Earnings release

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21 November 2018

Altice Europe N.V. Third Quarter 2018 Pro Forma[1] Results
Continuing Strong Commercial Performance With More than 1 Million Customers Won Back in France

- Altice Europe N.V. ("Altice Europe") continues to deliver on its three-pillar strategy: improve customer experience to drive better KPIs, invest in and own best-in-class proprietary fixed and mobile infrastructure and leverage its unique content assets.
- Altice Europe sees the benefits of intensified operational focus and accelerated momentum in Q3 2018.
- In France, we had an exceptional customer acquisition again in the third quarter in France (best quarter since 2005), with more than 1m customers won back year-to-date 2018, equivalent to the number of customers lost over the last 3 years[2] since the acquisition of SFR, with consistent improvements in customer service metrics leading to massive churn reduction:
    - B2C fixed base grew for the third quarter in a row with +166k net additions of which +52k broadband subs (vs. -75k losses in Q3 2017), including a strong fibre performance (+64k, +45% vs. Q3 2017), having the best mix of fibre/DSL customer base in France (40% of fixed customer on fibre) and a successful OTT launch of Altice content (+114k OTT net adds with RMC Sport); management continues to focus on operational processes, bringing churn to a lower level, while reducing retention cost and increasing its addressable market;
    - B2C mobile postpaid base grew by +378k net additions (vs. +16k in Q3 2017, x24), supported by the positive impact of premium content (Champions League), agility to follow promotions from competition with the largest outlet network in France, a better network, further churn reduction and a massive reduction in complaints (-50%);
- In Portugal, we also had an exceptional customer acquisition in the third quarter (best quarter since 2012), gaining market shares against peers in every segment:
    - B2C fixed base grew sequentially for the fourth quarter in a row with unique customer net additions in Q3 2018 of +8k (vs. -11k in Q3 2017), while fixed and mobile churn has stabilized at the lowest level ever, on top of improving gross adds trends and ARPU stabilization. Fibre customer net additions were +44k in Q3 2018 (vs. +35k in Q3 2017, +27%), supported by the rapid expansion of our fibre coverage, and mobile postpaid net additions were +37k (+139% vs. Q3 2017); MEO's network investment and successful convergent strategy is pointing to an inflection in revenue growth.
- The increase in subscribers in France and Portugal will contribute to an improved financial performance in 2019
- Altice Europe revenue on a constant currency (CC) basis declined -4.6% YoY ex-VAT benefit[3] or -6.1% reported YoY in Q3 2018.
- Altice Europe Adjusted EBITDA[4] on a CC basis declined -6.8% YoY ex-VAT benefit or -10.4% reported YoY in Q3 2018, a margin of 37.8% (-0.9% pts YoY vs. 38.7% in Q3 2017).

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[1] All financials are shown under IFRS 15 accounting standard. Financials shown above are pro forma defined as results of Altice Europe new perimeter as if the spin-off of Altice USA had occurred on 1/1/17 and excluding the press titles within the AMG France business ("France - Media" segment) sold in 2017 as if the disposals occurred on 1/1/17. Altice USA considered as third-party and not included in group eliminations from 1/1/18. Segments are shown on a pro forma standalone reporting basis, Group figures are shown on a pro forma consolidated basis. Financials include the contribution from Teads from Q3 2017 onwards. In addition, financials for Altice Europe exclude the international wholesale voice business (following closing announced on September 13, 2018) and green.ch AG and Green Datacenter AG in Switzerland (following closing announced on February 12, 2018) from 1/1/17.
[2] Fixed broadband, mobile postpaid, 4G Box and OTT subscribers.
[3] Excluding benefit of lower VAT for some press/TV bundles implemented in 2016; loss of benefit from March 2018 following VAT law change.
[4] See reconciliation of non-GAAP performance measures to operating profit for the nine months period ended on page 20 of this release.

- Significant investment in networks, customer premise equipment and innovative new services with total capital expenditure for Altice Europe of €706m in Q3 2018 excluding €1,013m for the Champions League rights in France (vs. €726m in Q3 2017):
  - Leading fibre[5] operator in France reaching almost 11.9 million homes passed as of Q3 2018 (315k new connections in Q3 2018) and major wins in fibre contracts in the quarter reaching almost 2 million homes to be passed. In mobile, 98% 4G mobile population coverage and extended 4G+ and 4G+++ mobile network, with a proper path to 5G;
  - Leading fibre operator in Portugal reaching 4.37 million homes passed as of Q3 2018 (88k added in Q3 2018) and 98.6% 4G mobile population coverage (74.8% 4G+ mobile population coverage).
- Further strengthening of diversified capital structure through successful asset disposals and refinancing activity in Q3 2018:
  - Successful closing of the sales of equity stakes in the telecommunication mobile tower businesses in Portugal on September 4th, 2018 and in the Dominican Republic on October 3rd, 2018;
  - Successful refinancing at Altice France to redeem in full its $4.0bn 2022 Senior Secured Notes.
- Altice France has reached an agreement with KKR regarding the sale of a 49.99% equity stake in its telecommunication mobile tower business[6] with closing expected this quarter.

Patrick Drahi, founder of Altice, said: *"Since the beginning of 2018, Altice Europe has continuously overdelivered on its operational turnaround plan, showing strong improvements in subscriber trends whilst signs of stabilization sequentially in ARPU. We consistently demonstrate our ability to win our fair share of net adds. In France, we have won back more than a million customers already since the beginning of this year, i.e. the numbers of customers lost for the last 3 years (2015-2017)[7] since the SFR acquisition. Our customers remain our first priority, and we have a unique asset base with expanding premium proprietary infrastructure in both fibre and mobile as well as content assets to further improve their satisfaction. Altice continues to benefit from the best-practices of its different assets worldwide, typically to launch a new box, benefitting from experience in leading market in telecom/contents (USA). We already see a tangible inflection in Portugal, paving the way for a recovery in France, underpinned by our strategy in infrastructure and content. Altice Europe will return to growth in 2019. On top of this commercial momentum, we continue to genuinely strengthen our long-term balance sheet position while crystalizing the underlying value of Altice Europe, notably its infrastructure. We have made further progress on the execution of our non-core asset disposal program and we have new streams of wholesale revenues secured. These are more than good results, with a winning team back in command."*

November 21, 2018: Altice Europe N.V. (Euronext: ATC and ATCB), today announces financial and operating results for the quarter ended September 30, 2018.

