AGENDA

1. Integrated fixed/mobile operator with strong assets
2. Growth opportunities
3. 2009 performance overview
4. 2010 Q1 results & FY guidance
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SFR is an integrated fixed/mobile operator with strong assets and opportunities of value creation

1. Generating scale effects due to the increased size of the SFR group
2. Promoting a single brand, for all offers and customers
3. Capitalizing on large customer bases both on mobile and fixed
4. Leveraging multiple channels for distribution and customer care
5. Optimising network synergies
SFR, global operator with strong positions on all segments

- **SFR covers all segments of the French telecoms market**
  
  - **Consumer**
    - 20.4m mobile customers, with 74% postpaid
    - 4.6m broadband Internet customers
  
  - **Enterprise**
    - 140k enterprise customers
    - 200 operators and 8 MVNOs

- **Addressing 25m customers**

- **SFR, a well-established and powerful brand**

  - From a mobile-specialist brand to a global operator brand

- At the end of March 2010

- Sept. 2008: 9%
  - 53% of spontaneous awareness of the SFR brand as an ISP
  - March 2010
A strong multi-channel distribution and customer support

- A strong distribution network providing enhanced proximity and quality of service for our customers
  - 800 “espace SFR” distributing both mobile and fixed offers

![Evolution of “espace SFR” stores](image)

- Assistance at the heart of the customer proposition
  - 3G back-up key provided in case of ADSL outage
  - After-sales support corner in shops
  - « Personalised follow-up » at customer care, with dedicated experts
Online at the core of customer relationships

- **All customer relationship activities go online**
  - Sales, selfcare, e-billing, online assistance

- **Enhanced customer experience**
  - Increased flexibility
  - Multi-channel shopping combining online and physical shops

- **Increased efficiency of contacts**
  - Optimisation of commercial costs online vs. physical distribution
  - Reduction of calls volume to customer care

**Share of online transactions in sales**

**Share of online selfcare in customer care**
1st alternative broadband infrastructure in France

- **Leading mobile broadband network**
  - 87% population coverage in 3G/3G+ as of mid-2010, extending to 98% by end 2011
  - 7.2 Mbps HSDPA deployed over 100% of 3G network
  - 2m WiFi hotspots

- **The 1st alternative fixed broadband infrastructure**
  - 70% unbundled ADSL lines
  - 2,900 unbundled local exchanges (+600 vs. 2008)
  - FTTH deployments: 1.8m home street passed at end 2009
  - 57,000 km fiber backbone

- **Optimising networks with the migration to “all-IP”**
  - Evolution towards IP-based infrastructure for all access networks (fixed & mobile) and services (voice & data)
Leveraging synergies between fixed and mobile networks

Objectives:

- Increase network capacity to manage mobile data traffic growth
- Enhance mobile broadband access performance to improve user experience
- Build an efficient “pipe” which reduces data transmission costs

Off-loading traffic to the fixed network

- WiFi: “Always best connected” application facilitating seamless roaming on SFR’s 2m WiFi hotspots for 3G dongles and webphones
  - Femtocell: product launched end 2009

Connecting cellular radio sites to the transport network using own fixed transmission solution

- ADSL: 80-90% OPEX reduction
- Fiber: considerable capacity increase and no more OPEX to 3rd party
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## Growth in broadband

<table>
<thead>
<tr>
<th></th>
<th>CLIENT BASES</th>
<th>TRAFFIC</th>
<th>REVENUES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>End 2008</td>
<td>(2009 vs. 2008)</td>
<td>(Q4 09 vs. Q4 08)</td>
</tr>
<tr>
<td>Webphones</td>
<td>0.1m</td>
<td>x3</td>
<td>±31%</td>
</tr>
<tr>
<td></td>
<td>x11</td>
<td>mobile data traffic growth</td>
<td>mobile data revenues growth</td>
</tr>
<tr>
<td>PC</td>
<td>321k</td>
<td>x2</td>
<td></td>
</tr>
<tr>
<td></td>
<td>664k</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumers (households)</td>
<td>3.9m +15%</td>
<td></td>
<td>+25%</td>
</tr>
<tr>
<td>Enterprises (sites)</td>
<td>163k +5%</td>
<td></td>
<td>+9%</td>
</tr>
<tr>
<td></td>
<td>171k</td>
<td></td>
<td>fixed revenues growth excl. switched voice</td>
</tr>
</tbody>
</table>
Focus on mobile data services

Fast adoption of webphones: 1.1m user base as of end 2009

- ~15/20% of gross adds
- 8% penetration in postpaid base
- Applications by SFR

Growing choice of devices offered to customers

Value moving into data: 24% of mobile service revenues come from data (+6 pts YoY)

