SFR Network

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Société Générale
9th Annual Telecom Conference
March 25th, 2010
Evolution of customer usage due to fast adoption of mobile Internet and growth in video consumption

New devices generate significantly more mobile Internet usage

Monthly data usage

Video content makes up a growing part of the overall usage, on all screens

- Growth in IPTV services over ADSL
  - 2m IPTV subscribers (45% of ADSL base), +58% vs. end 2008
  - ~ 500k subscribers to pay-TV services
  - 17m videos consumed in 2009 (incl. VoD, S-VoD and catch-up TV)

- PC Internet usage patterns, in particular access to video content, moving onto the mobile device

Source: SFR
SFR mobile access network: more capacity, extension of 3G coverage

Fulfilling growing capacity needs with

- Evolution of technologies with higher efficiency (HSDPA 7.2 Mbps on 100% of 3G network end 2010 and roll-out plan to 42 Mbps thereafter)
- Fair use policy
- Densification
- Fixed / mobile network synergies
  - SFR Home 3G (femtocell)
  - 2m WiFi hotspots through neufbox footprint
  - Continuity of service over IP network
- New frequencies and new technology (LTE)

Extension of 3G coverage

- UMTS 900
- 3G network sharing in “white zones” under the aegis of ARCEP

Data traffic on mobile access

Source: SFR

98% population 3G coverage end 2011

Source: SFR
SFR fixed access network: more speed for the end-user

Key challenge on the fixed access network is not so much on meeting growing capacity needs as last mile is dedicated to end-user / household…

… but to increase the access speed offered to the end-user, thanks to the deployment of fiber

- Own fiber deployment in dense areas, shared deployment elsewhere
- 1.8 million home street passed in dense areas as of end 2009
Move to “all-IP” infrastructure for fixed and mobile in order to efficiently manage the traffic growth

From 3rd party transmission solutions on radio sites...

.. to SFR’s own solutions

Microwave
- Packet microwave technology providing speed up to 100 Mbps

ADSL
- 80-90% OPEX reduction

Fiber
- Considerable capacity increase on radio sites in dense urban areas
- No more OPEX to 3rd party
- Key for HSPA+ and LTE roll-outs

Leased line E1 (2Mbps) @ ~2-4k€/year