Et le monde est à vous.

SFR

Investor Presentation

March, 2010

AGENDA

1. **Integrated fixed/mobile operator with strong assets**
2. **Growth opportunities**
3. **2009 performance overview**

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1. **Integrated fixed/mobile operator with strong assets**
2. **Growth opportunities**
3. **2009 results overview**

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	Enterprise	Wholesale

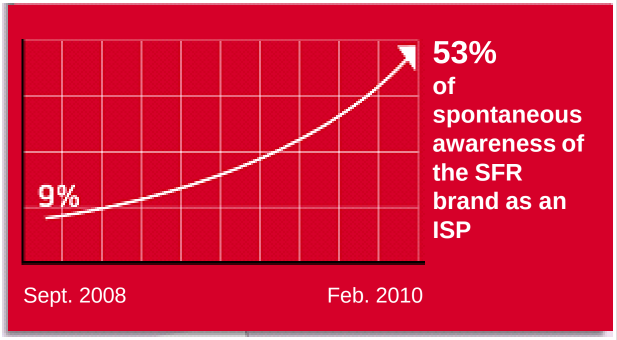
Addressing 25m customers

- 20.4m mobile customers, with 73% postpaid
- 4.4m broadband Internet customers
- 140k enterprise customers
- 200 operators and 8 MVNOs

At the end of 2009

SFR, a well-established and powerful brand

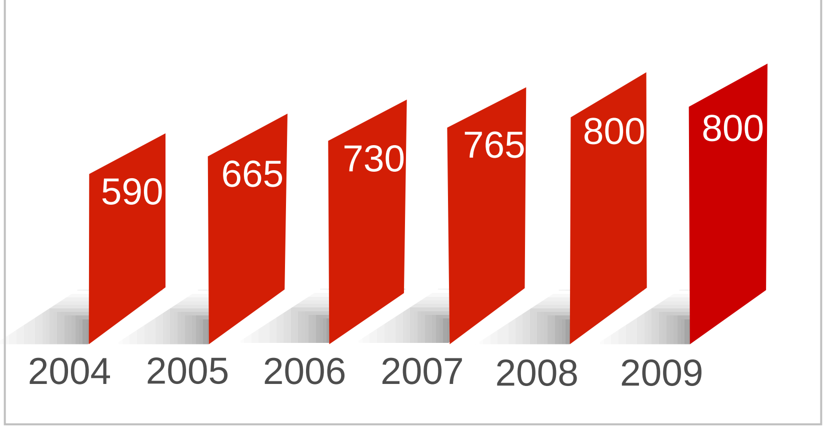
- From a mobile-specialist brand to a global operator brand



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

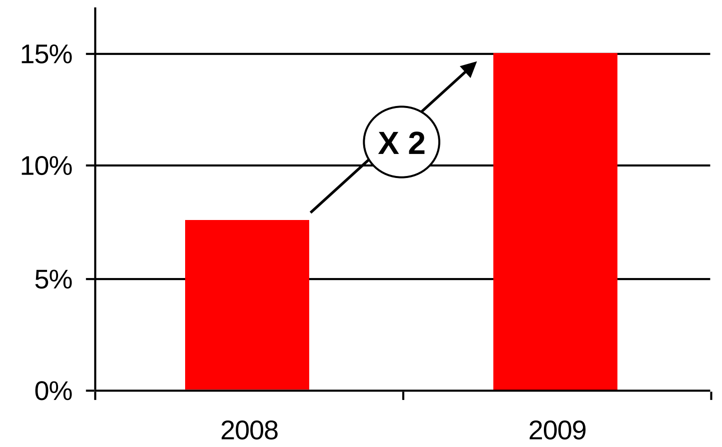


- **Assistance at the heart of the customer proposition**
  - ✓ 3G back-up key provided in case of ADSL outage
  - ✓ After-sales support corner in shops
  - ✓ « Personalised follow-up » at customer care, with dedicated experts

