ALTICE INTERNATIONAL S.A R.L

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CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2016

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Condensed consolidated statement of income
For the six months ended June 30, 2016

	Notes	Six months ended June 30, 2016	Six months ended June 30, 2015 (revised *)	Three months ended June 30, 2016	Three months ended June 30, 2015 (revised *)
		(In millions €)		*(In millions €)*	
Revenues	3	2,259.6	1,276.5	1,121.5	746.5
Purchasing and subcontracting costs		(493.8)	(291.5)	(253.3)	(165.9)
Other operating expenses		(442.1)	(287.9)	(208.9)	(163.8)
Staff costs and employee benefit expenses		(245.9)	(99.7)	(113.0)	(64.9)
Depreciation and amortization		(731.7)	(420.5)	(353.0)	(218.6)
Impairment losses	3	(1.1)	(19.8)	(0.4)	-
Other expenses and income	3	(35.0)	(28.2)	(19.4)	(20.5)
Operating profit		**310.0**	**128.8**	**173.6**	**112.7**
Interest relative to gross financial debt		(360.7)	(242.0)	(140.9)	(132.4)
Other financial expenses		(20.7)	(30.8)	(11.1)	(26.9)
Finance income		71.9	45.5	(3.5)	(131.4)
Net result recognized on extinguishment of a financial liability	6.2	(88.0)	-	(88.0)	-
Finance costs, net		**(397.5)**	**(227.3)**	**(243.5)**	**(290.7)**
Net result on disposal of businesses	2	115.5	-	8.0	-
Share of profit of associates		0.2	(0.8)	0.9	(0.8)
Profit/(loss) before income tax		**28.2**	**(99.4)**	**61.0**	**(178.9)**
Income tax (expenses)/income	9	(3.0)	(17.3)	(16.2)	18.1
Profit/(loss) for the period		**25.3**	**(116.7)**	**(77.1)**	**(160.9)**
Attributable to equity holders of the parent		*31.1*	*(114.2)*	*(76.4)*	*(159.2)*
Attributable to non-controlling interests		*(5.8)*	*(2.5)*	*(0.7)*	*(1.7)*

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

(*) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015 (for the details of the revision see note 13).

Condensed consolidated statement of other comprehensive income
For the six months ended June 30, 2016

	Notes	Six months ended June 30, 2016	Six months ended June 30, 2015 (revised *)	Three months ended June 30, 2016	Three months ended June 30, 2015 (revised *)
			(In million €)		
Profit/(loss) for the period		**25.3**	**(116.7)**	**(77.1)**	**(160.9)**
Other comprehensive income/(loss)				-	-
Exchange differences on translating foreign operations		10.9	1.4	5.3	0.3
Revaluation of available for sale financial assets, net of taxes		0.2	(2.3)	(0.3)	(0.3)
Gain on cash flow hedge, net of taxes	5.3,6.6	9.6	(64.1)	(3.8)	80.2
Actuarial (losses) and gains, net of taxes		(31.3)	31.8	(20.1)	31.8
Total other comprehensive(loss)/income		**(10.6)**	**(33.2)**	**(18.8)**	**112.0**
Total comprehensive profit/(loss) for the period		**14.7**	**(149.9)**	**(95.8)**	**(48.9)**
Attributable to equity holders of the parent		*20.3*	*(147.4)*	*(95.4)*	*(46.6)*
Attributable to non-controlling interests		*(5.6)*	*(2.5)*	*(0.5)*	*(2.3)*

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

(*) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015 (for the details of the revision see note 13).

Condensed consolidated statement of financial position
June 30, 2016

	Notes	June 30, 2016	December 31, 2015 (revised *)
ASSETS		*(In millions €)*	
Non-current assets			
Goodwill	4	3,690.1	3,709.2
Intangible assets		2,731.6	2,748.4
Property, plant & equipment		4,241.8	4,440.8
Investment in associates	2.1	11.9	308.0
Financial assets	6.7	457.2	400.3
Deferred tax assets		437.5	496.3
Other non-current assets		142.9	36.6
Total non-current assets		**11,712.9**	**12,139.5**
Current assets			
Inventories		77.3	82.6
Trade and other receivables		1,024.9	995.7
Current tax assets		8.6	33.2
Financial assets		5.0	3.0
Cash and cash equivalents	7	351.8	266.0
Restricted cash		0.7	0.4
Total current assets		**1,468.3**	**1,380.9**
Assets classified as held for sale	*2*	-	*122.1*
Total assets		**13,181.2**	**13,642.5**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

(*) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015 (for the details of the revision see note 13).

