



**“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 €4.7 Bn capital increase, 74.6% subscribed by Altice, and €8.8 Bn of new debt <sup>(1)</sup>**

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

**Potential additional consideration of €750 MM for Vivendi <sup>(2)</sup>**

**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:*

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

<sup>2</sup> 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<sup>(1)</sup>) on Vivendi's stake in several tranches (7%, 7% and 6%) over a period comprised between the 19<sup>th</sup> and the 43<sup>rd</sup> month following closing of the transaction**
- **Possibility for Vivendi to sell or distribute its shares, with a pre-emptive right for Altice**

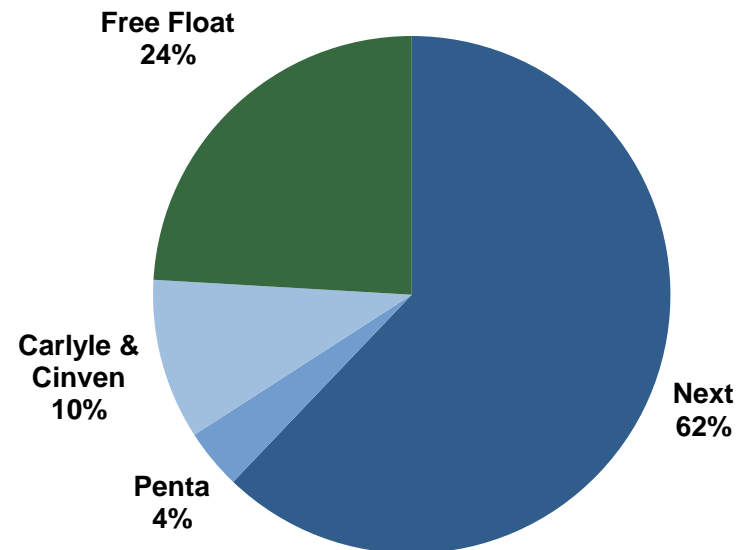
*Note:*

<sup>1</sup> 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

# Carlyle And Cinven Have Agreed To Transfer Their 34.6% Current Stake In Numericable To Altice

- **Total consideration of €1.3 Bn <sup>(1)</sup>**
  - €0.5 Bn in cash and €0.8 Bn in shares
- **20.6% stake acquired in Altice shares**
  - Exchange ratio of 0.97 Altice share for each Numericable Group share
  - Ca. 25m new Altice shares issued to Carlyle and Cinven
- **14.0% stake acquired in cash at €30.5 per Numericable Group share**
  - Interest free delayed payment option until 31st January 2015

## Altice Proforma Ownership Structure <sup>(2)</sup>



**60% proforma ownership of Altice in SFR – Numericable**

Notes:

<sup>1</sup> Assuming Altice SA share price of €30.14 per share as of April 4th, 2014

<sup>2</sup> Assuming 14% stake acquired in cash

# Permanent and Flexible Capital Structure

## SFR - Numericable

€ m	Amount
Term Loan (€ / \$)	
Senior Secured Notes (€ / \$)	
<b>SFR - Numericable Total Debt</b>	<b>11,640</b>
<i>Undrawn RCF</i>	<i>750</i>

## Altice SA

€ m	Amount
<i>Senior Secured Notes (€ / \$)</i>	<i>4,150</i>
Total Debt for SFR Acquisition Financing	4,150
France Group OpCo Net Debt	11,640
Altice VII Existing Net Debt	3,509
<b>Net Total Debt <sup>(1)</sup></b>	<b>19,049</b>
<i>Undrawn RCF at Altice SA</i>	<i>200</i>
<i>Undrawn RCF at Numericable / SFR</i>	<i>750</i>
<i>Undrawn RCF at Altice VII</i>	<i>100</i>

Note:

<sup>1</sup> Net debt including €250 MM of cash overfunding

- Attractive blended cost of debt
- 7 year weighted average life at SFR – Numericable
- Refinancing of Numericable Group existing debt
- No material amortisation / bullet repayment structure
- Incurrence covenant only capital structure
- Ample liquidity through additional Undrawn Credit Facilities
- Altice might consider raising up to an additional €550 million equity

## 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**