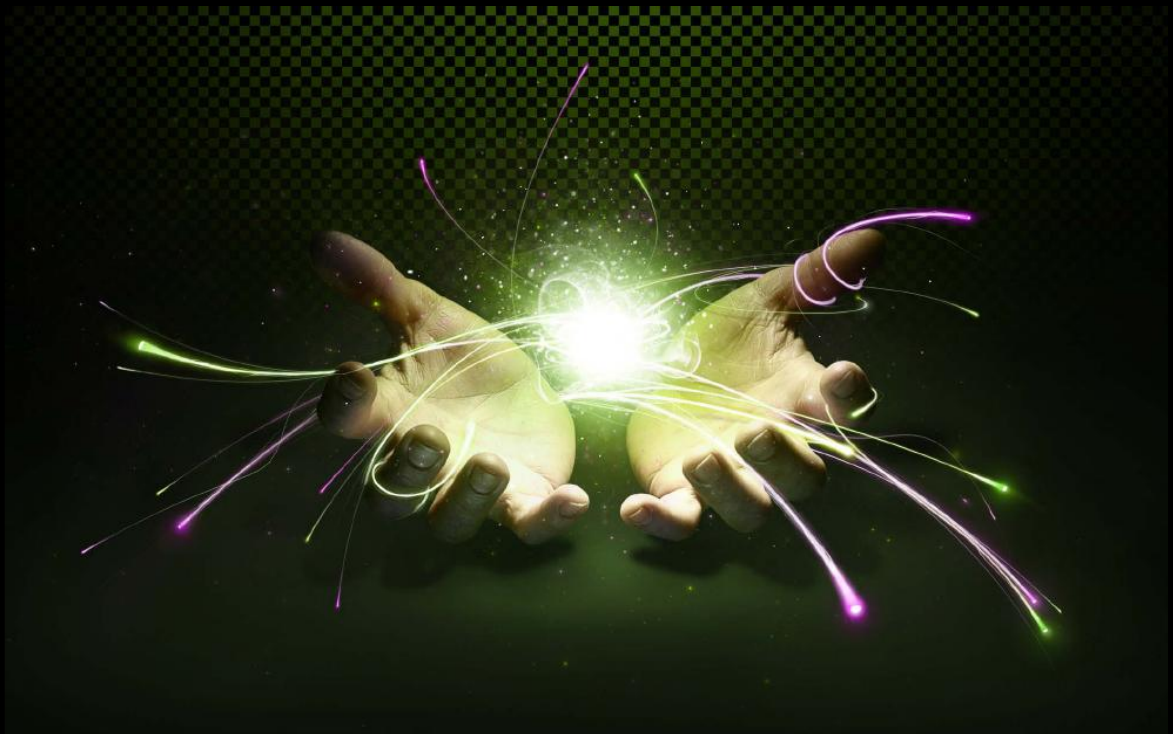




numericable^{HD}

2010 ANNUAL REPORT



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Numericable – Completel is the French leading optical fibre operator and #3 French fixed line operator, with €1.4bn of turnover in 2010

Numericable is the main French cable operator, with a footprint covering c.9.8 million households, (i.e. 38% of the French population) in more than 1,200 different municipalities. It encompasses the highest density cities and regions in France and offers B2C telecommunications products. It is by far the most advanced fibre network in France with c.4.2 million households already upgraded to fibre, allowing for up to 100 Mbits/s Internet, HDTV and 3D HD.

Numericable is also a leading player in Belgium and in Luxembourg through its Coditel subsidiaries, offering cable TV, Internet and telephone to c.113k subscribers in its footprint around Brussels and c.30k in Luxembourg. In 2011, Numericable reached an agreement to dispose its operations in Belgium and Luxembourg, in order to focus on its core operations in France.

Completel is the second largest challenger of France Telecom in the French B2B telecommunications market. After France Telecom, Completel has the most extensive fibre network for businesses, reaching over 7,500 sites with fibre. Completel also has one of the widest-ranging DSL networks, covering 110 cities.

- 9.8m homes passed
- Including 99.6% of the French cable network
- 3.3m of TV subscribers
- 1.0m of Internet subscribers
- 0.9m of telephony subscribers
- > 0.3m of very high broadband subscribers

- #2 alternative carrier with its own local fibre network in over 65 cities
- > 10,000 clients
- > 10,000 km of optical fibre network
- > 225,000 unbundled DSL lines
- > 700 NRAs

Key milestones

1970's

- Launch of French cable construction (Plan Câble)

2000

- Completel IPO on primary French market and NASDAQ

2002

- Acquisition of EstVideo by Altice One (Alsace)
- Delisting from NASDAQ of Completel
- 1000th site directly connected to the Completel network

2005

- Launch of Completel nation-wide expansion plan
- Acquisition of France Telecom Cable, TDF Cable and NC Numericable by Ypso (Altice and Cinven)
- Combination of the Altice One and Ypso networks

2007

- Launch of the Darty box
- Acquisition by Altice and Cinven of Completel
- Numericable becomes the only B2C brand of the company

