Q2 2015 Results

July 29, 2015

Operational Review

FRANCE
Q2 2015 HIGHLIGHTS

- Synergies delivery ahead of plan with accelerating DSL to Fiber migrations
- Strong Sales momentum in June in Mobile Postpaid
- Growth in both Fixed and Mobile ARPUs in B2C
- Revenue trend improving both in YoY (-2.4%) and QoQ (+1.5%)
- Strong adjusted EBITDA growth in both YoY (+19%) and QoQ (+14%)
- Accelerating investment in 4G+ and Fiber

Note : The figures shown in the section for France are the stand alone financials of Numericable-SFR and differ from the contribution of the Numericable-SFR Group to the overall financials of the Altice S.A. The differences between the standalone financials of the Numericable-SFR Group and the Altice SA overall financials for France result from the elimination of intercompany transactions between the Numericable-SFR Group and other companies of the Altice Group.

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SYNERGIES IMPLEMENTATION EFFORT CONTINUES

Synergies	Comments	Key items	Q2 Results
B2C	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	✔✔ ✔✔ ✔✔ ✔
B2B	Reorganize B2B business Mutualise B2B client operations Increase profitability at Telindus	Reorganisation of go to market strategy in B2B	✔✔ ✔✔ ✔
Network	Unify & Interconnect our networks Sale of Completel's DSL network Optimise our IT systems	Addressed network quality issues Renegociated contracts with sub-contractors through rationalisation & prioritisation of IT projects	✔✔✔ ✔ ✔✔✔
Other	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	✔ ✔ ✔✔ ✔✔✔ ✔✔✔

✔ On track with 3 year synergy plan ✔✔ Overperformance on target ✔✔✔ 3 year synergy plan target already achieved, more upside versus initial target

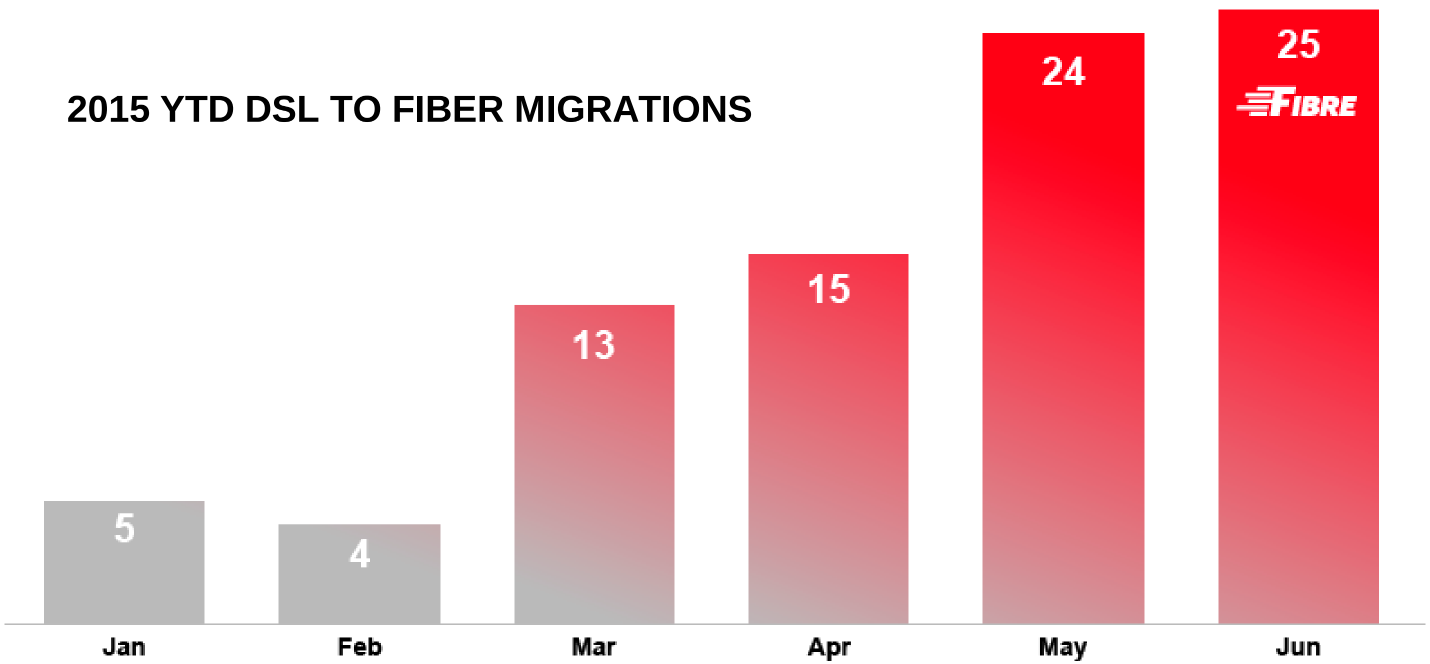
Key focus areas for H2 2015:

