



June 20, 2018

Altice Europe Intends to Create One of the Largest European TowerCos

- **Total cash consideration of €2.5bn**
- **Altice Europe delivers on its deleveraging program**

June 20, 2018 – Altice Europe N.V. (Euronext ATC, ATCB) (“Altice Europe”) announces today its subsidiary Altice France has entered into an exclusivity agreement, and its subsidiary PT Portugal has reached an agreement regarding the sale of equity stakes in their telecommunication tower businesses in France and Portugal for a total cash consideration of €2.5bn. As part of the transaction, Altice Europe would create one of the largest European Towercos, including the #1 TowerCo in France.

The two transactions once realized would generate significant proceeds for Altice Europe and underscore its commitment to deleveraging and balance sheet management. Importantly, the transactions will strengthen both Altice France and PT Portugal to pursue their long-term industrial projects and continue to provide best-in-class telecommunication services to their subscribers.

The future tower companies, whose perimeter will include passive infrastructure and equipment, will be uniquely placed to offer higher quality shared passive infrastructure services needed to support the expansion in France and Portugal of wireless services using 4G/5G technologies for the benefit of consumers and businesses. Services will be available to all mobile network operators in France and Portugal. In conjunction with these projected transactions, Altice France and PT Portugal will enter into 20-year master agreements.

Altice founder Patrick Drahi said: “I am enthusiastic about creating new tower partnerships in France and Portugal. With KKR, Morgan Stanley Infrastructure Partners and Horizon Equity Partners, we have found long-term partners of the highest-quality who share our vision to invest in leading infrastructure and growth opportunities. We will create a leading European tower business, including the #1 in France. Both tower businesses will be uniquely positioned to grow as they provide increasingly important infrastructure services to operators in both markets. Simultaneously, these transactions underline our commitment to delever and proactively manage our balance sheet while highlighting the significant underlying value of Altice Europe’s business”.



FRANCE

Altice France has entered into an exclusivity agreement with KKR for the sale of 49.99% of the equity in the to be formed tower company (“SFR TowerCo”) that will comprise 10,198 sites currently operated by SFR. The envisaged transaction values SFR TowerCo at an enterprise value of €3.6 billion, representing a very attractive multiple of 18.0x 2017 pro forma EBITDA of €200 million. In addition, a build-to-suit agreement for 1,200 new sites between SFR and SFR TowerCo is expected to generate approximately €250 million in additional proceeds to SFR within the next 4 years.

Under the terms of the agreement, which is subject to customary conditions, SFR and KKR would partner to operate and develop the largest independent tower company in France. Capitalizing on the growing need of mobile operators to densify and build out their networks, SFR TowerCo, which will have a unique portfolio of sites in strategic locations across the entire country (in particular in dense areas), would not only continue to offer existing sites to new tenants but also build new ones, for SFR and other operators.

The 20-year master agreement envisaged between SFR (as a tenant) and SFR TowerCo would set a clear partnership framework between the two companies. Altice France will fully consolidate SFR TowerCo.

The transaction will be subject to customary conditions precedent for this type of transactions in France. Closing of the transaction, which will be subject to regulatory approvals, is expected to occur in Q4 2018.

PORTUGAL

PT Portugal has reached an agreement with a Consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners for the sale of 75% in the to be formed tower company (“Towers of Portugal” or “ToP”) that will comprise 2,961 sites currently operated by Altice Portugal. The transaction values Towers of Portugal at an enterprise value of €660 million, representing a highly attractive multiple of 18.9x 2017 pro forma EBITDA of €35 million. In addition, a build-to-suit agreement for 400 new sites between MEO and ToP is expected to generate approximately €60 million in additional proceeds to MEO within the next 4 years. The agreement includes an additional deferred payment based on an earn-out structure upon exit by the Consortium.

The transaction has been structured on the grounds of a long-term partnership between PT Portugal and Towers of Portugal, while PT Portugal will reinvest to hold a 25% financial stake alongside the Consortium.



ToP's portfolio of towers, strategically located throughout Portugal, represents the single largest tower portfolio in the country. It will be the first independent tower company in Portugal, uniquely positioned to benefit from its first mover advantage and the expected strong growth of the market, allowing other operators to access towers and expand their 4G/5G networks, in line with the Portuguese regulator's latest recommendations and best market practices about sharing of infrastructure.

The 20-year master agreement between MEO (as a tenant) and ToP sets a clear partnership framework between the two companies.

The transaction is expected to close during Q3 2018 and is subject to the effective de-merger and customary closing conditions.

J.P. Morgan and Lazard acted as financial advisors to Altice Europe. Franklin, Vieira de Almeida, Mayer Brown and Ropes & Gray acted as legal advisor to Altice Europe.

Regulated Information

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation

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About Altice Europe

Altice Europe (ATC & ATCB), listed on Euronext Amsterdam, is a convergent leader in telecoms, content, media, entertainment and advertising. Altice delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 30 million customers over fiber networks and mobile broadband. Altice is also a provider of enterprise digital solutions to millions of business customers. The company innovates with technology, research and development and enables people to live out their passions by providing original content, high-quality and compelling TV shows, and international, national and local news channels. Altice delivers live broadcast premium sports events and enables its customers to enjoy the most well-known media and entertainment.