2009

- Deployment of DVBT DTT service by Numericable
- Launch of the Auchan box

1998

- Creation of Completel Europe NV and France, German and UK subsidiaries

2001

- Acquisition of Estel, a telecommunication operator in Alsace by Completel

2003

- Acquisition of Coditel by Altice One (Brussels and Luxembourg)
- 2000th site connected to the Completel network

2006

- Acquisition of Noos-UPC France by Ypso
- Completel has the 3rd largest DSL network and launches an offer for SME

2008

- Carlyle becomes a reference shareholder in Numericable and Completel alongside Altice and Cinven

2010

- Launch of the Bbox fibre
- Acquisition of Altitude Telecom, a small B2B operator

2011

- Agreement to dispose Belgium and Luxembourg operations
- Launch of 4P offer

Numericable –Completel comprises the following companies



- **Estvideo** was created in 1990 as an indirect subsidiary of Electricité de Strasbourg (controlled by EDF), the main provider of electricity services in the Alsace region. Estvideo had been an active consolidator of smaller cable operators in Alsace and grew into its current position as the leading cable service provider in Alsace



- **Coditel** was founded in 1960 and started as a provider of cable services in the Brussels area. The operations expanded into Luxembourg in 1971. Today, Coditel is the main cable operator in the Brussels region, as well as in the City of Luxembourg



- **FTC** was founded and operated by France Telecom in 1993 as a result of the French government's push to develop cable networks at the time. TDF contributed its cable assets (**TDFC**) to FTC. CGV was founded in 1984 and controlled by the Générale des Eaux (now Veolia), it was renamed **NCN** in 1998, when Groupe Canal+ became the majority shareholder



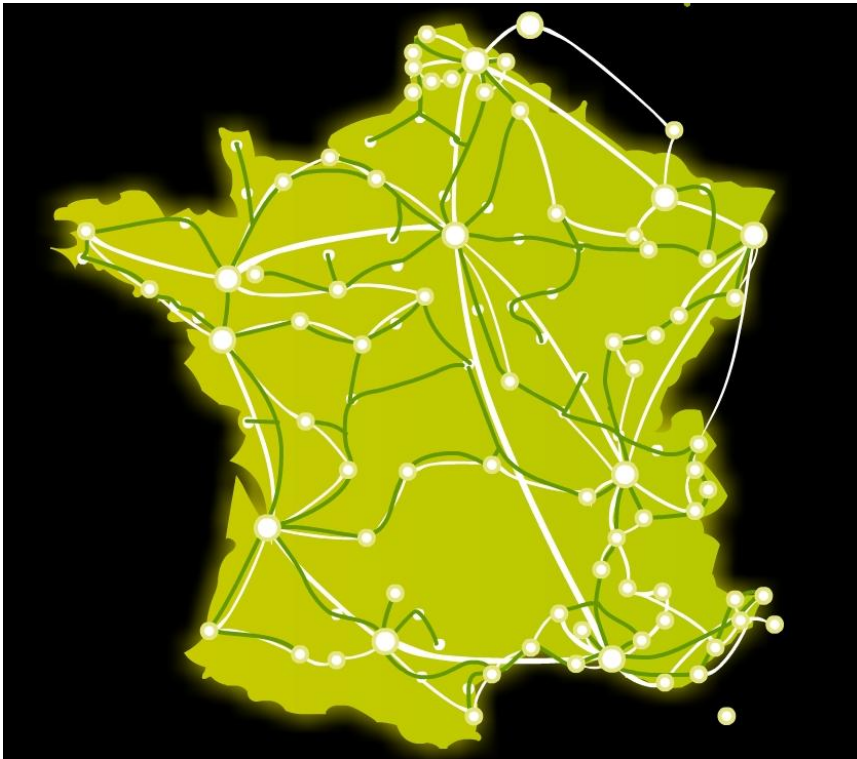
- **UPC France** was created in 1995 through the combination of networks owned by UIH and Philips (Citecable). In 1999, UPC further expanded in France through small acquisitions and in September 1999, Liberty Global acquired a controlling interest in UnitedGlobalCom (“UGC”), the Parent Company of UPC France. In July 2005, UGC Worldwide merged with Liberty Global International to become Liberty Global. **Noos** was created in 1986 and became a significant player in the French cable industry when it won the contract to build a cable network for Paris and its suburbs in 1999. In July 2004, Suez sold 79.9% of Noos (then the #1 French cable operator) to UGC. The remaining 20.1% shares were sold in April 2005



- **Completel** was founded in 1998 as an alternative B2B fixed telecom operator and listed on the French and NASDAQ stock exchange in 2000

The alternative fixed network in France

- **Numericable Completel is the only operator capable of bypassing France Telecom's infrastructure**
- **9.8m homes passed**
- **4.2m homes passed with fibre (first optical fibre network in France)**
- **Over 7,500 corporate sites with fibre access**
- **Over 150,000 unbundled DSL lines and 700 NRAs through Completel**



Cable network consolidation history

The acquisition of different regional cable operators in France and Benelux resulted in the combination of heterogeneous networks, each with its own state of technological development. The networks in Alsace, Belgium and Luxembourg had been fully upgraded to allow triple-play, while the networks in the rest of France were at different stages of completion depending on region dynamics. As a result, the first step of the integration consisted in the harmonization of the networks to consistent quality levels and an upgrade to enable triple-play services.

