Altice International S.à r.l.

Condensed Interim Consolidated Financial Statements

As of and for the six month period ended June 30, 2018

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Consolidated Statement of Income (€m)	Notes	Six months ended June 30, 2018	Six months ended June 30, 2017 (revised*)
Revenues		**2,115.5**	**2,435.7**
Purchasing and subcontracting costs	4	(610.7)	(649.7)
Other operating expenses	4	(476.3)	(421.3)
Staff costs and employee benefits	4	(238.4)	(248.0)
Depreciation, amortization and impairment	4	(579.5)	(693.7)
Other expenses and income	4	323.3	(17.1)
Operating profit		**533.9**	**406.0**
Interest relative to gross financial debt		(262.4)	(440.1)
Other financial expenses[1]		(103.6)	(18.6)
Finance income[1]		14.8	71.1
Net result on extinguishment of a financial liability[2]		-	(39.0)
Finance costs, net		**(351.2)**	**(426.6)**
Share of earnings of associates		4.2	2.9
Profit before income tax from continuing operations		**186.9**	**(17.7)**
Income tax benefit/(expenses)	10	44.6	(8.7)
Profit/(loss) for the period from continuing operations		**231.5**	**(26.4)**
Discontinued operations			
Profit/(loss) after tax for the period from discontinued operations	3.5	19.8	(4.2)
Profit for the period		**251.3**	**(30.7)**
Attributable to equity holders of the parent		245.0	(41.8)
Attributable to non-controlling interests		6.3	11.2

1 The changes in other financial expenses and finance income are affected by the net foreign exchange gains or losses. For the six month period ended June 30, 2018 the net foreign exchange losses recorded in the first half year of 2018, amounting to €69.2 million loss compared to a €70.2 million gain was recorded in the same period in 2017.

2 The net result on extinguishment of financial liability for the six month period June 30, 2017 was recorded in Altice Financing as a result of refinancing of existing term loans, whilst the Group did not refinance any its debts during the six month period ended June 30, 2018.

Consolidated Statement of Other Comprehensive Income (€m)	Six months ended June 30, 2018	Six months ended June 30, 2017 (revised*)
Profit for the period	**251.3**	**(30.7)**
Other comprehensive income/(loss)		
Items that are reclassified to profit or loss		
Exchange differences on translating foreign operations	22.2	17.0
Revaluation of available for sale financial assets, net of taxes	(1.9)	0.3
Gain on cash flow hedge, net of taxes	147.3	64.4
Item that is not reclassified to profit or loss		
Actuarial gain, net of taxes	13.8	13.2
Total other comprehensive income	**181.4**	**94.9**
Total comprehensive income for the period	**432.7**	**64.2**
Attributable to equity holders of the parent	426.4	53.3
Attributable to non-controlling interests	6.3	10.9

(*) Previously published information has been revised to take into account the impact following the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 16 for the reconciliation to previously published results.

The accompanying notes on page 7 to 39 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Financial Position (€m)	**Notes**	**As of June 30, 2018**	**As of December 31, 2017 (revised*)**
Non-current assets			
Goodwill	5.1	3,342.3	3,329.1
Intangible assets	5.4	1,900.4	2,040.7
Property, plant & equipment		3,624.1	3,728.5
Contract costs		92.3	89.3
Investment in associates		25.3	26.4
Financial assets	9.1	1,464.9	976.0
Deferred tax assets		134.9	129.3
Other non-current assets		165.8	182.7
Total non-current assets		**10,750.0**	**10,502.1**
Current assets			
Inventories		115.4	112.1
Contract assets		36.9	36.0
Trade and other receivables		946.1	960.6
Current tax assets		8.8	8.7
Financial assets		187.1	33.5
Cash and cash equivalents	6	223.7	253.2
Restricted cash	6	42.2	33.7
Total current assets		**1,560.2**	**1,437.8**
Assets classified as held for sale	*3.4*	*607.9*	*1,712.2*
Total assets		**12,918.3**	**13,652.0**
Issued capital	7.1	309.3	309.3
Additional paid in capital	7.2	-	104.3
Other reserves	7.3	737.8	556.4
Accumulated losses	7	(1,520.4)	(1,517.4)
Equity attributable to owners of the Company		**(473.3)**	**(547.4)**
Non-controlling interests	3.3	(28.2)	27.5
Total equity		**(501.5)**	**(519.9)**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	8	8,351.5	8,457.6
Other financial liabilities	8.5	1,127.7	988.5
Provisions		758.0	818.6
Deferred tax liabilities		37.0	78.6
Non-current contract liabilities		10.5	11.0
Other non-current liabilities		13.6	14.3
Total non-current liabilities		**10,298.3**	**10,368.6**
Current liabilities			
Short-term borrowings, financial liabilities	8	557.3	357.3
Other financial liabilities	8.5	560.0	622.2
Trade and other payables		1,228.9	1,228.0
Contract liabilities		178.9	185.3
Current tax liabilities		76.0	89.1
Provisions		85.8	65.3
Other current liabilities		254.8	304.6
Total current liabilities		**2,941.7**	**2,851.8**
Liabilities directly associated with assets classified as held for sale	*3.4*	*179.8*	*951.6*
Total liabilities		**13,419.8**	**14,172.0**
Total equity and liabilities		**12,918.3**	**13,652.0**

(*) Previously published information has been revised to take into account the impact following the adoption of IFRS15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments.* Please refer to note 16 for the reconciliation to previously published results.

The accompanying notes on page 7 to 39 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement Changes in Equity	Number of shares on issue	Share capital	Additional paid in capital	Accumulated losses	Currency translation reserve	Cash Flow hedge reserve	Available for sale	Employee Benefits	Other reserves	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at January 1, 2018	**30,925,700**	**309.3**	**104.3**	**(1,517.4)**	**99.7**	**(142.1)**	**3.6**	**(51.0)**	**646.3**	**(547.4)**	**27.5**	**(519.9)**
IFRS 9 transition impact		-	-	(21.3)	-	-	-	-		(21.3)	-	(21.3)
Equity at January 1, 2018 (*revised)	**30,925,700**	**309.3**	**104.3**	**(1,538.7)**	**99.7**	**(142.1)**	**3.6**	**(51.0)**	**646.3**	**(568.6)**	**27.5**	**(541.1)**
Loss for the period		-	-	245.0	-	-	-	-	-	245.0	6.3	251.3
Other comprehensive profit/(loss)		-	-	-	22.2	147.3	(1.9)	13.8	-	181.4	-	181.4
Comprehensive profit/(loss)		**-**	**-**	**245.0**	**22.2**	**147.3**	**(1.9)**	**13.8**	**-**	**426.4**	**6.3**	**432.7**
Transactions with non-controlling interests		-	(104.3)	(89.3)	-	-	-	-	-	(193.6)	(29.1)	(222.8)
Transactions with Altice shareholders		-	-	(172.2)	-	-	-	-	-	(172.2)	-	(172.2)
Other		-	-	34.8	-	-	-	-	-	34.8	(33.1)	1.7
Equity at June 30, 2018	**30,925,700**	**309.3**	**-**	**(1,520.4)**	**121.8**	**5.2**	**1.7**	**(37.2)**	**646.3**	**(473.3)**	**(28.2)**	**(501.5)**

Consolidated Statement Changes in Equity	Number of shares on issue	Share capital	Additional paid in capital	Accumulated losses	Currency translation reserve	Cash Flow hedge reserve	Available for sale	Employee Benefits	Other reserves	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at January 1, 2017 (revised*)	**30,925,700**	**309.3**	**251.1**	**(1,033.9)**	**68.4**	**(221.5)**	**2.8**	**(42.8)**	**646.3**	**(20.3)**	**26.9**	**6.5**
Profit for the period		-	-	(41.8)	-	-	-	-	-	(41.8)	11.2	(30.7)
Other comprehensive profit/(loss)		-	-	-	17.2	64.4	0.3	13.2	-	95.1	(0.3)	94.9
Comprehensive profit/(loss)		**-**	**-**	**(41.8)**	**17.2**	**64.4**	**0.3**	**13.2**	**-**	**53.3**	**10.9**	**64.2**
Share based payment		-	-	13.6	-	-	-	-	-	13.6	-	13.6
Transaction with non-controlling interests		-	(60.0)	-	-	-	-	-	-	(60.0)	0.0	(60.0)
Other		-	(3.7)	-	-	-	-	-	-	(3.7)	(10.0)	(13.7)
Equity at June 30, 2017 (revised*)	**30,925,700**	**309.3**	**187.4**	**(1,062.1)**	**85.6**	**(157.1)**	**3.1**	**(29.6)**	**646.3**	**(17.1)**	**27.8**	**10.7**

(*) Previously published information has been revised to take into account the impact following the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 16 for the reconciliation to previously published results.

The accompanying notes on page 7 to 39 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Cash Flows (€m)	Six months ended June 30, 2018	Six months ended June 30, 2017 (revised*)
Net profit/(loss) including non-controlling interests	**231.5**	**(26.4)**
Adjustments for:		-
Depreciation, amortization and impairment	579.5	693.7
Share in income of associates	(4.2)	(2.9)
Gains on disposals of business	(88.8)	0.9
Expenses related to share based payment	-	13.6
Other non-cash operating (losses)/gains, net[1]	(313.0)	(40.2)
Pension liability payments	(30.9)	(73.1)
Finance costs recognized in the statement of income	342.1	426.6
Income tax credit recognized in the statement of income	(44.6)	8.7
Income tax paid	(51.5)	(49.5)
Changes in working capital	50.3	41.3
Net cash provided by operating activities	**670.5**	**992.9**
Payments to acquire tangible and intangible assets	(461.7)	(518.0)
Payments to acquire other non-current assets	-	(70.5)
Proceeds from disposal of businesses	157.5	-
Proceeds from disposal of tangible, intangible and financial assets	0.1	302.8
Payments to acquires interests in associates	-	(12.3)
Payment to acquire subsidiaries, net	(51.4)	(146.0)
Net cash used in investing activities	**(355.5)**	**(443.9)**
Proceeds from issuance of debts	525.0	1,346.9
Payments to redeem debt instruments	(313.9)	(1,508.0)
Advances to group companies	(283.2)	(234.5)
Transfer to restricted cash	-	(14.7)
Interest paid	(245.9)	(269.4)
Other cash provided by financing activities[2]	(24.5)	107.2
Net cash (used)/generated in financing activities	**(342.5)**	**(572.5)**
Classification of cash as held for sale	-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	(1.9)	(5.5)
Net change in cash and cash equivalents	**(29.5)**	**(29.1)**
Cash and cash equivalents at beginning of period	253.2	266.0
Cash and cash equivalents at end of the period	**223.7**	**236.9**

1 Other non-cash operating gains and losses mainly include allowances and writebacks for provisions (including those for restructuring), and gains and losses recorded on the disposal of tangible and intangible assets.

2 Other cash from financing activities at the end of six month period ended June 30, 2018 include net repayments of €30.6 million from factoring arrangements.

(*) Previously published information has been revised to take into account the impact following the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 16 for the reconciliation to previously published results.

The accompanying notes on page 7 to 39 form an integral part of these condensed interim consolidated financial statements.

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1. About Altice International and Altice Group

Altice International S.à r.l (the "Company", the "Group") is a private limited liability company ("société à responsabilitė limitėe") incorporated in Luxembourg, headquartered at 5, rue Eugène Ruppert, L-2453, Luxembourg, in the Grand Duchy of Luxembourg.

The direct controlling shareholder of the Company is Altice., which holds 100% of the share capital, and is itself indirectly controlled by Altice Europe N.V. ("Altice" or "the Altice Group"), headquartered at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The consolidated financial statements of the Company are consolidated into the consolidated financial statements of Altice Europe N.V.. The controlling shareholder of Altice Europe N.V. is Next Alt S.à r.l. ("Next Alt"), which holds 67.54% of the share capital as of June 30, 2018 and is controlled by Mr. Patrick Drahi.

The Altice Group 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 Group 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.

2. Accounting policies

2.1. Basis of preparation

These condensed interim consolidated financial statements of the Group as of June 30, 2018 and for the six month period then ended were approved by the Board of Managers and authorized for issue on August 30, 2018.

These condensed interim consolidated financial statements of the Group as of June 30, 2018 and for the six month period then ended, are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting*. They should be read in conjunction with the annual consolidated financial statements of the Group and the notes thereto as of and for the year ended December 31, 2017 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") (the "annual consolidated financial statements").

The accounting policies applied for the condensed interim consolidated financial statements as of June 30, 2018 do not differ from those applied in the annual consolidated financial statements as of and for the year ended December 31, 2017, except for the adoption of new standards effective as of January 1, 2018.

2.1.1. *Standards applicable for the reporting period*

The following standards have mandatory application for periods beginning on or after January 1, 2018 as described in note 2.1.4 to the annual consolidated financial statements.

- IFRS 15 *Revenue from Contracts with Customers*;
- IFRS 9 *Financial Instruments*;
- Amendments to IFRS 2: *Classification and Measurement of Share Based Payment Transactions*;
- IFRIC 22: *Foreign Currency Transactions and Advance Consideration*;
- Annual improvements cycle 2014-2016.

The application of amendments to IFRS 2, IFRIC 22 and annual improvements cycle 2014-2016 had no impact on the amounts recognised in the annual consolidated financial statements and had no impact on the disclosures in these condensed interim consolidated financial statements.

