

Carrément
VOUS.

SFR

SFR Consumer business update

November 25th, 2010

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Executive VP, Professional and Consumer Market

Our core belief (1/2)

Digitization: a new frontier!



**Explosion of digital uses drives strong
growth opportunities**



Our core belief (2/2)



**Clients need a trusted partner to guide them
in the digital world**



Our mission on the Consumer market

A thick, dark red L-shaped line that starts with a vertical segment on the left and then turns 90 degrees to the right, forming a horizontal segment.

Guide each client and offer him
the best of the digital world



SFR's value proposition on the Consumer market

The diagram features three red L-shaped brackets, each framing a text label. Below each label is a red circle containing a white number. The first bracket frames 'OFFERS' with a circle containing '1'. The second bracket frames 'CUSTOMER RELATIONSHIP' with a circle containing '2'. The third bracket frames 'CUSTOMER EXPERIENCE' with a circle containing '3'.

OFFERS

1

**CUSTOMER
RELATIONSHIP**

2

**CUSTOMER
EXPERIENCE**

3



SFR's value proposition on the Consumer market

OFFERS

1

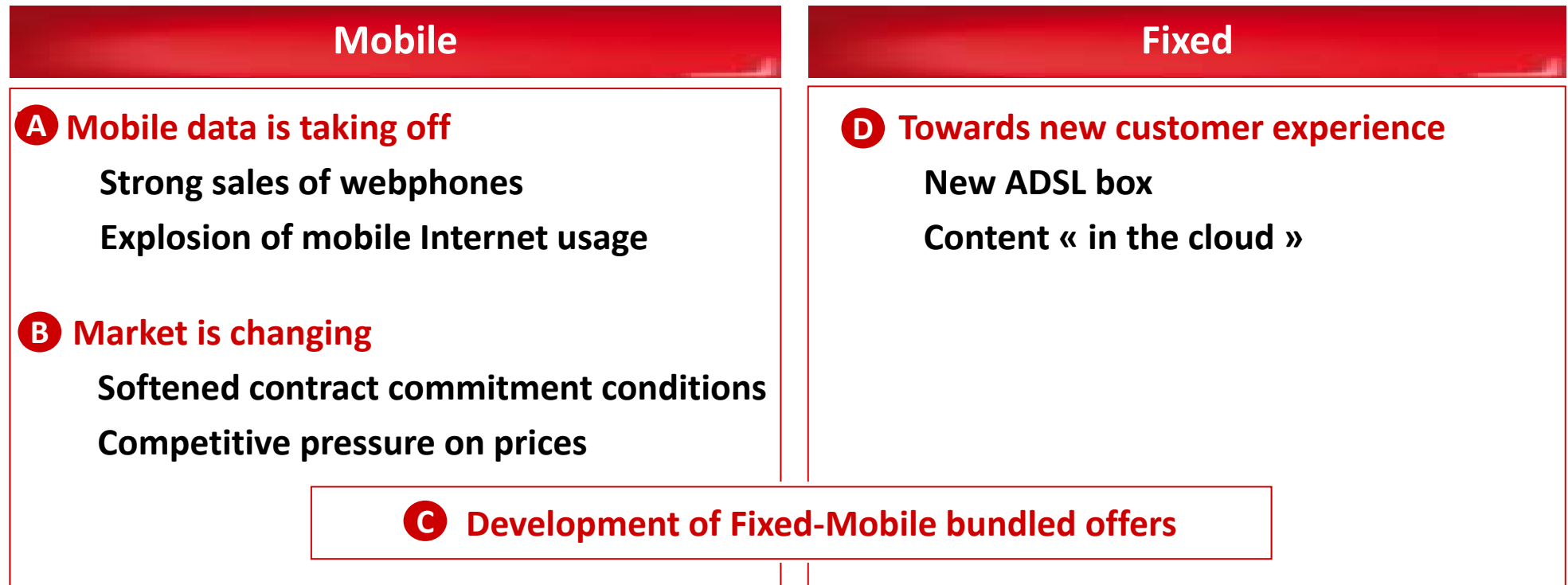
**CUSTOMER
RELATIONSHIP**

2

**CUSTOMER
EXPERIENCE**

3

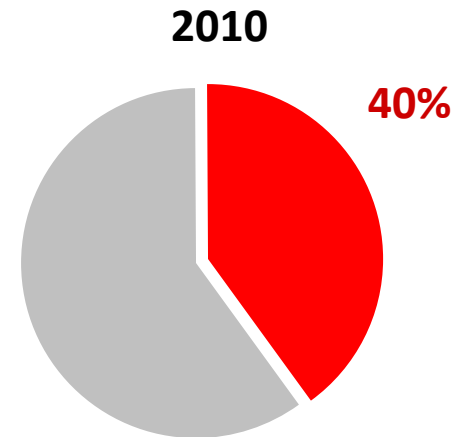
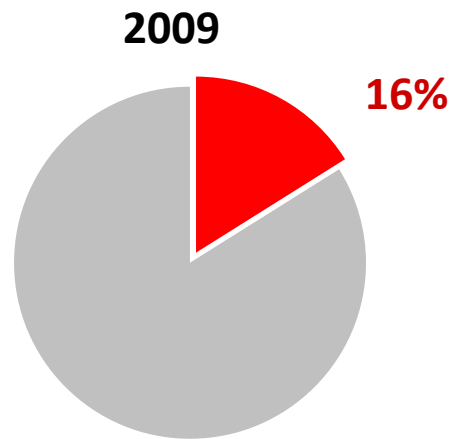
2010, year of transformation



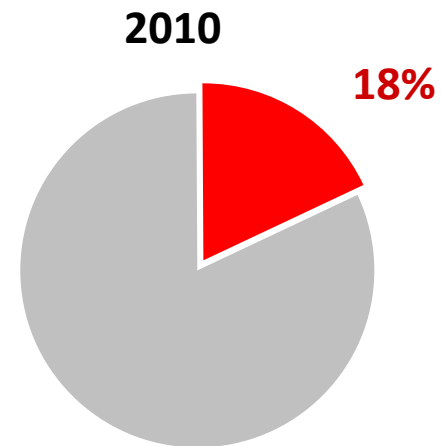
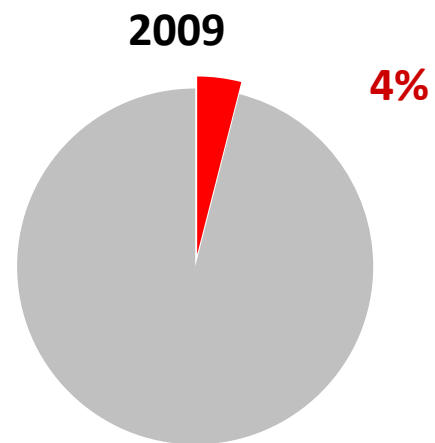
SFR has adapted its offer while pursuing a **value strategy**

Webphones already account for 40% of postpaid sales and 18% of the postpaid customer base