Numericable has consequently implemented an integration strategy to operate an harmonized network having the following characteristics

- A national IP backbone carrying CATV, Internet and Telephony traffic to/from most of the covered areas
- Addition of two head-ends located in Ile de France sending TV channels to most of the covered areas
- Internet and Telephony services available to more than 85% of homes passed. The first part of renovating the network started in 2005 with the launch of the construction of what is called the “backbone”

The backbone is the spinal cord of the Numericable network, which allows the Company to offer identical and secure services everywhere. The backbone is a network of optic fibres with 10-20 Gbps capacity. In 2007, the main French cities had been connected. Lorient, Périgueux, Tarbes, Béziers, Rodez, Chalon, Frejus, Menton, Nevers, Valenciennes and Epinal were added in 2008. The Parisian region is a different case: it has its own backbone which was connected in 2007 to the national one.

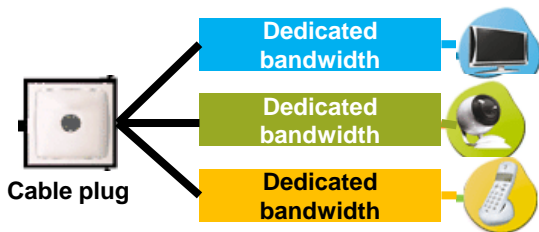
In every city, a distribution centre reloads the signal brought by the backbone and spreads it through the whole city.

The backbone transports to the local loop the data stream generated at the heart of the network. This heart is now located in two centers: Issy-les-Moulineaux and Courbevoie. The backbone makes the network more predictable and more secure, since every town is automatically linked by two distinct accesses: if part of the network was accidentally damaged or shut down, the other access would automatically take the lead.

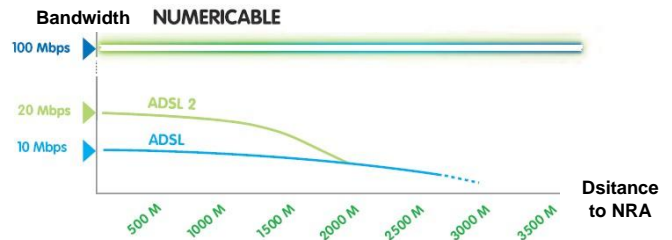
Cable technology offers superior quality and bandwidth than DSL services

Cable basic product offers constant 30 Mbps bandwidth whereas the best DSL products for a similar price only achieve a theoretical 24 Mbps maximum bandwidth. On cable, each service (TV, Internet or telephony) uses a dedicated frequency. As a result, customers do not experience any interference or quality disruption when using more than one service at a time. It is not the case with DSL where all services share the same frequency which significantly alters TV quality (frequent frame freezes).

Furthermore, available bandwidth on cable is constant in each point of the network whereas with DSL technology, the maximum speed decreases proportionally with distance to the closest head-end. As a result, only a fraction of DSL customers, close enough to the head-end, can benefit from good quality TV services.

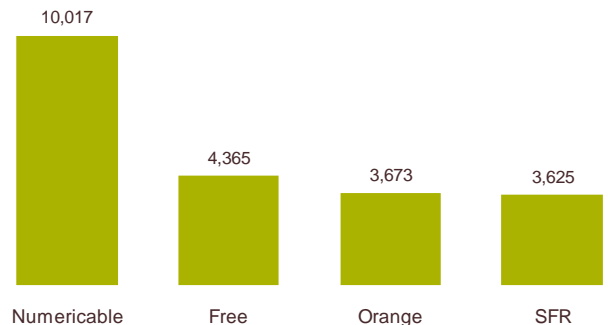


Maximum theoretical bandwidth available for the subscriber based on distance to NRA



On the traditional broadband offers (consistently up to 30 Mbps), Numéricable “ranks #1 by far” among ISPs in France in terms of average download speeds according to the test conducted by the leading independent website www.ariase.com.

Average download speed (kbits/sec)



www.ariase.com (as of 1-Jun-11)

The technological leap: Numericable pioneer of optic fibre

Advantage #1 homogeneity

- The main benefit for a user switching from DSL to optic fibre is the homogeneity of the network: wherever the user is located, the services are of an optimal quality. Both the Internet flow “up to 100 Mbps” and the reception of HDTV channels are accessible to every upgraded plug