Below are described the main changes in the Group's accounting policies relating to the first application of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments.* Other significant revenue recognition policies remain unchanged.

2.1.1.1. Revenue recognition

Revenue from the Group's activities is mainly composed of television, broadband Internet, fixed and mobile telephony subscription, installations fees invoiced to residential and business clients and advertising revenues.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the Group.

In accordance with IFRS 15 *Revenue from Contracts with Customers*, the revenue recognition model includes five steps for analyzing transactions so as to determine when to recognize revenue and at what amount:

(1) Identifying the contract with the customer.
(2) Identifying separate performance obligations in the contract.
(3) Determining the transaction price.
(4) Allocating the transaction price to separate performance obligations.
(5) Recognizing revenue when or as the performance obligations are satisfied.

For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if the product or service is distinct from other items in the bundle. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the market prices at which the Group sells the mobile devices and telecommunications services separately.

This leads to the recognition of a contract asset in the statement of financial position.

The contract asset is reversed over the enforceable period. Enforceable period has been determined for each company. It represents the period over which rights and obligation are enforceable. This period is determined not only by the commitment period as stated in the contract, but also by business practices and contracts mechanisms (early renewal, exit options, penalties and other clauses).

Revenue from mobile devices

The Group recognizes revenues when a customer takes possession of the device, which is the performance obligation. This usually occurs when the customer signs a new contract. The amount of revenue includes the sale of mobile devices and ancillary equipment for those devices. For mobile devices sold separately, customers pay in full at the point of sale or in several installments (credit agreement).

Revenue from service

Revenues from subscriptions for basic cable services, digital television pay, Internet and telephony (fixed and mobile) are recognized in revenue on a straight-line basis over the subscription period; revenues from telephone calls are recognized in revenue when the service is rendered in accordance with the term of the contract.

Installation revenue

Installation service revenue is deferred and recognized over the benefit period. For B2B customers, the benefit period is the contract term, which is defined and agreed for 2 years or more. For B2C customers, there is no commitment period and installation costs are recognized over the benefit period.

Agent versus principal

The Group determines whether it is acting as a principal or as an agent. The Group is acting as a principal if it controls a promised good or service before it is transferred to a customer.

Indicators for acting as a principal include: (1) the Group is primarily responsible for fulfilling the promise to provide the specified good or service, (2) the Group has inventory risk in the specified good or service and (3) the Group has discretion in establishing the price for the specified good or service.

On the other hand, the Group is acting as an agent or an intermediary, if these criteria are not met. When the Group is acting as an agent, revenue is presented on a net basis in the statement of income. When the Group is acting as principal, revenue is presented on a gross basis.

2.1.1.2. Contract costs

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Commissions to third parties and sales incentives to employees are considered as costs to obtain a contract and are recognized under the balance sheet caption "contract costs".

Assets recognized as contract costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset may relate to goods or services to be transferred under a specific anticipated contract. The amortization charge is recognized in the statement of income, within caption "Depreciation, amortization and impairment".

As a practical expedient, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

2.1.1.3. Financial instruments

Standard IFRS 9 *Financial Instruments* allows two methods for subsequent measurement:

- amortized cost: this is the original amount minus principal repayments, cumulative amortizations and impairments. An impairment is recognized if the fair value at the end of the period is less than the carrying amount. The amortized cost must be determined by using the effective interest rate method,
- fair value: this is the amount for which an asset could be exchanged, or a liability paid, between two willing parties, in an arm's length transaction.

Classification and measurement

Except for certain trade receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI).

The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables, and Loans included under balance sheet caption "Financial assets" (non-current and current portion).
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. The Group has no instrument in this new category.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its quoted and unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as AFS (Available for sale) financial assets.
- Financial assets at FVPL comprise derivative instruments. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group's business models was made as of the date of initial application, January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.
The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the statement of profit or loss.
Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For Contract assets and Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Hedge accounting

The Group continues to apply the requirement of IAS 39 related to hedge accounting.

Financial liabilities restructuring

Based on the IFRS 9, the Group removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished-i.e. when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.1.2. *Standards and interpretations not applicable as of reporting date*

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for period started from January 1, 2018 and that may impact the amounts reported.

- IFRS 16 *Leases*, effective on January 1, 2019;
- Annual improvements cycle 2015-2017, effective on or after January 1, 2019;
- IFRIC 23: *Uncertainty over Income Tax Treatments*, applicable for annual periods beginning on or after January 1, 2019;
- Amendments to IFRS 9: *Prepayments features with Negative Compensation*, effective on or after January 1, 2019;
- Amendments to IAS 28: *Long term interests in Associates and Joint ventures*, effective on or after January 1, 2019;
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*, effective on or after January 1, 2019.

IFRS 16 Leases issued on January 13, 2016 is the IASB's replacement of IAS 17 Leases. IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Board of Managers of the Company anticipate that the application of IFRS 16 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities, especially given the different operating lease arrangements of the Group. The effects are analysed as part of a Group-wide project for implementing this new standard. During the six month period ended June 30, 2018, the assessment phase has been finalized and implementation plan is in progress, and it is not yet practicable to provide a reasonable estimate of the quantitative effects until the projects have been completed.

2.1.3. *Significant accounting judgments and estimates*

In the application of the Group's accounting policies, the Board of Managers of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These key areas of judgments and estimates, as disclosed in the annual consolidated financial statements are:

- Estimations of provisions for claims and restructuring plans;
- Measurement of post-employments benefits;
- Revenue recognition;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Impairment of goodwill;
- Estimation of useful lives of intangible assets and property, plant and equipment, and
- Estimation of impairment losses for trade and other receivables.

As of June 30, 2018, there were no changes in the key areas of judgements and estimates except that, following the application of IFRS 15 *Revenue from Contracts with Customers*, judgement and estimates are made for the determination of the enforceable period that is used for the recognition of contract assets and the amortization of the contract costs.

2.1.4. *Revised information*

The comparative information as of June 30, 2017 and December 31, 2017 had been revised to reflect the impact of new accounting standards IFRS 15 *Revenue from Contracts with Customers,* IFRS 9 *Financial instruments*, applicable from January 1, 2018, as well as IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. Please refer to note 16 for the reconciliation to previously published results.

2.1.4.1. IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 *Revenue from Contracts with Customers* for annual period beginning on January 1, 2018, in accordance with the full retrospective method by restating each prior period and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented (January 1, 2017).

The details of the significant changes are set out below. The quantitative impacts are presented in note 16.

Mobile activities

The most significant impact is in the mobile activities (B2C and B2B transactions) as some arrangements include multiple elements that are being bundled: a handset component sold at a discounted price and a communication service component. In application of IFRS 15, the Group has identified those items as separate performance obligations. Total revenue is allocated to both elements based on their stand-alone selling price, leading to more revenue being allocated to the handset upfront. This also impacts the timing of revenue recognition as the handset

is delivered up-front, even though total revenue does not change in most cases over the life of the contract. Other IFRS 15 topics impacting the accounts include capitalization of commissions (i.e. renewal commissions) which are broader than the capitalization model in the past, along with depreciation pattern which is based on estimates relating to the contract duration in some instances (prepaid business for example).

Fixed activities

In most cases, the service and the equipment are not considered as distinct performance obligations. Other identified topics relate to connection fees, related costs and capitalization of commissions. Related estimates include the determination of capitalized assets depreciation period based on contract period and additional periods related to anticipated contract that the Group can specifically identify.

2.1.4.2. IFRS 9 Financial Instruments

IFRS 9 Financial Instruments issued on July 24, 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The Group implemented the standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with no impact on 2017. The quantitative impacts are presented in note 16.

Main impact of IFRS 9 are as follows:

- Based on the IFRS 9 guidance, financial liabilities that have been renegotiated in previous period, where the renegotiated terms were considered as a non-substantial modification of the initial terms (cash flows modified in a proportion equal to or lower than 10%), requires a specific treatment upon transition to IFRS 9. Under IFRS 9, the Company should use the original effective interest rate to calculate the carrying value of the debt which is the present value of the modified future cash flows. Under IAS 39, for financial liabilities that have been renegotiated, the effective interest rate is changed on a prospective basis, with no income statement impact at the renegotiation date. For restructuring of financial liabilities that have been treated as extinguishment of debt, which is the case for most of the Group debt restructuring, there is no impact under IFRS 9.
- Based on the IFRS 9 guidance, the Group has applied the simplified model for trade receivables and contracts assets (without significant financing component) and has applied the expected credit loss model (i.e. including forward looking information) on assets (i.e. trade receivables not yet due and contract assets IFRS 15 *Revenue from Contracts with Customers*). Under currents standard, the bad debt was calculated based on incurred losses.
- The new standard also implies change of classification in financial assets.

3. Scope of consolidation

The following changes occurred during the six month period ended June 30, 2018, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

3.1. Transactions completed in the current period

3.1.1. *Sale of telecommunications solutions business and data center operations in Switzerland*

On February 12, 2018, the Company announced the closing of the transaction to sell its telecommunications solutions business and data center operations in Switzerland, green.ch AG and Green Datacenter AG, to InfraVia Capital Partners. The transaction values the business at an enterprise value of approximately 214 million CHF (9.9x LTM Adjusted EBITDA).

The capital gain recorded during the six month period ended June 30, 2018 amounted to €88.8 million, net of tax. The total proceeds received related to the sale amounted to €156.4 million.

3.1.2. *Sale of Altice Management International ("AMI") to Altice Group Lux S.à r.l*

During November and December 2017, the Board of Directors of Altice N.V. decided the transfer of shares of AMI to Altice Group Lux S.à r.l. The sale was completed on January 31, 2018 with a transaction value of 1 CHF. The capital gain recorded in equity during the period amounted to €4.6 million net of tax.

3.1.3. *Exercise of the ATS call option*

In April 2018, the Group exercised the call option for the acquisition of the remaining 49% in Altice Technical Services ("ATS") for a fixed price of €147 million, bearing interests at an annual rate of EURIBOR 1 month plus 3.5%. The total amount of €156.3 million will be paid in November 2018. As a result of the exercise of the call option, the Company's ownership in ATS increased to 100%. The ATS entities in France were then sold to Altice France, please refer to note 3.1.5.

3.1.4. *Closing of the sale of Altice Content to Altice Group Lux S.à r.l*

During November and December 2017, the Board of Directors of Altice N.V. decided the transfer of shares of Altice Content to Altice Group Lux S.à r.l. (the indirect parent company of Altice International). The transaction was closed on May 15, 2018. The capital loss was recorded in shareholders' equity (within the transaction with Altice's shareholder) for an amount of €172.2 million, net of tax. The consideration received was €1.

In accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, non-current assets classified as held for sale shall be measured at the lower of its carrying amount and fair value less costs to sell. For Altice Content, the Group had recorded an impairment loss through equity of €51.1 million as of December 31, 2017.

3.1.5. *Closing of the sale of Altice Technical Services France to Altice France*

During December 2017, the Board of Directors of Altice N.V. decided to transfer of shares of Altice Technical Service France ("ATSF) to Altice France. As of December 31, 2017, ATSF was treated as discontinued operations and the assets and liabilities were classified as held for sale. The transaction was closed on May 16, 2018. Capital gain recorded in equity amounted to €24.7 million, net of tax. Please refer to note 3.5 for details on the contribution of discontinued operations to the statement of income and cash flow.

3.1.6. *Closing of the sale of Altice Customer Service to Altice France*

During December 2017, the Board of Directors of Altice N.V. decided to transfer of shares of Altice Customer Services ("ACS") to Altice France. As of December 31, 2017, ACS was treated as discontinued operations and the assets and liabilities were classified as held for sale. The transaction was closed on May 16, 2018. Capital gain recorded in equity amounted to €3.4 million, net of tax. Please refer to note 3.5 for details on the contribution of discontinued operations to the statement of income and cash flow.

3.2. Transactions completed in the prior period

3.2.1. *Acquisition of a stake in SPORT TV*

On February 24, 2017, PT Portugal acquired a 25% stake in the capital of SPORT TV for €12.3 million. SPORT TV is a sports broadcaster based in Portugal. Following this investment, SPORT TV's shareholders are PT Portugal, NOS, Olivedesportos and Vodafone, each of which with a 25% stake. This new structure benefits, above all, PT Portugal's customers and the Portuguese market, guaranteeing all the operators' access to the sports content considered essential in fair and non-discriminatory market conditions.

3.2.2. *Disposal of Coditel*

As at December 31, 2016, the Group had entered into an agreement to sell its Belgian and Luxembourg (Belux) telecommunication businesses, and accordingly classified the associated assets and liabilities as a disposal group held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. On June 19, 2017, the Group completed the sale of Coditel Brabant SPRL and Coditel S.à r.l, to Telenet Group BVBA, a direct subsidiary of Telenet Group Holding N.V. After the final post-closing price adjustments, the Group received €280.8 million, and recognized a loss on sale after transactions costs of €24.0 million.

