
SGCIB Telecom Conference

March 19, 2009

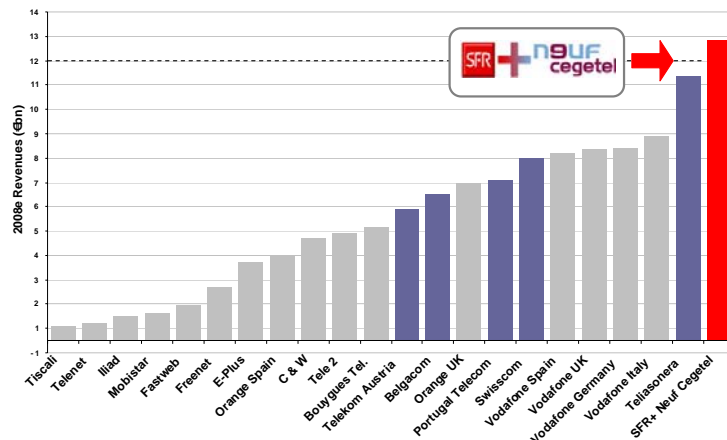
vivendi



SFR, #1 fixed / mobile alternative integrated operator in France

SFR covers all segments of the telecoms market with >€12 bn revenues...

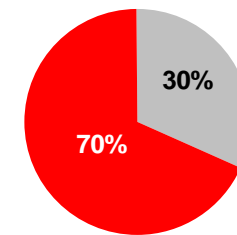
1st leading alternative integrated operator in Europe



- ❑ Total revenues: >€12bn
- ❑ 19.7 M mobile customers
- ❑ 3.9 M broadband Internet customers (home)
- ❑ ~€2bn revenues and 20% market share on Enterprise segment

...with strong position in growing segments (mobile, broadband, Internet) and strong and complementary assets

SFR revenue



■ Fixed & Broadband Internet ■ Mobile

1. Brand and customer base
2. Distribution
3. Network and technology
4. Innovation
5. Strong financials

Creation of the new SFR: a strong player in all market segments

2008

- Very fast execution of the Neuf Cegetel acquisition leading to 100% ownership, and enabling full benefit of synergies
- Single brand
- Reinforced management team



An action plan: ***SFR*** Révolution

- Focus on operating efficiency, opex control and execution of synergies
- Differentiate through client satisfaction
- Further develop broadband and mobile Internet
- Leverage SFR retail network

Everything is set for 2009 and beyond




- Priority is implementation: 103 identified action plans to generate synergies
- Stable mobile opex* before synergies
- Roll-out of the synergies: €250-300m expected by 2011

* Excluding regulatory impacts, variable customer costs and interconnexion costs

Broadband Internet

- 149,000 net adds in Q4 2008, the highest level ever recorded, 27% market share
- Very strong increase in broadband net adds since the launch of the neufbox in October – Net adds market share above Iliad in Q4 2008

Market share in Broadband Internet net adds:

		Q1	Q2	Q3	Q4
	2008	13%	8%	4%	27%
	2007	19%	22%	18%	19%
	2008	48%	51%	49%	45%
	2007	42%	51%	52%	52%
	2008	20%	22%	29%	18%
	2007	22%	26%	22%	19%




Source: company results and ARCEP

- Acquired customer bases migration expected to end in Q3 2009
 - Focus on organic growth and service quality
- ➡ Expected net adds market share consistent with portfolio level by the end of 2009

Mobile

Market share in postpaid net adds for SFR*:

Excl. VNO

		Q4 2008	FY 2008	FY 2007 (pro forma)
Fourth Quarter 2008 :		33%	30%	25%
Good performance in net adds, excellent on postpaid customers...		42%	43%	36%
... combined with an increase in EBITDA		17%	15%	19%

Source: company results and ARCEP

- **SFR ranked first** in the quality of mobile telecommunications networks in 2008 (5th year in a row) and on Data Internet Mobile**
- **iPhone 3G**: available from SFR on April 8, 2009
- Continuous strong **regulatory pressure** in 2009:
 - 4th license to be granted mid-2009
 - Decrease in mobile termination rate: by 31% from July 1st 2009
 - New TV tax
 - The Châtel Law