Advantage #2 comfort

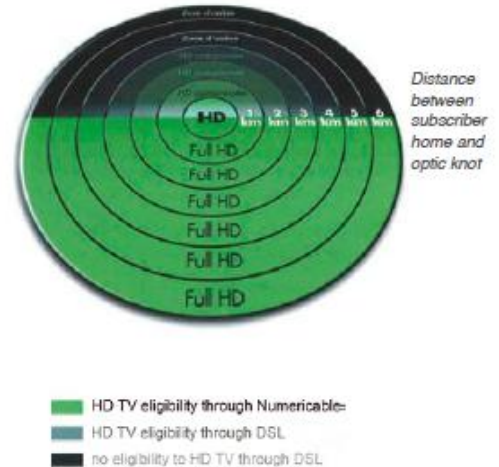
- Services that can be used simultaneously
- Choosing optic fibre is choosing comfort: the client benefits from services without having to make a choice between going on the Internet, watching several TV channels or making a phone call. The transportation capacity of the cable technology absolutely guarantees the independency of the bandwidths and the ability to use the full potential of the Numericable services. Television is not delivered through Internet but thanks to a signal emitted on a dedicated frequency, therefore one service (television, internet or phone) cannot interfere with another

Advantage #3 evolution ready

- Internet becomes unlimited thanks to fibre: Numericable can provide today 100 Mbps. But tomorrow, optic fibre will be able to multiply this speed by 2, 3 or more, as public usage evolves and HD content develops

Advantage #4 reliability

- Digital data is transmitted at light speed to the client’s building without any interference or signal weakening. The Backbone also provides a safety net in case a fibre is damaged



Advantage #5 simplicity

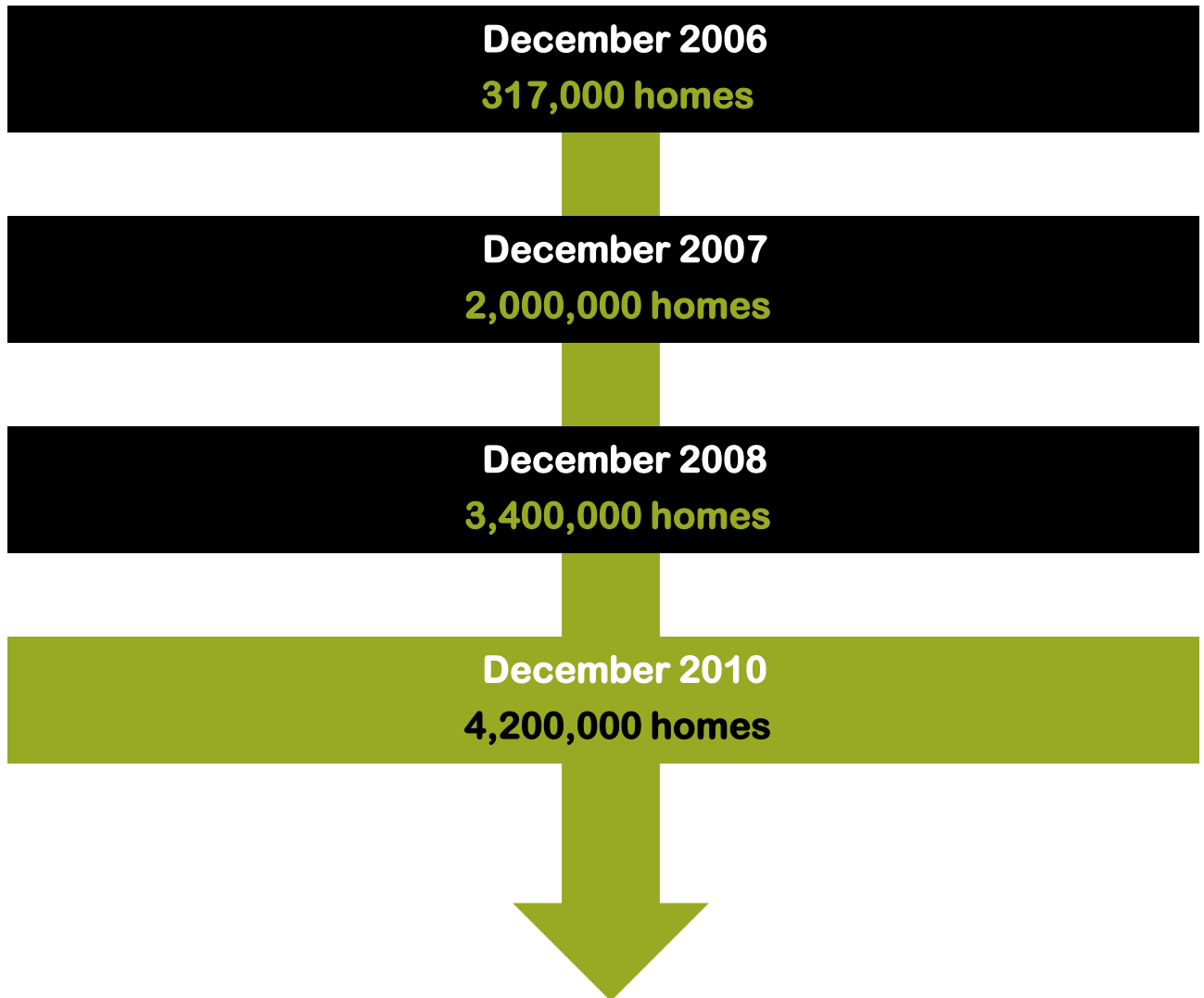
- Fibre is already here!
- Optic fibre comes at the foot of a building thanks to urban ducts owned by Numericable. In the building, the existing coaxial network inside the rising columns does not have to be replaced. The client benefits directly at home from the advantages of the works done on the nearby network, without the need for an intervention