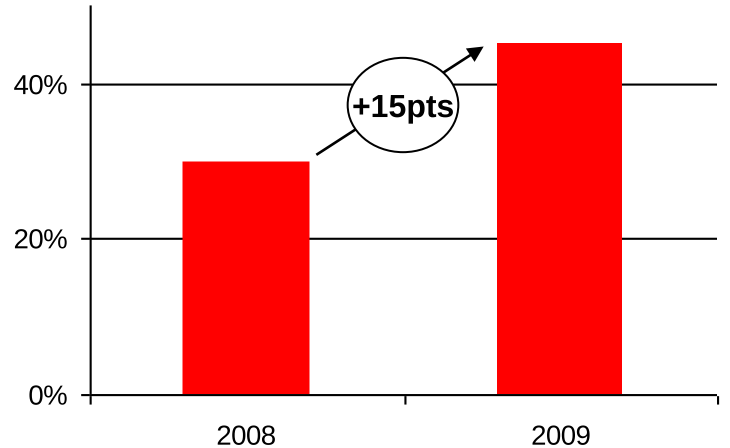
Online at the core of customer relationships

- **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

- ✓ 81% population coverage in 3G/3G+ at end 2009, 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

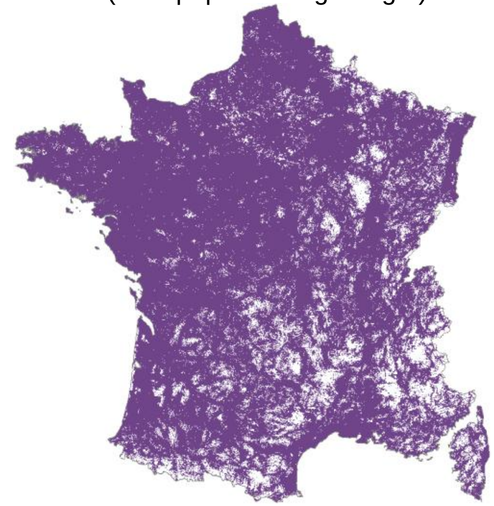
- ✓ 70% unbundled ADSL lines
- ✓ 2,900 unbundled local exchanges (+600 vs. 2008)
- ✓ FTTH deployments: 1.8m home street passed at end 2009
- ✓ 57,000 km fiber backbone

❑ Optimising networks with the migration to "all-IP"

- ✓ Evolution towards IP-based infrastructure for all access networks (fixed & mobile) and services (voice & data)

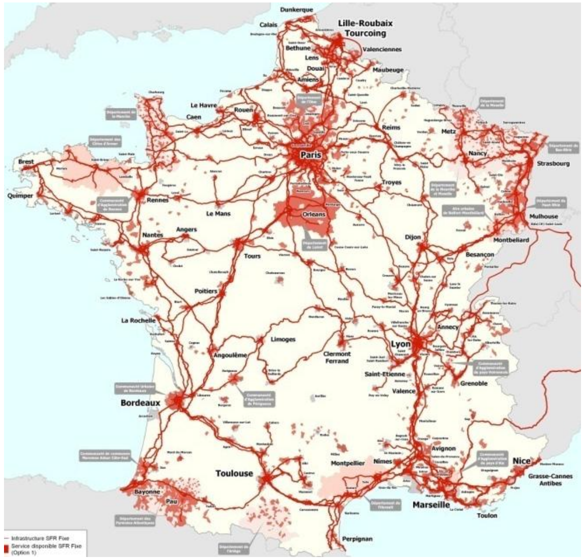
3G/3G+ network coverage at end 2011

(98% pop. coverage target)



Fixed network infrastructure

(71% pop. coverage of unbundled ADSL at end 09)



