



## Altice – “The future begins today”

March 19, 2014:

### **With SFR, Numericable will create the French champion in Very High Speed Broadband and in Fixed-Mobile Convergence**

Numericable and Altice (Euronext: ATC) have laid out their proposals for the new company to be formed by SFR and Numericable following a period of exclusive negotiations with Vivendi and after the various regulatory and statutory steps have been taken.

Numericable and its controlling shareholder Altice intend to create the French champion in Very High Speed fixed-mobile convergence. This ambition is based upon their conviction that, as seen across Europe today, the convergence of fixed and mobile networks is responding to growing demand (for example, there are an average 6.5 screens per French household in 2014, compared with 4 screens in 2009), and upon the fact that SFR and Numericable benefit from complementary networks and talents.

- Numericable, with cable or fiber network coverage of 9.9 million homes passed in more than 1300 towns, of which 8.5 million are “Triple Play” homes<sup>1</sup>, is the uncontested Very High Speed fixed leader in France. In all, Numericable provides fiber coverage of 5.2 million homes (speeds over 100Mbps ) and has 1 million Very High Speed fixed broadband customers.
- SFR has a 3G+/4G mobile network providing 4G coverage to 1200 cities (40% of the territory). SFR also has 57,000 km of long-distance fiber lines and 1.6 million fiber homes.

The combined Numericable-SFR will own one of Europe’s largest networks, providing fixed-mobile convergence to customers with the fastest broadband speeds (up to 200 Mbps), an attractive mobile offering, and the leading technology of Numericable’s “la Box Fibre”. The new company will leverage the power of the SFR brand and boast a multi-channel distribution network of about 850 shops.

This industrial project will drive growth in all its markets: in fixed residential (7 million customers), in mobile (as the #2 operator with 21 million subscribers), in the business sector, where the new company will have a 20% market share, and in the wholesale sector, where it will be a partner of choice for MVNOs and FVNOs.

The proposed combination is underpinned by strong commitments to the French government, in terms of network and fiber investments (12 million fiber homes by 2017, rising to 15 million in 2020), in employment, thanks to its growth-oriented industrial project with no negative impact on jobs, in customer protection, with a commitment not to raise prices for 4G and to offer the best value-for-money proposition in Very High Speed Fixed Broadband, and finally in terms of working with the best French suppliers.

The Group has set the following medium-term objectives: annual revenue growth of between 2% and 5%, an EBITDA margin of 40% and a level of capital expenditure (Capex) representing

<sup>1</sup> Download speed 30Mbps, fully 862 MHz upgraded.



approximately 20% of turnover. Synergies expected by the creation of the new entity could reach €1 billion of annual cash flow over time.

The proposal submitted to Vivendi includes a cash payment of 11.75 billion euros (of which 3.4 billion euros will be financed through a capital increase and 8.35 billion euros through debt), and shares in the Numericable Group representing 32 % of the company's capital (post capital increase). It also provides for Vivendi's exit according to pre-determined conditions. A syndicate of 9 leading international banks has committed to providing financing for this project. The Altice group will retain control of the new company.

The new SFR-Numericable group will remain based in France and listed on the Paris Stock Exchange.

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## About Altice

We are a multinational cable and telecommunications company with presence in three regions—Western Europe (comprising France, Belgium, Luxembourg, Portugal and Switzerland), Israel and the French Overseas Territories (currently comprising the French Caribbean and the Indian Ocean regions). We provide cable based services (high quality pay television, fast broadband Internet and fixed line telephony) and, in certain countries, mobile telephony services to residential and corporate customers.