Mobile data revenues

- €1.5bn in 2008
- €2.0bn in 2009
- 18% in 2008
- 24% in 2009

Voice / data rebalancing in postpaid offers

- +10€/month (on average)
- +11€/month (on average)
- SMS & Web unlimited
- Voice-centric plan (Essentiel)
- «Light» data plan (Illimythics 3G+)
- «Full Internet» plan for webphones
- Voice

Push emails, WiFi hotspots, Visual voice mail

Based on SFR’s commercial offers as of March 1st, 2010.
Focus on IPTV services

- 2m IPTV users or 45% of the ADSL customer base
- IPTV services penetration driven by the commercial success of the neufbox triple-play offer and pursuit of unbundling

**IPTV subscribers**

<table>
<thead>
<tr>
<th>Dec. 08</th>
<th>Dec. 09</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.3m</td>
<td>2.0m</td>
</tr>
</tbody>
</table>

**TV**

- More than 140 channels included and more than 150 optional channels
- ~500k subscribers to pay-TV bouquets and channels (+88% YoY)
- 7 High Definition TV channels offered

**Video and TV on Demand**

- More than 7,000 films in the VoD catalogue
- Catch-up TV: fast adoption of services launched in H2 2009
- 17m videos consumed in 2009 (incl. VoD, S-VoD and catch-up TV)
Growth in Enterprise driven by converged fixed/mobile propositions

Common fixed / mobile Enterprise customers

<table>
<thead>
<tr>
<th>% total Enterprise customer base</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jan. 2009</td>
</tr>
<tr>
<td>Dec. 2009</td>
</tr>
</tbody>
</table>


22% 28% +6pts

Integrated solution for SMEs: “Pack Business”

- Switchboard
- Broadband Internet access
- Fixed phone lines
- Mobile lines

✓ Simple and flexible for small enterprises
✓ Control of telecoms budget
✓ Launched in January 2010

- SFR Business Team, a dedicated entity for the Enterprise market
- 140k customers, large presence on all market segments (incl. 90% of CAC 40 firms)
- Growth opportunities in Fixed services based on complementary customer bases (~35% market share in Mobile vs. ~12% in Fixed)
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FY 2009 SFR Financials

- **Mobile revenues**: stable
  - #1 in postpaid net adds in 2009 with 36% market share
  - Growth in customer base, data revenues (+33%) and handset revenues offset the regulatory impact* and adverse economic conditions

- **Mobile EBITDA**: €3,306m
  - Investment in acquisition / retention costs (670k iPhones) and strict control of non-variable opex
  - Additional taxes subsidizing state-owned TV and regulatory impact*

- **Broadband & Fixed revenues**: up 2.5% on a comparable basis excl. switched voice
  - #1 in broadband net adds in Q4 with 33% market share
  - Strong decrease in ADSL churn

- **Broadband & Fixed EBITDA**: €661m, up 1.2% on a comparable basis
  - Strong growth of broadband customer base more than offsets increase in customer costs and decline in switched voice

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<table>
<thead>
<tr>
<th>in euro millions - IFRS</th>
<th>2009</th>
<th>2008</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>12,425</td>
<td>11,553</td>
<td>+7.6%</td>
</tr>
<tr>
<td>Mobile</td>
<td>8,983</td>
<td>8,990</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Broadband Internet &amp; Fixed</td>
<td>3,775</td>
<td>2,882</td>
<td>+31.0%</td>
</tr>
<tr>
<td>Intercos</td>
<td>-333</td>
<td>-319</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>3,967</td>
<td>3,958</td>
<td>+0.2%</td>
</tr>
<tr>
<td>Mobile</td>
<td>3,306</td>
<td>3,501</td>
<td>-5.6%</td>
</tr>
<tr>
<td>Broadband Internet &amp; Fixed</td>
<td>661</td>
<td>457</td>
<td>+44.6%</td>
</tr>
<tr>
<td>EBITA</td>
<td>2,530</td>
<td>2,542</td>
<td>-0.5%</td>
</tr>
<tr>
<td>o/w restructuring costs</td>
<td>-20</td>
<td>-123</td>
<td></td>
</tr>
</tbody>
</table>

*Among which mobile termination rates (MTR) down 31% since July 2009

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**Strict control in non-variable Opex**

- Almost €100m synergies achieved in 2009, in line with initial target
- Opex excluding variable fees, interconnections and commercial costs down 7% yoy

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*o/w restructuring costs*
Strong commercial performance for SFR in 2009 in Mobile…

Postpaid net adds: SFR #1 in postpaid customer recruitment in 2009

Market share (%) 50%
40%
30%
20%
10%
0%
Q1 08 Q2 08 Q3 08 Q4 08 Q1 09 Q2 09 Q3 09 Q4 09
2008: 29% 2009: 36%
25% 32% 26% 31% 35% 39% 40% 32%

