

GROUPE



Q1 2015 Results

May 12, 2015



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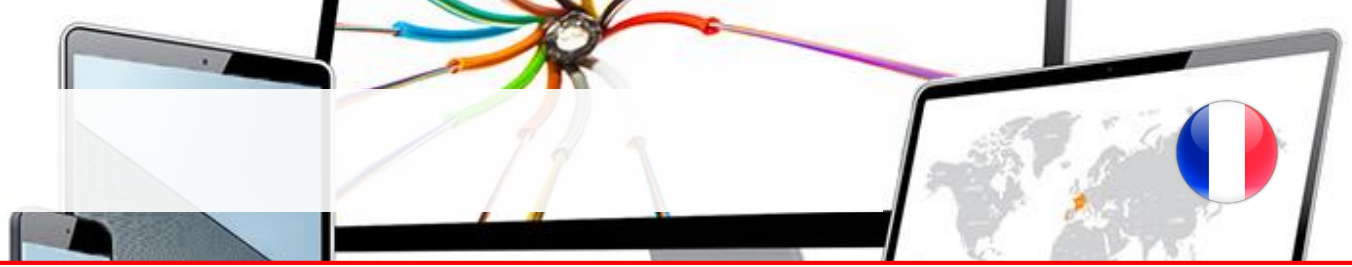


Operational Review



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Q1 2015 HIGHLIGHTS

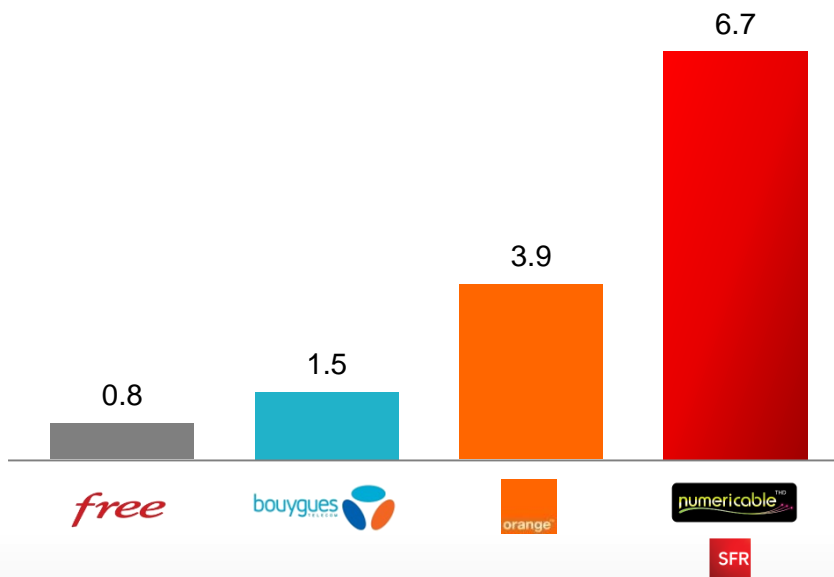


- Clear market leader in Fiber & accelerating investment in 4G+ and Fiber
- Marketing focused on high end customers and 4P convergence
- Growing Fixed ARPU
- Postpaid Mobile ARPU Stabilisation
- Synergies larger than announced
- EBITDA Mid-term target 45%
- Significant deleveraging from EBITDA growth and working capital improvement

CLEAR MARKET LEADER IN FIBER CONNECTABLE FIBER HOMES & FIBER CUSTOMERS

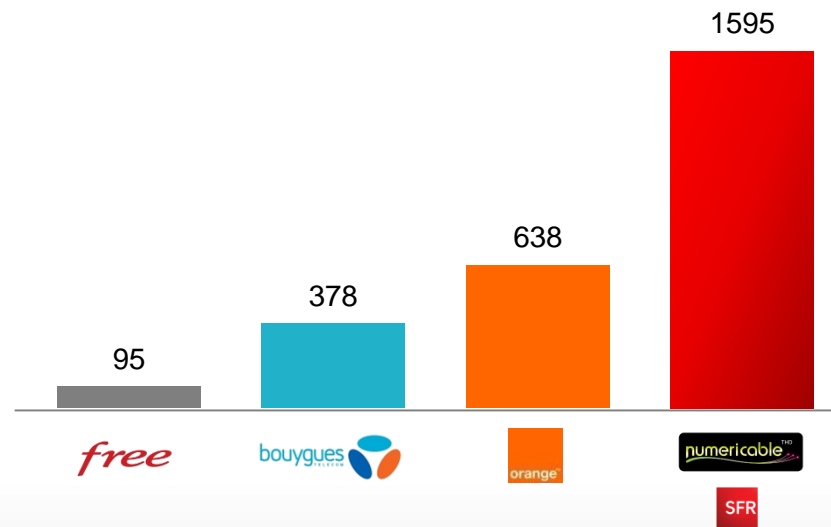
Largest Fiber footprint (1)

Fiber Homes Passed at end Q1 2015 (millions)



Largest Fiber customer base

Fiber Customer Base at end of Q1 2015 (000's)



(1) Source: Q4 2014 estimates for Free, Q4 2014 published numbers for BYT, Q1 2015 published numbers for Orange and Numericable-SFR