Condensed consolidated statement of financial position
June 30, 2016

EQUITY AND LIABILITIES	Notes	June 30, 2016	December 31, 2015 (revised*)
Equity			
Issued capital	5.1	309.3	309.3
Additional paid in capital	5.2	318.4	318.4
Other reserves	5.3	550.2	559.5
Accumulated losses		(704.1)	(735.2)
Equity attributable to owners of the Company		**473.6**	**452.0**
Non-controlling interests	5.4	(7.1)	(5.6)
Total equity		**466.5**	**446.4**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	6	7,880.5	7,843.3
Other non-current financial liabilities	6	965.2	1,020.7
Non-current provisions		994.8	1,006.6
Deferred tax liabilities		445.1	572.3
Other non-current liabilities		16.9	22.9
Total non-current liabilities		**10,302.5**	**10,465.9**
Current liabilities			
Short-term borrowings, financial liabilities	6	38.0	216.6
Other financial liabilities	6	417.3	463.1
Trade and other payables		1,467.0	1,498.7
Current tax liabilities		76.8	97.0
Current provisions		71.8	67.3
Other current liabilities		341.5	303.0
Total current liabilities		**2,412.5**	**2,645.6**
Liabilities directly associated with assets classified as held for sale	*2*	-	*84.6*
Total liabilities		**12,714.9**	**13,196.1**
Total equity and liabilities		**13,181.2**	**13,642.5**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

(*) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015 (for the details of the revision see note 13) and correction of error (refer to note 1).

ALTICE INTERNATIONAL S.À R.L

Condensed consolidated statement of changes in equity
For the six months ended June 30, 2016

	Number of issued shares ‘000	Issued capital €m	Additional paid in capital €m	Accumulated losses €m	Reserves: Other reserves €m	Reserves: Currency reserve €m	Reserves: Available for sale reserve €m	Reserves: Cash flow hedge reserve €m	Reserves: Employee Benefits €m	Total equity attributable to owners of the Company €m	Non-controlling interests €m	Total equity €m
Equity at January 1, 2016 *(*) revised*	**30,925,700**	**309.3**	**318.4**	**(735.2)**	**639.5**	**4.9**	**2.4**	**(80.7)**	**(6.6)**	**452.0**	**(5.6)**	**446.4**
Profit/(loss) for the period	-	-	-	31.1	-	-	-	-	-	**31.1**	(5.8)	**25.3**
Other comprehensive income/(loss)	-	-	-	-	-	10.7	0.2	9.6	(31.3)	**(10.8)**	0.2	**(10.6)**
Comprehensive income/(loss)	**-**	**-**	**-**	**31.1**	**-**	**10.7**	**0.2**	**9.6**	**(31.3)**	**20.3**	**(5.6)**	**14.7**
Transactions with non-controlling interests	-	-	-	-	(12.6)	-	-	-	-	**(12.6)**	(0.6)	**(13.2)**
Change in scope					13.0					**13.0**	4.7	**17.7**
Others	-	-	-	-	1.1	-	-	-	-	**1.1**	-	**1.1**
Equity at June 30, 2016	**30,925,700**	**309.3**	**318.4**	**(704.1)**	**641.0**	**15.6**	**2.6**	**(71.1)**	**(37.9)**	**473.6**	**(7.1)**	**466.5**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

(*) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015 (for the details of the revision see note 13). and correction of error (refer to note 1).

Condensed consolidated statement of changes in equity
For the six months ended June 30, 2015

					Other reserves							
	number of issued shares	Issued capital €m	Additional paid in capital €m	Accumulated losses €m	Other reserves €m	Currency reserve €m	Available for sale reserve €m	Cash flow hedge reserve €m	Employee Benefits €m	Total equity attributable to owners of the Company €m	Non-controlling interests €m	Total equity €m
Equity at January 1, 2015	**30,925,700,000**	**309.3**	**318.4**	**(380.0)**	**(393.8)**	**(6.6)**	**1.9**	**-**	**(1.5)**	**(152.3)**	**(2.6)**	**(154.9)**
Profit/(loss) for the period	-	-	-	(114.6)	-	-	-		-	**(114.6)**	(2.5)	**(117.1)**
Other comprehensive income/(loss)	-	-	-	-	-	1.4	(2.3)	(64.1)	31.8	**(33.2)**	0.7	**(32.5)**
Issuance of hybrid instruments		-	-	-	1,040.8	-	-	-	-	**1,040.8**	-	**1,040.8**
Others	-	-	-	-	(1.4)	-	-	-	-	**(1.4)**	0.5	**(0.9)**
Equity at June 30, 2015 (*) Revised	**30,925,700,000**	**309.3**	**318.4**	**(494.6)**	**645.6**	**(5.2)**	**(.4)**	**(64.1)**	**30.3**	**739.3**	**(3.9)**	**735.4**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.

(*) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015 (for the details of the revision see note 13).