FY 2018 Guidance – Reiterated

Under IFRS 15, Altice Europe is expected to generate operating free cash flow[8] of between €2.3bn to €2.5bn, excluding the Altice TV segment. Altice France is expected to generate operating free cash flow of between €1.5bn to €1.6bn. Considering its current very strong commercial momentum, Altice France is generating higher acquisition costs and client capex, to the benefit of future growth. As such, it is likely Altice France will end 2018 at the low end of the €1.5bn to €1.6bn guidance range.

Altice Europe reiterates plans to grow revenue, and expand Adjusted EBITDA and cash flow margins, over the medium- to long-term.

[5] FTTB and FTTH homes passed.
[6] The closing of the transaction (subject to regulatory approvals) is expected to occur in Q4 2018.
[7] Fixed broadband, mobile postpaid, 4G Box and OTT subscribers
[8] Operating free cash flow ("OpFCF") defined as Adjusted EBITDA less capex.

Other Significant Events

- On October 31, 2018 – Altice Europe announced the strengthening of its Board of Directors (the “Board”) and the evolution of Group management:
    - Malo Corbin was appointed as Altice Europe CFO;
    - Dennis Okhuijsen will serve as an advisor to Altice Europe and will be advising on all financing and capital structure activity. Dennis Okhuijsen is also appointed as the representative of A4 S.A, the Vice President of the Board.
    - Nicolas Paulmier and Philippe Besnier will be appointed as non-executive directors of the Board by the EGM that will take place on November 20, 2018, increasing the number of non-executive directors to 4 in total.

- On October 3, 2018, Altice Europe announced the group has undertaken a strategic review of its fibre infrastructure to further accelerate its deployment and is exploring several financial partnerships. No final decision with respect to any strategic transaction involving its fibre infrastructure has been taken, and it is yet uncertain that any such transaction will be concluded. If and when there is any reason to do so, further announcements to the market will be made. Even though no final decision has been taken yet, the review of the fibre infrastructure in mid and low dense areas in France is well advance with many offers received from very high quality partners. In parallel, Altice Europe is extending the review to the other countries.

- On October 3, 2018, Altice Europe announced the closing of the transaction to sell 100% in the tower company Teletorres del Caribe, which comprises 1,039 sites formerly operated by its subsidiary Altice Dominicana, to Phoenix Tower International, a portfolio company of Blackstone.

- On September 4, 2018, Altice Europe announced the closing of the transaction to sell 75% in the newly formed tower company “Towers of Portugal”, which comprises 2,961 sites formerly operated by its subsidiary MEO - Serviços de Comunicações Multimédia, S.A., to a Consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners.

- In the spirit of enhanced accountability and transparency, Altice Europe also announced on January 8, 2018, that Altice Europe will reorganize its structure comprising Altice France (including French Overseas Territories), Altice International and a newly formed Altice TV subsidiary. This includes integrating Altice's support services businesses into their respective markets and bundling Altice Europe's premium content activities into one separately funded operating unit with its own P&L. This reorganization of Altice Europe is now complete following the transfer of the French Overseas Territories (FOT) business from Altice International to Altice France closed in October 2018.

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Conference call details

The company will host a conference call and webcast today, Wednesday 21st of November 2018 at 6:30pm CET (5:30pm GMT, 12:30pm EST)

Dial-in Access telephone numbers:

Participant Toll Free Dial-In Number: +1 (866) 393-4306

Participant International Dial-In Number: +1 (734) 385-2616

Conference ID 5559068

A live webcast of the presentation will be available on the following website:

https://event.on24.com/wcc/r/1824249/E95215C913394AE0AF19BB01417D23BE

The presentation for the conference call will be made available prior to the call on our investor relations website:

http://altice.net/investor-relations

About Altice Europe

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

Financial Presentation

Altice Europe N.V. (Altice Europe N.V., the “Company”, or the “Successor entity”) was created as a result of a cross-border merger with Altice S.A. as per a board resolution dated August 9, 2015. Altice Europe N.V.’s shares started trading on Euronext Amsterdam from August 10, 2015 onwards. Altice Europe N.V. is considered to be the successor entity of Altice S.A. and thus inherits the continuity of Altice S.A.’s consolidated business. Altice Europe N.V. and its subsidiaries have operated for several years and have from time to time made significant equity investments in a number of cable and telecommunication businesses in various jurisdictions. Therefore, in order to facilitate an understanding of the Company’s results of operations, we have presented and discussed the pro-forma consolidated financial information of the Company – giving effect to each such significant acquisition and disposal as if such acquisitions and disposals had occurred by January 1, 2017; as if the spin-off of Altice USA had occurred on January 1, 2017, and excluding press titles within the AMG France business sold in April and October 2017, for the quarters ended September 30, 2017 and September 30, 2018 (the “Pro Forma Financial Information”). Financials include the contribution from Teads from Q3 2017 onwards. In addition, financials for Altice Europe exclude the international wholesale voice business (following closing announced on September 13, 2018) and green.ch AG and Green Datacenter AG in Switzerland (following closing announced on February 12, 2018) for the quarters ended September 30, 2017 and September 30, 2018.

This press release contains measures and ratios (the “Non-GAAP Measures”), including Adjusted EBITDA, Capital Expenditure (“Capex”) and Operating Free Cash Flow, that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting standards. We present Non-GAAP measures because we believe that they are of interest to the investors and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-GAAP measures may not be comparable to similarly titled measures of other companies or have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our, or any of our subsidiaries’, operating results as reported under IFRS or other generally accepted accounting standards. Non-GAAP measures such as Adjusted EBITDA are not measurements of our, or any of our subsidiaries’, performance or liquidity under IFRS or any other generally accepted accounting principles, including U.S. GAAP. In particular, you should not consider Adjusted EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with IFRS) as a measure of our, or any of our operating entities’, operating performance, (b) cash flows from operating, investing and financing activities as a measure of our, or any of our subsidiaries’, ability to meet its cash needs or (c) any other measures of performance under IFRS or other generally accepted accounting standards. In addition, these measures may also be defined and calculated differently than the corresponding or similar terms under the terms governing our existing debt.

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.