Advantage #6 durability

- A network that will be compatible with tomorrow’s technologies
- Optic fibre has a 20 year lifespan... but its capabilities are only being exploited inside the limit of the needs of the existing materials. The network itself is ready to accommodate future services. No superior technology has yet been invented and the current upgrade is an investment for tomorrow

Pursuing optic fibre deployment

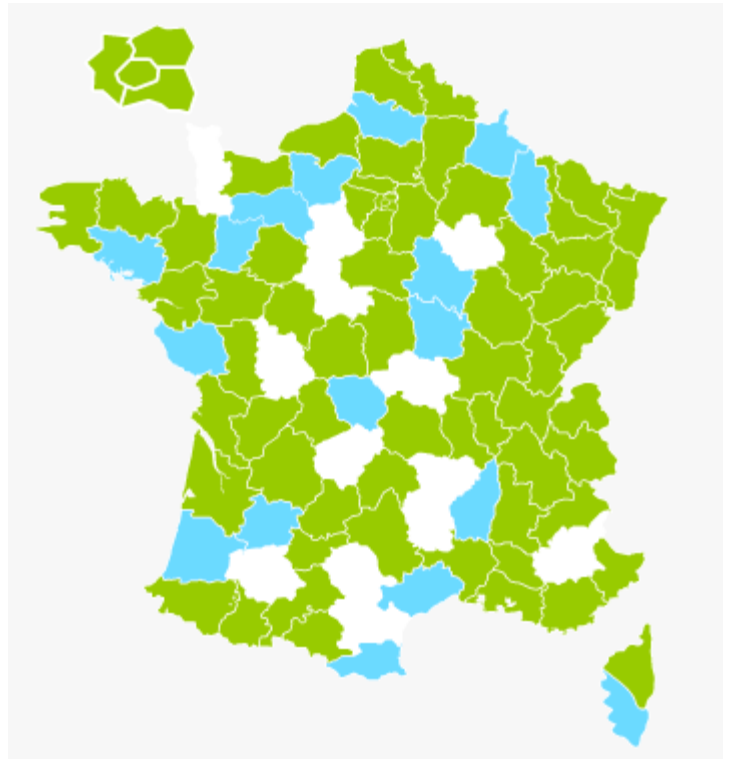
Numericable is pursuing its selective deployment of optic fibre throughout its existing network. 50% of homes passed on the backbone are already upgraded to fibre.



Free DTT deployment on Numericable network

Numericable has launched in 2009 the DVB-T deployment in France to offer a free DTT service on its network before analog service is shut down as scheduled by the French authorities.

- At the end of 2009, 5m homes were “DTT-ready”
- As of October 2010, over 6.4m homes were “DTT-ready” (c.70% of Numericable network)



Completel is the first optic fibre network and the second largest challenger on DSL for the B2B clients in France

Completel is using both fibre and DSL as complementary access technologies to address its customers' needs, depending upon the bandwidth and security requirements of their sites.

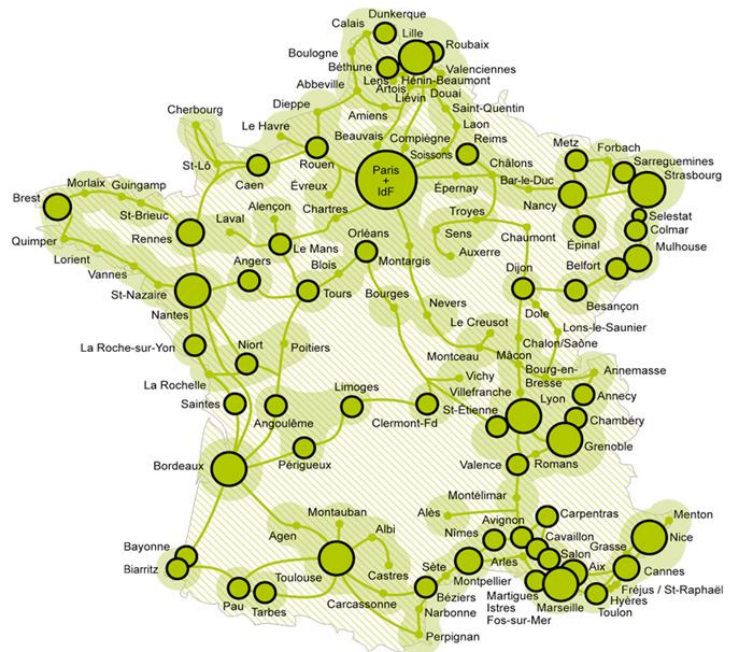
Generally Completel connects its customers' main and/or critical sites with fibre, while it usually connects DSL lines to the secondary sites of large customers, as well as SMEs in the areas covered by its DSL network. Completel believes that the direct connection based on complementary fibre and DSL access is the best technical response to customer needs :

- bandwidth requirements
- technological and geographical complementarities
- end-to-end control of quality of service

The complementarities of optic fibre and DSL-based solutions give Completel a unique position on the corporate market.