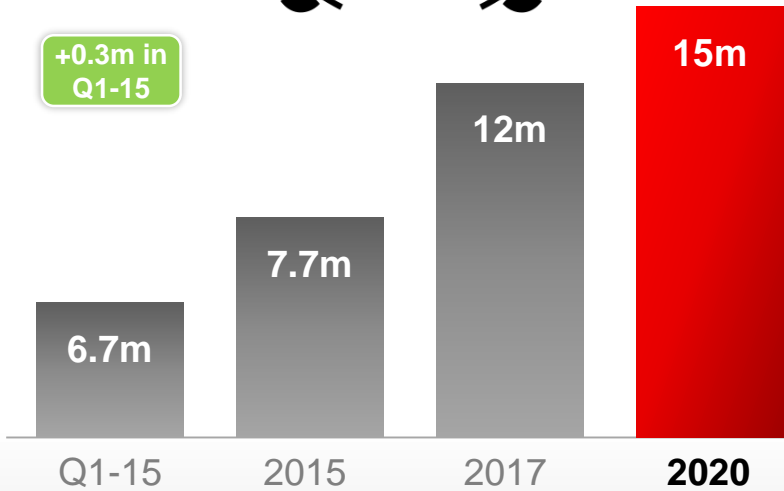
Strong Fiber advantage versus peers

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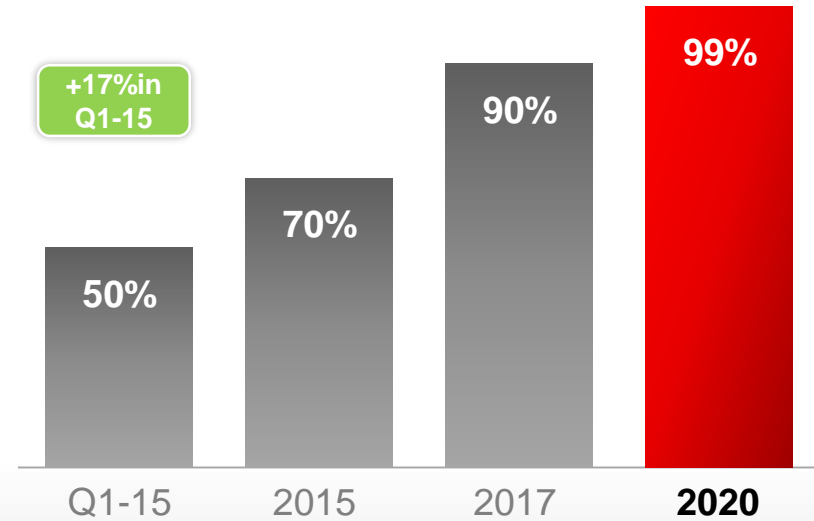
OUR LEADING NATIONAL INFRASTRUCTURE :
100M FIBER & 4G ROLL-OUT MOMENTUM

FIBRE

N°1



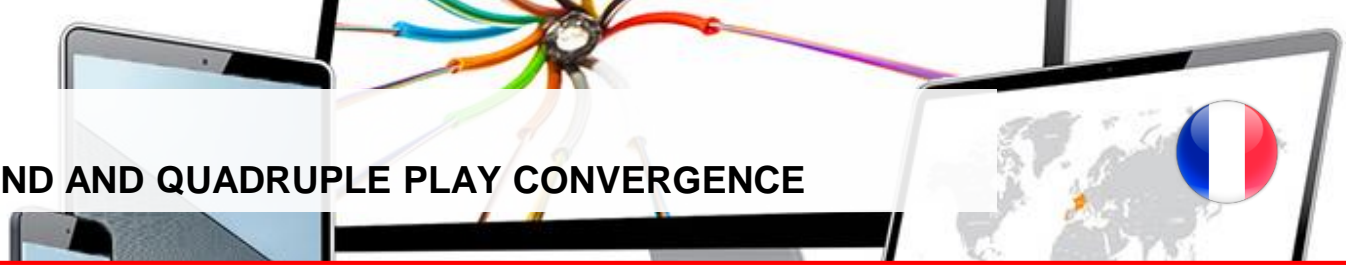
4G



Clear leader in fiber with ambitious targets
Runway for more fiber quadruple play customers

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FOCUSING ON HIGH END AND QUADRUPLE PLAY CONVERGENCE



Fiber for Students / Low Content



iStart
29€99



RED Fibre
29€99

Fiber High End



Starter
39€99

Power
48€99

Power +
57€99

Starter
39€99

Power
48€99

Power +
57€99

Mobile*



Starter
9€99

Power
33€99

Premium
69€99

Starter
9€99

Power
33€99

Premium
69€99

* SFR mobile offers are now sold in Numericable stores since April 1st

Harmonisation of both product offering and pricing between Numericable and SFR

Continued focus on Quadruple Play with 4-Play customers now representing 53% of fixed customer base at SFR