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

		CLIENT BASES End 2008		CLIENT BASES End 2009	TRAFFIC (2009 vs. 2008)	REVENUES (Q4 09 vs. Q4 08)
MOBILE BROADBAND	**Webphones**	**0.1m**	***x11***	**1.1m**	**x3** mobile data traffic growth	**+31%** mobile data revenues growth
	PC	**321k**	***x2***	**664k**		
FIXED BROADBAND	**Consumers** (households)	**3.9m**	***+15%***	**4.4m**	**+25%** fixed data traffic growth	**+9%** fixed revenues growth excl. switched voice
	Enterprises (sites)	**163k**	***+5%***	**171k**		

Focus on mobile data services

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

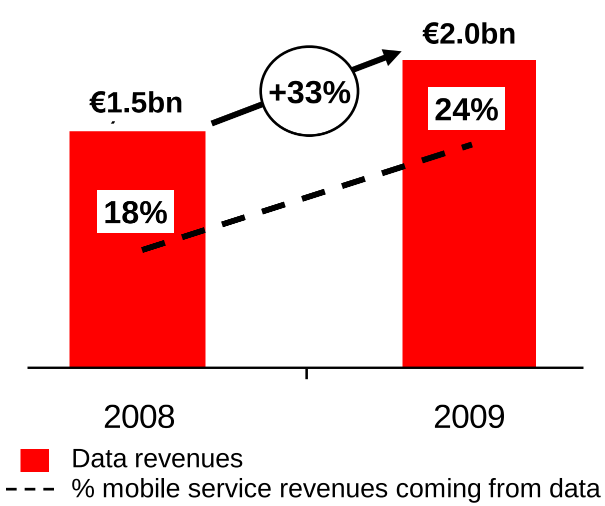
- ~15/20% of gross adds
- 8% penetration in postpaid base
- Applications by SFR

SFR TV
SFR WiFi
SFR Mon Compte

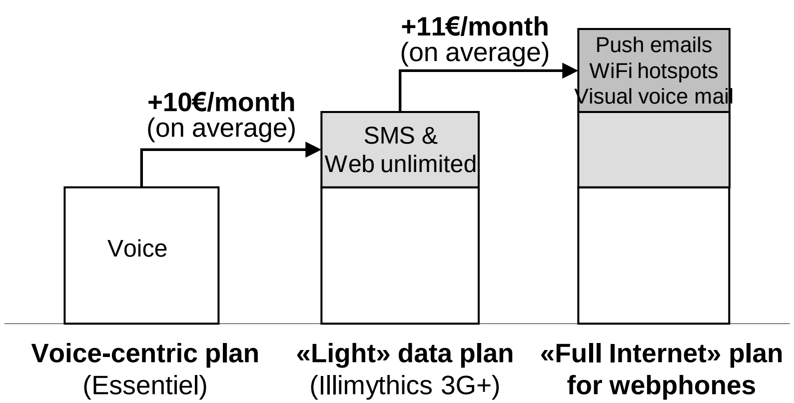
Growing choice of devices offered to customers