Share of postpaid gross adds



Share of postpaid customer base



Mobile data usage has taken off



Mobile phones

~15 MB



Webphones

~300 MB



PC mobile broadband

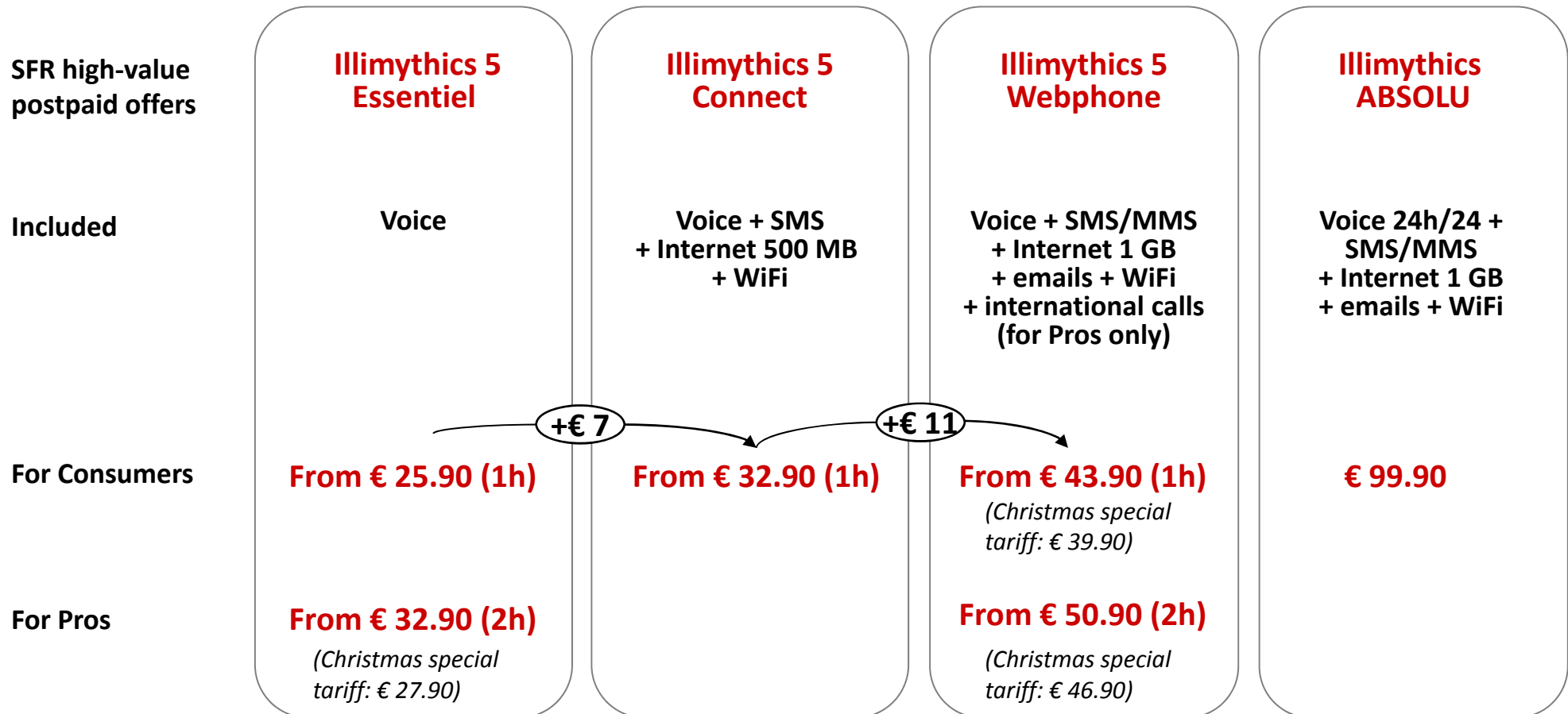
~400 MB
(~1GB on unlimited offers)



Tablets

~500 MB
(On unlimited offers)

Postpaid offers: monetization of data usage



Today

Tomorrow

Commitment

12 to 24 months

Choice

Pricing

All-in-one
(service + device)

Split between service and
device prices

Subsidies

Averaged

De-averaged

On June 22nd, SFR launched its SIM-only tariffs, for clients willing to keep their mobile phone

formule
éco
avantage

Avec ma formule éco-avantage,
je garde mon mobile et je fais des économies tous les mois.

« I get discounts for keeping
my mobile phone »

formule
éco
avantage

PAR EXEMPLE, JE PEUX PROFITER DE RÉDUCTION SUR...