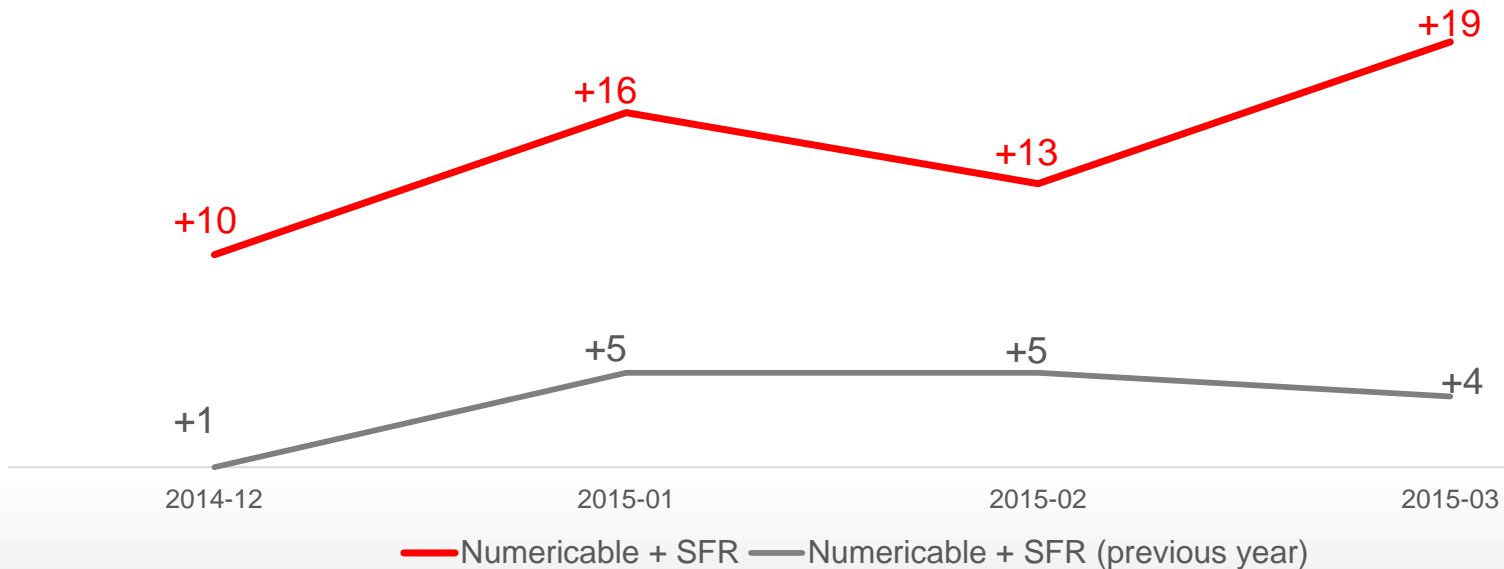


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STRONG GROWTH MOMENTUM IN FIBER TAKE-UP

Monthly Client Nets Adds ('000)

Fiber Net Adds since December 2014 : +58k
(vs 15k in previous year)



Fiber Net Adds 4x higher than previous year

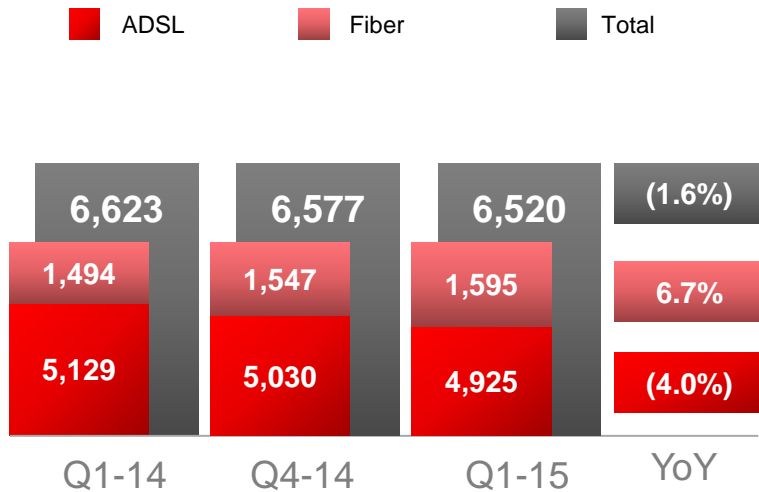
Good start in migration from DSL to Fiber

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B2C FIXED – GROWING ARPU

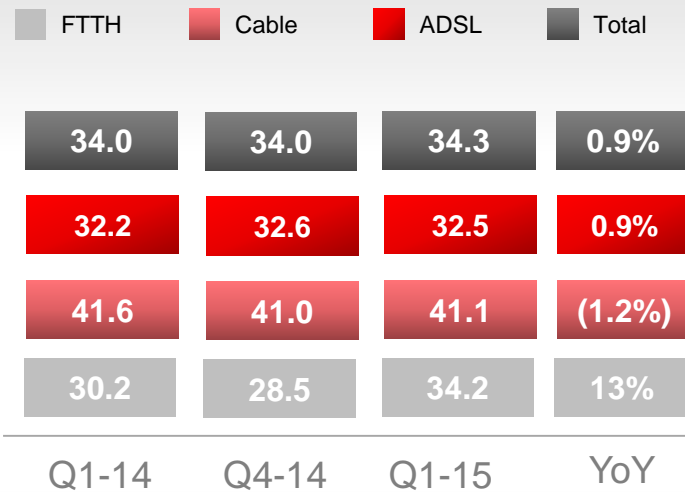


Fixed Customers in 000's



Encouraging Q1 2015 Fiber Net Adds growth +48k (versus +67k for FY 2014)

ARPU in €



Q1 2015 Fiber ARPU impacted by increase in VAT which was only compensated by price increase on April 1st

Focusing on accelerating migration from DSL to Fiber, substantial uplift in ARPU
Fixed ARPU trending up with gross adds ARPU 3€ above customer base at SFR