1. Technical supplier synergies (Fiber and 4G investments increase to improve quality of network)

2. Commercial synergies (acceleration in DSL to Fiber migrations and fiber gross sales momentum)

FIXED : DSL TO FIBER MIGRATIONS

RAMPING UP

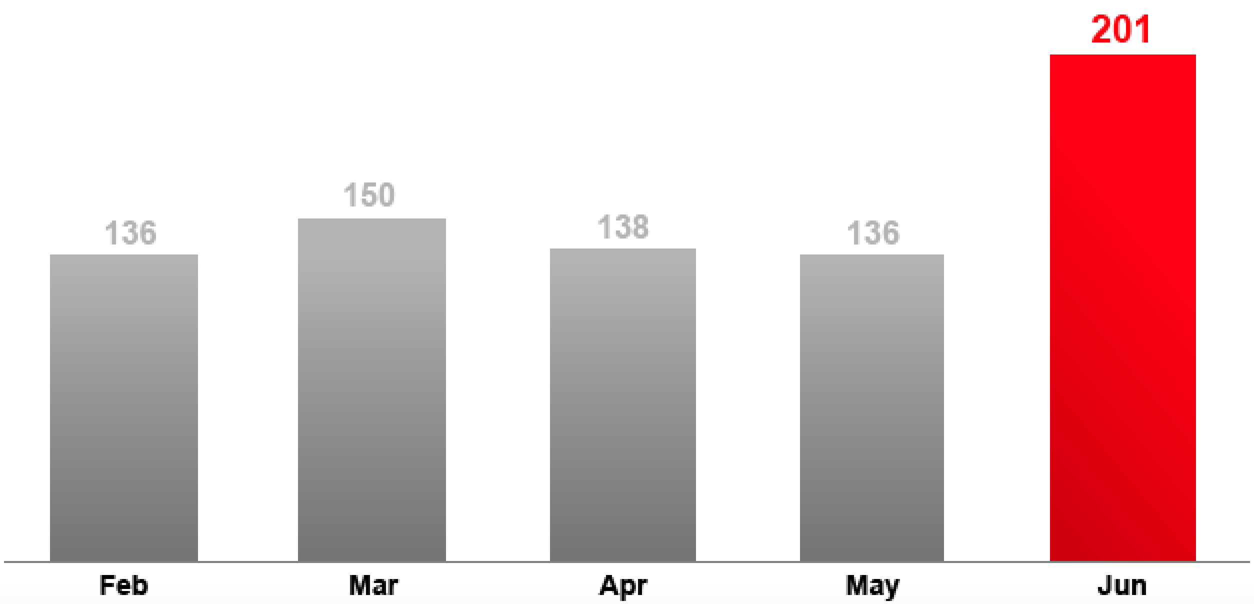


Focusing on accelerating migration from DSL to Fiber

June migrations 5x higher than in January

POSPAID MOBILE MOMENTUM
STRONG GROSS ADDS DYNAMICS IN JUNE

POSTPAID MOBILE GROSS ADDS YTD
(in 000's)