This approach allows Completel to:

- Offer a viable alternative to the incumbent, and
- Capture all telecom spends of its customers



- Completel optic fibre
- Completel DSL
- ▨ Complementary optic fibre and DSL

Numericable strategy – Improved quality of service

The acquisition of Noos and its combination with the rest of the group triggered some problems while merging the platforms, as described above. The Numericable teams have been focused at fixing all these issues as fast as possible through a successful migration of IT platforms and the externalization of call centers, while keeping on developing a state-of-the-art network, ready for next generation services

Numericable has significantly improved its quality of service, resulting in best-in-class offerings across Internet, telephony and television services: Numericable is consistently ranked first.

In addition, thank to its superior technology, Numericable is the #1 operator in terms of HD broadcasting quality (source: NPA, *Baromètre de la HD*, Jun-10).

Ranking of French Internet providers across Internet, Telephony and TV segments

Global moyenne du 31.03 au 06.04

rang	fournisseur d'accès	Qualité accès internet ⁽¹⁾ (sur 100)	Qualité téléphonie ⁽²⁾ (sur 100)	Qualité télévision ⁽³⁾ (sur 100)	Note globale ⁽⁴⁾ (sur 100)	
1	Numericable	96.4	84.7	94.9	92.0	↗
2	Orange	89.2	82.5	90.2	87.3	↗
3	Bouygues Telecom	86.8	85.8	89.1	87.3	↗
4	SFR	91.4	79.0	90.6	87.0	↗
5	Darty	89.7	83.0	85.6	86.1	↗
6	Free	89.0	83.3	86.8	85.4	↗
	moyenne	89.9	83.1	89.5	87.5	↗

Source : 01Net.com, April 2011

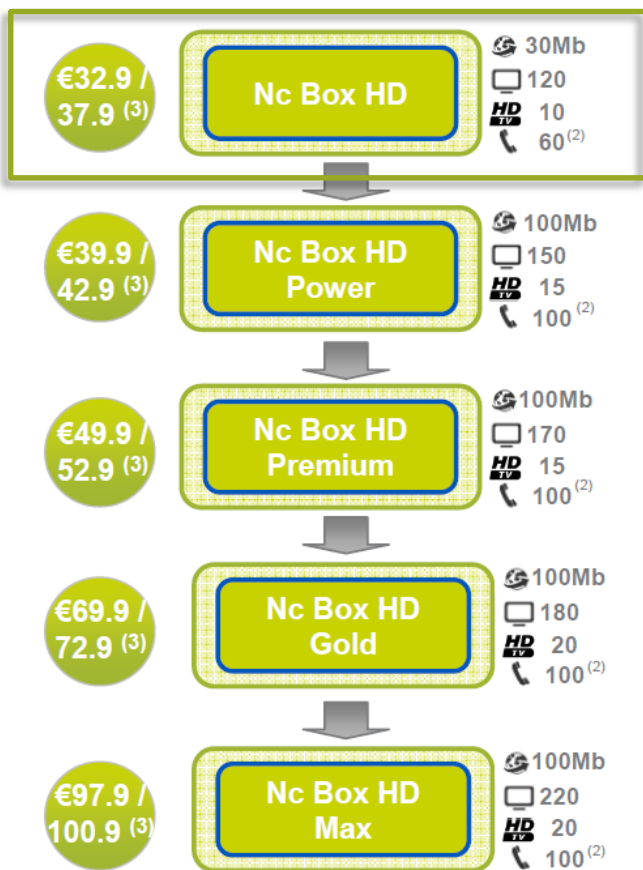
Notes

1. Quality of Internet (over 100)
2. Quality of telephony (over 100)
3. Quality of TV (over 100)
4. Global mark (over 100)

Numericable strategy – Renewed offering

Numericable has restructured its offering around two sets of products

- Triple-play packages “Nc Box HD”, with a possibility to:
 - Get free unlimited mobile calls from Numericable fixed-line for an additional €3/month (except for the standard “Nc Box HD” subscription, priced at €5/month)
 - Switch to full quadruple-play packages through the subscription to an unlimited mobile offering for an additional €24.90/month ⁽¹⁾ (SIM card-only offering)



ncBOX^{HD}

- ✓ Internet: 30-100Mb
- ✓ TV: 120-220 TV channels + 10-20 HD TV channels
- ✓ Telephony: free int'l calls ⁽²⁾ + calls to mobile option ⁽³⁾
- ✓ Quadruple-play option ⁽¹⁾



Notes

1. Since May-11
2. Free international calls in terms of destinations
3. Tariffs including unlimited calls to mobiles in France

Numericable strategy – Renewed offering

- Pay-TV only products

TVpremium HD	€27.90	TVgold HD	€47.90	TVplatinum HD	€72.90
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+ 170 channels and services

+ 15 HD channels

+ 185 channels and services

+ 20 HD channels

+ Pass VOD FilmoTV, Sundance Channel, Disney Avant Premiere

+ 220 channels and services

+ 20 HD channels

+ Pass VOD FilmoTV, Sundance Channel, Disney Avant Premiere
+ Pass Cine Cinema
+ Add'l music channels



Numericable strategy – extended distribution

Numericable has extended a fully fledged multi channel distribution strategy, increasing in particular its shops network.