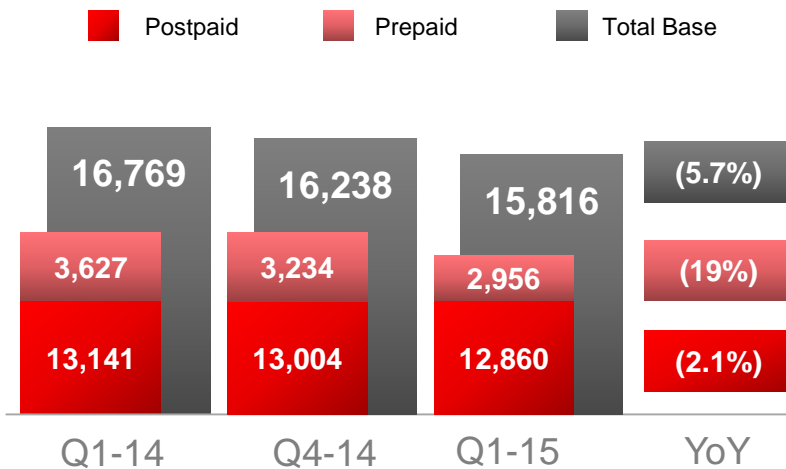
FTTH and Cable ARPUs are converging

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B2C MOBILE – STABILISATION IN POSTPAID

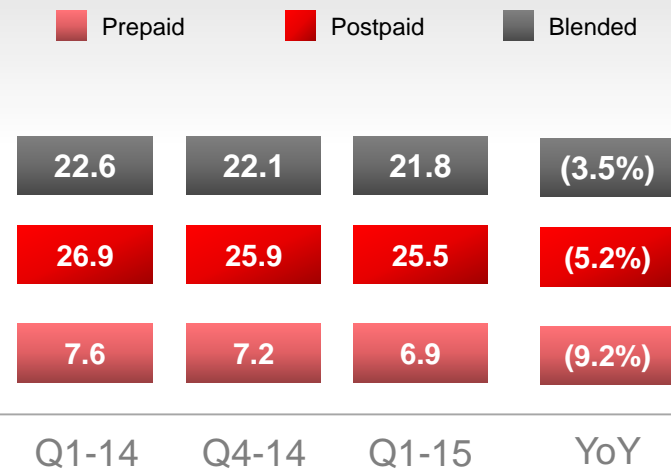


Mobile Customers in 000's



1/3 of decline in Prepaid Customer Base is due to non-SFR brands (Virgin and Buzz)

ARPU in €



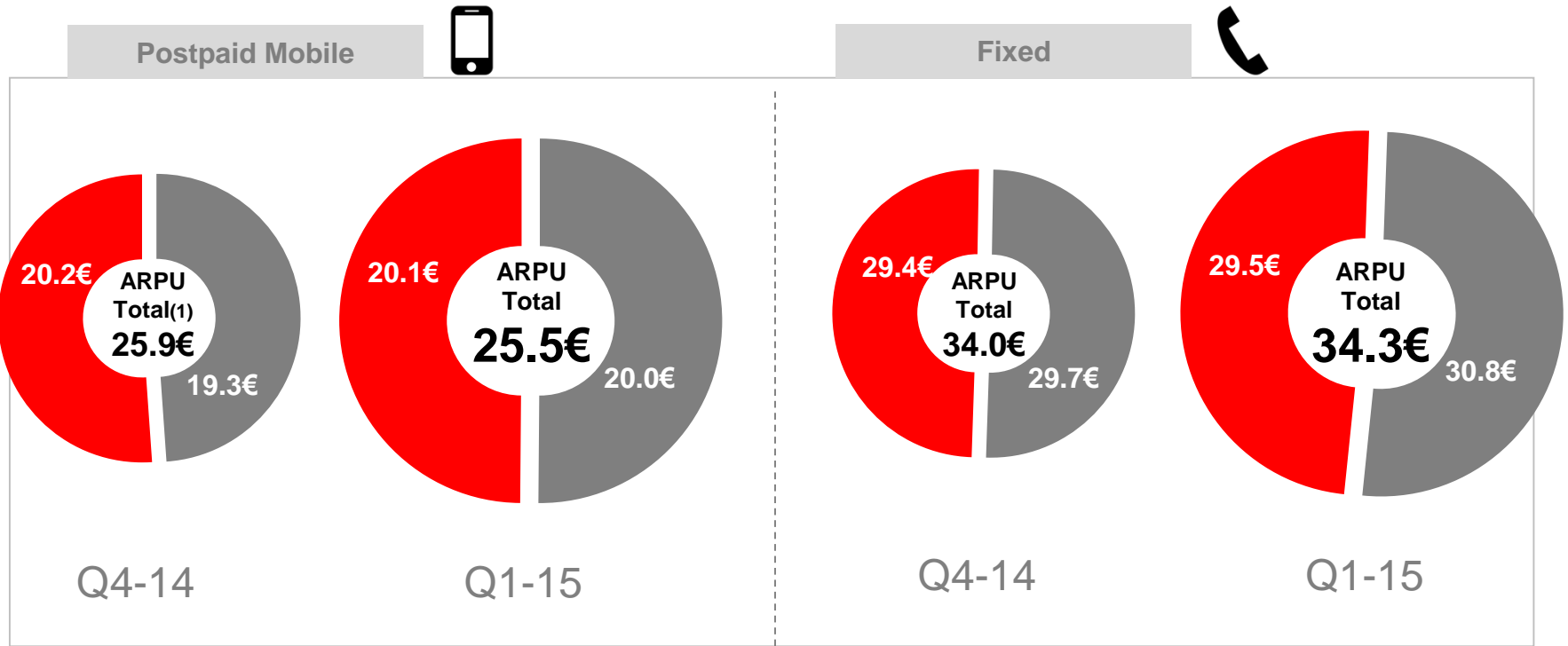
Postpaid ARPU is flat versus Q4 2014 when adjusting for seasonal decline in consumption and services