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

Mobile data revenues



Voice / data rebalancing in postpaid offers

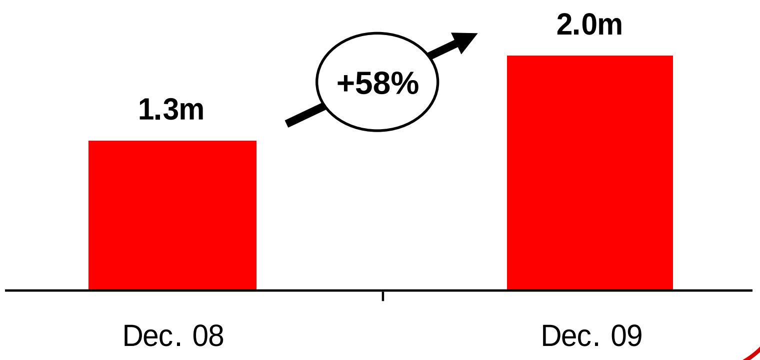


Based on SFR's commercial offers as of March 1st, 2010

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

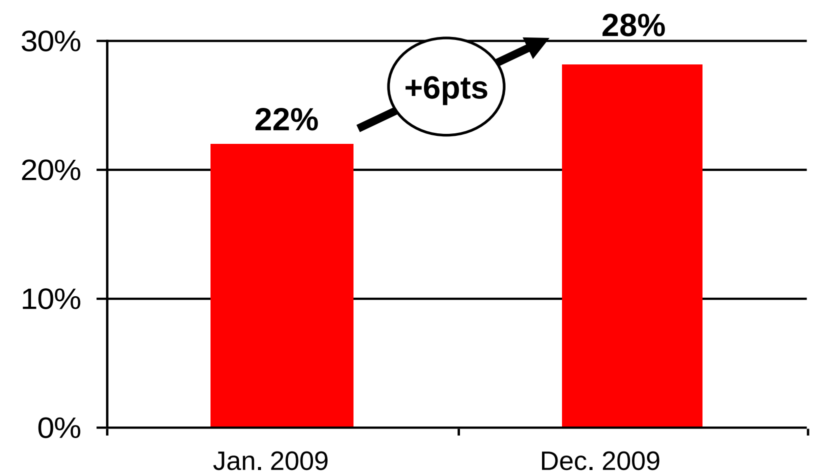


TV	✓ More than 140 channels included and more than 150 optional channels ✓ ~500k subscribers to pay-TV bouquets and channels (+88% YoY) ✓ 7 High Definition TV channels offered
Video and TV on Demand	✓ More than 5,000 films in the VoD catalogue ✓ Catch-up TV: fast adoption of services launched in H2 2009 ✓ 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

% total Enterprise customer base



Integrated solution for SMEs: "Pack Business"

Packaged quadruple-play offering

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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SFR 2009 Highlights

Positive results delivered following the acquisition of Neuf Cegetel

- Execution of the integration plan in less than 12 months
- Excellent commercial performance in contract customer growth in 2009 for both broadband Internet (#1 in ADSL net adds in Q4) and mobile (#1 in postpaid net adds full year)
- On track with synergies plan (250-300 m€ target in 2011)

Progress obtained in key growth areas in 2009

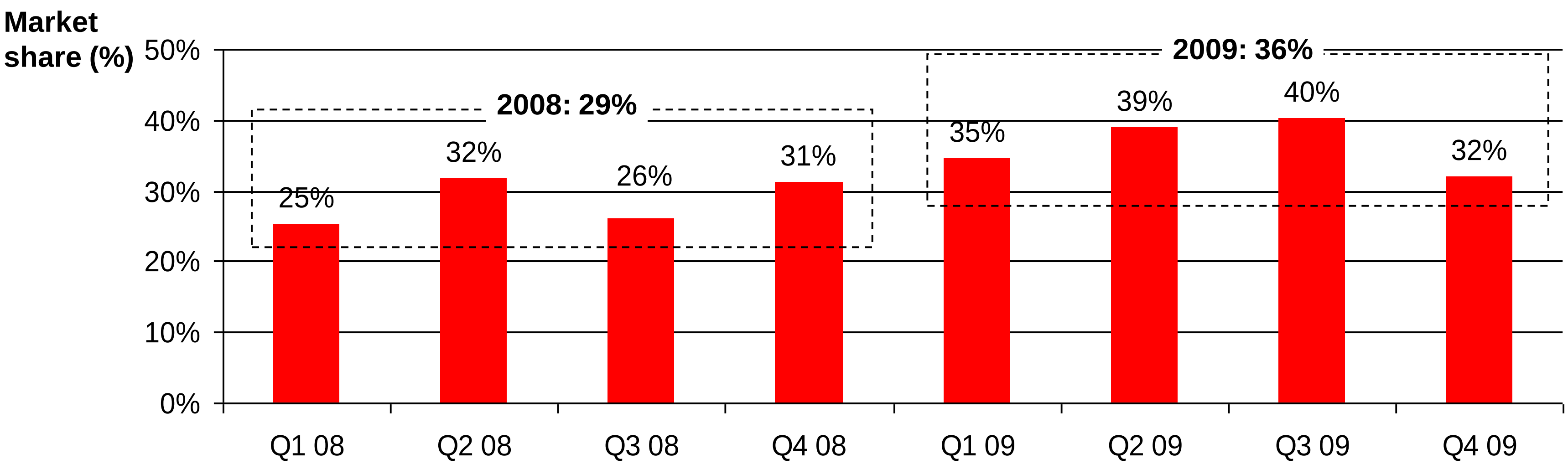
- +1,225k mobile postpaid customers, 36% net adds market share
- +33% mobile data revenue growth
- +565k broadband Internet customers, 31% net adds market share in ADSL
- +58% growth in IPTV subscribers