Mobile Postpaid Gross Adds up more than 40% in June vs average since February

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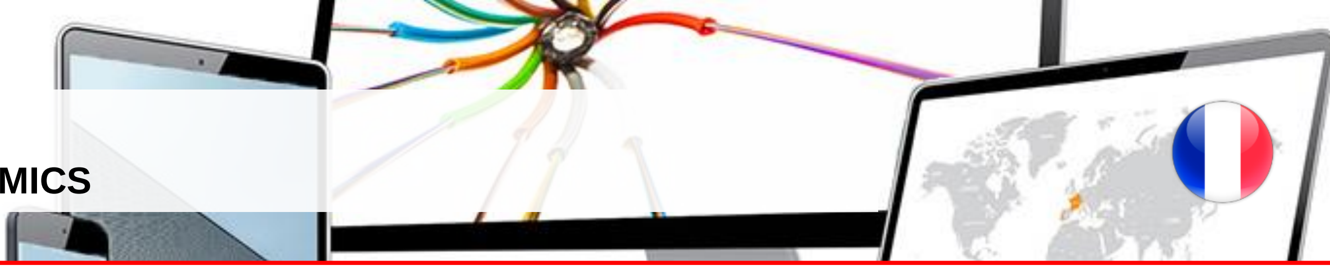
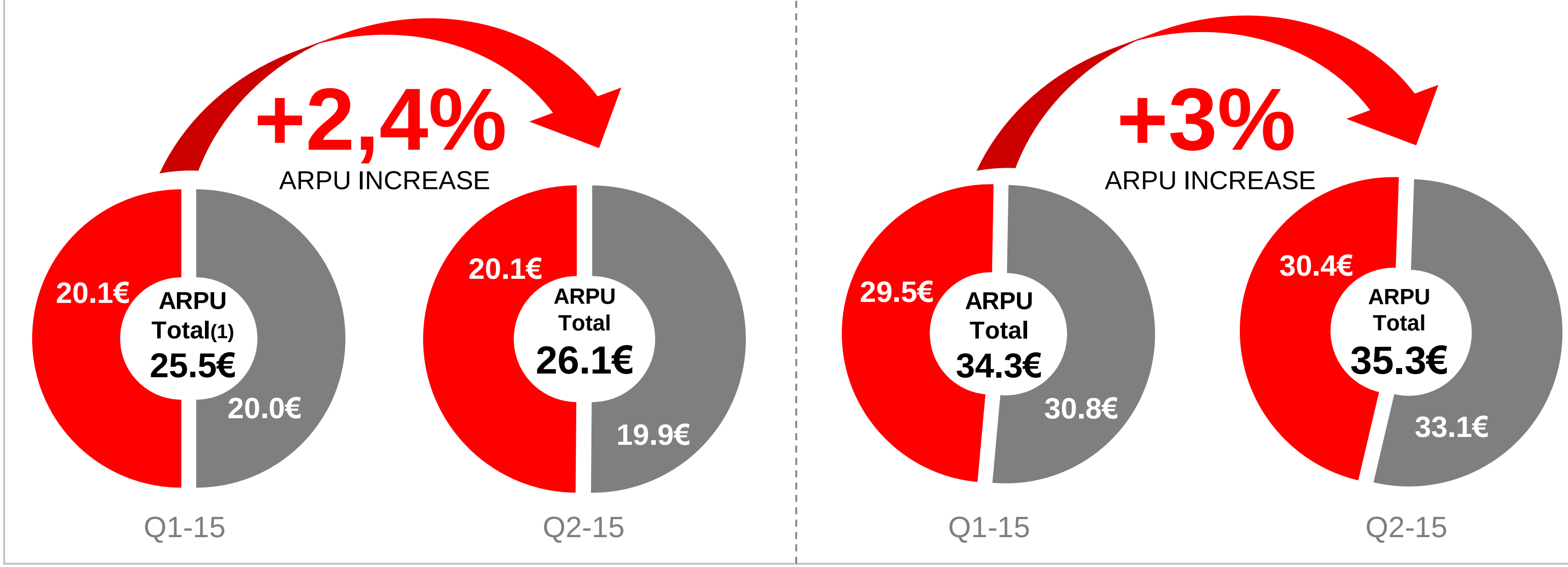
POSITIVE ARPU DYNAMICS



Postpaid Mobile

Fixed



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 Mobile Customer Base ARPU

Fixed Gross ARPU is 9% above Fixed Customer Base ARPU

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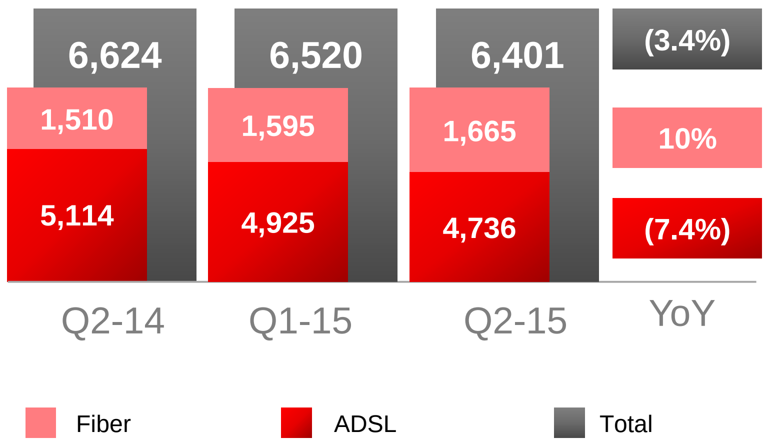
B2C FIXED – SOLID GROWTH IN ARPU

Fixed Customers in 000's



Accelerating Q2 2015 Fiber Net Adds growth +70k

ARPU in €

	Q2-14	Q1-15	Q2-15	YoY
ADSL	32.5	32.5	33.6	3.5%
FTTB	41.4	41.1	41.1	(0.7%)
FTTH	27.8	34.2	35.2	27%
Total	34.0	34.3	35.3	3.8%

DSL and FTTH price increases implemented on April 1st

Price increases successfully implemented in Q2

Fixed ARPU trending up with gross adds ARPU more than 3€ above customer base ARPU