3.2.3. *Acquisition of Teads*

On June 22, 2017, Altice Teads (a company which the Group has 98.5% of the financial interest, with 1.5% attributable to the managers of Teads) closed the acquisition of Teads. Teads is the number one online video advertising marketplace in the world with an audience of more than 1.2 billion unique visitors. The acquisition values Teads at an enterprise of up to €302.3 million. The acquisition purchase price was due 75% at closing, with

the remaining 25% earn-out subject to Teads obtaining defined revenue performance in 2017. As the defined revenue targets for 2017 were met, an earn-out payment of €48.6 million was made to the former owners of Teads during Q2 2018, with an additional earn-out payment of €13.1 million made on July 3, 2018. Please also refer to note 15.1.

3.3. Variations in non-controlling interests

Variations in non-controlling interests (€m)	Altice Technical Services	Other	Group
Opening balance at January 1, 2017	51.5	(24.7)	**26.8**
Net income	21.9	(6.1)	**15.8**
Other comprehensive income	(2.2)	(0.4)	**(2.7)**
Dividends	(5.7)	-	**(5.7)**
Variation in minority interest put	-	-	**-**
Other	(9.8)	3.0	**(6.8)**
Closing at December 31, 2017	**55.7**	**(28.2)**	**27.5**
Opening balance at January 1, 2018	**55.7**	**(28.2)**	**27.5**
Net income	8.4	(2.1)	**6.3**
Other comprehensive income	(0.3)	0.3	**-**
Sale of ATSF to Altice France	(33.6)	-	**(33.6)**
Exercise of ATS call option	(26.8)	-	**(26.8)**
Sale of ACS to Altice France	-	0.5	**0.5**
Variation in minority interest put	-	(2.2)	**(2.2)**
Other	-	0.1	**0.1**
Closing at June 30, 2018	**3.3**	**(31.6)**	**(28.2)**

* Please refer to note 16 for details about the revised information

The main change in non-controlling interests "NCI" as at June 30, 2018 was mainly due to:

- sale of Altice Technical Service France to Altice France, reducing NCI in Altice Technical Services by €33.6 million,
- sale of Altice Customer Service to Altice France, reducing NCI by €2.2 million,
- exercise of the Altice Technical Service ("ATS") call option to acquire the remaining 49% in ATS (please refer to note 3.1.3).

3.4. Assets held for sale

In December 2017, the Board of Managers of the Company decided to sell the Group's International Wholesale business. The transits and international outgoing traffic business in Portugal and the Dominican Republic was classified as held for sale as of December 31, 2017, in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. On March 12, 2018, the Company announced that it had entered into exclusivity with Tofane Global, a Paris-based telecommunications and digital player specializing in international carrier services, for the sale of its international wholesale voice carrier business in Portugal and the Dominican Republic. The results from these operations are included in the respective segments mentioned above. On July 18, 2018, Sale and Purchase Agreements had been signed separately by Altice Dominicana and MEO with Tofane Global. The transaction is expected to close in September 2018. Please refer to note 15.2.

On June 20, 2018, PT Portugal reached an agreement with a consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners for the sale of a 75% stake in the newly formed tower company called Passivetel Equipamentos Passivos that will comprise 2,961 sites currently operated by Altice Portugal. The transaction is expected to close during Q3 2018 and is subject to the effective demerger and customary closing conditions. As a consequence, these assets and liabilities were classified as held for sale as of June 30, 2018.

On July 30, 2018, Altice Europe announced that its subsidiary Altice Dominicana had reached an agreement with Phoenix Tower International, a portfolio company of Blackstone, for the sale of 100% in the tower company Teletorres del Caribe that will comprise 1,049 sites currently operated by Altice Dominicana. As of June 30, 2018, the closing of this transaction was not highly probable hence the assets and liabilities were not classified as held for sale. Please refer to note 15.4 for more details.

During 2017, the Board of Managers of the Company decided the following transfer of shares within the Altice Group and the closing date of the transactions:

- Altice Management International ("AMI") to Altice Group Lux S.à r.l. (Parent company of Altice Luxembourg). Closing date on January 31, 2018. Please refer to note 3.1.2.

- Altice TV to Altice Group Lux S.à r.l. (Parent company of Altice Luxembourg). Closing date on May 15, 2018. Please refer to note 3.1.4.
- Altice Technical Service France ("ATSF") to Altice France. Closing date on May 16, 2018. Please refer to note 3.1.5.
- Altice Customer Service ("ACS") to Altice France. Closing date on May 16, 2018. Please refer to note 3.1.6.
- AB2 (French Overseas Territory) operations to Altice France, controlled by Altice Luxembourg.

Therefore, the assets and liabilities of Altice TV, AMI, ATSF, ACS and AB2 had been classified as held for sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* as at December 31, 2017. Since the transactions for Altice TV, AMI, ATSF and ACS were all closed during the first half of 2018, the assets and liabilities were no longer classified as assets held for sale as of June 30, 2018. Altice TV and AMI were not considered or qualified as major lines of business of the Group, they were not presented as discontinuing operation as of June 30, 2018. The contribution of Altice TV and AMI to the statement of income for the six month period ended June 30, 2018 and 2017 are provided in note 4, in the segment Altice TV and Others, respectively. On the other hand, ATSF and ACS were classified as discontinued operations as of December 31, 2017, please refer to note 3.5 for more details.

In the prior year, Green and Green Datacenter had been classified as held for sale. The sale was completed on February 12, 2018. Please refer to note 3.1.1.

Table below provides the details of assets and liabilities classified as held for sale as of June 30, 2018 and December 31, 2017:

Disposal groups held for sale	**June 30, 2018**			
(€m)	**Whosale Market**	**AB2**	**Other**	**Total**
Goodwill	-	276.5	-	276.5
Tangible and intangible assets	-	156.2	-	156.2
Other non-current assets	-	2.4	-	2.4
Investment in associates	-	-	4.4	4.4
Current assets	81.8	86.5	-	168.4
Total assets held for sale	**81.8**	**521.6**	**4.4**	**607.9**
Non-current liabilities	-	(26.9)	-	(26.9)
Current liabilities	(38.0)	(115.0)	-	(152.9)
Total Liabilities related to assets held for sale	**(38.0)**	**(141.9)**	**-**	**(179.8)**

Disposal groups held for sale (*revised)	**December 31, 2017**								
(€m)	**Green**	**Wholesale Market**	**ATS France**	**ACS**	**AB2**	**Altice TV**	**AMI**	**Other**	**Total**
Goodwill	18.2	-	72.8	26.5	276.5	7.8	-	-	402.0
Tangible and intangible assets	113.1	-	5.2	31.4	164.5	215.7	0.5	-	530.3
Other non-current assets	0.4	-	1.0	1.2	2.3	77.4	(0.6)	-	81.7
Current assets	13.6	39.2	212.6	122.0	76.6	220.5	9.3	-	693.8
Investment in associates	-	-	-	-	-	-	-	4.4	4.4
Total assets held for sale	**145.3**	**39.2**	**291.6**	**181.1**	**519.9**	**521.4**	**9.2**	**4.4**	**1,712.2**
Non-current liabilities	(54.2)	-	(5.7)	(13.9)	(24.8)	(28.1)	(6.5)	-	(133.1)
Current liabilities	(25.0)	15.9	(140.5)	(98.7)	(123.6)	(309.5)	(137.3)	-	(818.5)
Total Liabilities related to assets held for sale	**(79.2)**	**15.9**	**(146.1)**	**(112.6)**	**(148.4)**	**(337.5)**	**(143.8)**	**-**	**(951.6)**

* The balance of goodwill classified as assets held for sale in table above includes restatements made to correct misclassification of goodwill in Altice Technical Service France (€70.8 million) and Altice Customer Services (€2.2 million). Please refer to note 16 for details about the revised information.

3.5. Discontinued operations

As stated in note 3.4, ATSF and ACS were classified as discontinued operations. For convenience only, the disclosures of summarized statement of income and cash flow of ATSF and ACS are provided on the basis of four months period ended April 30, 2018 instead of up to the date of transfer on May 16, 2018 (please refer to notes 3.1.5 and 3.1.6). The comparative figures are provided on the basis of six months period ended June 30, 2017.

Table below presents the impacts of discontinued operations of ACS and ATS France business in the consolidated statement of income for the four month period ended April 30, 2018 and the six month period ended June 30, 2017:

Disposal groups held for sale (€m)	ATS France	ACS	April 30, 2018	ATS France	ACS	June 30, 2017
Revenue	121.3	58.8	180.2	154.2	39.4	193.7
Operating profit	19.0	6.9	25.9	24.4	(21.9)	2.5
Finance costs	(0.0)	0.9	0.9	-	1.3	1.3
Income tax	(6.5)	(0.5)	(7.0)	(7.1)	(0.9)	(8.0)
Net income related to discontinuing operation	**12.5**	**7.3**	**19.8**	**17.4**	**(21.5)**	**(4.2)**

Table below presents the impacts of discontinued operations of ACS and ATS France business in the statement of cash flow for the four month period ended April 30, 2018 and the six month period ended June 30, 2017:

Disposal groups held for sale (€m)	ATS France	ACS	April 30, 2018	ATS France	ACS	June 30, 2017
Net cash provided by operating activities	17.4	(3.6)	13.7	(26.7)	32.1	5.4
Net cash provided (used) by investing activities	(0.9)	4.1	3.2	(1.2)	(38.0)	(39.2)
Net cash provided (used) by financing activities	-	1.6	1.6	(0.2)	4.5	4.2

The amount of assets and liabilities of ATSF and ACS as at May 16, 2018 is summarized below:

Discontinued operations (€m)	ATS France	ACS
Non-current assets	20	66
Current assets	179	133
Total assets of discontinued operations	200	200
Equity	91	40
Non-current liabilities	5	51
Current liabilities	103	109
Total liabilities and equity of discontinued operations	200	200

4. Segment reporting

4.1. Definition of segments

Given the geographical spread of the entities within the Group, analysis by geographical area is fundamental in determining the Group's strategy and managing its different businesses. The Group's chief operating decision maker is the senior management team. This team analyses the Group's results across geographies, and certain key areas by activity. The presentation of the segments here is consistent with the reporting used internally by the senior management team to track the Group's operational and financial performance. The businesses that the Group owns and operates do not show significant seasonality, except for the mobile B2C and B2B segments, which can show significant changes in sales at the year end and at the end of the summer season (the "back to school" period). The B2B business is also impacted by the timing of preparation of the annual budgets of public and private sector companies. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **Portugal:** Altice owns Portugal Telecom ("PT Portugal"), the largest telecom operator in Portugal. PT Portugal caters to fixed and mobile B2C, B2B and wholesale clients using the MEO brand. As of 2018, this segment also includes the Altice Technical Services entities in Portugal.
- **Israel:** Fixed and mobile services are provided using the HOT telecom, HOT mobile and HOT net brands to B2C and B2B clients. HOT also produces award winning exclusive content that it distributes using its fixed network. As of 2018, this segment also includes the Altice Technical Services entity in Israel.

- **Dominican Republic**: The Group provides fixed and mobile services to B2C, B2B and wholesale clients using Altice brands. As of 2018, this segment also includes the Altice Technical Services entity in the Dominican Republic.
- **Teads**: Provides digital advertising solutions.
- **Altice TV:** Content business from the use of content rights. Altice TV was not classified as discontinued operations and was sold to Altice Group Lux S.à r.l in May 2018 (please refer to note 3.1.4)
- **Others**: This segment includes all corporate entities and French Overseas Territories. The Board of Managers believes that these operations are not substantial enough to require a separate reporting segment, and so are reported under "Others".

Following the change in segment definition as of 2018, the comparative segment information of 2017 was restated accordingly.

4.2. Financial Key Performance Indicators ("KPIs")

The Board of Managers has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the Company. The Board of Managers believes that these indicators offer them the best view of the operational and financial efficiency of each segment and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the Group's results.

The financial KPIs tracked by the Board of Managers are:

- Adjusted EBITDA: by segment,
- Revenues: by segment and in terms of activity,
- Capital expenditure ("Capex"): by segment, and
- Operating free cash flow ("OpFCF"): by segment.

4.2.1. *Non-GAAP measures*

Adjusted EBITDA, Capex and OpFCF are non-GAAP measures. These measures are useful to readers of Altice's financial statements as they provide a measure of operating results excluding certain items that Altice's management believe are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group's operating results and cash flow generation to be more easily observable. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics. The definition of covenant has not changed with the adoption of the IFRS 15 *Revenue from Contracts with Customers* by the Group.

4.2.1.1. Adjusted EBITDA

Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, non-recurring litigation, restructuring costs) and equity-based compensation expenses. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results, which is also presented within the annual consolidated financial statements in accordance with IAS 1 - *Presentation of Financial Statements*.

4.2.1.2. Capex

Capex is an important indicator to follow, as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex is mainly related to costs incurred in acquiring content rights.

4.2.1.3. Operating free cash flow

OpFCF is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 1 - *Presentation of Financial Statements*.

4.2.2. *Revenues*

Additional information on the revenue split is presented as follows:

- Fixed in the business to consumer market (B2C),
- Mobile in the business to consumer market (B2C),
- Business to business (B2B) market,
- Wholesale, and
- Other.

Intersegment revenues represented 0.2% of total revenues for the six month period ended June 30, 2018, compared to 0.9% of total revenues for the six month period ended June 30, 2017 (€4.6 million compared to €21.4 million). Intersegment revenues mainly relate to services rendered by certain centralized Group functions (relating to content production, technical services, customer services and management fees) to the operational segments of the Group.