Disciplined on costs

- -7% reduction in non-variable Opex in 2009 despite significant growth of customer bases and network traffic
- 100 m€ cash synergies achieved in 2009, in line with our objectives

Strong commercial performance for SFR in 2009 in Mobile…

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

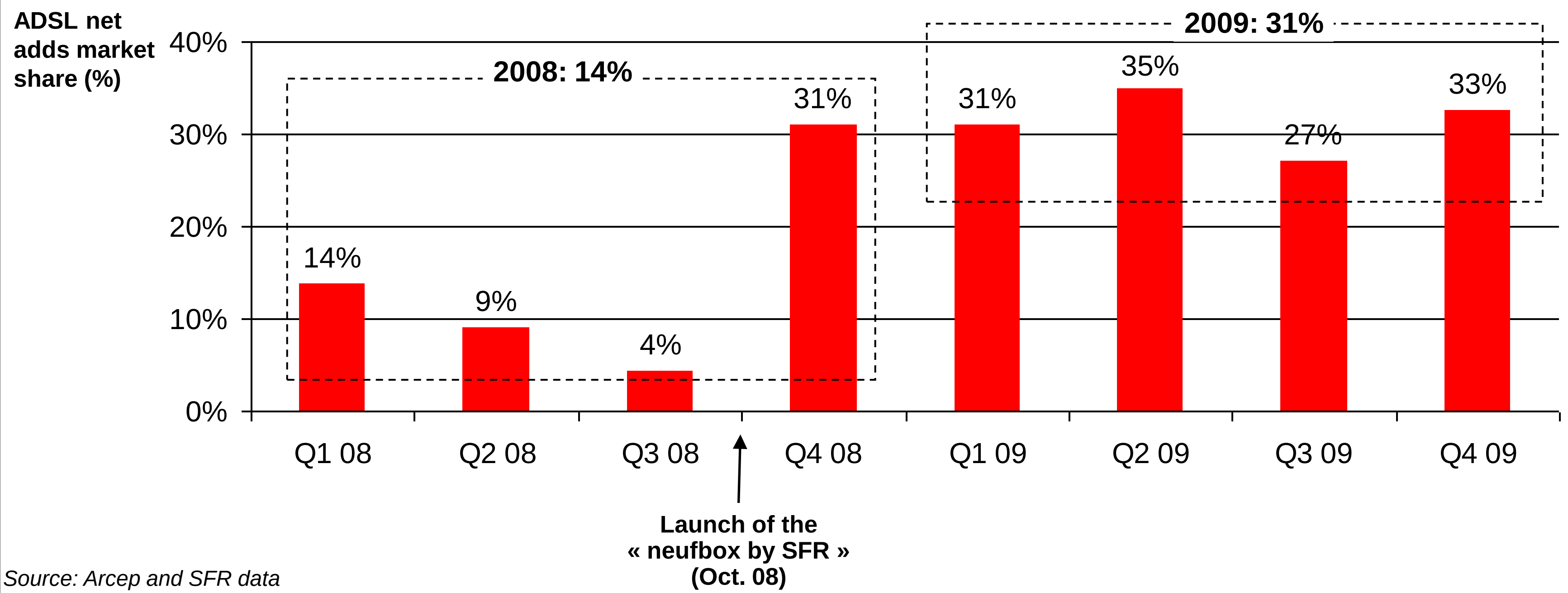


Source: Arcep and SFR data

- 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

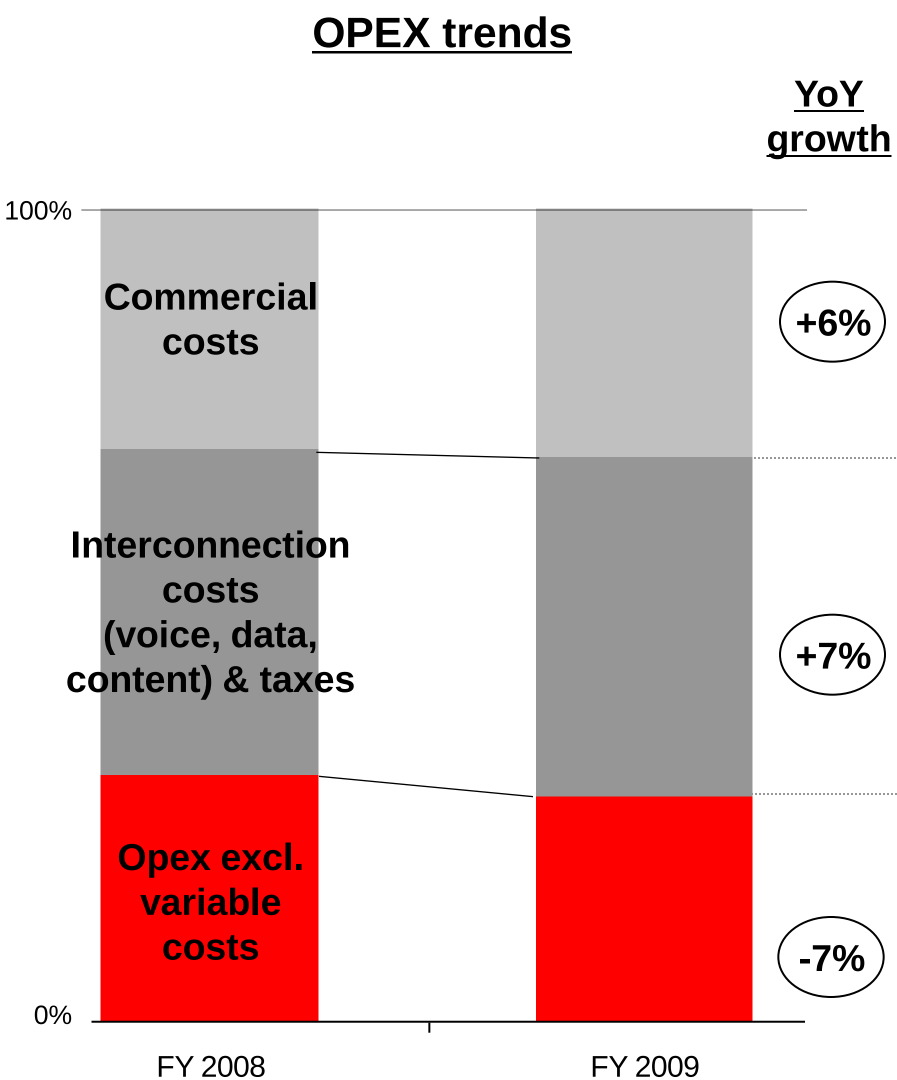
Broadband Internet net adds : ~30% net adds market share maintained for 5 consecutive quarters



Source: Arcep and SFR data

- 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)