B2C Mobile Prepaid customer base declines with limited impact on cash flow generation
 Refocus on higher value customers and ARPU stability

Mobile service quality is improving as 4G coverage is increasing

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POSITIVE ARPU DYNAMICS FROM NEW CUSTOMERS IN BOTH FIXED & MOBILE



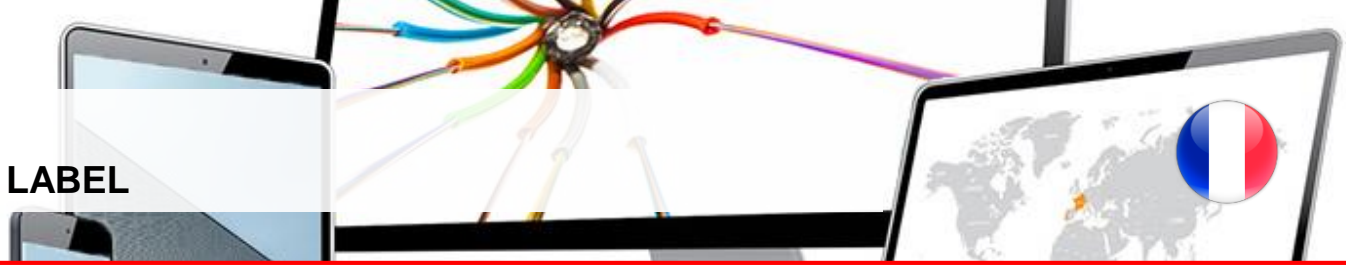
■ Customer Base Subscription ARPU
 ■ Gross Adds Subscription ARPU

(1) Total ARPU is composed of the subscription and consumption & services

Mobile Gross Adds ARPU at par with Customer Base ARPU
Fixed Gross ARPU is 4% above Fixed Customer Base ARPU

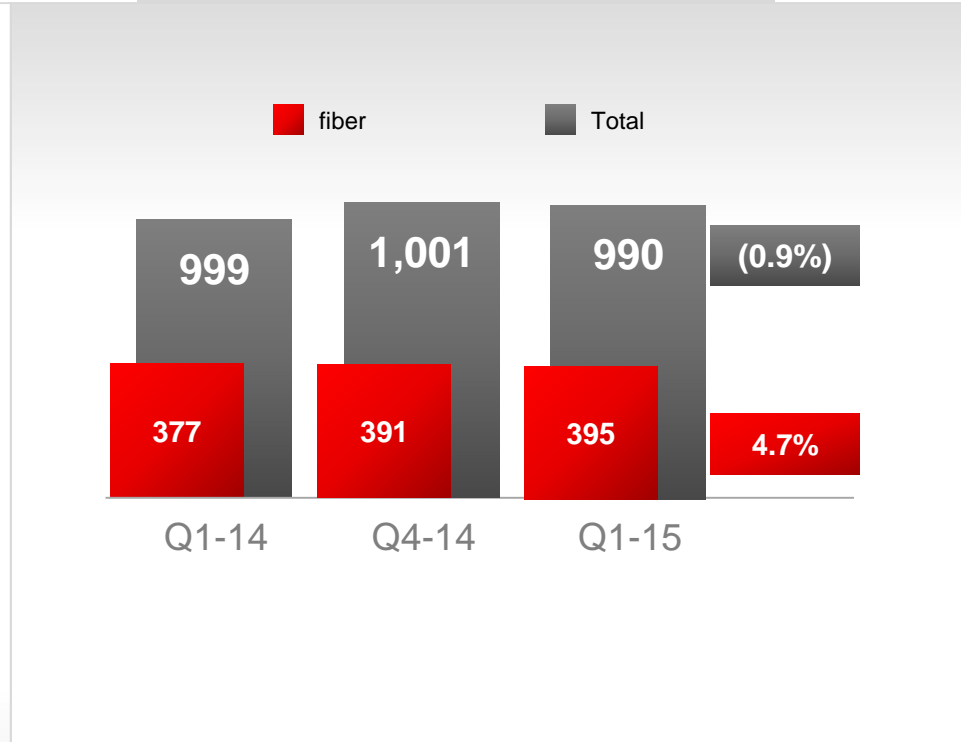
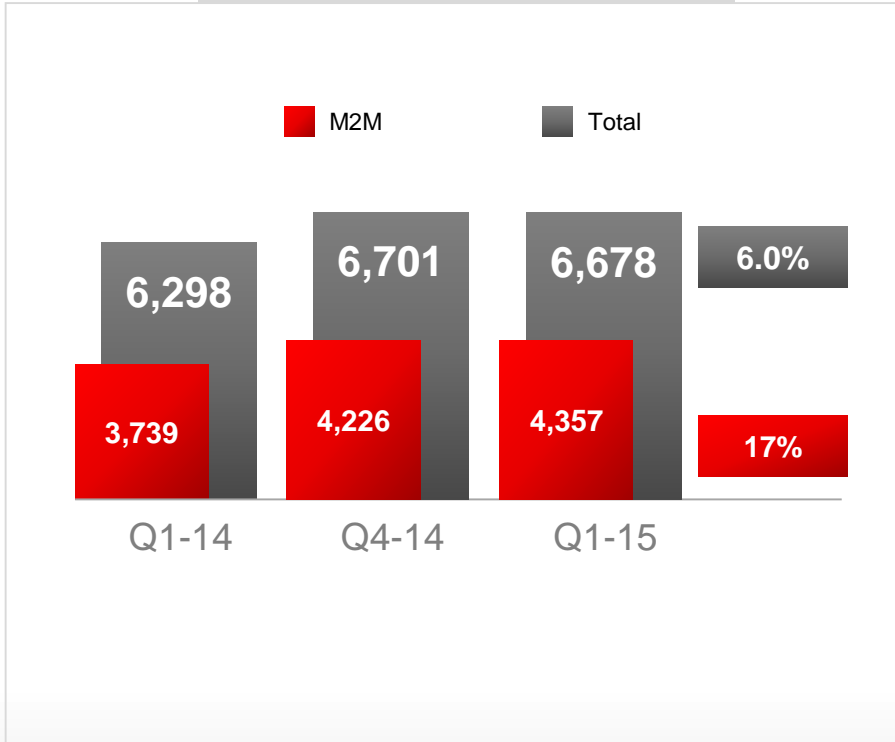
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B2B MOBILE & WHITE LABEL