4.3. Segment results

4.3.1. *Operating profit by segment*

For the six months ended June 30, 2018 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**1,050.0**	**482.7**	**299.9**	**150.9**	**28.6**	**108.0**	**(4.6)**	**2,115.5**
Purchasing and subcontracting costs	(274.2)	(130.6)	(86.3)	-	(99.0)	(26.4)	5.9	**(610.7)**
Other operating expenses	(194.5)	(107.8)	(46.8)	(95.9)	(3.2)	(28.6)	0.5	**(476.3)**
Staff costs and employee benefits	(137.0)	(32.2)	(13.0)	(39.2)	(1.5)	(15.5)	(0.0)	**(238.4)**
Total	**444.3**	**212.1**	**153.8**	**15.8**	**(75.1)**	**37.5**	**1.7**	**790.1**
Stock option expense	-	-	-	-	-	-	-	**-**
Adjusted EBITDA	**444.3**	**212.1**	**153.8**	**15.8**	**(75.1)**	**37.5**	**1.7**	**790.1**
Depreciation, amortisation and impairment	(329.4)	(157.0)	(61.9)	(8.2)	-	(23.1)	-	**(579.5)**
Stock option expense	-	-	-	-	-	-	-	**-**
Other expenses and income	(41.6)	(7.4)	(2.1)	0.4	300.0	78.7	(4.7)	**323.3**
Operating profit/(loss)	**73.3**	**47.7**	**89.9**	**8.0**	**224.9**	**93.1**	**(2.9)**	**533.9**

For the six months ended June 30, 2017 (revised*) €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**1,152.8**	**526.7**	**358.7**	**-**	**177.5**	**241.4**	**(21.4)**	**2,435.7**
Purchasing and subcontracting costs	(312.3)	(140.9)	(97.6)	-	(62.2)	(44.0)	7.4	**(649.7)**
Other operating expenses	(188.6)	(112.3)	(54.2)	-	(7.4)	(95.2)	36.3	**(421.3)**
Staff costs and employee benefits	(139.9)	(36.4)	(15.6)	-	(2.8)	(55.7)	2.4	**(248.0)**
Total	**512.2**	**237.2**	**191.3**	**-**	**105.0**	**46.6**	**24.7**	**1,116.7**
Stock option expense	-	-	-	-	-	13.6	-	**13.6**
Adjusted EBITDA	**512.2**	**237.2**	**191.3**	**-**	**105.0**	**60.1**	**24.7**	**1,130.3**
Depreciation, amortisation and impairment	(345.4)	(167.8)	(70.2)	-	(77.4)	(33.0)	-	**(693.7)**
Stock option expense	-	-	-	-	-	(13.6)	-	**(13.6)**
Other expenses and income	(50.5)	(7.4)	(13.5)	-	0.4	51.9	2.1	**(17.1)**
Operating profit/(loss)	**116.2**	**62.0**	**107.4**	**-**	**28.1**	**65.5**	**26.8**	**406.0**

* Please refer to note 16 for details about the revised information

4.3.2. *Other expenses and income*

Other expenses and income mainly relate to provisions for ongoing and announced restructuring, transaction costs related to acquisitions, and other non-cash expenses (gains and losses on disposal of assets, provisions for litigation, etc.).

Details of costs incurred during the six months ended June 30, 2018 and 2017 are provided in the following table.

Other expenses and income (€m)	**For the six months ended June 30, 2018**	**For the six months ended June 30, 2017 (revised*)**
Stock option expense	-	13.6
Items excluded from adjusted EBITDA	**-**	**13.6**
Restructuring costs	5.2	8.7
Loss on disposals of assets	1.6	0.4
Disputes and litigation	17.0	3.9
(Gain)/loss on sale of consolidated entities	(88.8)	0.9
Management fees	10.8	1.2
Breakup fees	(300.0)	-
Deal fee	5.9	2.6
Other expenses and income (net)	25.0	(0.6)
Other expenses and income	**(323.3)**	**17.1**

* Please refer to note 16 for details about the revised information

4.3.2.1. Stock option expenses

The Group has several stock option plans across its various entities comprising of mainly the Long-Term Incentive Plan (“LTIP”), the Share Option Plan (“SOP”) and the options granted to Next Alt. During the six month period ended June 30, 2018, the Group incurred stock option expenses of nil, as Altice Management International (“AMI”), which incurred the recharged stock option expense, was sold (please refer to note 3.1.2.), a decrease of €13.6 million compared to the six month period ended June 30.

4.3.2.2. Restructuring costs

Restructuring costs for the six month period ended June 30, 2018, mainly relate to the restructuring plans in PT Portugal for €4.5 million. Restructuring costs incurred for the six month period ended June 30, 2017 of €8.7 million mainly related to the restructuring expenses in PT Portugal (€7.8 million).

4.3.2.3. Loss on disposal of assets

The loss on disposal of assets primarily relates to expenses recorded in PT Portugal due to forest fires damages (€1.6 million).

4.3.2.4. Disputes and litigation

Disputes and litigation mainly relate to a €20.0 million litigation provision in PT Portugal. The expenses recorded for the six months period ended June 30, 2017 consisted of litigation expenses in PT Portugal (€2.1 million) and the French Overseas Territories (€1.7 million).

4.3.2.5. Gain on sale of consolidated entities

This relates to the gain on the sale of telecommunications solutions business and Data Center operations in Switzerland, green.ch AG and Green Datacenter AG (please refer to note 3.1.1).

4.3.2.6. Management fees

Management fees relate to the corporate costs charged by Altice Luxembourg Group and Altice Management International charged to entities within the Company. This amounted to €10.8 million for the six month period ended June 30, 2018, an increase of €9.6 million compared to June 30, 2017.

4.3.2.7. Breakup fees

Breakup fees for the six month period ended June 30, 2018 of €300 million relate to the breakup fees income from Altice France payable to the Group as part of the content activities of the Group in 2018.

4.3.2.8. Deal fees

Deal fees consisted of €5.9 million expenses in PT Portugal for the financial and legal advisory fees in the ongoing sale of the tower business. Deal fees for the six month period ended June 30, 2017 was mainly related to the deal fees in Altice Portugal (€1.6 million) and Tricom (€0.6 million).

4.3.2.9. Other expenses and incomes (net)

Consisted mainly of expenses in Altice Holdings of €13.0 million related to the removal of managers and board of AB2 and the corresponding termination agreement. Additionally, PT Portugal recorded €3.3 million of fines (mostly related to the termination fee of a real estate rental agreement of €2.4 million) and €1.9 million donations granted under social programs.

4.3.3. *Revenues by activity*

The tables below provide the split of revenues by activity as defined in note 4.2.2.

The revenues of the French Overseas Territories (FOT) were reclassed to Other revenue caption within the Others segment. This reclassification is in line with the way the management looks at the business and discloses it to the market. These revenues include revenues mostly from B2B, B2C, as well as call center revenues.

For the six months ended June 30, 2018 €m	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Total
Revenue Fixed - B2C	308.9	299.1	49.8	-	-	-	**657.8**
Revenue Mobile - B2C	275.3	123.5	175.3	-	-	-	**574.1**
B2B	292.6	59.9	40.5	-	-	-	**393.1**
Wholesale	107.4	-	33.7	-	-	-	**141.1**
Other revenue	65.8	0.2	0.7	150.9	28.6	108.0	**354.1**
Total standalone revenues	**1,050.0**	**482.7**	**299.9**	**150.9**	**28.6**	**108.0**	**2,120.2**
Intersegment eliminations	(0.8)	(0.1)	(0.4)	(0.2)	(3.5)	0.4	**(4.6)**
Total consolidated revenues	**1,049.2**	**482.6**	**299.5**	**150.7**	**25.1**	**108.4**	**2,115.5**

For the six months ended June 30, 2017 (revised*) €m	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Total
Revenue Fixed - B2C	340.1	340.4	56.1	-	-	33.5	**770.0**
Revenue Mobile - B2C	281.5	116.2	211.7	-	-	0.6	**610.0**
B2B	304.3	70.1	47.4	-	-	6.9	**428.6**
Wholesale	147.8	-	43.0	-	-	5.3	**196.2**
Other revenue	79.1	-	0.5	-	177.5	195.1	**452.3**
Total standalone revenues	**1,152.8**	**526.7**	**358.7**	**-**	**177.5**	**241.4**	**2,457.1**
Intersegment eliminations	(4.9)	(0.2)	(0.6)	-	(4.8)	(10.9)	**(21.4)**
Total consolidated revenues	**1,148.0**	**526.5**	**358.1**	**-**	**172.7**	**230.4**	**2,435.7**

* Please refer to note 16 for details about the revised information

The table below provides the standalone and consolidated revenues in accordance to IFRS 15 *Revenue from Contracts with Customers* for the six month periods ended June 30, 2018 and 2017.

Revenues split IFRS 15 (€m)	June 30, 2018	June 30, 2017
Mobile services	603.4	656.8
Mobile equipment	119.2	103.9
Fixed revenues	902.4	1,047.9
Wholesale revenues	141.1	196.2
Other revenues	354.1	452.3
Total stand-alone revenues	**2,120.2**	**2,457.1**
Intersegment elimination	(4.6)	(21.4)
Total consolidated	**2,115.5**	**2,435.7**

4.3.4. *Capital expenditure*

The table below details capital expenditure by segment and reconciles to the payments to acquire capital items (tangible and intangible assets) as presented in the consolidated statement of cash flows.

For the six months ended June 30, 2018 €m	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Capital expenditure (accrued)	211.0	118.6	56.7	-	3.8	17.3	(0.2)	**407.3**
Capital expenditure - working capital items	45.7	4.2	(2.6)	-	4.5	2.6	-	**54.5**
Payments to acquire tangible and intangible assets	**256.7**	**122.9**	**54.1**	**-**	**8.3**	**19.9**	**(0.2)**	**461.7**

For the six months ended June 30, 2017 (revised*) €m	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Capital expenditure (accrued)	207.1	119.4	53.5	-	29.0	29.2	(0.8)	**437.4**
Capital expenditure - working capital items	32.7	(1.7)	(12.7)	-	66.3	(4.0)	-	**80.5**
Payments to acquire tangible and intangible assets	**239.8**	**117.6**	**40.8**	**-**	**95.3**	**25.2**	**(0.8)**	**518.0**

* Please refer to note 16 for details about the revised information

4.3.5. *Adjusted EBITDA less accrued Capex*

The table below details the calculation of Adjusted EBITDA less accrued Capex, or operating free cash flows (“OpFCF”), as presented to the Board of Managers. This measure is used as an indicator of the Group's financial performance as the Board believes it is one of several benchmarks used by investors, analysts and peers for comparison of performance in the Group's industry, although it may not be directly comparable to similar measures reported by other companies. Adjusted EBITDA and accrued Capex are both reconciled to GAAP reported figures in this note, this measure is a calculation using these two non-GAAP figures, therefore no further reconciliation is provided.

For the six months ended June 30, 2018 €m	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Adjusted EBITDA	444.3	212.1	153.8	15.8	(75.1)	37.5	1.7	**790.1**
Capital expenditure (accrued)	(211.0)	(118.6)	(56.7)	-	(3.8)	(17.3)	0.2	**(407.3)**
Operating free cash flow (OpFCF)	**233.2**	**93.4**	**97.2**	**15.8**	**(78.9)**	**20.2**	**1.9**	**382.7**

For the six months ended June 30, 2017 (revised*) €m	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Adjusted EBITDA	512.2	237.2	191.3	-	105.0	60.1	24.7	**1,130.3**
Capital expenditure (accrued)	(207.1)	(119.4)	(53.5)	-	(29.0)	(29.2)	0.8	**(437.4)**
Operating free cash flow (OpFCF)	**305.0**	**117.9**	**137.7**	**-**	**76.0**	**30.9**	**25.5**	**692.9**

* Please refer to note 16 for details about the revised information.

5. Goodwill and Intangible Assets

5.1. Goodwill

Goodwill recorded in the consolidated statement of financial position was allocated to the different groups of cash generating units (“GCGU” or “CGU” for cash generating units) as defined by the Group. Following the change in the segment structure as of 2018 (please refer to note 4.1), ATS entities in Portugal, Israel and the Dominican Republic were allocated to the total goodwill in respective countries. In table below, French Overseas Territories, Altice TV and other corporate entities were aggregated in caption Others.