Control of Opex

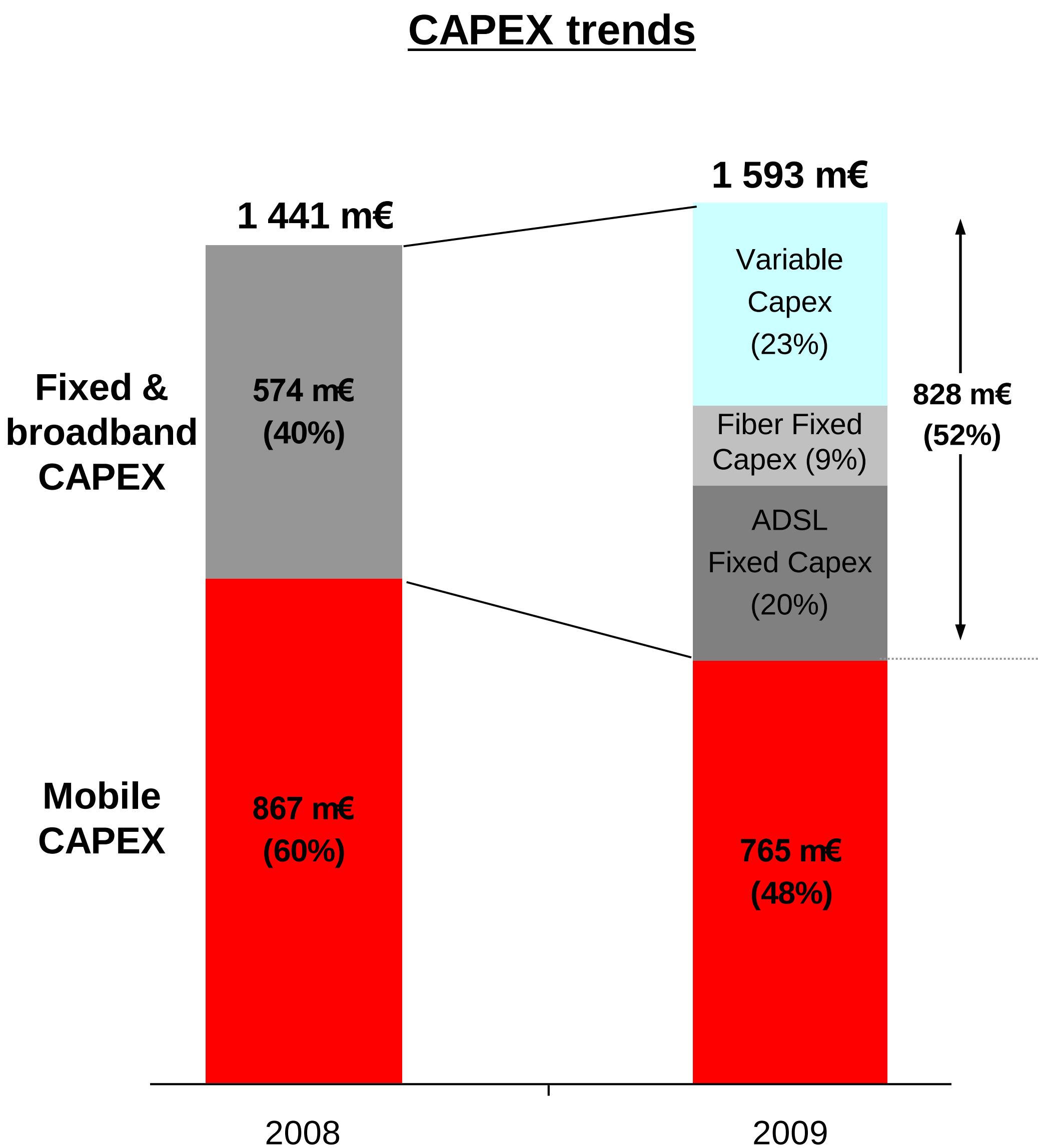


- Investment in acquisition and retention costs to support strong commercial results and launch of iPhone in April 2009

- 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



- 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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APPENDICES