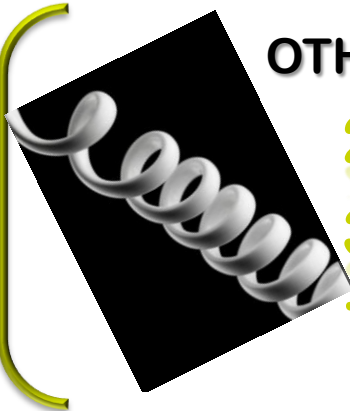
LOCAL CHANNELS

- > **120** shops (88 in 2009)
- + **de 500** distributors
- + **de 200** door to door sellers



OTHER CHANNELS

- 20** websites (proprietary and partners)
- 35** call centers sellers
- 700** call centers operators



Completel strategy

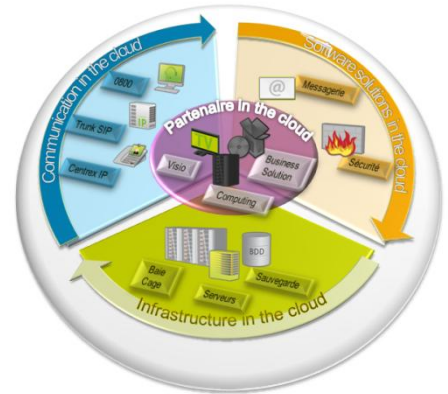
Completel offers telecommunication services to large and small corporates and also provide wholesale services for carriers and Internet Services Providers.

a/ Telecommunication services

- **Fixed voice**
- Completel's offering covers businesses entire fixed voice needs, which encompasses outgoing and incoming calls, personalized routing and reception services. Completel proposes a range of evolved functionalities to optimize the client operations:
 - Multiple work sites routing
 - Routing according to geographical origin
 - Calendar routing
 - Interactive vocal answering machine
 - Real time statistics generator
 - Routing management and parameter setting through the Extranet
- For companies with multiple worksites, Completel proposes a specific price for internal calls and adapts both the structure of the bill and the traffic reports to the client's wishes (consolidated bill or per site)
- **Fixed data**
- Completel's Internet solutions fit customers expectations in terms of network reliability, data housing security, and connection quality.
- Completel owns its IP network and also has a « peering » with other operators and Internet providers present in France, as well as a direct interconnection with major international players, in order to reach every company requiring its services
- **Worksites Connection and Housing**
- Businesses face a real challenge in their information systems requirements. A secured sharing of information between collaborators has become critical for an efficient commercial and operational organization
- Therefore, Completel offers a complete range of services that connects work sites through secured Internet and database housing
- A company can connect its different work sites and its affiliates through different networks with LAN to LAN Ethernet or with IP (IP VPN) – thus benefiting from High Speed Internet access combined with safe solutions for the housing system and easily manageable selling platforms
- Completel housing solutions are backed by a High Flow telecom structure to allow companies to improve the availability of their applications

Comptel strategy

- **Cloud services**
- **Comptel has adapted its offering to the changing telecommunications environment by deploying a full range of cloud services:**
 - “Communications in the cloud”, including external flexible telephony services
 - “Software in the cloud”, including messaging and security solutions
 - “Infrastructure in the cloud” through hosting services (e.g., servers, backup platforms...)



b/ Wholesales services for carriers and Internet Service Providers

- Since 2006, Comptel has extended its wholesale services portfolio, benefiting from its extended network coverage and product development. Comptel now offers carriers and Internet Providers the following services:
 - DSL-based Triple Play residential services
 - DSL-based Double Play corporate services
 - Fibre and DSL access: Very High and High capacity metropolitan links to connect their end customers Collocation of their equipment
 - Traffic termination
- In Q4 2006, Darty launched its own brand on the DSL market, trusting Comptel’s network and services. As of December 2010, Darty had c.207k DSL subscribers.



c/ Acquisition of Altitude Telecom

- In December 2010, Comptel acquired Altitude Telecom, one of the few remaining independent B2B operators in the French market. The acquisition should provide significant complementarities to Comptel while consolidating its positioning on the French B2B market



Completel strategy

Completel offers its services to over 4,000 medium-sized and large corporates, over 6,000 small and medium-sized companies, as well as 10 French ministries out of 15.

Corporates



Public sector

Financial performance

In 2010, Numericable/Completel continued to perform well, generating €1.4bn of revenues on a pro forma basis, following Altitude Telecom acquisition by Completel in December 2010.

	2009	2010 pro forma ⁽¹⁾
Revenues	1,334 millions €	1,371 millions €
EBITDA	615 millions €	610 millions €
CAPEX	230 millions €	267 millions €
Cash Flow (EBITDA – CAPEX)	385 millions €	343 millions €
Net debt	3,347 millions €	3,284 millions €

Note

1. Pro forma for Altitude Telecom acquisition

Parental control

Why parental control ?