Capital expenditure (Capex), while measured in accordance with IFRS principles, is not a term that is defined in IFRS nor is it presented separately in the financial statements. However, Altice's management believe it is an important indicator for the Group 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: Mainly related to costs incurred in acquiring content rights.

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. It is simply a calculation of the two above mentioned non-GAAP measures.

Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA as reported by us to Adjusted EBITDA of other companies. Adjusted EBITDA as presented herein differs from the definition of "Consolidated Combined Adjusted EBITDA" for purposes of any of the indebtedness of the Altice Group. The information presented as Adjusted EBITDA is unaudited. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the U.S. Securities and Exchange Commission (the "SEC") and will not be subject to review by the SEC; compliance with its requirements would require us to make changes to the presentation of this information.

Financial and Statistical Information and Comparisons

Financial and statistical information is for the quarter ended September 30, 2018, unless otherwise stated, and any year over year comparisons are for the quarter ended September 30, 2017.

Regulated Information

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

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Altice Europe Summary Financials Pro Forma Information (New Perimeter)

	Altice Europe - Quarter ended September 30, 2018									
In EUR millions	Altice France	Portugal	Israel	Dominican Republic	Teads	Others	Altice TV	Corporate & Other	Eliminations	Altice Europe Consolidated
Fixed - B2C	614.7	155.0	143.6	25.6	-	-	-	-	-	938.8
Mobile - B2C	1,026.0	142.6	59.6	87.3	-	-	-	-	-	1,315.6
B2B	427.3	144.8	28.4	21.0	-	-	-	-	-	621.5
Wholesale	265.2	49.7	-	6.1	-	-	-	-	-	321.0
Other	146.7	33.2	-	-0.2	84.6	0.2	29.8	1.1	-	295.5
Standalone Revenue	**2,479.9**	**525.4**	**231.6**	**139.7**	**84.6**	**0.2**	**29.8**	**1.1**	-	**3,492.4**
Eliminations	-18.7	-11.9	-0.1	-0.2	-0.8	-	-21.2	0.5	-	-52.4
Consolidated Revenue	**2,461.2**	**513.5**	**231.5**	**139.5**	**83.8**	**0.2**	**8.6**	**1.6**	-	**3,440.0**
Adjusted EBITDA	**962.0**	**226.2**	**100.0**	**76.2**	**11.1**	**0.1**	**-55.5**	**-14.7**	**-5.7**	**1,299.7**
Margin (%)	*38.8%*	*43.1%*	*43.2%*	*54.6%*	*13.1%*	*nm*	*nm*	*nm*	*nm*	*37.2%*
Capex	**532.5**	**92.3**	**51.7**	**27.2**	-	-	**3.5**[9]	-	**-0.5**	**706.7**
Adjusted EBITDA - Capex	**429.6**	**133.9**	**48.3**	**49.0**	**11.1**	**0.1**	**-59.0**	**-14.7**	**-5.2**	**593.0**

	Altice Europe - Quarter ended September 30, 2017									
In EUR millions	Altice France	Portugal	Israel	Dominican Republic	Teads	Others	Altice TV	Corporate & Other	Eliminations	Altice Europe Consolidated
Fixed - B2C	691.4	160.0	157.8	26.1	-	-	-	-	-	1,035.4
Mobile - B2C	1,118.5	143.1	60.2	101.6	-	-	-	-	-	1,423.4
B2B	446.8	145.8	33.2	23.9	-	-	-	-	-	649.7
Wholesale	272.3	47.3	-	3.3	-	-	-	-	-	323.0
Other	153.6	30.6	0.4	2.4	65.8	-	7.6	3.9	-	264.2
Standalone Revenue	**2,682.6**	**526.9**	**251.6**	**157.4**	**65.8**	**-**	**7.6**	**3.9**	-	**3,695.7**
Eliminations	-20.9	-8.7	-0.4	-2.4	-	-	-3.5	10.2	-	-25.3
Consolidated Revenue	**2,661.7**	**518.1**	**251.2**	**155.1**	**65.8**	**-**	**4.1**	**14.1**	**-**	**3,670.4**
Adjusted EBITDA	**1,092.6**	**238.7**	**116.5**	**85.2**	**12.0**	**-0.1**	**-61.1**	**-23.1**	**-6.6**	**1,454.2**
Margin (%)	*40.7%*	*45.3%*	*46.3%*	*54.2%*	*-*	*nm*	*nm*	*nm*	*nm*	*39.6%*
Capex	**541.5**	**97.8**	**59.7**	**22.6**	**-**	**-**	**1.4**	**5.4**	**-2.2**	**726.2**
Adjusted EBITDA - Capex	**551.2**	**140.9**	**56.8**	**62.7**	**12.0**	**-0.1**	**-62.5**	**-28.6**	**-4.4**	**728.0**

[9] Q3-18 Altice TV accrued capex excludes €1,012.7m related to the acquisition of multi-year major sports rights in France (Champions League)

Notes to Summary Financials

(1) Financials shown in these tables are pro forma defined as results of the Altice Europe new perimeter ("Altice Europe") as if the spin-off of Altice USA had occurred on 1/1/17 and excluding the press titles within the AMG France business ("France - Media" segment) sold in 2017 as if the disposals occurred on 1/1/17. Segments are shown on a pro forma standalone reporting basis, Group figures are shown on a pro forma consolidated basis. Financials include the contribution from Teads from Q3 2017 onwards. In addition, financials for Altice Europe exclude the international wholesale voice business (following closing announced on September 13, 2018) and green.ch AG and Green Datacenter AG in Switzerland (following closing announced on February 12, 2018).

(2) “Other” segment within Altice International includes datacentre operations in France (Auberimmo).

(3) Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, non-recurring litigation, restructuring costs) and other adjustment (equity-based compensation expenses).

(4) Capex shown on an accrued basis.