Goodwill (€m)	December 31, 2017 (revised*)	Recognized on business combination	Changes in foreign currency translation	Held for sale	Other	June 30, 2018
Portugal	1,727.4	-	-	-	-	1,727.4
Israel	746.4	-	(16.3)	-	-	730.1
Dominican Republic	800.2	-	26.3	-	-	826.5
Teads	201.7	-	-	-	-	201.7
Others	-	-	-	-	-	-
Gross value	**3,475.8**	**-**	**10.0**	**-**	**-**	**3,485.8**
Portugal	-	-	-	-	-	-
Israel	(146.7)	-	3.4	-	-	(143.3)
Dominican Republic	-	-	-	-	-	-
Teads	-	-	-	-	-	-
Others	-	-	-	-	-	-
Cumulative impairment	**(146.7)**	**-**	**3.4**	**-**	**-**	**(143.3)**
Portugal	1,727.4	-	-	-	-	1,727.4
Israel	599.8	-	(12.9)	-	-	586.8
Dominican Republic	800.2	-	26.3	-	-	826.5
Teads	201.7	-	-	-	-	201.7
Others	-	-	-	-	-	-
Net book value	**3,329.1**	**-**	**13.4**	**-**	**-**	**3,342.3**

Goodwill (€m)	December 31, 2016 (*revised)	Recognized on business combination	Changes in foreign currency translation	Held for sale	Other	December 31, 2017 (revised*)
Portugal	1,726.9	0.5	-	-	-	1,727.4
Israel	767.2	0.9	(21.6)	-	-	746.4
Dominican Republic	904.4	0.3	(104.5)	-	-	800.2
Teads	-	201.7	-	-	-	201.7
Others	403.5	7.3	(.8)	(410.5)	0.4	-
Gross value	**3,802.0**	**210.7**	**(126.9)**	**(410.5)**	**0.4**	**3,475.8**
Portugal	-	-	-	-	-	-
Israel	(151.1)	-	4.5	-	-	(146.7)
Dominican Republic	-	-	-	-	-	-
Teads	-	-	-	-	-	-
Others	(8.6)	-	-	8.6	-	-
Cumulative impairment	**(159.7)**	**-**	**4.5**	**8.6**	**-**	**(146.7)**
Portugal	1,726.9	0.5	-	-	-	1,727.4
Israel	616.1	0.9	(17.2)	-	-	599.8
Dominican Republic	904.4	0.3	(104.5)	-	-	800.2
Teads	-	201.7	-	-	-	201.7
Others	395.0	7.3	(.8)	(402.0)	0.4	-
Net book value	**3,642.3**	**210.7**	**(122.4)**	**(402.0)**	**0.4**	**3,329.1**

* Please refer to note 16 for details about the revised information

5.2. Impairment of goodwill

Goodwill is reviewed at the level of each GCGU or CGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the CGU/GCGU level for impairment as of December 31, 2017. The CGU/GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. The key assumptions for the value in use calculations are the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period. The senior management team has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable. In addition, there were no significant changes in assets or liabilities in any CGU/GCGU, while the recoverable amounts continue to significantly exceed the carrying amounts. Therefore, no updated impairment testing was performed, nor any impairment recorded, for the six months ended June 30, 2018.

5.3. Business combinations

The Group has concluded several acquisitions during the past 12 months. In all acquisitions, the Group records the provisional value of the assets and liabilities as being equivalent to the book values in the accounting records of the entity being acquired. The Group then identifies the assets and liabilities to which the purchase price needs to be allocated. The fair value is determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition.

5.3.1. *Acquisitions where the purchase price allocations have been finalized*

5.3.1.1. Teads

On June 22, 2017, Altice Teads (a company which the Group has 98.5% of the financial interest, with 1.5% attributable to the managers of Teads) closed the acquisition of Teads. The acquisition purchase price was €302.3 million, with 75% due at closing, and the remaining 25% earn-out subject to Teads obtaining defined revenue performance in 2017, which targets have been met. As the defined revenue targets for 2017 were met, an earn-out payment of €48.6 million was made to the former owners of Teads during the second quarter of 2018, with an additional earn-out payment of €13.1 million made on July 3, 2018. Please also refer to note 15.1.

Following the preliminary purchase price allocation, the Group identified the following assets and liabilities. Their fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition as follows:

- the Teads brand was measured using the relief from royalty method using a useful life of 5 years, resulting in a fair value of €26.6 million;
- a fair value of €50.2 million was attributed to Programatic and Managed Service technology and measured using the relief from royalty method with a useful life of 5 years.

There was no change in the preliminary purchase price allocation compared to December 31, 2017 and the purchase price allocation has been finalized.

	€m
Total consideration transferred	302.3
Fair value of identifiable assets, liabilities and contingent liabilities	100.6
Goodwill	201.7

5.4. Intangible Assets

The following table summarizes information relating to the Company's acquired intangible assets as of June 30, 2018 and December 31, 2017:

Intangible Assets	June 30, 2018		
(€m)	Gross carrying amoun	Accumulated amortization	Net carrying amount
Customer relationships	1,658.9	(794.1)	864.8
Trade names	298.2	(178.7)	119.5
Franchise & patents	0.2	(0.2)	0.1
Software & licenses	711.6	(513.2)	198.4
Other amortizable intangibles	2,690.3	(1,972.7)	717.6
Total	**5,359.2**	**(3,458.8)**	**1,900.4**

Intangible Assets	December 31, 2017 (revised*)		
(€m)	Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	1,673.6	(712.3)	961.3
Trade names	298.7	(169.4)	129.3
Franchise & patents	0.2	(0.1)	0.1
Software & licenses	694.5	(492.3)	202.2
Other amortizable intangibles	2,650.3	(1,902.5)	747.8
Total	**5,317.3**	**(3,276.6)**	**2,040.7**

* Please refer to note 16 for details about the revised information

The total amortization expense for the six months ended June 30, 2018 and 2017 was €238.7 million and €314.7 million, respectively, a decrease of €76.0 million. The decrease was mainly caused by the classification of Altice TV as held for sale as of December 31, 2017. As consequence, the amortization of non-current assets had been stopped from January 1, 2018. In addition, higher total accumulated amortization as of December 31, 2017 was a result of the announcement made in May 2017 of the adoption of a global brand, leading to an accelerated depreciation in brand.

6. Cash and cash equivalents and restricted cash

Cash balances (€m)	June 30, 2018 2018	December 31, 2017
Term deposits	23.1	36.0
Bank balances	200.6	217.2
Cash and cash equivalents	**223.7**	**253.2**
Restricted cash	42.2	33.7
Total	**265.9**	**286.8**

The restricted cash balance at June 30, 2018 of €42.1 million relates to the Teads acquisition held in an escrow account. This was released in July 2018 (please refer to note 15.1).

7. Shareholders' equity

Equity attributable to owners of the Company (€m)	Notes	As of June 30, 2018	As of December 31, 2017 (*revised)
Issued capital	7.1	309.3	309.3
Additional paid in capital	7.2	-	104.3
Other reserves	7.3	737.8	556.4
Accumulated losses		(1,520.4)	(1,517.4)
Total		**(473.3)**	**(547.4)**

7.1. Issued capital

As of June 30, 2018, there were no changes in the issued capital of the Group during the year. Total issued capital of the Company as at December 31, 2017 was €309.3 million, comprising 30,925,700,000 outstanding ordinary shares, with a nominal value of € 0.01 each.

7.2. Additional paid in capital

Changes in additional paid in capital (€m)	June 30, 2018	December 31, 2017 (*revised)
Opening balance	104.3	251.1
Change in fair value / recognition of put option for non-controlling interest	(104.3)	(154.6)
Other	-	7.9
Total	**-**	**104.3**

* Please refer to note 16 for details about the revised information

Reduction in additional paid in capital compared to December 31, 2017 was mainly due to the impact from the exercise of ATS call option (please refer to note 3.1.3.).

7.3. Other reserves

The tax effect of the Group's currency, available for sale, cash flow hedge and employee benefits reserves is provided below:

Other reserves	June 30, 2018			December 31, 2017		
(€m)	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(47.9)	10.7	(37.2)	(68.0)	17.0	(51.0)
Items not reclassified to profit or loss	**(47.9)**	**10.7**	**(37.2)**	**(68.0)**	**17.0**	**(51.0)**
Available for sale reserve	1.7	-	1.7	3.6	-	3.6
Currency translation reserve	121.8	-	121.8	99.7	-	99.7
Cash flow hedge reserve	(4.9)	10.1	5.2	(204.0)	61.9	(142.1)
Items potentially reclassified to profit or loss	**118.7**	**10.1**	**128.8**	**(100.7)**	**61.9**	**(38.8)**
Total	**70.8**	**20.8**	**91.6**	**(168.7)**	**78.9**	**(89.8)**

8. Borrowings and other financial liabilities

Borrowings and other financial liabilities (€m)	Notes	June 30, 2018	December 31, 2017 (revised*)
Long term borrowings, financial liabilities and related hedging instruments		**8,351.5**	**8,457.6**
- Debentures	*8.1*	*6,159.0*	*6,017.4*
- Loans from financial institutions	*8.1*	*1,816.7*	*1,794.6*
- Derivative financial instruments	*8.2*	*375.8*	*645.6*
Other non-current financial liabilities	*8.5*	**1,127.7**	**988.5**
- Finance leases		*39.7*	*35.9*
- Other financial liabilities		*1,087.9*	*952.6*
Non-current liabilities		**9,479.2**	**9,446.1**
Short term borrowing, financial liabilities and related hedge instruments		**557.3**	**357.3**
- Debentures	*8.1*	*180.6*	*199.0*
- Loans from financial institutions	*8.1*	*375.3*	*138.4*
- Derivative financial instruments	*8.2*	*1.4*	*19.9*
Other financial liabilities	*8.5*	**560.0**	**622.2**
- Other financial liabilities		*346.3*	*367.9*
- Bank overdraft		*0.4*	*0.8*
- Accrued interests		*197.7*	*238.4*
- Finance leases		*15.6*	*15.1*
Current liabilities		**1,117.3**	**979.4**
Total		**10,596.4**	**10,425.6**

* Please refer to note 16 for details about the revised information

8.1. Debentures and loans from financial institutions

Debentures and loans from financial institutions (€m)	Notes	June 30, 2018	December 31, 2017 (revised*)
Debentures	8.1.1	6,339.5	6,216.4
Loans from financial institutions	8.1.2	2,192.0	1,933.0
Total		**8,531.5**	**8,149.4**

* Please refer to note 16 for details about the revised information

During the six month period ended June 30, 2018, the Group did not refinance any of its debt.

8.1.1. *Debentures*

Maturity of debentures (€m)	Less than one year	One year or more	June 30, 2018	December 31, 2017
Altice Financing	-	4,576.1	4,576.1	4,454.7
Altice Finco	-	1,582.8	1,582.8	1,562.7
HOT Telecom	180.6	-	180.6	199.0
Total	**180.6**	**6,159.0**	**6,339.5**	**6,216.4**

8.1.2. *Loans from financial institutions*

Maturity of loans from financial institutions (€m)	Less than one year	One year or more	June 30, 2018	December 31, 2017
Altice Financing (including RCF)*	373.5	1,808.8	2,182.3	1,911.8
Others	1.8	7.8	9.6	21.2
Total	**375.3**	**1,816.7**	**2,192.0**	**1,933.0**

* RCF amounts have been classified as amounts which mature in less than one year, but can be extended till the end of the maturity date of the RCF agreement. Please refer to note 8.5 for further details regarding the credit facilities.

8.2. Derivatives and hedge accounting

As part of its financial risk management strategy, the Group enters certain hedging operations. The main instruments used are fixed to fixed or fixed to floating cross-currency and interest rate swaps (CCIRS) that cover against foreign currency and interest rate risk related to the Group's debt obligations. The Group applies hedge accounting for the operations that meet the eligibility criteria as defined by IAS 39 (the Group continues to apply the requirement of IAS 39 related to hedge accounting, as allowed under IFRS 9).

8.2.1. *CCIRS*

The following table provides a summary of the Group's CCIRS.

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment[1]**
Altice Financing S.A.					
July - Nov 2018	USD 293	ILS 1,077	3m LIBOR+4.50%	3m TELBOR+5.33%	FVPL
February 2023	USD 2,060	EUR 1,821	6.63%	5.30%	CFH
May 2026	USD 930	EUR 853	7.50%	7.40%	CFH
July 2025	USD 485	EUR 449	3m LIBOR+2.75%	3m EURIBOR+2.55%	FVPL
July 2024	USD 1,820	EUR 1,544	7.50%	6.02%	CFH
Altice Finco S.A.					
February 2025	USD 385	EUR 340	7.63%	6.25%	CFH

1. The derivatives are all measured at fair value. The change in fair value of derivatives classified as cash flow hedges (CFH) in accordance with IAS 39 is recognized in the cash flow hedge reserve. The derivatives not hedge accounted have the change in fair value recognised immediately in profit or loss (FVPL).

The change in fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the six month period ended June 30, 2018. Before the impact of taxes, gains of €202.0 million were recorded in other comprehensive income (€147.3 million net of taxes).

8.2.2. *Interest rate swaps*

The Group enters interest rate swaps to cover its interest rate exposure in line with its treasury policy. These swaps cover the Group's debt portfolio and do not necessarily relate to specific debt issued by the Group.

The details of the instruments are provided in the following table.

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment**
Altice Financing S.A.					
May 2026	USD 720	USD 720	1.81%	6m LIBOR	FVPL
January 2023	EUR 750	EUR 750	3m EURIBOR	-0.13%	FVPL

8.3. Reconciliation to swap adjusted debt

The various hedge transactions mitigate interest and foreign exchange risks on the debt instruments issued by the Group. Such instruments cover both the principal and the interest due. A reconciliation from the carrying amount of the debt as per the statement of financial position and the due amount of the debt, considering the effect of the hedge operations (i.e. the, "swap adjusted debt"), is provided below:

Reconciliation to swap adjusted debt (€m)	**June 30, 2018**	**December 31, 2017 (revised*)**
Debentures and loans from financial institutions	**8,531.5**	**8,149.4**
Transaction costs	61.7	71.8
Fair value adjustments	(10.0)	(4.8)
Total (excluding transaction costs and fair value adjustments)	**8,583.3**	**8,216.4**
Conversion of debentures and loans in foreign currency (at closing spot rate)	(6,733.6)	(6,575.1)
Conversion of debentures and loans in foreign currency (at hedged rates)	6,877.4	6,858.4
Total swap adjusted value	**8,727.0**	**8,499.7**

8.4. Available credit facilities

Available credit facilities (€m)	**Total facility**	**Drawn**
Altice Financing S.A.	911.0	355.0
Revolving credit facilities	**911.0**	**355.0**

As at June 30, 2018, the facility at Altice Financing was drawn for an amount of €355.0 million for various

purposes.