If Numericable's clients have children, it is important for them to be sure that they can safely spend time on the Internet.

To achieve this goal, children should not go alone on the Internet, and should be informed of necessary precautions in order to be kept away from such dangers.

Numericable proposes the installation of a control software allowing people to help protect their children from a great number of text, dialogues or images that can hurt their sensitivity and by limiting the access to adult sites.

This parental control software is free, efficient and easy to use.

How to get this software ?

To benefit from this parental control application, the Numericable Internet subscriber can ask for a license number, which is available on the Numericable website, and install the software on his computer.

How does it work ?

Once the software is installed on the computer (it is both compatible with PC and Mac), websites will be filtered according to 3 different levels:

1. The Child mode (less than 12 years old): the software gives access to a search engine allowing access to a restricted list of websites, called White List
2. The Teenage mode (more than 12 years old): the software filters Internet addresses linked to the fields of pornography, drugs, racism, violence, casinos...
3. The Parent mode (accessible after entering a password): no filter is put in place



The e-Enfance association, which is affiliated to the Interdepartmental Delegation for the Family and the Internet Uses Delegation, made a comparative study on the parental control softwares proposed by different Internet access Providers.

Graded 8.9 out of 10, Numericable came first in the ranking for the quality and reliability of its software which was created by the software editing company Xooloo.

Numericable Completel management team

Eric Denoyer (CEO and COO Wholesale Division)

- Eric Denoyer joined Numericable in 2008
- Previously, he worked for Alcatel and Tiscali
- Eric graduated from Ecole Polytechnique and ENST Paris

Thierry Lemaître (CFO)

- Thierry Lemaître joined Numericable Completel in April 2010
- Previously, he was CFO for different business units at Orange

Eric Klipfel (COO of B2C Division)

- Eric Klipfel joined Numericable in 2006
- Previously, he was Head of Customer Service
- Eric graduated from Stuttgart Media University

Thierry Podolak (COO of B2B Division)

- Thierry Podolak joined Completel in 2000 as Director of Business Development. He became General Deputy Manager in 2006 and COO in 2008
- He started his career with Alcatel Group
- Thierry Podolak graduated from Polytechnique and ENST Paris

Jerôme Yomtov (General Secretary)

- Jérôme Yomtov joined Numericable in 2008
- He previously worked for HSBC M&A division (2004 – 2008), for the French Minister of Economy (1998 – 2004) and ARCEP (1996 – 1998)
- Jérôme graduated from Ecole Polytechnique and ENST Paris

About Altice

Altice is run by an experienced management team of professionals, led by French cable entrepreneur Patrick Drahi, who entered the French cable market early and has since built a track-record of superior business achievements. Since its inception at the end of 2002, Altice has completed several cable acquisitions in the French and Benelux markets: (i) the purchase of three regional cable companies in Alsace (EstVidéo. com, December 2002), Brussels (Coditel Brabant, November 2003) and Luxemburg (Coditel Luxembourg, November 2003), formerly know as Altice One, (ii) the purchase, together with Cinven , of France Telecom Câble from France Telecom, NC Numericable from Canal+/Vivendi Universal and TDF Cable from TDF, which created Ypso in March 2005, (iii) the entry of Cinven into Altice One cap ital in November 2005, (iv) the acquisition of UPC-Noos from Liberty Global in July 2006 (with Cinven), and (v) the acquisition of Completel in November 2007.

About Carlyle

The Carlyle Group (www.carlyle.com) is one of the world's largest private equity firms, with more than US\$84.5 bn under management. With 64 funds across four investment disciplines (buyouts, venture & growth capital, real estate and leveraged finance), Carlyle combines global vision with local insight, relying on a strong team of 497 investment professionals operating out of offices in 20 countries to cover opportunities in North America, Europe (including France), Asia, Australia, the Middle East/North Africa and Latin America. In the aggregate, Carlyle portfolio companies have more than US\$ 109 bn in revenue and employ more than 415,000 people around the world. Carlyle focuses on sectors in which it has demonstrated expertise : aerospace, automotive & transportation, consumer & retail, energy & power, financial services, healthcare, industrial, infrastructure, real estate, technology & business services and telecommunications & media. Carlyle's financial strength and depth of experience, gained from numerous investments in the TMT space, including Casema, Com Hem, UPC Sweden and Bredbandsbolaget in Europe make them a strong partner to management and existing shareholders Altice and Cinven in supporting the companies' development.

About Cinven

Cinven is a leading European buyout firm, founded in 1977, with offices in London, Paris, Frankfurt, Milan and Hong Kong. We acquire European-based companies that require an equity investment by our funds of €100 million or more. Our European focus and expertise are complemented by an ability to capitalise on global growth opportunities through our Asian office. We focus on six sectors: Business Services, Consumer, Financial Services, Healthcare, Industrials, and Technology, Media and Telecommunications (TMT).

Cinven acquires successful, high-quality companies and works with them to help them grow and develop, using our proven value creation strategies. Typically, Cinven holds its investments for between four to six years. We take a responsible approach towards our portfolio companies, their employees, suppliers and local communities, the environment and society as a whole.

Completel

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