

Vivendi accepts Numericable-SFR and Altice offer - Final agreements signed



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Saint-Denis, 27 February 2015 ? Numericable-SFR and Altice announced that they have entered into the final agreements with Vivendi regarding the acquisition of the 20% stake Vivendi owns in Numericable-SFR, for a price of €40 per share, following today?s approval by Vivendi?s Supervisory Board of their offer dated February 17, 2014

These agreements include the following terms:

- half of Vivendi?s stake will be acquired by Altice France and the other half by Numericable-SFR through a share buyback program that will be submitted to a vote at the next shareholders? meeting of Numericable-SFR;
- payment of the purchase price by Numericable-SFR, i.e., approximately €1.948 billion, will be financed with its resources and with drawings under its existing revolving credit facility, the maximum amount of which was raised from €750 million to €1 billion, Numericable-SFR has reserved the right to apply all or part of this amount for this transaction;
- in term, Vivendi will pay to Numericable-SFR a purchase price adjustment in the amount of €116 million according to the purchase price adjustment provisions contained in the agreements related to the SFR acquisition;
- Vivendi permanently waives the €750 million earn-out that Numericable-SFR would have owed Vivendi if it achieved an EBITDA ? Capex of at least €2 billion in one single fiscal year by 31 December 2024;
- the acquisition terminates the shareholders? agreement and call options entered into between Vivendi and Altice in connection with the acquisition of SFR;
- in the event of final invalidation of the merger between SFR and Vivendi Telecom International (VTI), completed in December 2011, Vivendi agrees to return to SFR up to €711 million corresponding to the principal tax amount paid by SFR to Vivendi in connection with its inclusion in the Vivendi tax group. The tax authorities have expressed their intention to challenge both the merger and the inclusion of SFR in the Vivendi tax group in respect of fiscal year 2011. The tax authorities plan to require the separation of SFR from the Vivendi tax group for the fiscal year 2011 and to bring a claim against SFR for a total amount of €1,374 million, representing a principal tax amount of €711 million plus interest and penalties of €663 million. Vivendi, Numericable?SFR and SFR believe they have strong legal arguments to support the inclusion of SFR in the Vivendi tax group in respect of fiscal year 2011 and intend to cooperate in order to challenge the position of the tax authorities.

The acquisition of Vivendi?s stake in Numericable-SFR will be completed in the days following the shareholders? meeting of Numericable-SFR to be held no later than 30 April 2015, to approve, among other things, the share buyback program mentioned above.

A waiver of the lock-up obligations of Vivendi to the underwriters in connection with the Numericable-SFR rights issue of November 2014 has been obtained for purposes of such transaction. Lock-up obligations shall be undertaken by Altice-France and Numericable-SFR in respect of the shares thus acquired for the residual period of the Vivendi lock-up, i.e. until May 20, 2015, subject to customary exceptions.

As a result, Altice France will own approximately 70.4% of the capital of Numericable-SFR (i.e. 78% excluding treasury shares held by Numericable-SFR).

Investor Relations

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1 Cf. press release of 18 February 2015