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Altice Europe KPIs

000's unless stated otherwise	France	FOT	Portugal	Israel	Dominican Republic	Total
	Altice Europe - Quarter ended September 30, 2018					
Homes passed	**23,842**	**178**	**5,115**	**2,113**	**791**	**26,924**
Fibre / cable homes passed	11,865	172	4,372	2,113	753	19,275
FIXED B2C						
Fibre / cable unique customers	**2,457**	**59**	**759**	**992**	**193**	**4,460**
Net adds	71	0	44	-9	-4	102
OTT	**114**	**-**	**-**	**-**	**-**	**-**
Net adds	114	-	-	-	-	-
Total fixed B2C unique customers	**6,193**	**82**	**1,572**	**992**	**316**	**9,156**
Net adds	166	0	8	-9	-9	156
Fixed ARPU (€/month)	€ 31.7	€ 43.3	€ 32.4	€ 48.8	€ 26.6	-
MOBILE B2C						
Postpaid subscribers	**13,364**	**212**	**2,927**	**1,133**	**544**	**18,179**
Net adds	378	6	37	-10	5	416
Prepaid subscribers	**1,550**	**52**	**3,634**	**158**	**2,569**	**7,963**
Total mobile B2C subscribers	**14,914**	**263**	**6,561**	**1,292**	**3,113**	**26,143**
Postpaid Mobile ARPU (€/month)	€ 22.4	€ 34.9	€ 9.8	€ 12.2	€ 21.1	-

000's unless stated otherwise	France	FOT	Portugal	Israel	Dominican Republic	Total
Altice Europe – Quarter ended September 30, 2017						
Homes passed	**25,107**	**178**	**5,025**	**2,080**	**777**	**33,168**
Fibre / cable homes passed	10,396	172	3,914	2,080	704	17,266
FIXED B2C						
Fibre / cable unique customers	**2,162**	**59**	**577**	**1,006**	**207**	**4,010**
Net adds	44	0	35	-5	-3	72
Total fixed B2C unique customers	**5,988**	**84**	**1,549**	**1,006**	**322**	**8,947**
Net adds	-75	0	-11	-5	3	-88
Fixed ARPU (€/month)	€ 35.9	€ 45.7	€ 33.6	€ 54.6	€ 27.3	-
MOBILE B2C						
Postpaid subscribers	**12,455**	**182**	**2,784**	**1,144**	**538**	**17,104**
Net adds	16	7	15	24	-12	51
Prepaid subscribers	**2,109**	**55**	**3,760**	**141**	**2,720**	**8,785**
Total mobile B2C subscribers	**14,564**	**237**	**6,544**	**1,285**	**3,258**	**25,889**
Postpaid Mobile ARPU (€/month)	€ 25.8	€ 35.9	€ 9.7	€ 12.9	€ 23.8	-

Notes to KPIs tables

(1) Total homes passed in France includes unbundled DSL homes outside of SFR's fibre / cable (FTTH / FTTB) footprint. Portugal total homes passed includes DSL homes enabled for IPTV outside of MEO's fibre footprint and fibre homes passed figures include homes where MEO has access through wholesale fibre operators (c.0.4m in Q3 2018).

(2) Fibre / cable unique customers represents the number of individual end users who have subscribed for one or more of our fibre / cable based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. Fibre / cable customers for France excludes white-label wholesale subscribers and includes 4G Box subscribers (9k as of September 30, 2018). For Israel, it refers to the total number of unique customer relationships, including both B2C and B2B.

(3) ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenue from subscribers. ARPU is calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue (such as hosting fees paid by channels) for the respective period by the average number of customer relationships for that period and further by the number of months in the period. The average number of customer relationships is calculated as the number of customer relationships on the first day in the respective period plus the number of customer relationships on the last day of the respective period, divided by two. For Israel and Dominican Republic, ARPU has been calculated by using the following exchange rates: average rate for Q3 2018, €1.00 = ILS 4.2251, €1.00 = 57.7678 DOP.

(4) Mobile subscribers is equal to the net number of lines or SIM cards that have been activated on our mobile networks and excludes M2M. In Israel, the split between iDEN and UMTS (B2C only, including prepaid) services as follows: 6k iDEN and 1,286k UMTS as of September 30, 2018, and 8k iDEN and 1,277k UMTS as of September 30, 2017.

Altice Europe[10] Financial and Operational Review by Segment – Pro Forma

For quarter ended September 30, 2018 compared to quarter ended September 30, 2017

France (Altice France including SFR)

In Q3 2018, SFR continued to improve customer service, invest in proprietary infrastructure, and leverage its unique content portfolio to gain subscriber momentum. Despite the intensification of competition in both fixed and mobile markets, SFR had significant positive subscriber trends in both segments for the second quarter in a row (best quarter since 2004).

Focus on customer service allows, a further decrease of fixed customer complaints of -37% YoY and mobile customer complaints of -55% YoY in Q3 2018. Churn levels have also continued to decline since Q1 2018,. This reflects management's work on improving processes, but further progress should be expected in the following quarters as SFR churn is still far from management's target level.

The competitive intensity of the French market during Q3 2018 was greater than in Q2 2018. SFR remains a follower in promotions, tactically counter-attacking promotions of competitors. ARPU trends in Q3 2018 were impacted by the following factors: ongoing competition in the French market, VAT impact, price increases made in Summer 2017. SFR is very pleased with the complementarity of its Red brand (digital, no-frills offer with ARPU slightly below total mobile blended ARPU, but importantly with lower costs) and its SFR brand (full support, shops, subsidies, content bundle, quality of the network), to address both the digital/low-end market and the non-digital/high-end market.

SFR continued to invest in its proprietary infrastructure to further improve customer satisfaction and enhance its position in the fast growing fibre wholesale market. On the fixed side, SFR remains the number one high-speed broadband infrastructure in France[11], with almost 11.9 million homes passed[12] with +315k new FTTH homes added in Q3 2018. The confidence shared by the community partners was made particularly clear in September by the launch of a new public service delegation agreement in "WiGard" Gard. SFR has also tested in July 2018 the new generation of fibre data rates on its networks, achieving a rate of 10Gbps.

In June 2018, SFR and Orange signed an agreement to extend their FTTH deployments in the Medium Dense Area (AMII) to a part that was not covered under the previous agreement of 2011. Under the new agreement, SFR will be responsible for the deployment of 1.1 million additional access points for homes or business premises, taking the total to be deployed in the AMII area to 2.7 million access points. SFR has also won new public service contracts representing 0.7m homes passed to deploy and operate their FTTH network. Finally, SFR also announced the arrival of its commercial services on public initiative networks operated by third parties after signing agreements with Altitude, Covage and Axione, thus enabling up to 6 million additional homes to access the best of SFR's services.