Forfait Bloqué Essentiel 40 min

Détail de l'offre en p. 23

-2€
SUR MON
FORFAIT

À partir de
12,90€
/mois | au lieu de
14,90€
Pour un engagement de 24 mois

Forfait MTV de SFR 40 min

Détail de l'offre en p. 21

-2€
SUR MON
FORFAIT

À partir de
13,90€
/mois | au lieu de
15,90€
Pour un engagement de 24 mois

Illimythics 5 Essentiel 1h

Détail de l'offre en p. 25 et en p. 57
pour Illimythics 5 Essentiel Pro

-4€
SUR MON
FORFAIT

À partir de
21,90€
/mois | au lieu de
25,90€
Pour un engagement de 24 mois

Edition Spéciale

Illimythics 5+ Connect 1h

Détail de l'offre en p. 27

-6€
SUR MON
FORFAIT

À partir de
26,90€
/mois | au lieu de
32,90€
Pour un engagement de 24 mois

Edition Spéciale

Illimythics 5+ Webphone 1h

Détail de l'offre en p. 29 et en p. 59
pour Illimythics 5 Webphone Pro

-8€
SUR MON
FORFAIT

À partir de
31,90€
/mois | au lieu de
39,90€
Pour un engagement de 24 mois

Illimythics Absolu

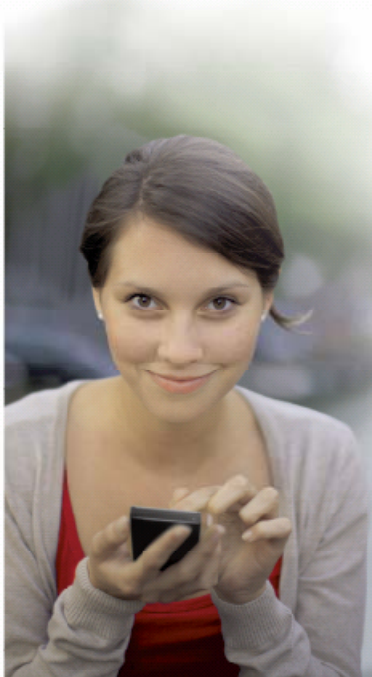
Détail de l'offre en p. 33 et en p. 63

-10€
SUR MON
FORFAIT

À partir de
89,90€
/mois | au lieu de
99,90€
Pour un engagement de 24 mois

Clients have the choice between mobile
renewal and tariff discount

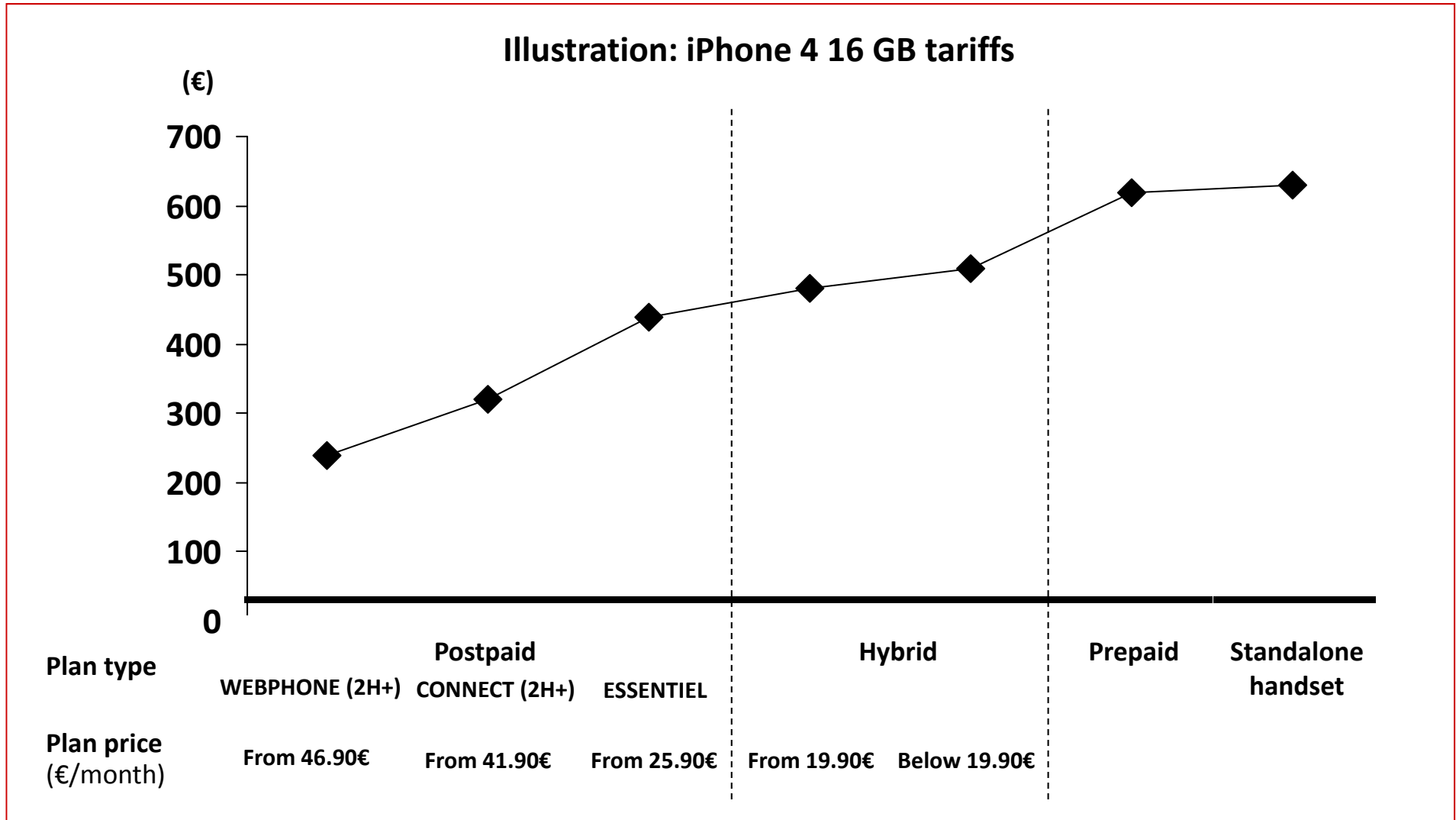
From €2 to €10 discount per month





De-averaging handsets subsidies

« My handset subsidy depends on my tariff plan »



On August 24th, SFR launched « Multi-Packs »: a new discount program for multi-equipped customers



Les Multi-Packs de SFR

Les Multi-Packs de SFR

Plus vous prenez d'abonnements, plus vous avez de réductions !⁽¹⁾

PAR EXEMPLE...

... POUR VOUS