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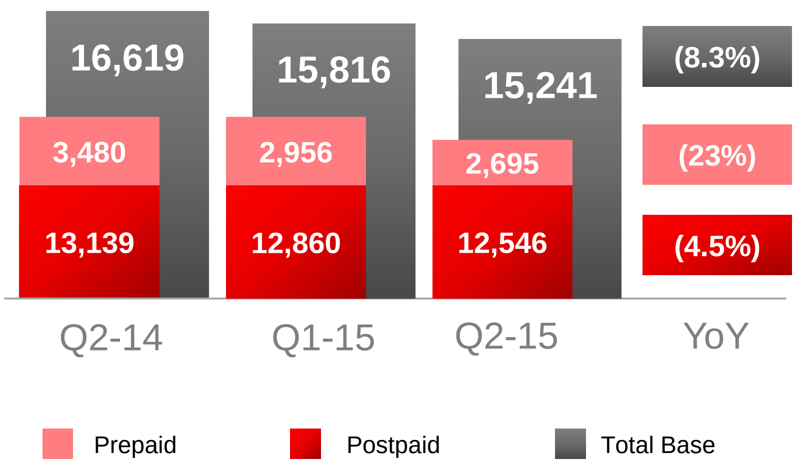
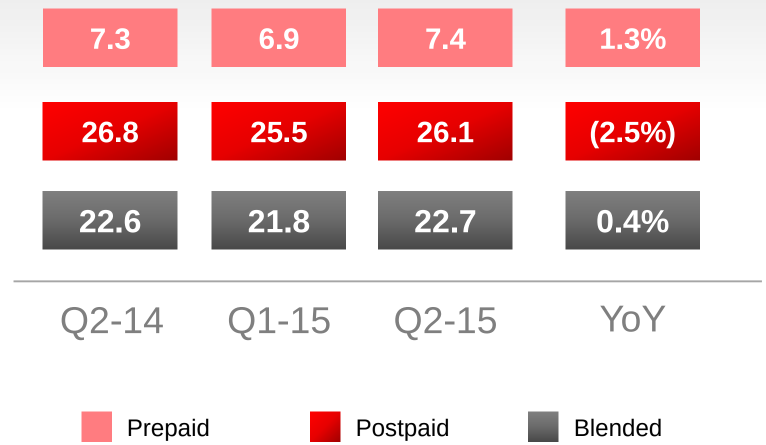
B2C MOBILE – GROWTH IN ARPU

Mobile Customers in 000's



Postpaid decline partly due to impact of competitor's Ventes Privées campaign (-50k) and closure of Joe Mobile Brand (-80k)

ARPU in €



Mobile ARPU up 4.1% versus Q1 2015

B2C Mobile Prepaid customer base declines with limited impact on cash flow generation