8.5. Other financial liabilities

Other financial liabilities	**June 30, 2018**			**December 31, 2017 (revised*)**		
(€m)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Reverse factoring and securitisation	182.0	-	182.0	228.3	-	228.3
Accrued interest	197.7	-	197.7	238.4	-	238.4
Put options with non-controlling interests	27.8	164.9	192.7	27.8	201.6	229.4
Finance leases	15.6	39.7	55.3	15.1	35.9	51.0
Bank overdraft	0.4	-	0.4	0.8	-	0.8
Mandatory Convertible Notes	139.6	630.4	770.0	139.5	677.0	816.5
Other	(3.0)	292.6	289.5	(27.7)	74.0	46.3
Total	**560.0**	**1,127.7**	**1,687.6**	**622.2**	**988.5**	**1,610.7**

The current portion of €560.0 million as at June 30, 2018 decreased by €62.2 million compared to a current portion of €622.2 million as at December 31, 2017. The non-current portion increased by €139.2 million to €1,127.7 million as at June 30, 2018 compared to €988.5 million as at December 31, 2017. Details of the main items within the caption, and the movements from the prior period, are detailed below.

8.5.1. *Put options with non-controlling interests*

The Group executes agreements with the non-controlling interests in certain acquisitions whereby the non-controlling interests have the option to sell their non-controlling interests to the Group. These instruments are measured at their fair value at the balance sheet date (please refer to note 10.1.2 for further information).

8.5.2. *Reverse factoring and securitization*

Through the use of reverse factoring structures, the Group improves the financial efficiency of its supply chain by reducing requirements for working capital. The decrease is due to the net repayments of the various reverse factoring programs that the Group maintains.

8.5.3. *Mandatory Convertible Notes*

The Mandatory Convertible Notes (MCN) were issued for an aggregate amount of €2,055 million, which were entirely subscribed by the Company’s sole Partner, Altice S.A. These instruments are compound financial instruments that contains both a liability and an equity component. The non-current portion of the MCN liability recorded at June 30, 2018 and December 31, 2017 are €630.4 million and €677.0 million respectively. The current portion of the MCN liability recorded at June 30, 2018 and December 31, 2017 are €139.6 million and €139.5 million respectively.

8.5.4. *Bank overdraft*

Bank overdrafts consist of temporary overdrafts on bank accounts.

9. Fair value of financial assets and liabilities

9.1. Fair value of assets and liabilities

The table below shows the carrying value compared to fair value of financial assets and liabilities.

Fair values of assets and liabilities	June 30, 2018		December 31, 2017 (revised*)	
(€m)	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	223.7	223.7	253.2	253.2
Restricted cash	42.2	42.2	33.7	33.7
Derivatives	32.6	32.6	30.9	30.9
Other financial assets	154.6	154.6	2.5	2.5
Current assets	**453.0**	**453.0**	**320.3**	**320.3**
Derivatives	57.6	57.6	1.1	1.1
Available for sale assets	5.5	5.5	8.0	8.0
Call options held by non-controlling interests	5.7	5.7	50.6	50.6
Other financial assets	1,396.1	1,396.1	916.3	916.3
Non-current assets	**1,464.9**	**1,464.9**	**976.0**	**976.0**
Short term borrowings and financial liabilities	555.9	555.9	337.4	337.4
Put options with non-controlling interests	27.8	27.8	27.8	27.8
Derivatives	1.4	1.4	19.9	19.9
Mandatory Convrtible Notes	139.6	139.6	139.5	139.5
Other financial liabilities	392.6	532.2	454.9	454.9
Current liabilities	**1,117.3**	**1,256.8**	**979.4**	**979.4**
Long term borrowings and financial liabilities	7,975.7	8,928.3	7,812.1	8,619.8
Put options with non-controlling interests	164.9	164.9	201.6	201.6
Derivatives	375.8	375.8	645.6	645.6
Mandatory Convrtible Notes	630.4	630.4	677.0	677.0
Other financial liabilities	332.3	332.3	109.8	109.4
Non-current liabilities	**9,479.2**	**10,431.8**	**9,446.1**	**10,253.4**

* Please refer to note 16 for details about the revised information

During the six month period ended June 30, 2018, there were no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The Group's trade and other receivables and trade and other payables are not shown in the table above as their carrying amounts approximate their fair values. Increase in non-current other financial assets as of June 30, 2018 compared to December 31, 2017 was mainly due to the balance with Altice TV entities as they were sold to Altice Group Lux S.à r.l.

9.1.1. *New put and call options*

During the six month period ended June 30, 2018, the Group did not enter into new put-call contracts.

9.1.2. *Fair value hierarchy*

The following table provides information about the fair values of the Group's financial assets and liabilities and which level in the fair value hierarchy they are classified.

Fair value measurement (€m)	Fair value hierarchy	Valuation technique	June 30, 2018	December 31, 2017 (revised*)
Financial Liabilities				
Derivative financial instruments	Level 2	Discounted cash flows	377.3	665.5
Minority Put Option - Other	Level 3	Discounted cash flows	27.8	27.8
Minority Put Option - Teads	Level 3	Discounted cash flows	164.9	160.4
Minority Put Option - Intelcia	Level 3	Discounted cash flows	-	41.2
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	68.4	32.0
Minority Call option - Teads	Level 3	Black and Scholes model	5.7	10.6
Minority Call option - Parilis	Level 3	Black and Scholes model	-	18.8
Minority Call option - Intelcia	Level 3	Black and Scholes model	-	21.2
Available for sale assets - Wananchi	Level 3	Discounted cash flows	1.3	1.3
Available for sale assets - Partner Co. Ltd.	Level 1	Quoted share price	5.5	6.7

* Please refer to note 16 for details about the revised information

9.2. Level 3 financial instruments

Change in fair value of level 3 instruments (€m)	**Minority put options**	**Minority call options**	**June 30, 2018**
Opening balance	**(229.4)**	**50.6**	**(178.8)**
Exercises	-	(18.8)	(18.8)
Transfer of instruments	42.4	(21.8)	20.6
Change in value of minority put options recorded in equity	(5.7)	-	(5.7)
Gains or losses recognised in profit or loss	-	(4.3)	(4.3)
Closing balance	**(192.7)**	**5.7**	**(187.0)**

Change in fair value of level 3 instruments (€m)	**Minority put options**	**Minority call options**	**December 31, 2017**
Opening balance	**(99.5)**	**26.7**	**(72.8)**
Additions	(160.4)	10.6	(149.8)
Change in value of minority put options recorded in equity	30.5	13.3	43.8
Gains or losses recognised in profit or loss	-	-	-
Closing balance	**(229.4)**	**50.6**	**(178.8)**

* Please refer to note 16 for details about the revised information

10. Taxation

Tax expense (€m)	**Six months ended June 30, 2018**	**Six months ended June 30, 2017**
Profit/(loss) before income tax and share of earnings of associates	182.7	(20.7)
Income tax benefit/(expenses)	44.6	(8.7)
Effective tax rate	**-24%**	**-42%**

The Group is required to use an estimated annual effective tax rate to measure the income tax benefit or expense recognized in an interim period.

The Group recorded an income tax benefit of €44.6 million for the six month period ended June 30, 2018, reflecting an effective tax rate of 24% compared to an income tax expense of €8.7 million for the six month period ended June 30, 2017, reflecting an effective tax rate of 42%. The non-recognition of deferred tax asset on net operating losses and the change in the valuation allowance on tax losses explained the Group's effective tax rate for the six month period ended June 30, 2018 and 2017.

10.1. Income tax litigation

There was no significant development in existing tax litigations since the publication of the annual consolidated financial statements that have had, or that may have, a significant effect on the financial position of the Group.

11. Contractual obligations and commercial commitments

During the six month period ended June 30, 2018, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2017.

12. Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative law suits. Provisions are recognised by the Group when management believe that it is more likely than not that such lawsuits will result in an expense being recognized by the Group, and the magnitude of the expenses can be reliably estimated. The magnitude of the provisions recognised is based on the best estimate of the level of risk on a case-by-case basis, considering that the occurrence of events during the legal action involves constant re-estimation of this risk.

The Group is not aware of other disputes, arbitration, governmental or legal action or exceptional fact (including any legal action of which the Group is aware, which is outstanding or by which it is threatened) that may have been, or is in, progress during the last months and that has a significant effect on the financial position, the earnings, the activity and the assets of the Company and the Group, other than those described below.

This note describes the new proceedings and developments in existing litigations that have occurred since the publication of the annual consolidated financial statements and that have had or that may have a significant effect on the financial position of the Group.

12.1. Portugal

12.1.1. *European Commission Investigation*

After having approved the acquisition of PT Portugal by the Group on April 20, 2015, the European Commission initiated an investigation into infringement by the Group of the obligation of prior notification of concentrations under Article 4(1) of the Merger Regulation and/or of the stand-still obligation laid down in Article 7(1) of the Merger Regulation. The European Commission issued a statement of objections on May 18, 2017, informing the Group of the objections raised against it.

On April 24, 2018, the European Commission has notified the Group of its decision to impose upon it a fine for an amount of €124.5 million. The Commission found that the Group infringed the prior notification obligation of a concentration under Article 4(1) of the EU Merger Regulation, and the stand-still obligation under Article 7(1) of the EU Merger Regulation. The Group fully disagrees with the Commission's decision, and in particular, it considers that this case differs entirely from the French Numéricable/Altice France/Virgin gun jumping case, in which the Group had agreed not to challenge the allegations brought against it. In the Group's opinion, the Commission's decision relies on a wrongful definition of the notion of "implementation" of a concentration. Further, the transaction agreement governing the management of the target during the pre-closing period provided the Group with a consultation right on certain exceptional matters relating to PT Portugal aimed at preserving the value and integrity of the target prior to closing and was in accordance with well-established M&A market practice.

In any event, the Group considers that the elements in the Commission's file do not establish the exercise of influence, as alleged by the Commission, by the Group over PT Portugal's business conduct neither prior to the merger notification to the Commission nor prior to the Commission's clearance.

On July 5, 2018, the Group has filed a request for annulment against the Commission's decision before the EU General Court to request that the decision as a whole be annulled or, at the very least, that the sanction be significantly reduced. The Commission's decision does not affect the approval granted by the European Commission on April 20, 2015 for the acquisition of PT Portugal by the Group.

As of June 30, 2018, a liability of €124.5 million is recorded at Altice Portugal level, as it is the acquiring entity of PT Portugal. On July 25, 2018, Altice issued a bank guarantee to the European Commission.

12.1.2. *Vodafone – Network Sharing Agreement*

Vodafone and PT Comunicações (currently MEO) signed, on July 21, 2014, an agreement for the acquisition of exclusive rights of use of the PON Network, which consisted in the possibility of access to the installed infrastructure owned by each of the parties to offer new generation services and integrated offerings (voice, internet and television) autonomously in the retail market. On November 4, 2015, MEO informed Vodafone that it has decided to individually develop a new, ambitious plan for the expansion of its fiber optic network, both in geographical areas already covered by a new generation network and in other geographical areas, while continuing to comply with the agreed. Notwithstanding Vodafone states that this was a breach of the agreement and is claiming an amount of approximately €132 million from MEO for damages and losses allegedly caused by that non-compliance with the agreed.

MEO submitted its defense to these claims in June 2018, stating that (i) Vodafone did not have a contractual right to prevent MEO from developing its network autonomously and independently from the agreement, (ii) all of Vodafone rights, resulting from the agreement, were respected by MEO, and Vodafone was in no way limited by MEO in the investment in the construction of its own network, which it developed freely and voluntarily, choosing to invest where it found greater profitability for its business, and (iii) Vodafone´s claims for damages and losses were not factually sustainable.

12.1.3. *TV Tel - Restricted access to the telecommunication ducts*

In March 2004, TV TEL Grande Porto - Comunicações, S.A. ("TVTEL", subsequently acquired by NOS), a telecommunication company based in Oporto, filed a claim against PT Comunicações in the Lisbon Judicial Court. TV TEL alleged that, since 2001, PT Comunicações has unlawfully restricted and/or refused access to its telecommunication ducts in Oporto, thereby undermining and delaying the installation and development of TV TEL's telecommunications network. TV TEL is claiming an amount of approximately €15 million from MEO for

damages and losses allegedly caused and yet to be sustained as a result of the delay in the installation of its telecommunications network in Oporto. PT Comunicações submitted its defense to these claims in June 2004, stating that (1) TV TEL did not have a general right to install its network in PT Comunicações's ducts, (2) all of TV TEL's requests were lawfully and timely responded to by PT Comunicações according to its general infrastructure management policy, and (3) TV TEL's claims for damages and losses were not factually sustainable.