... POUR VOTRE COUPLE⁽²⁾



... POUR VOTRE FAMILLE⁽²⁾



« The more SFR offers I buy, the more discounts I get »



With this program focused on high-value offers, SFR goes beyond quadruple play and rewards multi-equipment



Up to 15-20% discount per month

Chosen loyalty

Carrément vous.

SFR

On November 16th, SFR launched its « neufbox Évolution »: a new customer experience

D

Fixed



Performance



Reliability



Green conception



Modular design



Customer experience



Multi-screen



SFR

New SFR broadband Internet offer range

neufbox

€ 29.90
per month

€ 24.90
per month with

Les Multi-Packs de SFR



- @ Broadband Internet
- ☎ Unlimited Telephone
- HD HD TV

neufbox EVOLUTION

€ 34.90
per month

€ 29.90
per month with

Les Multi-Packs de SFR



- @ Broadband Internet and 3G back-up dongle
- ☎ Unlimited Telephone
- HD HD TV
- 📺 Digital recording
- 📺 Mediacenter
- 📺 3D navigation interface

SFR Service

- 820 « espace SFR »
- 48h assistance
- Guaranteed installation
- Customized follow-up



SFR develops “content in the cloud” to enhance its broadband Internet offer’s attractiveness and raise ARPU



Fixed

Video on Demand

- ❑ #2 VoD platform in France
- ❑ >10 000 contents currently available (+30% vs 2009)
- ❑ 4 VoD-subscription offers
- ❑ Innovative convergent web / mobile / TV interface



PASS KIDS

PASS SÉRIES M6

PASS CINÉMA

PASS ADULTE



Catch-up TV

- ❑ 2 catch-up TV programs currently available

Gaming on Demand

- ❑ First TV-based cloud gaming offer in Europe
- ❑ Families & “casual gamers” targeted
- ❑ ~30 games available at launch