Condensed consolidated statement of cash flows
For the six months ended June 30, 2016

	Notes	Six months ended June 30, 2016	Six months ended June 30, 2015 (Revised)**
		(In millions €)	
Profit/(loss) for the period, including non-controlling interests		**25.3**	**(116.7)**
Adjustments for:			
Depreciation, amortization and impairment losses		732.8	443.9
Other non-cash operating gains, net		3.3	(3.7)
Share of profit of associates		(0.2)	0.8
Finance costs recognized in the statement of income		397.5	227.3
Income tax expense recognized in the statement of income		3.0	17.3
Net result on disposal of businesses		(115.5)	1.0
Pension liability payments		(58.7)	(10.0)
Income tax paid		(25.2)	(36.4)
Changes in working capital		(148.7)	51.3
Net cash provided by operating activities		**813.5**	**574.8**
Payments to acquire tangible and intangible assets		(473.1)	(281.4)
Payments to acquire financial assets		(11.6)	(61.0)
Proceeds from disposal of businesses		757.0	-
Proceeds from disposal of tangible, intangible and financial assets		-	0.4
Payments to acquire investments in associates		(359.8)	-
Proceeds from acquisition of subsidiaries/(Payments to acquire subsidiaries), net		18.6	(114.5)
Net cash used in investing activities		**(68.9)**	**(456.5)**
Proceeds from issuance of hybrid instruments		-	2,055.0
Proceeds from issuance of debts	6	2,922.0	3,803.9
Payments to acquire non-controlling interests		(10.8)	-
Advances to sole Partner	11	(80.4)	-
Payments to redeem debt instruments (*)	6	(3,115.7)	(5,710.6)
Proceeds from factoring arrangements		29.4	-
Interest paid		(404.4)	(134.7)
Net cash (used in)/ provided by financing activities		**(659.8)**	**13.6**
Cash and cash equivalents of assets classified as held for sale at end of the period		-	(10.5)
Effects of exchange rate changes on the balance of cash held in foreign currencies		1.1	6.7
Net increase in cash and cash equivalents		**85.8**	**128.1**
Cash and cash equivalents at beginning of period	7	266.0	188.1
Cash and cash equivalents at end of the period	7	**351.8**	**316.2**

The accompanying notes form an integral part of these condensed interim consolidated financial statements.
(*)Includes an amount of €5,593.9 million as of June 30, 2015 to redeem the existing debt of PT-Portugal on acquisition

(**) Revised information presents previously published information adjusted to take into account the impact of the final purchase price allocation of Portugal Telecom acquired during the Financial Year ended December 31, 2015

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 - Basis of preparation

The condensed consolidated financial statements of Altice International S.à r.l (the "Company", the "Group") as of June 30, 2016 and for the three and six month periods then ended were approved by the Board of Managers and authorized for issue on August 26, 2016.

The controlling shareholder of the Company is Altice Luxembourg S.A., which holds 100% of the share capital. Altice Luxembourg S.A. is ultimately controlled by Altice N.V.. The Company is headquartered at 3, Boulevard Royal, L-2449 Luxembourg, in the Grand Duchy of Luxembourg.

The controlling shareholder of Altice N.V. is Next Alt S.à r.l., which holds 57.87% of the share capital, and is controlled by Mr. Patrick Drahi.

Altice N.V. is a multinational cable, fiber, telecommunications, content and media company with presence in several regions – Western Europe (comprising France, Portugal, Belgium, Luxembourg and Switzerland), the United States, Israel, French Overseas Territories and the Dominican Republic. Altice provides very high speed based services (high quality pay television, fast broadband Internet and fixed line telephony) and in certain countries, mobile telephony services to residential and corporate customers.

Altice is also active in the media industry with a portfolio of channels as well as provider of premium contents on nonlinear platforms. It also produces its own original contents (Series, Movies etc.).

The condensed interim consolidated financial statements of the Group as of June 30, 2016 and for the six months period then ended, are presented in 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 Altice International and the notes thereto as of and for the year ended December 31, 2015 which have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") ("Consolidated Financial Statements").

Accounting policies

The accounting policies applied as of June 30, 2016 and for the three and six month periods then ended are the same as the ones disclosed in Note 2 of the Consolidated Financial Statements.

As described in note 2.21 to the consolidated financial statements as of and for the year ended December 31, 2015, (*liabilities related to put options granted to non-controlling interests*), at each closing date, the Group in the absence of specific IFRS guidance has elected to recognise future changes of the fair value of put option in equity, as an increase to (a deduction from) other reserves attributable to equity holders of the parent. The Group is closely monitoring the work of the IASB and the IFRIC, which could lead to a revision of the treatment of put options granted to non-controlling interests.

Standards applicable for the reporting period

The following standards are mandatorily applicable for periods beginning on or after January 1, 2016 as described in note 1 to the consolidated financial statements as of and for the year ended December 31, 2015:

(i) Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively,

(ii) Amendments to IFRS 11 Accounting for Acquisitions in Joint Operations. The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 Business Combinations,

(iii) Amendments to IAS 1 Disclosure initiative,

(iv) Annual improvements cycle 2012-2014.