* SFR + SRR national market share ; Excluding Neuf Mobile and Debitel customers

** SFR is ranked #1 in the 2008 annual survey on the quality of mobile telecommunication networks in France conducted by the ARCEP, ranking first or equal to first in 31 out of 37 criteria considered by ARCEP. In particular, SFR is ranked #1 for accessibility, reliability and medium debit of Mobile Internet Data network

Mobile: 2008 EBITDA margin of 38.9% in a very competitive market

- Service Revenues at €8,576m
+4.1% before impact of regulated tariffs
- 13.6m of postpaid customers* (+10.5%), at
69.1% of customer base (+3.6pts)
- EBITDA at €3,501m (+€27m on comparable
basis**)

Broadband Internet & Fixed: Neuf Cegetel consolidated since April 15, 2008

- Revenues of €2,882m, +4.2% on comparable
basis** and excluding switched voice thanks to
mass market ADSL and Enterprise segments
- EBITDA at €457m

2008 SFR EBITA at €2,542m, after €123m restructuring costs

* Including customers of the Debitel and Neuf Mobile offer since June 30, 2008 (438k as of that date)
 ** Please refer to comparable basis definition on slide 40
 *** Excluding regulatory impacts, variable customer costs and interconnexion costs
 **** Pro forma illustrates the full consolidation of Neuf Cegetel from January 1, 2008

2009 outlook: Assuming no further deterioration of economic environment

Mobile: Pressure from regulators and new taxes

- Service Revenues: slight growth
- EBITDA: slight decrease despite stable
opex***,
in a continuing competitive environment

Broadband Internet & Fixed: A year of commercial relaunch

- Revenues: slight growth excluding
switched voice on a pro forma basis****
- EBITDA: slight decrease on a pro forma
basis due to new taxes, restoration of
organic growth and fiber deployment

Appendices

■ Strong track record of innovative offers in mobile. First French operator to generalize Mobile Internet for the mass market :

- ✓ #1 in 3G with 5.9 M customers
- ✓ Success of Illimythics offers with 1.4 M customers
- ✓ Fast development of 3G+ USB card (190 K customers at the end of 2008)
- ✓ Successful launch of Ultra Mobile PC in 2008 (34 K gross adds - with subscription - in 2008)
- ✓ 2 M subscribers to mobile TV offers



■ SFR, first music mobile downloading platform in France

- ✓ 10 million titles downloaded in 2008

■ Strong track record of innovative offers in broadband Internet

- ✓ Launch of the optic fiber neufbox in December ; all TV channels are now broadcast with the MPEG-4 format