SFR value proposition on the Consumer market

OFFERS

1

**CUSTOMER
RELATIONSHIP**

2

**CUSTOMER
EXPERIENCE**

3



Customer relationship at SFR: 4 channels mobilized to serve 25 millions clients



Controlled physical distribution



820 shops («espaceSFR»)
5,000 sales people



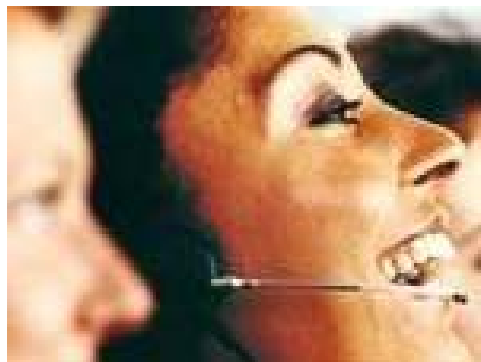
SFR Web site



~15% of total sales made online
~50% of total customer care acts done via online selfcare



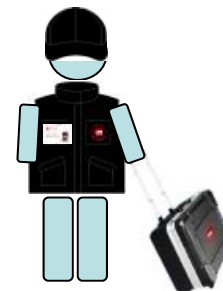
Call Centers



11,000 advisors
120,000 contacts per day



SFR assistance



1,200 technicians
20,000 acts per month



Web channel brings flexibility for customers as well as cost optimization for SFR

Flexibility for customers

All acts available online

Large mobile device range and 24/7 availability

Multi-channels approach

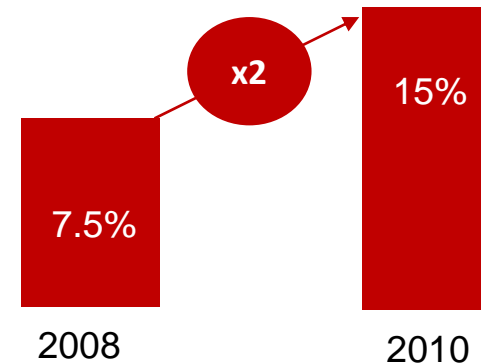
Cost optimization for SFR

Retail costs optimization

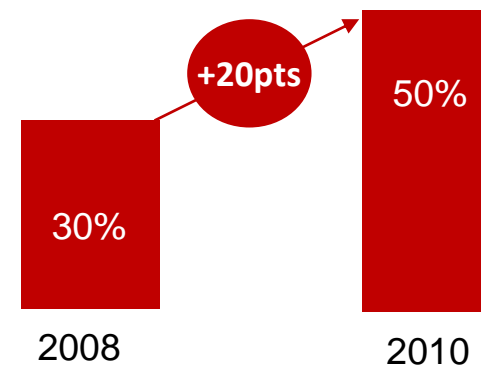
Fewer calls to customer care

Development of electronic bills (4.5 M
customers with an electronic bill)

Share of Web on total sales



Share of online selfcare on customer relationship





SFR awarded for its customer care



SFR #1 of Internet / Fixed Customer Relationship 2010
(BEARING POINT/TNS SOFRES SURVEY)