B2B Mobile subscribers in 000's

White Label fixed customers in 000's



Growth in B2B Mobile thanks to strong M2M Sales

Solid Growth in White Label Fiber customers

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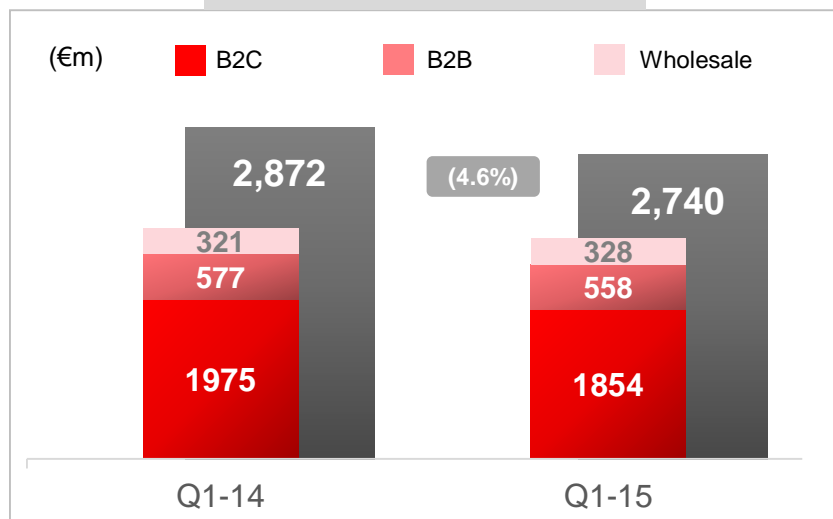
Financial Review



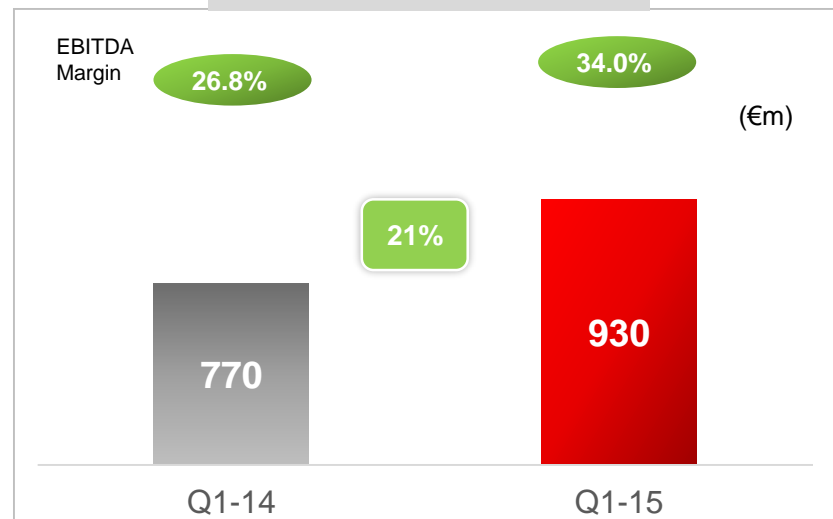
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KEY FINANCIALS