On the mobile side, SFR continues to be the leader in terms of 4G mobile antennas in service in France (34,281[13]) and covered 98% of the population with 4G at the end of the third quarter. Being in this position allows SFR to deliver higher 4G data rates, thereby improving customer experience (4G+ at 300/500 Mbps). This increase in speed makes it possible to support the transition to 5G, something which the group continues to work towards actively.

The third quarter has been, more than anything else, the 'Sport Quarter' at Altice France, with the launch of RMC Sport at the beginning of July 2018, and the broadcasting of the first Champion's League matches in September 2018 for not only SFR subscribers, but also for all those who subscribed to the RMC Sport OTT offer. This unique offer open to all is priced at €9/month for SFR customers and €19/month for non SFR customers. This premium content (including Champions League) has already had a positive impact on the

[10] Financials shown in this section are based on the new reporting perimeter for Altice Europe unless stated otherwise.
[11] Delivering broadband speeds over 100Mbps.
[12] FTTB and FTTH homes passed.
[13] Source: ANFR

telecoms business in terms of brand recognition and people in SFR shops and has supported net subscriber additions and upsell in Q3 2018as well as OTT clients (114k net adds for RMC Sport in Q3 2018). In order to allow customers to access the maximum possible number of its unique content, over the Summer, SFR brought to market its ‘SFR Connect TV’ box, which allows RMC Sport to be viewed on any television screen. Lastly, at the beginning of October 2018, SFR rolled out a unique offer which allows access to 100% of football games for €38.9 a month, with a full sport suite integrating RMC Sports, BeIN Sports and Canal+.

In July 2018, SFR Presse platform unveiled its enhanced, innovative new version, notably featuring live broadcasts. RMC Sport and BFM TV joined SFR Presse platform in August 2018. The group also announced the acquisition of TLM (Télé Lyon Métropole) in October 2018 in order to pursue its ambitious policy of deploying regional news channels which will help the deployment of local content in the fibre roll out; two years after the successful launch of BFM Paris, BFM Lyon is expected to be launched at the beginning of 2019.

The solid operational turnaround and customer growth are expected to lead to an inflection in revenue growth in the coming quarters.

The following subscriber KPIs are based on the old reporting perimeter for SFR Group for comparability to previously reported figures in 2017 (i.e. excluding FOT):

- Total Altice France revenue declined -5.5% YoY ex-VAT benefit[14], -7.6% YoY reported in Q3 2018 to €2,480m. € 247m sales decrease YoY in Q3 2018 includes € 90m one-off, i.e. 6% decrease YoY excluding one-off. Altice France revenue declined 1.4% QoQ, with B2C revenue were up 0.9% QoQ.
- B2C fixed base in France[15] grew again with +166k unique customer net additions in Q3 2018 (vs. -75k losses in Q3 2017), of which 114k new OTT clients (RMC Sport):
  - Fibre net additions reached +64k in Q3 2018 (vs. +44k in Q3 2017, +45%) and DSL[16] net losses were -19k in Q3 2018 (vs. -119k in Q3 2017);
  - Fixed B2C ARPU declined -7.6% YoY ex-VAT benefit, or -11.6% YoY on reported basis to €31.7 in Q3 2018 (vs. €35.9 in Q3 2017), impacted by a full quarter impact of retention activity initiated in Q1 2018 and fierce market competition. SFR’s new RMC Sport offer was made available at the beginning of Q3 ahead of the Champions League launch;
  - Fixed B2C revenues declined -7.3% YoY ex-VAT benefit, or -11.1% YoY on a reported basis in Q3 2018, impacted by prior customer losses and the decline in ARPU.
- Mobile B2C postpaid customer growth in France was again very strong this quarter:
  - The mobile B2C postpaid customer base increased by +378k net additions in Q3 2018 (vs. +34k in Q3 2017, +2240%) despite a very high level of promotions in the market; the SFR brand had a second positive net additions for the first time since Q4 2015, on top of the digital Red brand success;
  - B2C mobile postpaid ARPU declined -10.6% YoY ex-VAT benefit, or -13.3% YoY on a reported basis to €22.4 (vs. €25.8 in Q3 2017) impacted by a full quarter impact of retention activity initiated in Q1 2018 and the intensification of market competition;
  - Mobile B2C service revenues declined -5.4% YoY ex-VAT benefit, or -8.4% YoY on a reported basis, supported by better mobile postpaid customer trends; total mobile B2C revenues declined -5.8% YoY ex-VAT benefit or -8.3% YoY on a reported basis.

[14] Excluding benefit of lower VAT for some press/TV bundles implemented in 2016; loss of benefit from March 2018 following VAT law change.
[15] Total includes fibre (+64k), DSL (-19k), 4G Box (+6k) and OTT (+114k).
[16] Including 4G box.

- B2B revenues declined -4.4% YoY in Q3 2018, an improvement in the YoY trend vs. previous quarters, supported by the change in strategy started in H2 2017. The adoption of a new pricing and customer retention strategy is expected to lead to an improvement in trends quarter after quarter.
- Wholesale revenues declined -2.6% YoY in Q3 2018, excluding the international wholesale voice business (deal closed on September 13, 2018). SFR benefited from an increasing contribution from the major MVNO operators in France (La Poste, EIT).
- Other revenues declined by -4.5% YoY in Q3 2018.

Total Altice France's Adjusted EBITDA declined -7.1% in Q3 2018 YoY ex-VAT benefit or -12.0% YoY reported in Q3 2018 YoY to €962m with margins declining by -1.9% pts YoY to 38.8% reflecting the impact from the VAT change, strong commercial momentum generating higher client acquisition costs, partially offset by voluntary plan cost savings being realised. In line with our former comment, effort in retention declined this summer, along with a tight control of the cost base driven by digitalized customer service. Management is pleased with volume trends in France (both in Fixed and Mobile) and expects improving trends in ARPU, thanks to increasing fibre addressable market in quarters coming, along with improved mobile networks.

Total Altice France capex amounted to €532m in Q3 2018, a decrease of €9m YoY reflecting a reduction in mobile network capex and an optimization through refurbished equipment to limit success capex (i.e. CPE) despite good momentum of gross adds.

Portugal (MEO)

MEO is still seeing the benefits of its accelerated investment to expand its fibre coverage with the fourth consecutive quarter of growth for its fixed customer base. RGU growth was strong across all products and particularly in the Pay-TV segment where MEO captured, for the fourth consecutive quarter, more than 54% of the total market growth. MEO has now reached more than 4.37 million fibre homes passed, on track for its target for nationwide coverage of 5.3 million homes.