Refocus on higher value customers and ARPU growth

Mobile service quality is improving as 4G coverage is increasing

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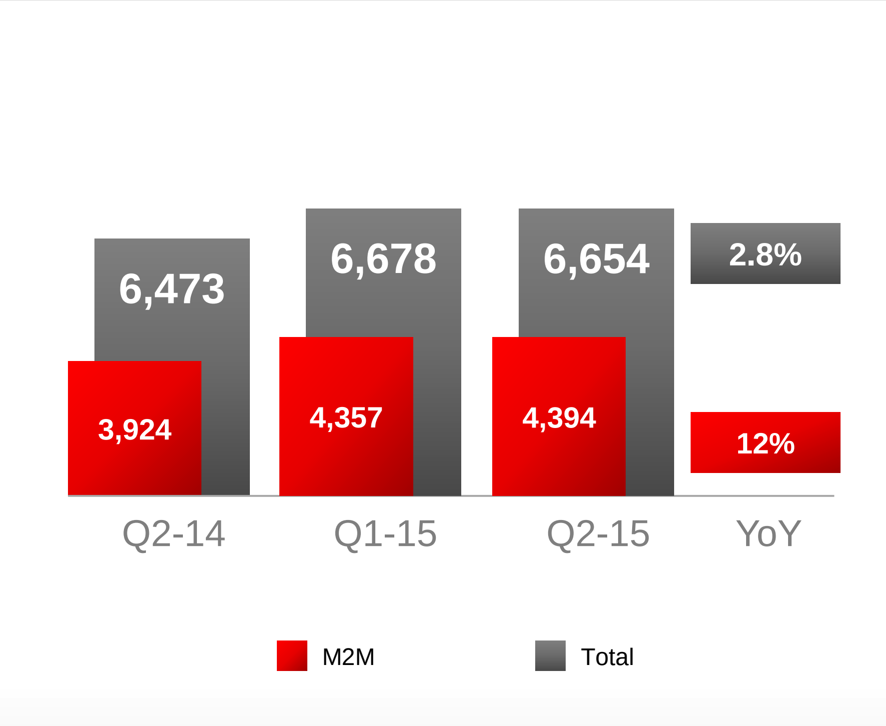
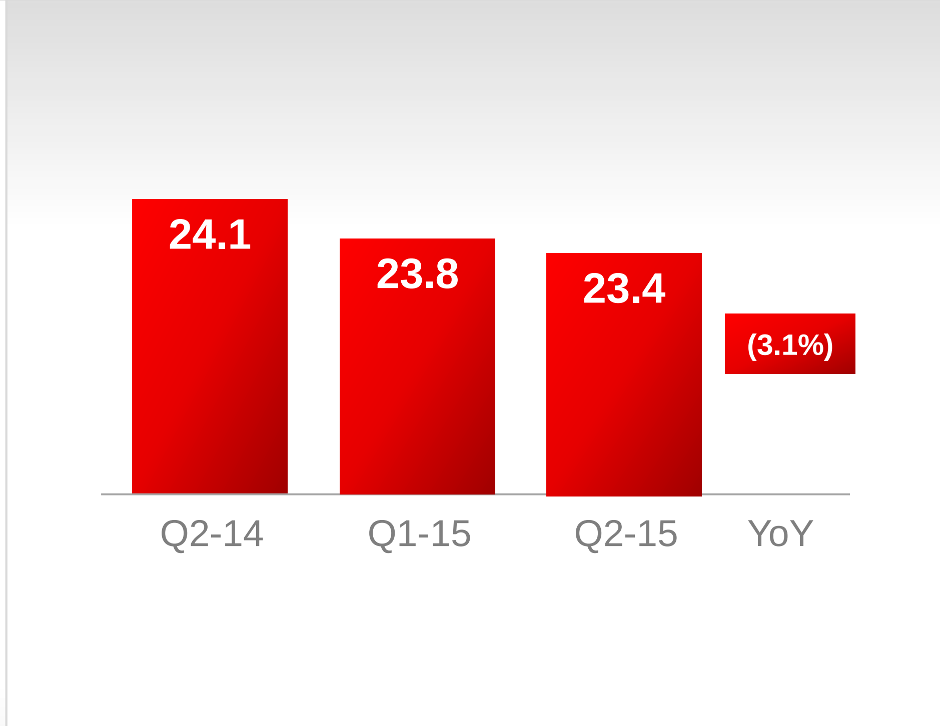
B2B MOBILE TRENDS