In the end of 2016, MEO was notified to present the list of witnesses, which it did, and the witnesses were heard in the trial that took place in April and May 2017. In September 2017, MEO was notified of a unfavourable decision (for an amount significantly lower than the gross claim and for which there is a provision), as a result of which it has filed an appeal. In June 2018, MEO was notified of the unfavourable decision of the appeal to the Lisbon Court of Appeal, which confirmed the previous decision from the first instance court. MEO filed an appeal to the Supreme Court in July 2018.

12.1.4. *Optimus - Interconnection agreement*

This legal action is dated from 2001 and relates to the price that Telecomunicações Móveis Nacionais ("TMN", PT Portugal's mobile operation at that time) charged Optimus - Comunicações S.A. ("Optimus", one of MEO's mobile competitors at that time, currently NOS) for mobile interconnection services, price that Optimus did not agree with. TMN transferred to PT Comunicações (PT Portugal's fixed operation at that time, currently named MEO) the receivables from Optimus, and subsequently PT Comunicações offset those receivables with payables due to Optimus. NOS argues for the annulment of the offset made by PT Comunicações and accordingly claims from PT Comunicações the settlement of the payables due before the offset plus accrued interest. In August 2015, the court decided that the transfer of the interconnection receivables from TMN to PT Comunicações and consequently the offset of those receivables with payables due by PT Comunicações to Optimus were not legal and therefore sentenced MEO to settle those payables plus interest up to date in the total amount of approximately €35 million. MEO appealed from this decision in October 2015 to the Court of Appeal of Lisbon. In September 2016, MEO was notified of the decision from the Court of Appeal of Lisbon, which confirmed the initial ruling against MEO, as a result of which MEO decided to appeal to the Supreme Court. On March 13, 2017, MEO was notified of the Supreme Court's decision of dismissal of its appeal and as a result MEO decided to appeal to the Constitutional Court. In January 8, 2018, MEO was notified of the Constitutional Court decision of dismissal of the appeal, after which MEO appealed to the Constitutional Court Conference. MEO was notified that the Constitutional Court Conference did not accept and consequently will not analyse the appeal. In July 2018, MEO paid €41 million to settle the action which had been accrued for in 2015.

13. Related party transactions and balances

Following the changes in the Altice organizational structure that also impacts Altice Management International ("AMI"), Altice management decided to cancel the Altice Way fee from December 31, 2017 onwards. Instead AMI will recharge corporate costs plus markup to PT Portugal, HOT and Altice Dominicana based on their revenues contribution in 2017.

Transactions with related parties are mainly related to transactions with Altice USA and Altice France, transactions with associates of the various operating entities of the Group, such as PT Portugal and HOT, and payments for services rendered by the controlling shareholder of the Group. Such transactions are limited to:

- exchange of services between PT Portugal and its associate companies;
- exchange of services between Altice USA, Teads and Altice Dominicana;
- exchange of services between Altice TV, ATSF, ACS with Altice France prior to being sold;
- exchange of services like healthcare insurance, management of emergency network and broadcasting of sport events between PT Portugal and its associate companies;
- services between HOT Telecom and Phi, its joint venture partner for mobile services; and

Transactions with related parties are not subject to any guarantees. The table below shows a summary of the Group's related party transactions for the six months ended June 30, 2018 and 2017, and outstanding balances as at June 30, 2018 and December 31, 2017.

Related party transactions - income and expense (€m)	June 30, 2018 Revenue	Operating expenses	Financial expenses	Financial income	Capex
Equity holders	-	5.8	29.2	-	-
Altice USA and its subsidiaries	3.3	-	-	-	-
Altice France and its subsdiaries	405.2	71.3	-	0.2	-
Executive managers	-	-	-	-	-
Associate companies and non-controlling interests	16.9	57.8	0.4	3.8	4.8
Total	**425.4**	**135.0**	**29.5**	**4.0**	**4.8**

Related party transactions - income and expense (€m)	June 30, 2017 Revenue	Operating expenses	Financial expenses	Financial income	Capex
Equity holders	3.2	1.7	32.7	-	-
Altice USA and its subsidiaries	3.1	0.3	-	-	-
Altice France and its subsdiaries	213.4	37.5	-	0.1	-
Executive managers	-	-	-	-	-
Associate companies and non-controlling interests	10.3	53.5	1.6	0.5	7.2
Total	**229.9**	**93.0**	**34.3**	**0.6**	**7.2**

Related party balances - assets	June 30, 2018			December 31, 2017		
(€m)	Loans and receivables	Trade receivables and other	Current accounts	Loans and receivables	Trade receivables and other	Current accounts
Equity holders	1,276.0	9.6	24.2	827.6	11.3	25.5
Altice USA and its subsidiaries	-	3.5	-	-	8.8	-
Altice France and its subsdiaries	66.0	30.6	175.5	-	288.0	3.1
Executive managers	-	-	-	-	-	-
Associate companies and non-controlling interests	70.2	26.6	-	59.2	18.6	-
Total	**1,412.2**	**70.3**	**199.6**	**886.8**	**326.7**	**28.6**

Related party balances - liabilities	June 30, 2018			December 31, 2017		
(€m)	Other financial liabilities	Trade payables and other	Current accounts	Other financial liabilities	Trade payables and other	Current accounts
Equity holders	784.0	143.7	.1	1,235.8	128.9	-
Altice USA and its subsidiaries	-	-	-	-	-	-
Altice France and its subsdiaries	1.1	50.6	1.1	41.3	137.3	-
Executive managers	-	-	-	-	-	-
Associate companies and non-controlling interests	-	59.5	-	-	30.1	-
Total	**785.2**	**253.8**	**1.2**	**1,277.1**	**296.3**	**-**

The revenue reported (for the six months period ended June 30, 2018) with associated companies and non-controlling interest mainly relate to:

- Altice USA for €3.3 million. These revenues are related to online advertising services from Teads and long-distance traffic with Altice Dominicana.
- Fibroglobal - Comunicações Electrónicas for €1.3 million. The revenues are related to specialized works and the lease to Fibroglobal of ducts, posts and technical spaces through which its network passes; and
- Siresp for management of the emergency service network of €13.7 million.

The revenue reported with Altice France and its subsidiaries for the six months period ended June 30, 2018, relates to operating revenues for the various services provided by PT Portugal (€13.8 million), Altice TV (€25.0 million) and the French Overseas Territories (€13.8 million) to Altice France. It also includes the transactions recorded in Altice Technical Service France (€14.0 million), and Altice Customer Service (€38.1 million), prior to the sale to Altice France (please refer to notes 3.1.5 and 3.1.6). The corresponding operating expenses for the six months period ended June 30, 2018, amounted to €71.3 million. In addition,the breakup fee income due from Altice France to Altice TV was included in the related party revenue (€300.0 million), please refer to note 4.3.2.6.

The operating expense for the six months period ended June 30, 2018 with associated companies and non-controlling interest mainly relate to:

- Fibroglobal - Comunicações Electrónicas for €4.5 million for fiber network infrastructure management. The operating expenses are related to a fee for any new customer installation and a monthly fee for PT Portugal's customer base through the network of Fibroglobal;
- Sport TV for broadcasting of sports events of €32.0 million;
- Phi for operating expenses for a mobile network in Israel of €19.2 million.

The related party balances in current accounts of €175.5 million mainly relates to the receivable in Parilis with Altice France after the Group exercised the call option to acquire the minority interest in Altice Technical Services (please refer to note 3.1.3).

The loans and receivables with equity holders for the six month period ended June 30, 2018 mainly includes advances to Altice Luxembourg S.A. (€903.7 million), Altice Corporate Financing (€20.2 million), AMI (€10.4 million) and €31.3 million of financial assets related to the interest on loans, charged by the Group to Altice Luxembourg Group. The loans and receivables with Altice France mainly consist of loans provided by Altice International S.à r.l related to the transfer of shares of Altice Customer Services (€64.5 million).

The loans and receivables as of June 30, 2018, with associated companies and non-controlling interest mainly relate to:

- Altice USA trade receivable of €3.5 million with Altice Dominicana and Teads;
- Fibroglobal - Comunicações Electrónicas that provides fibre network and infrastructure management services to PT Portugal was granted a loan of €14.2 million;
- subordinated loan (including accrued interest) with Wananchi of €55.3 million;
- trade receivable with Sireps of €10.1 million in relation to management of the emergency service network;
- Portugal Telecom - Associação de Cuidados de Saúde: receivable of €13.2 million. This company provides healthcare insurance for PT Portugal's active and retired employees;

The related party balances for liability with equity holders as of June 30, 2018, mostly consisted of financial liabilities with the entities of Altice Europe N.V. and Altice Luxembourg Group that are not included in the Altice International Group. The balances in other financial liabilities relates to the transactions with Altice Luxembourg (mandatory convertible note of €770.0 million). Trade payable of €127.5 million mainly relates to the liability of €124.5 million between Altice Europe N.V. and Altice Portugal for the fine imposed by the European Commission (please refer to note 12.1.1).

The trade payables and other payables as per June 30, 2018, with associated companies and non-controlling interest mainly related to:

- trade payable to Phi of €40.9 million. Phi is the joint venture with Partner that operates a mobile network in Israel;
- Sport TV provides broadcasting services of sport events to PT Portugal. PT Portugal has a trade payable of €7.1 million as of June 30, 2018;
- Portugal Telecom - Associação de Cuidados de Saúde: trade payable of €6.3 million as of June 30, 2018.

14. Going concern

As of June 30, 2018, the Group had net current liability position of €1,381.5 million (mainly due to trade payables amounting to €1,228.9 million) and a negative working capital of €167.4 million. During the six month period ended June 30, 2018, the Group registered a net loss of €231.5 million from continued operations and generated cash flows from operations of €653.3 million from continued operations.

As of June 30, 2018, the Group had a negative equity position of €501.5 million compared to €519.9 million as at December 31, 2017.

The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short days of sales outstanding and suppliers are paid under standard commercial terms, thus generating a negative working capital. This is evidenced by the difference in the level of receivables and payables; €946.1 million compared to €1,228.9 million for the six month period ended June 30, 2018, as compared to €960.6 million and €1,228.0 million for the year ended December 31, 2017. Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of June 30, 2018, the Group's short term borrowings mainly comprised mainly of debentures of HOT Telecom for an amount of €180.6 million and loans from financial institutions for Altice Financing for €373.5 million. These short-term obligations are expected to be covered by the operating cash flows of the operating subsidiaries. As at June 30, 2018, the revolving credit facility in Altice Financing was drawn by €355.0 million. A listing of available credit facilities is provided in note 8.5 and the amounts available are sufficient to cover the short-term debt and interest expense needs if needed.

Given the above, the Board of Managers has considered the following elements in determining that the use of the going concern assumption is appropriate:

- The Group has a strong track record of generating positive adjusted EBITDA and operating cash flows:
  - Adjusted EBITDA amounted to €790.1 million, a decrease of 30.1% compared to the same period last year. This decrease in adjusted EBITDA is mainly linked to lower performance in Portugal, Israel, the Dominican Republic segments and the change in the consolidation scope.
  - Operating cash flows for the six months ended June 30, 2018 were €653.3 million.
- The Group had unrestricted cash reserves of €223.7 million as of June 30, 2018, compared to €253.2 million as of December 31, 2017, which would allow it to cover any urgent cash needs. The Group can move its cash from one segment to another under certain conditions as allowed by its debentures and debt covenants**.**
- Additionally, as of June 30, 2018, the Group had access to revolving credit facilities of up to €911.0 million (of which €355.0 million was drawn as of June 30, 2018).

The Group's senior management team tracks operational key performance indicators (KPIs) on a weekly basis, thus tracking top line trends closely. This allows the Board of Managers and local CEOs to ensure proper alignment with budget targets and respond with speed and flexibility to counter any unexpected events and help to ensure that the budgeted targets are met.

Based on the above, the Board of Managers is of the view that the Group will continue to act as a going concern for 12 months from the date of approval of these financial statements and has hence deemed it appropriate to prepare these condensed interim consolidated financial statements using the going concern assumption.

15. Events after the reporting period

15.1. Release of the purchase price acquisition of Teads held as escrow

On July 3, 2018, the restricted cash that was held in an escrow account following the acquisition of Teads in Q2 2017 has been fully released (please refer to note 6). The cash was used to pay non-reinvesting and reinvesting sellers for a total amount of €42.1 million. In addition, an earn-out payment of €13.1 million was made to certain former owners of the company. This earn-out was subject to Teads obtaining defined revenue performance in 2017, which targets have been met. Subsequent to the earn-out payment of the €13.1 million, €5.2 million was reinvested by the former owners in the share capital of the company.

15.2. Sale and purchase agreements signed for the sale of the International Wholesale business

On July 18, 2018, Sale and Purchase Agreements had been signed by Altice Dominicana and MEO with Tofane Global related to the sale of the international wholesale voice carrier business in the Dominican Republic and Portugal, respectively. The transaction is expected to close in September 2018. The total consideration to be received amounts to €33.0 million, consisting of €25.0 million in cash and an €8.0 million vendor loan.

15.3. Altice Financing issued a bank guarantee to the European Commission

On July 25, 2018, Altice Financing issued a bank guarantee to the European Commission in relation to the fine for an amount of €124.5 million (see note 12.1.1).