MEO continued to invest in upgrading its mobile infrastructure, reaching 98.6% 4G and 74.8% 4G+ population coverage at the end of Q3 2018. MEO finished the single-RAN mobile network modernization project, supporting the global increase of 4G connected customers and total data traffic, with positive results and impact on relevant mobile network KPI´s. This investment is supporting continued growth in MEO's postpaid mobile customer base. Following the plan "On the road to 5G" to prepare mobile network for 5G-readiness, Altice Portugal promoted in July 2018 the first real network 5G demo in Portugal.

This quarter MEO remained the leader of market innovation. After the launch in Q1 2018 of a new wireless set-top box, a new TV user interface content centric and a new web self-care experience, MEO is fully committed to digital transformation, being one of the most relevant players pursuing this goal, not only through internal changes but also by promoting external ones. After launching digital services in the last two quarters such as MEO By (a fully digital experience that allows customers to build a customized bundle of services without loyalty plan) and my MEO (new Web Self Care Experience), MEO was the first company to implement the Mobile Digital Key authentication. These new products and services demonstrate once again MEO's leadership when it comes to innovation and improving customer experience: MEO still has the most valuable telco brand in Portugal, according to a recent OnStrategy Consulting study, ranking MEO as the 8^{th} most valuable brand in the country.

MEO's successful infrastructure investments, new commercial strategy and improving quality of its customer service all contributed to better operational results with record low churn and higher customer gross additions. This solid customer growth is already leading to an inflection in revenue growth:

- Total Altice Portugal revenue grew +1.8% sequentially vs. Q2 2018, corresponding to -0.3% YoY in Q3 2018 to €525m.
- For the second successive quarter, total B2C revenues grew sequentially, by +1.2% in Q3 2018, driven by higher gross additions, further churn improvements, and increase of gross adds ARPU.

- MEO B2C fixed base grew YoY in Q3 2018, after growing in Q2 2018 for the first time in more than 5 years, supported by positive net additions in Q3 2018 of +8k (vs. -11k in Q3 2017);
  - MEO added a record number of fibre customers this quarter again, increasing by +27% YoY: net additions in Q3 2018 were +44k (vs. +35k in Q3 2017); DSL/DTH trends also improved YoY with customer losses of -36k in Q3 2018 (vs. -45k in Q3 2017); convergence has kept growing (+3% pts YoY), adding more valuable customers with higher lifetime value;
  - B2C fixed revenues grew +0.9% sequentially vs. Q2 2018 and -3.2% YoY in Q3 2018, driven by a decline in total fixed B2C ARPU of -3.5% YoY moderating compared to Q2 2018 decline (-5.4%) with the first sequential increase in the last two years (+0.4% QoQ in Q3 2018). ARPU pressure reflected the regulatory decision in Q3 2017 to open up MEO's customer base for disconnections which required increased retention activity, as well as the absence of an across the board price increase in 2018, leading to a more challenging YoY comparison.
- Postpaid B2C mobile subscriber net additions in Q3 2018 were +37k (vs. +15k net additions in Q3 2017), supported by MEO's network investment and successful convergent strategy. Prepaid B2C mobile net adds were +142k in Q3 2018 (vs. +198k in Q3 2017), including the impact of greater prepaid to postpaid migrations;
  - Mobile postpaid ARPU grew +1.3% YoY in Q3 2018, supporting B2C mobile postpaid revenues growth;
  - Overall B2C mobile revenues grew by +1.6% sequentially vs. Q2 2018, and declined by -0.3% YoY in Q3 2018, impacted by prepaid revenues erosion and equipment revenues when compared to last year.
- B2B revenues declined -0.7% YoY, -1.7% sequentially in Q3 2018, underpinning the turnaround strategy. This improvement in trends was achieved through stronger growth in new revenue streams (ICT) and resilience in traditional telco revenues (Mobile growth). Both fixed and mobile net additions were the highest in more than three years: >200% improvement YoY in net adds year-to-date in mobile and fixed data). Convergence rate increase by 5pp in the last two years.
- Wholesale revenues grew +5.1% YoY and 20% QoQ in Q3 2018, on the back of increasing revenues from roamers on MEO´s network, benefitting from higher traffic and better prices due to synergies from negotiations at Altice Europe level.
- Other revenues grew +8.6% YoY in Q3 2018 driven by Altice Labs. The strong commitment with innovation by Altice, allied to the entrepreneurship spirit, has transformed an R&D facility into a profitable business with a very positive contribution for Altice Portugal results and at the same time an advanced technology export hub for Portugal and Altice Portugal. New and innovative products, like the GPON WiFi Fibregateway, a state-of-the-art fibre optics WiFi router, developed by Altice Labs, have been a key differentiator to attract new customers and decreasing churn.

Total Altice Portugal Adjusted EBITDA declined -5.2% YoY to €226m with margins reducing by -2.3% pts to 43.1% reflecting the loss of higher margin revenue in both the B2C and B2B segments.

Total Altice Portugal capex of €92m in Q3 2018 (€98m in Q3 2017) reflecting continued network investments (single RAN and Mobile core effort) and improved commercial trends (fixed and mobile CPE).

Israel (HOT)

- Total revenue in Israel declined -7.5% YoY in Q3 2018 on a CC basis, or -7.9% on a reported basis to €232m impacted by the ongoing intense competition in the fixed and mobile markets:
  - The cable customer base declined slightly in Q3 2018 vs. Q2 (-9k), despite a very high level of promotions in the market. Fixed line ARPU declined -9.9% YoY in Q3 2018 in local currency, mainly driven by continued fierce competition in the TV market. Overall fixed revenues declined

-8.5% YoY in Q3 2018 in local currency. HOT remains a premium brand in the market, supported by its superior fixed network infrastructure, premium content packages, and superior customer service;

- The B2C mobile postpaid customer base declined this quarter with net losses of -10k, due to aggressive competition following the entrance of a new 6th mobile player. B2C mobile postpaid ARPU declined -4.4% YoY in local currency, despite HOT's focus on high-value customers. Overall mobile revenues declined -4.5% YoY in Q3 in local currency.