B2B Mobile subscribers in 000's



B2B Mobile ARPU in €



Growth in B2B Mobile thanks to strong M2M Sales

Mobile ARPU in slight decline sequentially

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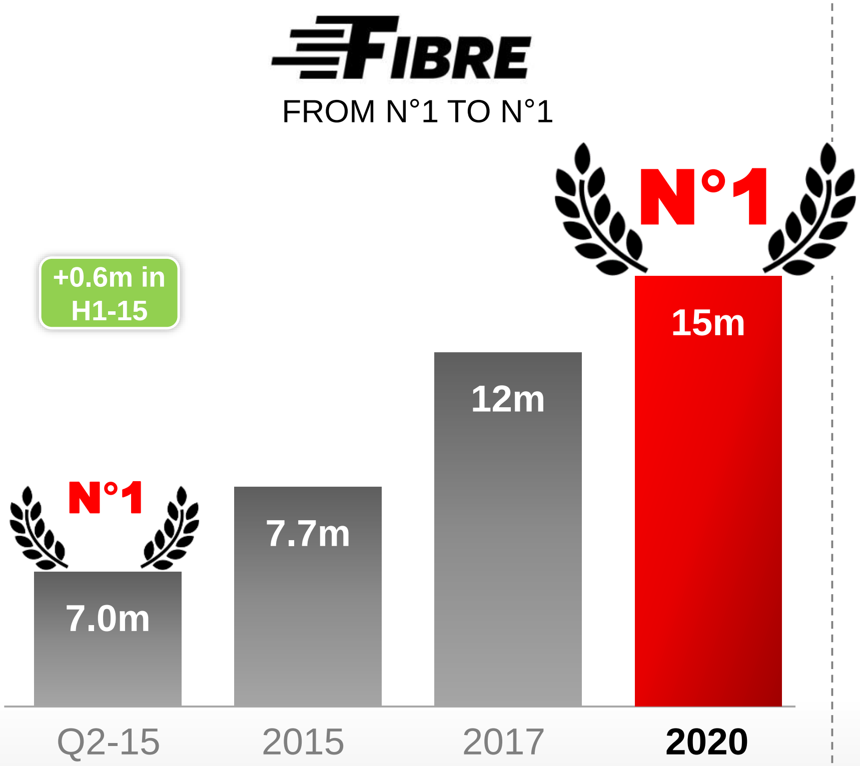
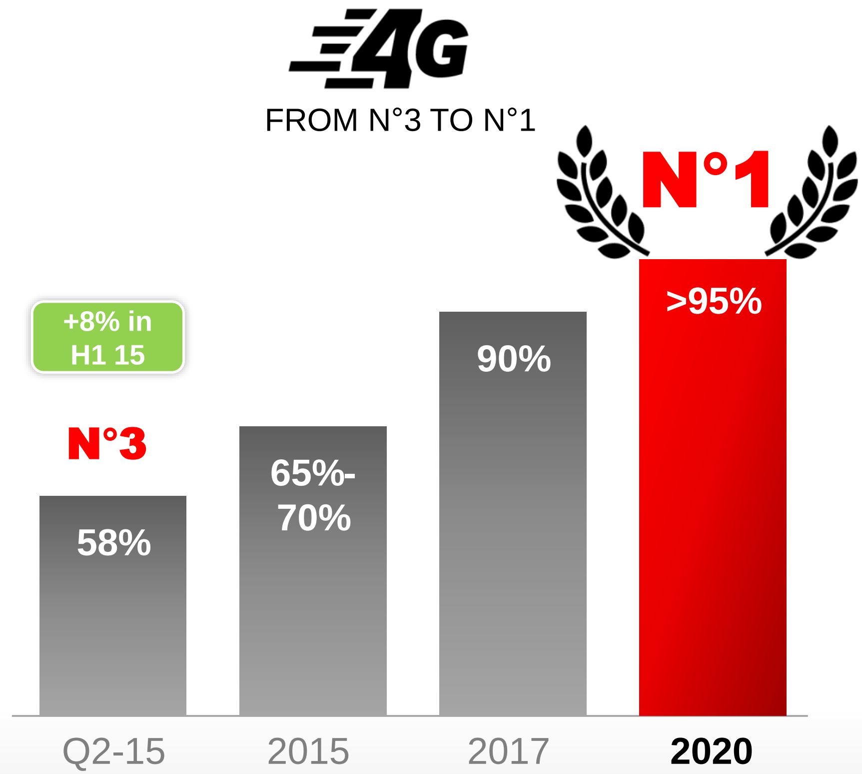
OUR LEADING NATIONAL INFRASTRUCTURE :
+100 MEGA TO 1 GIGA FIBER & 4G ROLL-OUT MOMENTUM





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

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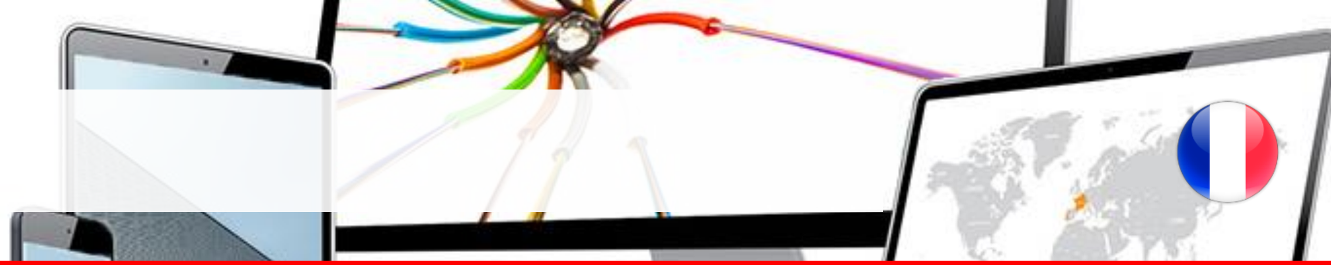
Financial Review



