



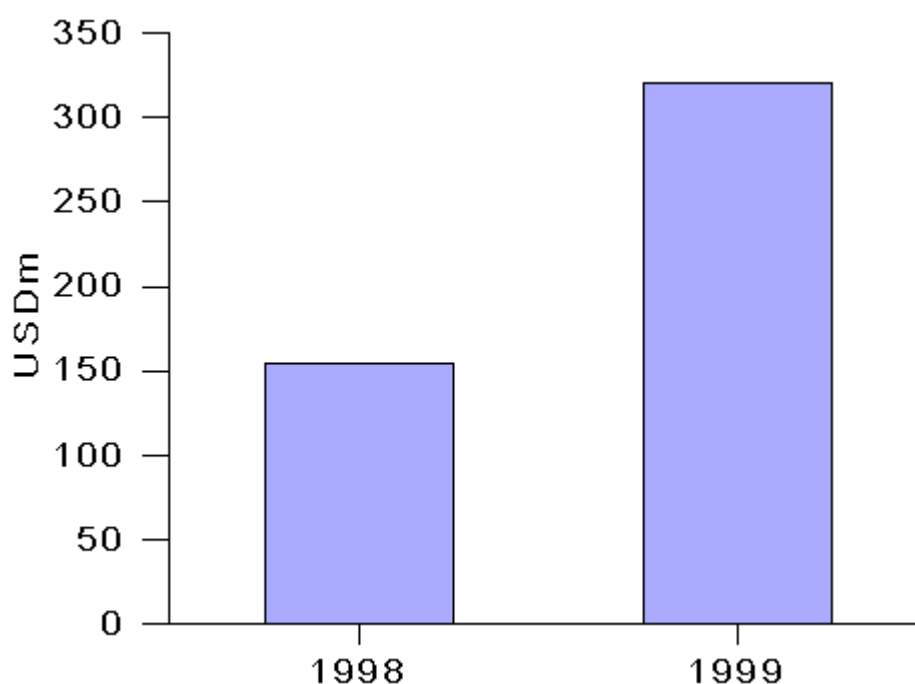
## **Cegetel - Profile**

Cegetel, a joint venture between Vivendi (44%), BT (26%), German telco Mannesmann (15%) and US-based SBC Communications (15%), holds three fixed telephony licences in France. In 1997 it was awarded exclusive rights to develop the 9,000km nationwide fibre-optic telecoms network of national rail operator SNCF, as well as Vivendi's cable TV systems. It launched its long-distance operations to a limited area under the name Le 7 in February 1998, one month after the deregulation of the market. The service was extended to cover the whole of France in June 1998. Through Télécom Développement (a joint venture with SNCF) it has a national fixed line infrastructure licence, while its business communications division Cegetel Entreprises holds a regional concession covering the divisions of Ile-de-France, Rhône-Alpes, Provence-Alpes-Côte d'Azur, Midi-Pyrénées, Nord-Pas-de-Calais, Alsace, Lorraine and Pays de la Loire. Cegetel Entreprises also holds an experimental concession covering trials of Internet access and DECT services over its cable network in Nice. Cegetel has invested in the construction of a wireless in the local loop (WiLL) network in Nice over which it began offering services to 2,000 customers in May 1997. This followed the February 1997 launch of a fibre-optic network for business users in the La Défense commercial district in western Paris.

Cegetel holds a stake in the French GSM operator Société Française du Radiotéléphone (SFR). SFR launched its GSM service in 1992 and has witnessed rapid growth over the past few years; In 1999 its share of the French mobile market dropped from 38% to 36%, despite adding three million new subscribers to its customer base to end the year with 7.22 million users. By March 2000, SFR's share of the market had declined to 35.5% with 7.92 million customers. Its network now covers 97% of the population.

Internet-related activities form an increasingly important part of Vivendi's business. Canal+ and Cegetel own a joint 55% stake in AOL CompuServe France and have developed content for it since October 1998. In September 1999 Vivendi announced a new venture between Canal+, AOL CompuServe France, Cegetel and SFR. The company, to be known as Vivendi Plus, will offer a range of interactive services to mobile, Internet and cable TV customers. Vivendi Plus hopes to become a leading pan-European multimedia operator and will invest over EUR100 million in the project. By combining the subscribers of Canal+, AOL France, Cegetel and SFR the shareholders claim that Vivendi Plus will have a potential customer base of 20 million; this is expected to rise to 30 million by the end of 2000.

## **Market Share**



### Operating information

<b>Financial Highlights:</b>					
EUR Million	12/97	+/- (%)	12/98	+/- (%)	12/99
Mobile telephony	-	-	2,708	37%	3,720
Consumer fixed telephony & internet	-	-	58	147%	143
Business fixed telephony & internet	-	-	107	64%	175
Total net sales	1,618	78%	2,886	41%	4,082
Turnover(USDm)	-	-	-	-	4,347
Operating income	-188	-110%	20	1,635%	340
Profit Margin	-	-	-	-	-
<b>Operational Highlights:</b>					
	12/97	+/- (%)	12/98	+/- (%)	12/99
Residential Lines	-	-	600,000	150%	1,500,000
Fixed line customers	-	-	400,000	150%	1,000,000
Cellular subscribers	2,200,000	91%	4,200,000	74%	7,300,000
Cellular subscribers - digital	2,200,000	91%	4,200,000	74%	7,300,000
<b>Subsidiaries:</b>					
Stake	Company		Operations		
80.0%	SFR (Société Française de Radiotéléphone)		French mobile operator which launched a GSM network in December 1992.		