SFR value proposition on the Consumer market

OFFERS

1

**CUSTOMER
RELATIONSHIP**

2

**CUSTOMER
EXPERIENCE**

3

Some of our initiatives to improve customer experience in retail

In-store experience



New store concept



Ticketing



**Welcome
desk**

Multi-channels synergies



**Dedicated hotline
for SFR stores**



**Web-to-shop
& Shop-to-web**



**In-store satisfaction
survey tool**



**Top satisfaction
survey**



SFR vision on customer experience



3 areas of focus to become the best operator on customer experience

Know-how

Acts

Behavior

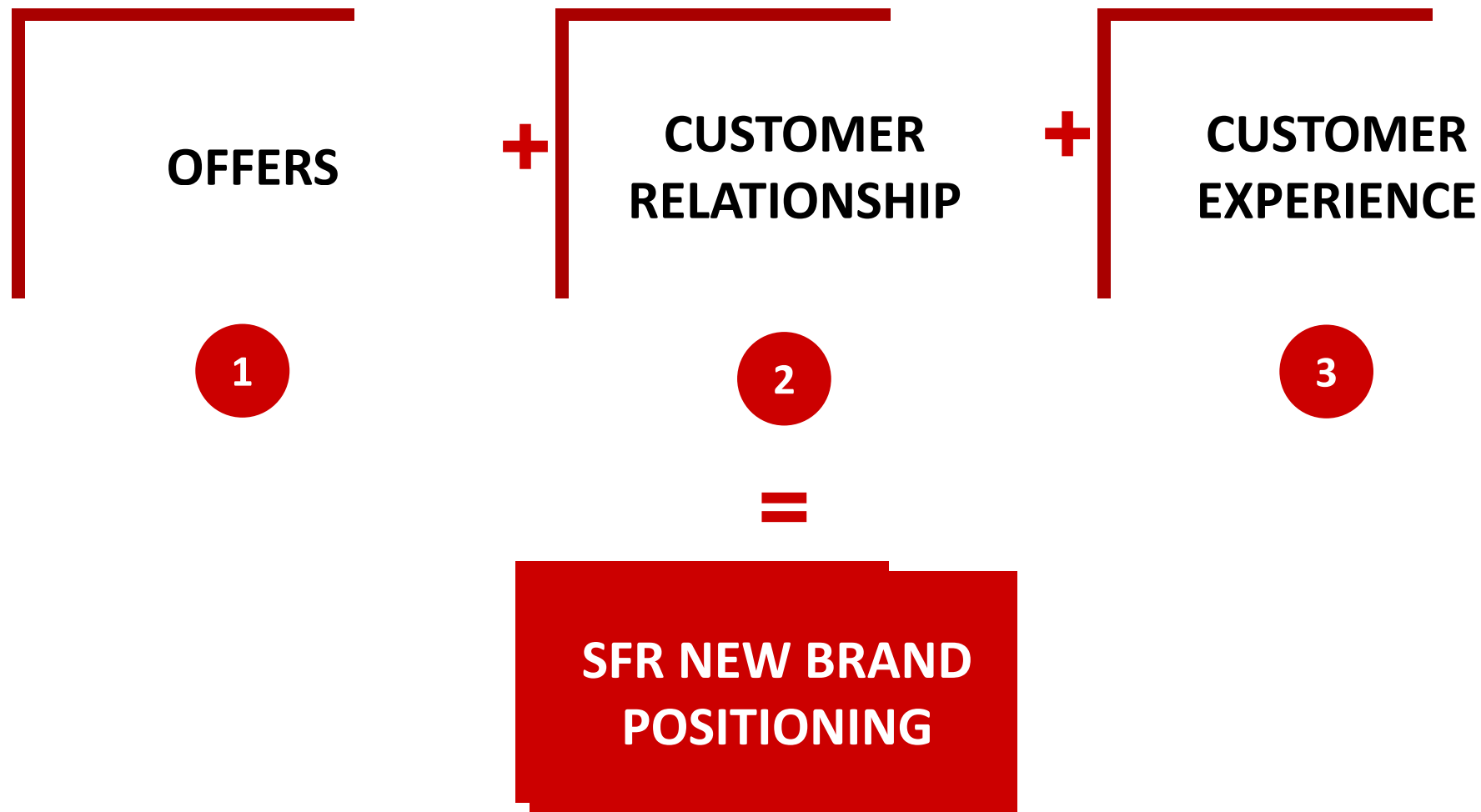
SFR Touch

Surprise

“Wow”



**Concrete proofs to be given to the customers on every
key moment of truth**





SFR new brand positioning



Carrément
vous.

SFR

EVE

Carrément
vous.

SFR

MARIE

Carrément
vous.

SFR

JEAN

Carrément
vous.

SFR