Financial figures

In euro millions - IFRS	2009	2008	Change
Revenues	**12,425**	**11,553**	**+ 7.6%**
Mobile	*8,983*	*8,990*	*- 0.1%*
Broadband Internet & Fixed	*3,775*	*2,882*	*+ 31.0%*
Intercos	*(333)*	*(319)*	
EBITDA	**3,967**	**3,958**	**+ 0.2%**
Mobile	*3,306*	*3,501*	*- 5.6%*
Broadband Internet & Fixed	*661*	*457*	*+ 44.6%*
EBITA	**2,530**	**2,542**	**- 0.5%**
o/w restructuring costs	*(20)*	*(123)*	

KPI

	2009	2008	Change
MOBILE			
Customers (in '000)*	20,395	19,652	+ 3.8%
Proportion of postpaid clients*	72.6%	69.1%	+3,5 pts
3G customers (in '000)*	8,386	5,934	+ 41.3%
Market share on customer base (%)*	33.2%	33.9%	-0,7 pt
Network market share (%)	34.9%	35.8%	-0,9 pt
12-month rolling blended ARPU (€/year)**	418	433	- 3.5%
12-month rolling postpaid ARPU (€/year)**	532	559	- 4.8%
12-month rolling prepaid ARPU (€/year)**	164	180	- 8.9%
Net data revenues as a % of services revenues**	23.7%	17.7%	+6.0 pts
Postpaid customer acquisition costs (€/gross adds)	196	211	- 7.1%
Prepaid customer acquisition costs (€/gross adds)	20	22	- 9.1%
Acquisition costs as a % of service revenues	7.4%	7.4%	-
Retention costs as a % of services revenues	7.6%	6.4%	+1,2 pt
BROADBAND INTERNET AND FIXED			
Broadband Internet EoP customer base (in '000)	4,444	3,879	+ 14.6%

* Not including MVNO clients which are estimated at approximately 1,039k at end December 2009 vs. 1,101k at end of December 2008

** Including mobile terminations

ARPU (Average Revenue Per User) is defined as revenues net of promotions and net of third-party content provider revenues excluding roaming revenues and equipment sales divided by the average ARCEP total customer base for the last twelve months. Since January 1, 2009, ARPU excludes M2M (Machine to Machine) revenues. The 2008 figures were updated in order to take into account the change in definition and to be consistent with 2009 figures.

Detailed revenues

IFRS in euro millions	2009 Actual		2008 Actual		% Change	2008 comparable basis*		% Change on a comparable basis*
Outgoing revenues net of promotions	6,939	*82%*	6,953	*81%*	- 0.2%	6,962	*81%*	-0.3%
Mobile incoming	963	*11%*	897	*10%*	+ 7.4%	897	*10%*	
Fixed incoming revenues	315	*4%*	393	*5%*	- 19.8%	393	*5%*	
Roaming in	185	*2%*	229	*3%*	- 19.2%	229	*3%*	
Network revenues	**8,402**		**8,472**		**- 0.8%**	**8,481**		**-0.9%**
Other mobile	108	*1%*	104	*1%*	+ 3.8%	104	*1%*	
Service revenues	**8,510**	*100%*	**8,576**	*100%*	**- 0.8%**	**8,585**	*100%*	**-0.9%**
Equipment sales, net	473		414		+ 14.3%	414		
Total mobile revenues	**8,983**		**8,990**		**- 0.1%**	**8,999**		**-0.2%**
Broadband Internet and fixed revenues	**3,775**		**2,882**		**+ 31.0%**	**3,825**		**-1.3%**
Elimination of intersegment transactions	-333		-319		- 4.4%	-431		
Total SFR revenues	**12,425**		**11,553**		**+ 7.6%**	**12,393**		**+ 0.3%**
of which data revenues from mobile services	2,021		1,519		+ 33.0%	1,519		

* Comparable basis illustrates the full consolidation of Neuf Cegetel (excluding Edition and International parts of Jet Multimedia) as if this acquisition had taken place on January 1, 2008