15.4. Altice Dominicana entered into an agreement to sell its telecommunication towers business in the Dominican Republic

On July 30, 2018, the Company announced that its subsidiary Altice Dominicana has reached an agreement with Phoenix Tower International, a portfolio company of Blackstone, for the sale of 100% in the tower company Teletorres del Caribe that will comprise 1,049 sites currently operated by Altice Dominicana. The transaction values Teletorres del Caribe, at an enterprise value of $170 million. In conjunction with the contemplated transaction, Altice Dominicana will enter into a 20-year master agreement with Teletorres del Caribe, setting a clear partnership framework between the two companies. Teletorres del Caribe has committed to support Altice Dominicana in the continued deployment of its network. Altice Dominicana will pursue its long-term industrial project and continue providing best-in-class telecommunication services to its subscribers, as part of the Altice

Group. The transaction is expected to close during the third quarter of 2018 and is subject to the effective de-merger and customary closing conditions.

There were negotiations that took place during the first two quarters of 2018, however, the Management considered that the sale was not highly probable as of June 30, 2018. The criteria for classification as held for sale was not met (please refer to note 3.4).

16. Revised information

The statement of income had been revised as of and for the six month period ended June 30, 2017 to take into account the impacts of the adoption of IFRS 15 *Revenue from Contracts with Customers* by the Group.

Consolidated Statement of Income **(€m)**	**Six months ended June 30, 2017 reported**	**Revision IFRS 5**	**Revision IFRS 15**	**Six months ended June 30, 2017 revised**
Revenues	**2,638.2**	**(193.7)**	**(8.9)**	**2,435.7**
Purchasing and subcontracting costs	(706.7)	76.6	(19.6)	(649.7)
Other operating expenses	(467.8)	26.4	20.0	(421.3)
Staff costs and employee benefits	(334.8)	86.8	-	(248.0)
Depreciation, amortization and impairment	(704.8)	0.7	10.3	(693.7)
Other expenses and income	(17.8)	0.7	-	(17.1)
Operating profit	**406.3**	**(2.2)**	**1.9**	**406.0**
Interest relative to gross financial debt	(440.8)	0.7	-	(440.1)
Other financial expenses	(16.5)	(2.1)	-	(18.6)
Finance income	70.9	0.2	-	71.1
Net result on extinguishment of a financial liability	(39.0)	-	-	(39.0)
Finance costs, net	**(425.4)**	**(1.1)**	**-**	**(426.6)**
Net result on disposal of business	**-**	**-**	**-**	**-**
Share of earnings of associates	2.9	-	-	2.9
Loss before income tax from continuing operations	**(16.2)**	**(3.5)**	**1.9**	**(17.7)**
Income tax benefit	(16.7)	7.7	0.3	(8.7)
Loss for the period from continuing operations	**(32.9)**	**4.2**	**2.2**	**(26.4)**
Discontinued operations				
Profit/loss after tax for the period from discontinued operations		(4.2)	-	(4.2)
Loss for the period	**(32.9)**	**-**	**2.2**	**(30.7)**
Attributable to equity holders of the parent	(44.1)	-	2.2	(41.8)
Attributable to non-controlling interests	11.2	-	-	11.2

Table below presents the revised statement of financial position as of December 31, 2017 to take into account the adjustments to reflect the impact of new accounting standards IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments.* As stated in note 2.1.4.2, the Group adopted the IFRS 9 standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with no impact in 2017.

In addition to adjustments mentioned above, statement of financial position as of December 31, 2017 was restated to take into account misclassification between non-current and current other financial liabilities of €131.6 million, as well as misclassification of goodwill of Altice Technical Service entities in Portugal, Israel and the Dominican Republic as assets held for sale of €70.8 million and Altice Customer Services of €2.2 million.

Consolidated Statement of Financial Position (€m)	**As of December 31, 2017 Reported**	**Restatement**	**Revision IFRS15**	**As of December 31, 2017 Revised**	**Adjustment IFRS 9**	**As of January 1, 2018 Adjusted IFRS9**
Non-current assets						
Goodwill	3,256.2	73.0	-	3,329.1	-	3,329.1
Intangible assets	2,116.4	-	(75.7)	2,040.7	-	2,040.7
Property, plant & equipment	3,728.5	-	-	3,728.5	-	3,728.5
Contract costs	-	-	89.3	89.3	-	89.3
Investment in associates	26.4	-	-	26.4	-	26.4
Financial assets	976.0	-	-	976.0	-	976.0
Deferred tax assets	134.3	-	(5.0)	129.3	8.6	138.0
Other non-current assets	182.7	-	-	182.7	(4.1)	178.5
Total non-current assets	**10,420.5**	**73.0**	**8.6**	**10,502.1**	**4.5**	**10,506.5**
Current assets				-		
Inventories	112.1	-	-	112.1	-	112.1
Contract assets	-	-	36.0	36.0	(0.3)	35.7
Trade and other receivables	960.6	-	-	960.6	(25.6)	935.0
Current tax assets	8.7	-	-	8.7	-	8.7
Financial assets	33.5	-	-	33.5	-	33.5
Cash and cash equivalents	253.2	-	-	253.2	-	253.2
Restricted cash	33.7	-	-	33.7	-	33.7
Total current assets	**1,401.8**	**-**	**36.0**	**1,437.8**	**(25.9)**	**1,411.9**
Assets classified as held for sale	*1,785.1*	*(73.0)*	*-*	*1,712.2*	*-*	*1,712.2*
Total assets	**13,607.4**	**-**	**44.6**	**13,652.0**	**(21.4)**	**13,630.6**
Issued capital	309.3	-	-	309.3	-	309.3
Additional paid in capital	53.2	-	51.1	104.3	-	104.3
Other reserves	561.0	-	(4.6)	556.4	-	556.4
Accumulated losses	(1,510.8)	-	(6.6)	(1,517.4)	(21.3)	(1,538.7)
Equity attributable to owners of the Company	**(587.3)**	**-**	**40.0**	**(547.4)**	**(21.3)**	**(568.6)**
Non-controlling interests	27.5	-	0.1	27.5	-	27.5
Total equity	**(559.8)**	**-**	**39.9**	**(519.9)**	**(21.3)**	**(541.1)**
Non-current liabilities				-		
Long term borrowings, financial liabilities and related hedging instruments	8,457.6	-	-	8,457.6	-	8,457.6
Other financial liabilities	1,119.6	(131.6)	-	988.5	-	988.5
Provisions	818.6	-	-	818.6	-	818.6
Deferred tax liabilities	74.5	-	4.1	78.6	(0.1)	78.5
Contract liabilities	-	-	11.0	11.0	-	11.0
Other non-current liabilities	25.3	-	(11.0)	14.3	-	14.3
Total non-current liabilities	**10,495.6**	**(131.6)**	**4.1**	**10,368.6**	**(0.1)**	**10,368.5**
Current liabilities				-		
Short-term borrowings, financial liabilities	357.3	-	-	357.3	-	357.3
Other financial liabilities	491.1	131.6	-	622.2	-	622.2
Trade and other payables	1,227.9	-	-	1,228.0	-	1,228.0
Contract liabilities	-	-	185.3	185.3	-	185.3
Current tax liabilities	89.1	-	-	89.1	-	89.1
Provisions	65.3	-	-	65.3	-	65.3
Other current liabilities	489.3	-	(184.7)	304.6	-	304.6
Total current liabilities	**2,720.0**	**131.6**	**0.6**	**2,851.8**	**-**	**2,851.8**
Liabilities directly associated with assets classified as held for sale	*951.6*	*-*	*-*	*951.6*	*-*	*951.6*
Total liabilities	**14,167.2**	**-**	**4.7**	**14,172.0**	**(0.1)**	**14,171.9**
Total equity and liabilities	**13,607.4**	**-**	**44.6**	**13,652.0**	**(21.4)**	**13,630.6**

The following table provides the impact of IFRS 15 in the statement of financial position as of December 31, 2016 and the reconciliation to the published figures.

Consolidated Statement of Financial Position **(€m)**	**As of December 31, 2016 Published**	**Revision IFRS 15**	**As of January 1, 2017 Revised**
Non-current assets			
Goodwill	3,642.3	-	3,642.3
Intangible assets	2,927.6	(15.5)	2,912.2
Property, plant & equipment	4,164.5	-	4,164.5
Contract costs	-	27.4	27.4
Investment in associates	14.1	-	14.1
Financial assets	170.8	-	170.8
Deferred tax assets	91.8	-	91.8
Other non-current assets	135.4	-	135.4
Total non-current assets	**11,146.5**	**11.9**	**11,158.4**
Current assets	-		
Inventories	158.0	-	158.0
Contracts assets	-	36.3	36.3
Trade and other receivables	1,291.5	-	1,291.5
Current tax assets	16.9	-	16.9
Financial assets	571.5	-	571.5
Cash and cash equivalents	266.0	-	266.0
Restricted cash	19.4	-	19.4
Total current assets	**2,323.4**	**36.3**	**2,359.8**
Assets classified as held for sale	416.7	-	416.7
Total assets	**13,886.6**	**48.3**	**13,934.8**
	-		
Issued capital	309.3	-	309.3
Additional paid in capital	251.1	-	251.1
Other reserves	453.2	-	453.1
Accumulated losses	(1,072.6)	38.8	(1,033.9)
Equity attributable to owners of the Company	**(59.0)**	**38.8**	**(20.4)**
Non-controlling interests	26.9	-	26.9
Total equity	**(32.0)**	**38.8**	**6.6**
Non-current liabilities	-		
Long term borrowings, financial liabilities and related hedging instruments	8,295.1	-	8,295.1
Other financial liabilities	964.5	-	964.5
Provisions	945.4		945.4
Deferred tax liabilities	103.4	10.3	113.7
Contract liabilities	-	0.3	0.3
Other non-current liabilities	165.4	(0.3)	165.1
Total non-current liabilities	**10,473.8**	**10.3**	**10,484.1**
Current liabilities	-		
Short-term borrowings, financial liabilities	351.7	-	351.7
Other financial liabilities	704.4	-	704.4
Trade and other payables	1,831.8	-	1,831.8
Contract liabilities	-	245.6	245.6
Current tax liabilities	87.2	-	87.2
Provisions	82.3	-	82.3
Other current liabilities	344.6	(246.5)	98.1
Total current liabilities	**3,402.0**	**(0.9)**	**3,401.1**
Liabilities directly associated with assets classified as held for sale	42.9	-	42.9
Total liabilities	**13,918.7**	**9.5**	**13,928.2**
Total equity and liabilities	**13,886.6**	**48.3**	**13,934.9**

The statement of cash flow had been revised for the six month period ended June 30, 2017 following the adjustments related to IFRS 15.

Consolidated Statement of Cash Flows (€m)	**Six month ended June 30, 2017 Reported**	**Adjustments for IFRS 5 for the six months ended June 30, 2017**	**Adjustments for IFRS 15 for the six months ended June 30, 2017**	**Six month ended June 30, 2017 Revised**
Net (loss) including non-controlling interests	**(32.9)**	**4.2**	**2.2**	**(26.4)**
Adjustments for:				
Depreciation, amortization and impairment	704.8	(0.7)	(10.3)	693.7
Share in income of associates	(2.9)	-	-	(2.9)
Gains and losses on disposals	0.9			0.9
Expenses related to share based payment	13.6	-	-	13.6
Other non-cash operating (losses)/gains, net	(40.2)	-	-	(40.2)
Pension liability payments	(73.1)	-	-	(73.1)
Finance costs recognized in the statement of income	425.4	1.1	-	426.6
Income tax credit recognized in the statement of income	16.7	(7.7)	(0.3)	8.7
Income tax paid	(49.5)	-	-	(49.5)
Changes in working capital	40.3	-	1.4	41.5
Net cash provided by operating activities	**1,003.1**	**(3.0)**	**(7.0)**	**992.9**
Payments to acquire tangible and intangible assets	(528.3)	-	7.0	(518.0)
Payments to acquire other non-current assets	(70.5)	-	-	(70.5)
Payments to acquire financial assets	-			
Proceeds from disposal of tangible, intangible and financial assets	302.8	-	-	302.8
Payments to acquires interests in associates	(12.3)	-	-	(12.3)
Payment to acquire subsidiaries, net	(146.0)	-	-	(146.0)
Net cash used in investing activities	**(454.2)**	**-**	**7.0**	**(443.9)**
Proceeds from issuance of debts	1,346.9	-	-	1,346.9
Payments to redeem debt instruments	(1,508.0)	-	-	(1,508.0)
Advances to group entities	(234.5)	-	-	(234.5)
Transfers from / (to) restricted cash	(14.7)			(14.7)
Interest paid	(269.4)	-	-	(269.4)
Other cash provided by financing activities	107.2	-	-	107.2
Net cash (used)/generated in financing activities	**(572.5)**	**-**	**-**	**(572.5)**
Classification of cash as held for sale	-	-	-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	(5.5)		-	(5.5)
Net change in cash and cash equivalents	**(29.1)**	**-**	**-**	**(29.1)**
Cash and cash equivalents at beginning of the year	266.0	-	-	266.0
Cash and cash equivalents at end of the year	**236.9**	**-**	**-**	**236.9**