Strong and complementary assets: Network and technology

■ **Leading broadband mobile network in France**

- ✓ SFR population coverage : 99%
- ✓ 72% population coverage in 3G/3G+

■ **Leading alternative broadband platform in France**

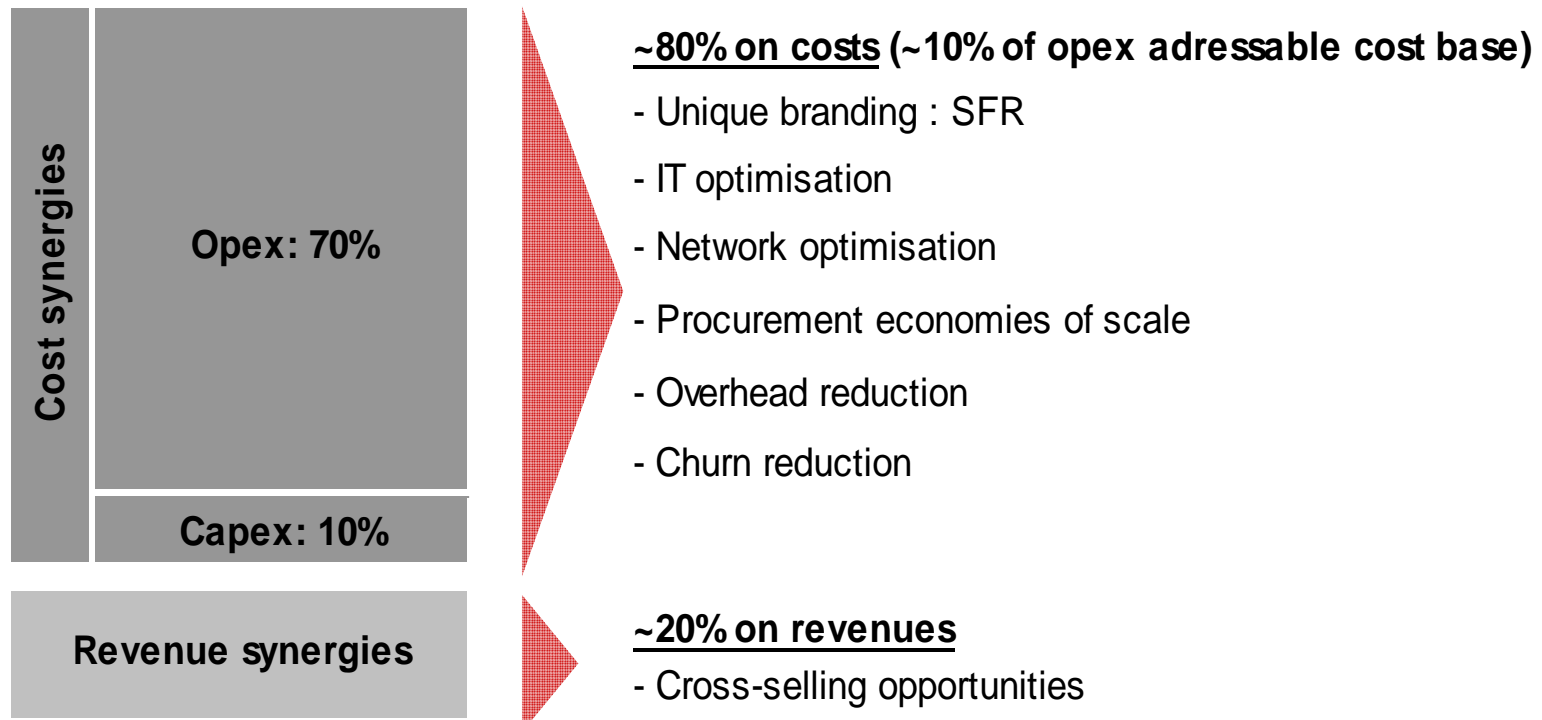
- ✓ ~50% of French unbundled lines
- ✓ 2,300 Central Offices by end 2008
- ✓ First alternative fiber backbone network with ~50,000 km of fiber cables

■ **FTTH: an objective of 5 M homes passed by end 2012**

- ➔ **Ownership of a complete portfolio of technologies**
- ➔ **Building of the first alternative full-IP convergent network in Europe**
- ➔ **With fiber development, opportunity to reduce dependency on the incumbent**

SFR + Neuf Cegetel: a value creating combination

■ Significant synergies fueled by the 100% control



➔ ~ €250/300m cash synergies in 2011

	2008	2007	Change
MOBILE			
Customers (in '000) *	19,652	18,766	+ 4.7%
Proportion of postpaid clients *	69.1%	65.5%	+3.6pts
3G customers (in '000) *	5,934	4,082	+ 45.4%
Market share on customer base (%) *	33.8%	33.9%	-0.1pt
Network market share (%)	35.8%	36.1%	-0.3pt
12-month rolling blended ARPU (€/year) **	428	440	- 2.7%
12-month rolling postpaid ARPU (€/year) **	549	570	- 3.7%
12-month rolling prepaid ARPU (€/year) **	180	191	- 5.8%
Net data revenues as a % of service revenues **	17.7%	13.7%	+4.0pts
Postpaid customer acquisition costs (€/gross adds)	211	214	- 1.4%
Prepaid customer acquisition costs (€/gross adds)	22	25	- 8.6%
Acquisition costs as a % of service revenues	7.4%	7.5%	-0.1pt
Retention costs as a % of service revenues	6.4%	5.3%	+1.1pt
Capex as a % of revenues	9.6%	10.6%	-1.0pt
BROADBAND INTERNET AND FIXED			
Broadband Internet EoP customer base (in '000) ***	3,879	3,602	+ 7.7%
Enterprise data links (in '000)	194	173	+ 12.1%