Source: Arcep and SFR data

- 36% postpaid net adds market share in 2009 vs. 29% in 2008
- +1,225k postpaid customers in 2009 vs. +851k in 2008
- Success of iPhone: 670k sold since launch in April 2009 (as of end December 2009)
- Share of postpaid customers growing at 73% of total base (+4 pts YoY)
… as well as in Fixed Broadband Internet

- 31% market share in ADSL net adds growth in 2009 up from 14% in 2008
- +565k broadband Internet net adds in 2009, #1 in recruitments in Q4
- 35% of sales in the “espace SFR” (controlled physical distribution)
- 12-month ADSL churn decreased by -5.6 pts to 14.7% at end 2009 due to quality of service improvement and the completion of the ADSL migration plan (total of 1m customers migrated)

Source: Arcep and SFR data
Control of Opex

OPEX trends

<table>
<thead>
<tr>
<th></th>
<th>FY 2008</th>
<th>FY 2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial costs</td>
<td></td>
<td>+6%</td>
</tr>
<tr>
<td>Interconnection costs (voice, data, content) &amp; taxes</td>
<td></td>
<td>+7%</td>
</tr>
<tr>
<td>Opex excl. variable costs</td>
<td>-7%</td>
<td></td>
</tr>
</tbody>
</table>

- **Investment in acquisition and retention costs** to support strong commercial results and launch of iPhone in April 2009
- **Interconnection costs growing** due to the success of abundance offers
- **Impact of new tax subsidizing state-owned TV**
- **Strict control of non-variable costs**, while the number of customers and network traffic significantly increase
Control of CAPEX

CAPEX trends

- Increase in fixed CAPEX in 2009 driven by:
  (i) strong growth in ADSL sales, which translate into 370 m€ variable CAPEX
  (ii) and close to 150 m€ investment in fiber focused on “horizontal” FTTH deployment in Paris, Lyon and Marseille

- Mobile CAPEX kept under strict control in 2009 at 8.5% of mobile revenues, while focus on 3G network investments (coverage and capacity) has been maintained to support mobile broadband growth
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Q1 2010 SFR Financials

- **Mobile services revenues**: +4.3% excl. regulatory impacts *
  - Continued growth in customer base: #1 in postpaid net adds in Q1 with 225k new mobile subscribers
  - Data revenues (+19.5%) representing 26.5% (+4.6pts) of service revenues

- **Mobile EBITDA**: €834m, +0.8%
  - Continuing commercial investments (227k iPhones) and strict control of non-variable opex
  - Mobile/SMS termination rate impact* of -€37m

- **Broadband & Fixed revenues**: +5.0%
  - SFR recovered #2 position on French broadband market with 4.6m customers, due to strong organic growth
    - #1 in broadband net adds in Q1 with 148k new subscribers
    - Broadband revenues up 14.6% to €471m

- **Broadband & Fixed EBITDA**: €151m, +13.5%
  - Growth driven by broadband

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**Objectives for 2010**

Maintain commercial dynamism despite a more challenging competitive environment

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### Revenues in euro millions - IFRS

<table>
<thead>
<tr>
<th>Q1 2010</th>
<th>Q1 2009</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td>+1.9%</td>
</tr>
<tr>
<td>Mobile</td>
<td>2,185</td>
<td>2,181</td>
</tr>
<tr>
<td>Broadband Internet &amp; Fixed</td>
<td>981</td>
<td>934</td>
</tr>
<tr>
<td>Intercos</td>
<td>-81</td>
<td>-87</td>
</tr>
<tr>
<td><strong>EBITDA</strong></td>
<td></td>
<td>+2.6%</td>
</tr>
<tr>
<td>Mobile</td>
<td>834</td>
<td>827</td>
</tr>
<tr>
<td>Broadband Internet &amp; Fixed</td>
<td>151</td>
<td>133</td>
</tr>
<tr>
<td><strong>EBITA</strong></td>
<td></td>
<td>+3.9%</td>
</tr>
</tbody>
</table>

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*Mobile termination rate (MTR) down 31% since July 2009 and SMS termination rate down 33% since February 2010
FY SFR 2010 Guidance

- **Initial FY 2010 Guidance (announced March 1st, 2010):**
  - Mobile: slight decrease in EBITDA
  - Broadband & Fixed: slight increase in EBITDA

- **Revised FY 2010 Guidance (announced May 11th, 2010):**
  - Mobile: slight decrease in EBITDA / Confirmed
  - Broadband & Fixed: increase in EBITDA (vs. slight increase) / Slightly upgraded