at least equal to €2 Bn during one fiscal year

Corporate Governance

- **Patrick Drahi to be appointed Chairman of the Board of the New SFR – Numericable Group**
- **Minority Board representation for Vivendi**
- **Veto rights on key reserved matters subject to Vivendi retaining a 20% stake in the combined entity**
- **One year lock-up period for Vivendi**
- **Call option for Altice at market value (with floor⁽¹⁾) on Vivendi's stake in several tranches (7%, 7% and 6%) over a period comprised between the 19th and the 43rd month following closing of the transaction**
- **Possibility for Vivendi to sell or distribute its shares, with a pre-emptive right for Altice**

Note:

¹ VWAP of Numericable stock price over the 20 business days before closing, grossed-up by an annual rate of 5% during the period ranging from the closing of the transaction until the exercise date of the call option by Altice

Permanent and Flexible Capital Structure

- **Total financing package of €11.6 Bn including bond and term loans across currencies (USD and Euro)**
- **Attractive blended cost of debt**
- **Weighted average life of circa 7 years**
- **No material amortisation / bullet repayment structure**
- **Incurrence covenant only capital structure**
- **Refinancing of Numericable Group existing debt**
- **Ample liquidity through additional Undrawn Credit Facilities (750 M€)**

Next Steps

- **Consultation of relevant work councils on the combination project**
- **Launch of procedures to obtain authorizations from the relevant administrative authorities**
- **Closing anticipated by fourth quarter of 2014**