2007 broadband Internet and fixed are presented on a comparable basis. See slide **XX**

* Including Neuf Mobile and Debitel customers since June 30, 2008 (438k at that date). Not including MVNO clients which are estimated at approximately 1,123k at end of Dec. 2008 vs. 1,213k at end of Dec. 2007

** Including mobile terminations

*** As from September 30, 2008, broadband Internet customers are disclosed excluding Neuf Cegetel customers who subscribed but that are not activated.

SFR: Detailed revenues

IFRS in euro millions	2008 Actual		2007 Actual*		% Change	2007 Comparable Basis**		% Change on a Comparable Basis **
Outgoing revenues net of promotions	6,953	81%	6,771	81%	2.7%	6,803	81%	2.2%
Mobile incoming	897	10%	844	10%	6.3%	844	10%	
Fixed incoming revenues	393	5%	426	5%	-7.7%	426	5%	
Roaming in	229	3%	251	3%	-8.8%	251	3%	
Network revenues	8,472		8,292		2.2%	8,324		1.8%
Other mobile	104	1%	99	1%	5.1%	99	1%	
Service revenues	8,576	100%	8,391	100%	2.2%	8,423	100%	1.8%
Equipment sales, net	414		403		2.7%	419		
Total mobile revenues	8,990		8,794		2.2%	8,842		1.7%
Broadband Internet and fixed revenues	2,882		233		x 12.4	2,888		-0.2%
Elimination of intersegment transactions	-319		-9		x 35.4	-310		
Total SFR revenues	11,553		9,018		28.1%	11,420		1.2%
of which data revenues from mobile services	1,519		1,150		32.1%	1,150		

* From 2008, mobile revenues and Broadband Internet and fixed revenues correspond to revenues before elimination of intercompany transactions within SFR. As a result, 2007 intercompany transactions within SFR have been reclassified to comply with this presentation.

** Comparable basis mainly illustrates:

- (i) the full consolidation of the fixed and Broadband Internet activities of Tele2 France as if this acquisition had taken place on January 1, 2007
- (ii) the full consolidation of Neuf Cegetel and Club Internet as if this acquisition had taken place on April 15, 2007
- (iii) the restatement of 2007 figures in compliance with IFRIC 12 *Service Concession Arrangements*

Glossary

Adjusted earnings before interest and income taxes (EBITA): EBIT (defined as the difference between charges and income that do not result from financial activities, equity affiliates, discontinued operations and tax) before the amortization of intangible assets acquired through business combinations and the impairment losses of intangible assets acquired through business combinations.

Adjusted net income includes the following items: EBITA, income from equity affiliates, interest, income from investments, including dividends received from unconsolidated interests as well as interest collected on loans to equity affiliate and unconsolidated interests, as well as taxes and minority interests related to these items. It does not include the following items: impairment losses of intangible assets acquired through business combinations, the amortization of intangibles acquired through business combinations, other financial charges and income, earnings from discontinued operations, provision for income taxes and minority interests relating to these adjustments, as well as non-recurring tax items (notably the change in deferred tax assets relating to the Consolidated Global Profit Tax System and the reversal of tax liabilities relating to risks extinguished over the period).

Cash flow from operations (CFFO): Net cash provided by operating activities after capital expenditures net, dividends received from equity affiliates and unconsolidated companies and before income taxes paid.

Capital expenditures net (Capex, net): Capital expenditures, net of proceeds from property, plant and equipment and intangible assets.

Financial net debt is calculated as the sum of long-term and short-term borrowings and other long-term and short-term financial liabilities as reported on the consolidated statement of financial position, less cash and cash equivalents as reported on the consolidated statement of financial position, as well as derivative instruments in assets and cash deposits backing financing (included in the Consolidated Statement of Financial Position under "financial assets").

The percentage of change are compared with the same period of the previous accounting year, except particular mention.

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