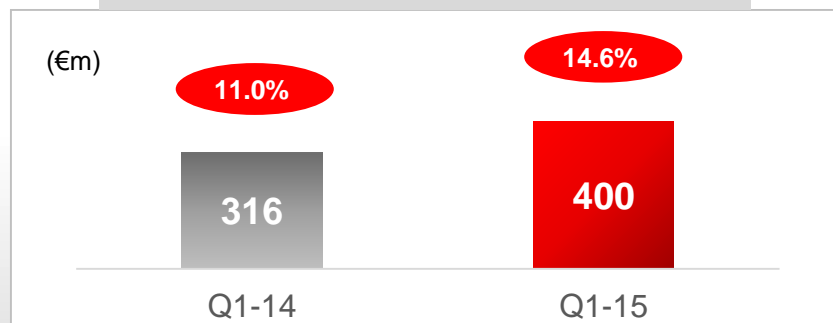
Revenue



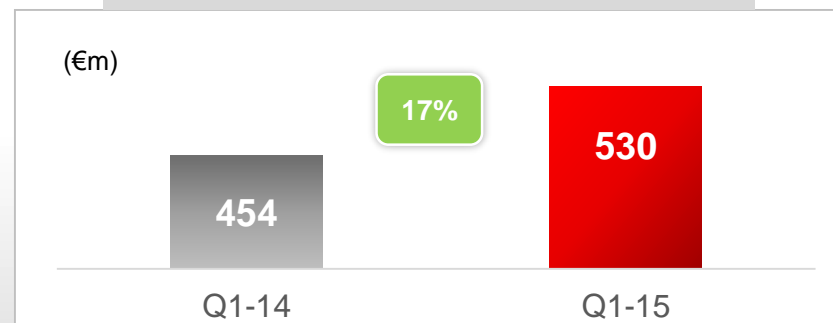
Adjusted EBITDA ¹



Capex as % of Revenue



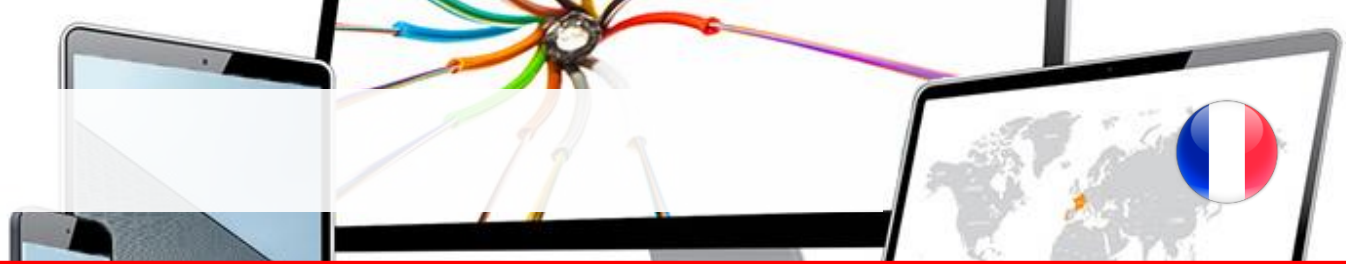
EBITDA - Capex



¹ Adjusted EBITDA excludes some non-recurring or non-cash items

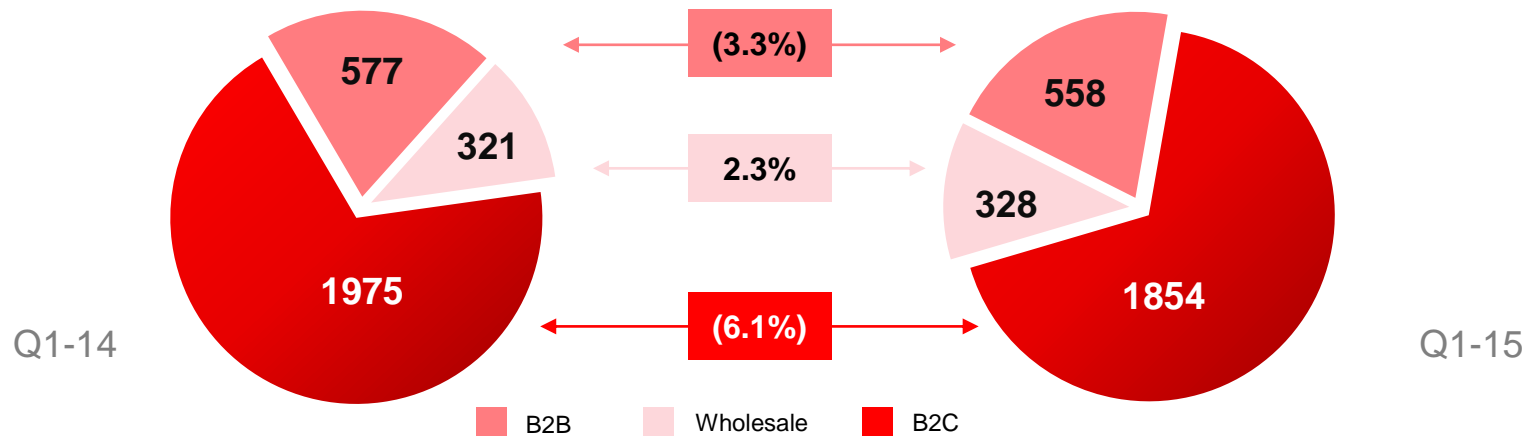
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REVENUE SPLIT



Revenue by segment

(€m)



- B2C Fixed revenue down 1.7% yoy due to decline in customer base
- B2C Mobile revenue down 8.7% yoy due to declining customer base and ARPUs, but limited negative value effect due to stabilisation of postpaid ARPU in Q1 15
- B2B revenue down 3.3% due to declining mobile ARPUs in B2C spreading to B2B and declining voice tariffs

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SYNERGIES LARGER THAN ANNOUNCED



Synergies	Comments	Key items	Q1 Results
B2C	<ul style="list-style-type: none"> ○ Simplify range of offers and brand strategy ○ Increase usage of fiber network ○ Optimise client relationship management ○ Improve reach of distribution network nationally 	Reorganisation of B2C distribution and branding strategy under review by employee representatives	<ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input checked="" type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/>
B2B	<ul style="list-style-type: none"> ○ Reorganize B2B business ○ Mutualise B2B client operations ○ Increase profitability at Telindus 	Reorganisation of go to market strategy in B2B	<ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/>
Network	<ul style="list-style-type: none"> ○ Unify & Interconnect our networks ○ Sale of Completel's DSL network ○ Optimise our IT systems 	Addressed network quality issues Renegotiated contracts with sub-contractors through rationalisation & prioritisation of IT projects	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ ✓ ✓
Other	<ul style="list-style-type: none"> ○ Extract more value from media content ○ Rationalise real estate portfolio ○ Review handset purchasing and subsidisation strategy ○ Implement new business model with technical suppliers ○ Reduce our G&A expenditure 	Tight cost control	<ul style="list-style-type: none"> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ <input type="checkbox"/> <input type="checkbox"/> ✓ ✓ ✓ ✓ ✓ ✓