- Total Adjusted EBITDA in Israel declined by -13.8% in Q3 2018 YoY in local currency, or -14.2% on a reported basis YoY to €100m with margins reducing by -3.1% pts YoY to 43.2%.

Dominican Republic (Altice Dominicana)

- Total revenue in Dominican Republic declined -8.4% YoY in Q3 2018 on a CC basis, or -11.2% YoY on a reported basis to €140m with fixed growth being offset by declines in the prepaid mobile business:
  - The total fixed B2C customer base declined in Q3 2018 with -9k net losses. Total fixed B2C ARPU increased +0.8% YoY in Q3 2018 in local currency, supported by the increase in triple play penetration (+11% pts YoY for fibre customers);
- Total B2C mobile subscriber trends slightly improved YoY, decreasing by -63k net losses in Q3 2018 (vs. -74k in Q3 2017). B2C mobile postpaid net additions, boosted by refreshed offers, were positive for a second quarter in a row, +5k in Q3 2018 (vs. -12k in Q3 2017), while mobile postpaid ARPU declined by -8.2% YoY in Q3 2018 in local currency. New offers focused on data and value launched last quarter contributed to prepaid revenues improving sequentially, partially offsetting voice erosion. 4G population coverage reached 97% in Q3 2018 (+42% pts vs. Q3 2017), supporting consumer needs for data traffic.

Total Adjusted EBITDA in Dominican Republic declined by -8.1% in Q3 2018 YoY in local currency, or -10.6% on a reported basis YoY to €76m with margins increase by +0.4% pts YoY to 54.6%.

Teads

- Total revenue grew +30% in Q3 2018 YoY on a CC basis to €85m, driven by a strong contribution from European and Asian markets.
- Key highlights include the successful launch of the Performance product and our Connect during the Summer.

Altice TV

- On September 18, 2018, the first major distribution agreement was also formalised with Canal+ for its satellite subscribers, thereby improving monetisation of Altice's content portfolio.
- Altice TV EBITDA was -€55m in Q3 2018, without a full quarter contribution of the wholesale deal signed with Canal+.
- Accrued Capex was €1.16 bn in Q3 2018 primarily driven by the capitalization of the 3-year Champions League rights for France.

Shares outstanding

As at September 30, 2018, Altice Europe had 1,189,927,773[17] common shares outstanding and 927,832 preference shares B outstanding.

Altice Europe Consolidated Net Debt as of September 30, 2018, breakdown by credit silo[18]

- Altice Europe has a robust, diversified and long-term capital structure:
  - Group weighted average debt maturity of 6.2 years;
  - Group weighted average cost of debt of 5.7%;
  - 86% fixed interest rate;
  - No major maturities at Altice France until 2024, none at Altice International until 2023 and none at Altice Luxembourg until 2022;
  - Available liquidity of €4.6bn[19].
- Total consolidated Altice Europe net debt was €30.0bn at the end of Q3 2018.

[17] As at September 30, 2018, Altice Europe had 1,554,880,250 common shares A (including 575,939,589 treasury shares), 210,987,112 common shares B and 927,832 preference shares B outstanding

[18] Pro forma for tower sales in France and Dominican Republic (cash proceeds of €1.76bn and €145m respectively); The cash proceeds of Altice France allocated as flows: (1) repayment of outstanding RCF per Q3 18 (€75m), (2) settlement of the acquisition of FOT from Altice international (€475m), (3) settlement of ATS France and ACS vendor notes to Altice International (€241m) and (4) settlement of the content break fee with Altice TV (€300m). Cash proceeds at Altice International (from transactions with Altice France and sale of DR towers allocated towards (1) repayment of outstanding RCF per Q3 18 (€225m) and (2) leaving €642m cash on balance sheet. Group net debt includes €57m of cash at Altice Europe N.V. and other subsidiaries outside debt silos

[19] €2.15bn of revolvers available and €2.48bn of cash (pro-forma for new organization, DR tower sale proceeds (closed on October 3rd, 2018 for €145m, and France tower sale proceeds for €1.76bn). Cash includes €118m of restricted cash for debt financing obligations at Altice Corporate Financing

Altice Luxembourg (HoldCo)	Amount (local currency)	Actual	Coupon / Margin	Maturity
Senior Notes	EUR 2,075	2,075	7.250%	2022
Senior Notes	USD 2,900	2,497	7.750%	2022
Senior Notes	EUR 750	750	6.250%	2025
Senior Notes	USD 1,480	1,274	7.625%	2025
Swap Adjustment	-	-366	-	-
Altice Luxembourg Gross Debt		**6,231**		
Total Cash		-71		
Altice Luxembourg Net Debt		**6,160**		
Undrawn RCF		**200**		
WACD (%)		**7.0%**		

Altice France (SFR)	Amount (local currency)	Actual	PF	Coupon / Margin	Maturity
Senior Secured Notes	USD 1,375	1,184	1,184	6.250%	2024
Senior Secured Notes	EUR 1,250	1,250	1,250	5.625%	2024
Senior Secured Notes	USD 5,190	4,469	4,469	7.375%	2026
Senior Secured Notes	USD 1,750	1,507	1,507	8.125%	2027
Senior Secured Notes	EUR 1,000	1,000	1,000	5.875%	2027
Term Loan	EUR 1,131	1,131	1,131	E+3.00%	2025
Term Loan	USD 1,402	1,207	1,207	L+2.75%	2025
Term Loan	USD 2,134	1,837	1,837	L+3.6875%	2026
Term Loan	EUR 993	993	993	E+3.00%	2026
Term Loan	USD 2,500	2,153	2,153	L+4.00%	2026
Drawn RCF	-	75	0	E+3.25%	2023
Commercial Paper	-	110	110	0.48%	2018
Other debt & leases	-	204	205	-	-
Swap Adjustment	-	-802	-802	-	-
Altice France Gross Debt		**16,317**	**16,243**		
Total Cash		-363	-1,038		
Altice France Net Debt		**15,954**	**15,205**		
Undrawn RCF		**1,050**	**1,125**		
WACD (%)			**5.0%**		