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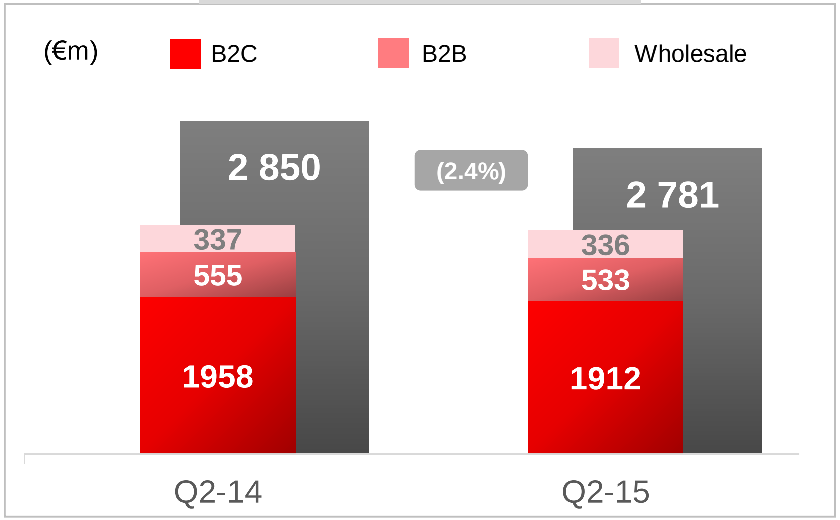
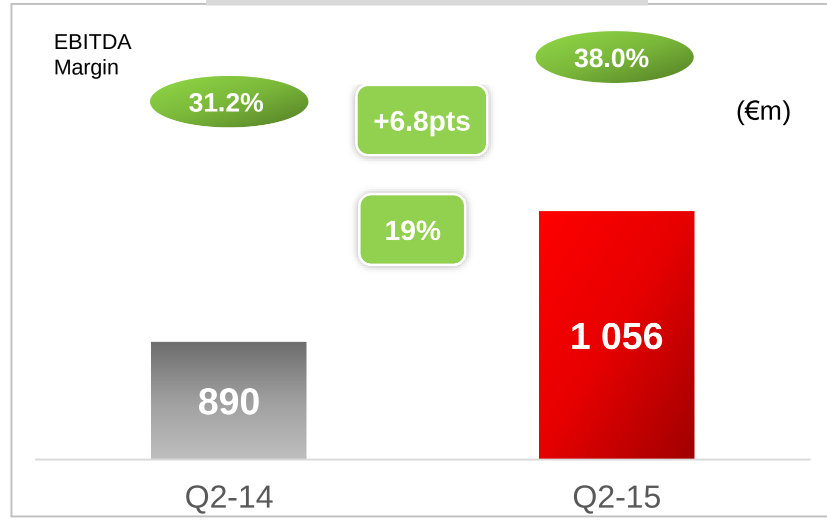
KEY FINANCIALS

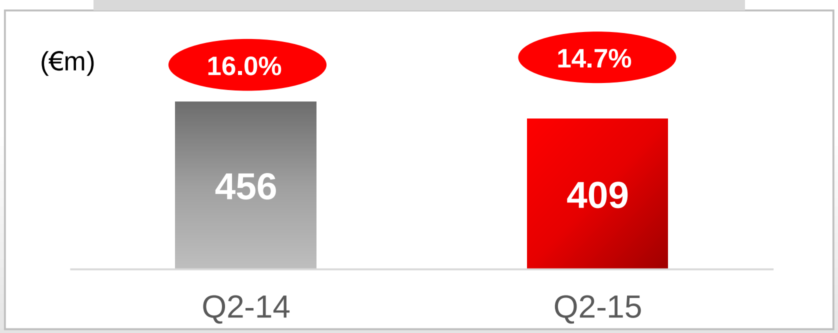
Revenue



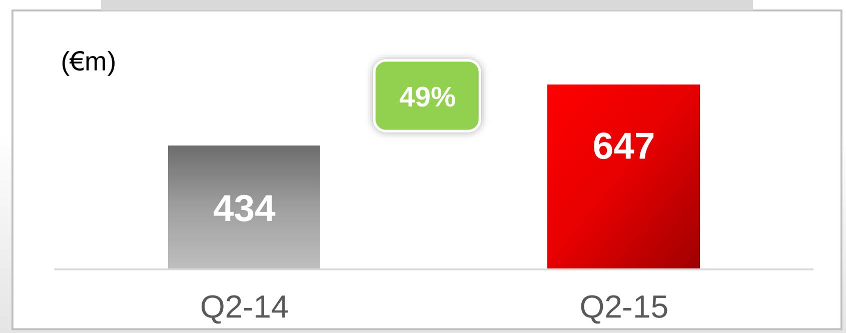
Adjusted EBITDA [1]



Capex as % of Revenue



EBITDA - Capex



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

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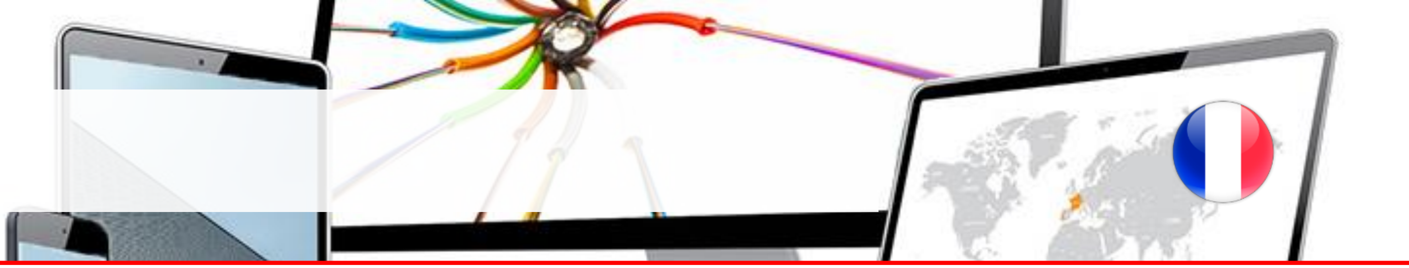