✓ On track with 3 year synergy plan

✓ ✓ Overperformance on target

✓ ✓ ✓ 3 year synergy plan target already achieved, more upside versus initial target

Key savings in Q1 : IT systems €15m, G&A improvements €30m, External call center rationalisation €15m, Network operations €20m and External service provider reduction €20m

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SIGNIFICANT 20% DELEVERAGING IN ONLY 4 MONTHS OF ALTICE OWNERSHIP

Debt and leverage

€ Million	Instrument Ccy Yield	Euros Yield (inc. Hedging)	Outstand. (Inst. Ccy)	Outstand. (Closing €)
Cash			1 050	1 050
Debt				
USD Notes	5,7%	4,9%	7 775	5 623
EUR Notes	5,5%	5,5%	2 250	2 250
USD Term Loans	L3M+3.75% (1)	E3M+4.21%	2 594	1 876
EUR Term Loans	E3M+3.75% (1)	E3M+3.75%	1 900	1 900
Other debt				173
FX Effect (2)				1
Total debt				11 822
Net debt				10 772
Undrawn Facilities				
Revolving Credit Facility (3)				1 125
				March 2015
Net leverage (Q1 2015 EBITDA x 4)				2.9x
Net leverage (PF LTM EBITDA)				3.3x

(1) With a 0.75% floor on both EURIBOR and LIBOR

(2) Gross debt revaluation compensated by the MtoM of the FX elements of the current derivatives

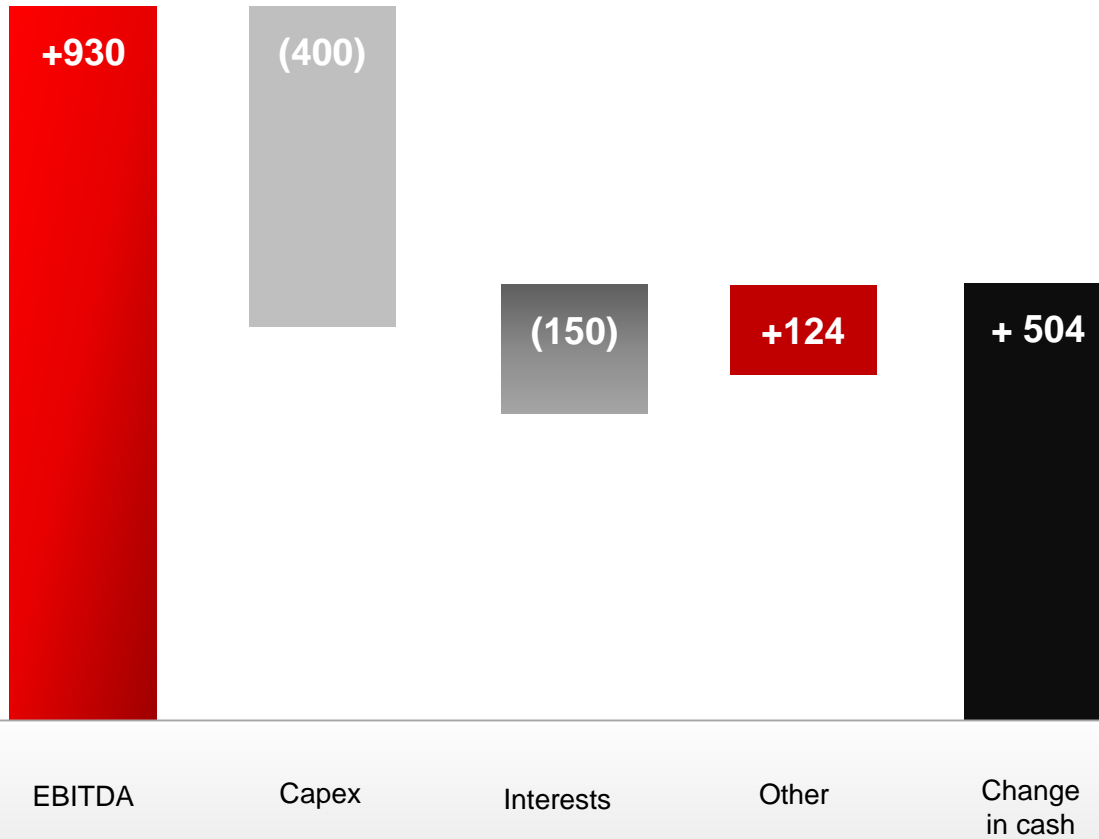
(3) Size of the RCF was increased from € 750m to € 1,125m on April, 23rd 2015

(4) Net Leverage figures are stated before €1.83bn payment to Vivendi which occurred in Q2 2015

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Q1 2015 CASH FLOW BRIDGE

(in €m)



(1) Other includes Taxes, Debt repayments and drawdowns and working capital improvements

2015 Guidance for Numericable-SFR ⁽¹⁾

- 2015 Adj EBITDA
growth > 20%
- 2015 EBITDA - Capex
€1.9bn - €2.0bn

Medium term Guidance

- Adj EBITDA margin **>45%**

Q2 Results will be released on August 5th 2015

(1) Based on Proforma 2014 reported Adjusted EBITDA of €3.1bn