Altice International	Amount (local currency)	Actual	PF	Coupon / Margin	Maturity
Senior Secured Notes	EUR 500	500	500	5.250%	2023
Senior Secured Notes	USD 2,060	1,774	1,774	6.625%	2023
Senior Secured Notes	USD 2,750	2,368	2,368	7.500%	2026
Term Loan	USD 899	774	774	L+2.75%	2025
Term Loan	USD 893	769	769	L+2.75%	2026
Term Loan	EUR 298	298	298	E+2.75%	2026
Drawn RCF	-	225	0	E+3.50%	2021
Other debt & leases	-	68	67	-	-
Swap Adjustment	-	109	109	-	-
Altice International Senior Debt		**6,884**	**6,658**		
Senior Notes	EUR 250	250	250	9.000%	2023
Senior Notes	USD 400	344	344	8.125%	2024
Senior Notes	USD 385	331	331	7.625%	2025
Senior Unsecured Notes	EUR 675	675	675	4.750%	2028
Swap Adjustment	-	9	9	-	-
Altice International Total Debt		**8,494**	**8,268**		
Total Cash		-259	-890		
Altice International Net Total Debt		**8,234**	**7,378**		
Undrawn RCF		**606**	**831**		
WACD (%)			**5.7%**		

Total Altice Lux Consolidated Debt	**31,042**	**30,742**
Total Cash	-693	-1,999
Total Altice Lux Consolidated Net Debt	**30,349**	**28,743**
WACD (%)		**5.6%**

ACF	Amount (local currency)	Actual	Coupon / Margin	Maturity
Corporate Facility	EUR 240	240	E+6.843%	2020
Corporate Facility	EUR 1,488	1,488	E+6.843%	2021
ACF Gross Debt		**1,728**		
Total Cash		-120		
ACF Net Debt		**1,608**		
WACD (%)		**6.8%**		

Altice Europe Pro Forma Net Leverage Reconciliation as of September 30, 2018

€m

Altice Group Reconciliation to Swap Adjusted Debt	**Actual**	**PF**
Total Debenture and Loans from Financial Institutions	**33,086**	**33,086**
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	-34,809	-34,809
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	33,759	33,759
Transaction Costs	360	360
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	**32,397**	**32,397**
Commercial Paper	110	110
Overdraft	54	54
Other debt and leases	209	209
PF New Organization	-	-300
Gross Debt Consolidated	**32,770**	**32,470**

Altice Group (Actual)	**Altice Luxembourg Consolidated**	**Altice Corporate Financing**	**Altice TV**	**Altice Europe N.V.**	**Altice Europe N.V. Consolidated**
Gross Debt Consolidated	**31,042**	**1,728**	**-**	**-**	**32,770**
Cash	-693	-120	-3	-62	-877
Net Debt Consolidated	**30,349**	**1,608**	**-3**	**-62**	**31,893**

Altice Group (Pro Forma)	**Altice Luxembourg Consolidated**	**Altice Corporate Financing**	**Altice TV**	**Altice Europe N.V.**	**Altice Europe N.V. Consolidated**
Gross Debt Consolidated	**30,742**	**1,728**	**-**	**-**	**32,470**
Cash	-1,999	-120	-303	-57	-2,478
Net Debt Consolidated	**28,743**	**1,608**	**-303**	**-57**	**29,991**

€m

Altice Europe (Pro Forma)	Altice France	Altice International	Altice Luxembourg	Eliminations	**Altice Luxembourg Consolidated**	**Altice Corporate Financing**	**Altice TV**	**Altice Europe N.V.**	**Altice Europe N.V. Consolidated**
Gross Debt Consolidated	**16,243**	**8,268**	**6,231**	**-**	**30,742**	**-**	**1,728**	**-**	**32,470**
Cash	-1,038	-890	-71	0	-1,999	-303	-120	-57	-2,478
Net Debt Consolidated	**15,205**	**7,378**	**6,160**	**-**	**28,743**	**-303**	**1,608**	**-57**	**29,991**
LTM Standalone	3,959	1,705	-	-	5,664	-231	-	-74	5,360
Eliminations	-	3	-	-37	-34	-		34	-
Corporate Costs	-	-12	-2	-	-14	-		14	-
LTM EBITDA Consolidated	**3,959**	**1,696**	**-2**	**-37**	**5,617**	**-231**	**-**	**-26**	**5,360**
PF International voice disposal & I24 Europe	6	5	-	-	10	-	-	-	10
PF Tower sale and lease back	-	-44	-	-	-44	-	-	-	-44
LTM EBITDA	**3,964**	**1,658**	**-2**	**-37**	**5,584**	**-231**	**-**	**-26**	**5,326**
Gross Leverage	4.1x	5.0x	-	-	5.5x	0.0x	-	-	6.1x
Net Leverage	3.8x	4.5x	-	-	5.1x	1.3x	-	-	5.6x

Altice Europe N.V. Non-GAAP Reconciliation to GAAP measures as of September 30, 2018 year to date[20]

In million Euros	**September 30, 2018**
Revenues	**10,634.1**
Purchasing and subcontracting costs	-3,276.2
Other operating expenses	-2,381.3
Staff costs and employee benefits	-1,126.5
Total	**3,850.2**
Stock option expense	27.5
Adjusted EBITDA	**3,877.7**
Depreciation, amortisation and impairment	-2,972.4
Stock option expense	-27.5
Other expenses and income	546.5
Operating profit	**1,424.4**
Capital expenditure (accrued)	**3,253.4**
Capital expenditure - working capital items	-637.5
Payments to acquire tangible and intangible assets	**2,615.9**
Operating free cash flow (OpFCF)	**624.3**

[20] The financial numbers disclosed in this reconciliation below are subject to review procedures of Altice Europe's external auditors. The difference in consolidated revenue and Adjusted EBITDA as reported for Altice Europe in the Non-GAAP Reconciliation to GAAP measures as of September 30, 2018 year to date and the Pro Forma Financial Information for Altice Europe as disclosed in this Earnings Release is mainly due to pro forma adjustments to exclude the financial information related to the international wholesale Voice business and I24NEWS.

FORWARD-LOOKING STATEMENTS

Certain statements in this press release constitute forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this press release, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things: our future financial conditions and performance, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; and future developments in the markets in which we participate or are seeking to participate. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms “believe”, “could”, “estimate”, “expect”, “forecast”, “intend”, “may”, “plan”, “project” or “will” or, in each case, their negative, or other variations or comparable terminology. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will be achieved or accomplished. To the extent that statements in this press release are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements including risks referred to in our annual and quarterly reports.