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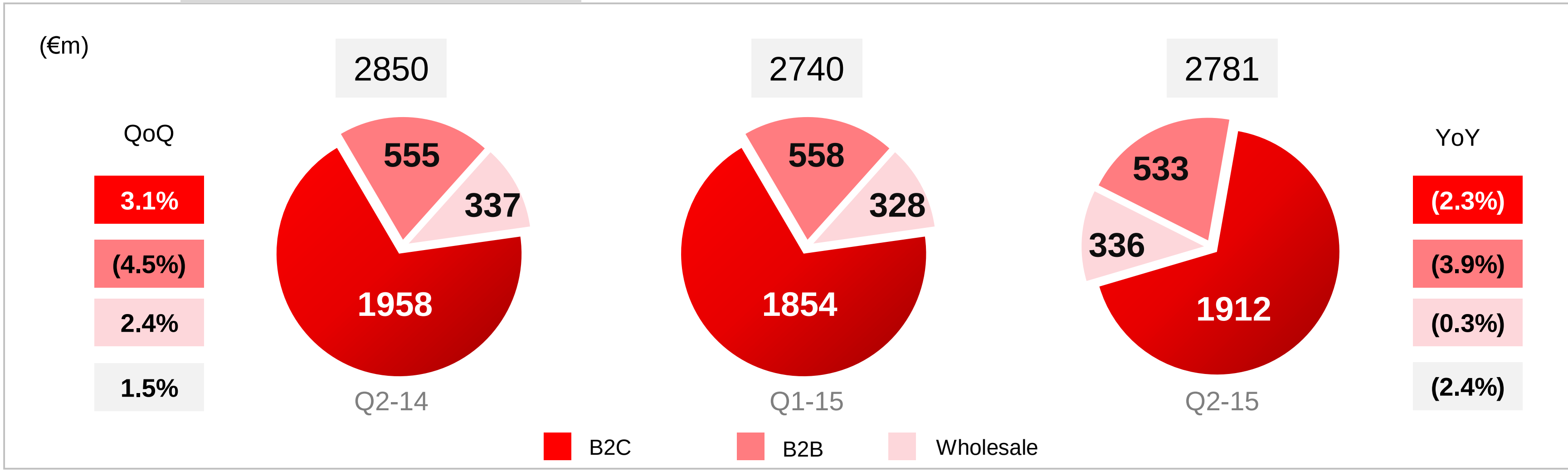
REVENUE SPLIT

Revenue by segment



QoQ

- B2C revenue up 3.1% QoQ due to improving ARPU trends sequentially in fixed (+2,9%) and mobile (+4,1%)
- B2B revenue down 4.5% due to declining mobile ARPU in B2B (-1.7%) relative to Q1 2015

YoY

- B2C Fixed revenue down 1.5% YoY due to decline in customer base
- B2C Mobile revenue down 2.9% YoY due to declining customer base, but significant improvement on Q1 2015 (-8.7%) due to the increase in mobile ARPU in Q2 15
- B2B revenue down 3.9% due to declining mobile ARPUs in B2C spreading to B2B and declining voice tariffs

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CONTINUOUS DELEVERAGING DESPITE VIVENDI BUY BACK

Debt and leverage

€ Million	Instrument Ccy Yield	Euros Yield (inc. Hedging)	Outstand. (Inst. Ccy)	Outstand. (Closing €)
Cash			**250**	**250**
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%	E3M+4.21%	**2 587**	**1 871**
EUR Term Loans	E3M+3.75%	E3M+3.75%	**1 891**	**1 891**
Revolving Credit Facility	E+3.25%	E+3.25%	**800**	**800** [1]
Other debt				**221**
Total debt				**12 656**
Net debt				**12 406**
Undrawn Facilities				
Revolving Credit Facility				**325** [1]
Net leverage (H1 2015 EBITDA x 2) including synergies				**3.0x**
Net leverage (PF LTM EBITDA) including synergies				**3.3x**

[1] The EUR 800M outstanding on RCF will be refinanced through new Term Loans B of 800M euro-equivalent. After this refinancing the full amount of the RCF (EUR 1,125M) will be available for drawings