The application of these amendments has had no impact on the amounts recognised in the Group's consolidated financial statements or has had no impact on the disclosures in the Group's condensed interim consolidated financial statements.

Standards not applicable as of reporting date

In addition to the note 1.3 ii) to the Consolidated Financial statements as of December 31, 2015, the Group has not anticipated the following standards and interpretations, for which application is not mandatory for period started from January 1, 2016 and that may impact the amounts reported.

(i) IFRS 15 Revenue from Contracts with Customers: The Board of Managers of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the consolidated financial statements. The new standard will mainly impact revenue recognition for Mobile activities as some arrangements include a handset component with a discounted price and a communication service component: the total revenue will not change but its allocation between the handset sold and the communication service will change (more equipment revenue and less service revenue) and the timing of the revenue recognition will change. In addition, other topics (incremental costs to acquire contracts such as commissions, non-refundable upfront fees…) may impact the amounts reported. The standard is effective for annual periods beginning on or after January 1, 2018,

(ii) IFRS 9 Financial instruments is effective for annual periods beginning on or after January 1, 2018,

(iii) IFRS 16 Lease is effective for annual periods beginning on or after January 1, 2019,

(iv) Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (issued on 20 June 2016) is effective for annual periods beginning on or after January 1, 2018.

The effects are analysed as part of a Group-wide projects for implementing these new standards. It is not practicable to provide a reasonable estimate of the quantitative effects until the projects have been completed.

Significant accounting judgments and estimates used in the preparation of the condensed interim consolidated financial statements

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 considered to be 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 judgments and estimates relate principally to the provisions for legal claim, the post-employments benefits, revenue recognition, fair value of financial instruments, deferred taxes, impairment of goodwill, useful lives of intangible assets and property, plant and equipment and trade receivables and other receivables. These estimates and assumptions are described in the note 2.26 to the consolidated financial statements for the year-end December 31, 2015.

Correction of an error

During the six-month period ended June 30, 2016, we concluded that the consolidated financial statements for the year ended December 31, 2015 should be revised in accordance with IAS8 *Accounting Policies, Changes in Accounting estimates and Errors*, in order to reflect the impact of the put agreement signed between Altice Content and News Participation, the holding company owned by Alain Weil (see Note 2.1 to the Condensed Financial Statements). Indeed, as part of the transactions with GNP and the subsequent minority investment in Altice Content Luxembourg, the Group had entered into a put agreement with the non-controlling interests (News Participation). As per the requirements of IAS 39, the put was measured and recorded at its fair value in the caption, 'other financial liabilities' with a counterpart in the caption 'Total Equity' for an amount of €56.8 million.

These revisions resulted in an increase of the caption 'other financial liabilities' and a decrease of the caption 'Total equity' as of December 31, 2015 for an amount of €56.8 million (€50.0 million attributable to Non-Controlling Interests and €6.8 million to the Group). Theses revisions had no impact on our previously reported consolidated statement of income, consolidated statement of financial position (except the two captions mentioned above) and consolidated statement of cash flows.

Revised information

The comparative information as of December 31, 2015 and June 30, 2015 has been revised to reflect the impact of the finalization of the allocation of the purchase price of Portugal Telecom acquired during the course of the year ended December 31, 2015, as well as the impact of the put option with non-controlling interests in GNP (see note 1 above).

2 – Main changes in the scope of consolidation

Consolidation and subsequent disposal of Next Radio TV

On July 27, 2015, Alain Weill, the Chairman, CEO, Founder and main shareholder of NextRadioTV and Patrick Drahi, the Chairman and Founder of Altice S.A. announced the signing of a strategic partnership of their groups to invest in and to accelerate the development of multimedia projects in both France and other international markets.

The Company, through its indirect subsidiary, Altice Content Luxembourg, is a co-investor in Groupe News Participations S.A.S ('GNP'), of which it owned 49% of the economic and voting rights as of December 31, 2015. Mr. Alain Weill owns the remaining 51% through his holding, News Participations ('NP'). On December 17, 2015, GNP notified the *Autorité de marchés financiers* (the "AMF") of its intention to file a public tender for the outstanding shares of Next Radio TV. The public tender offer was successfully closed on February 1, 2016, with 95.47% of the holders of common shares opting to accept the offer price (GNP needed to acquire at least 95% to complete the tender offer and squeeze out the remaining shareholders). The stock was delisted from Euronext Paris on February 8, 2016.

As of December 31, 2015, the Company had determined that it exercised a significant influence over GNP by virtue of the economic rights and governance rights that it has obtained as a result of its investment and thus had accounted for the investment as an associate. Following the successful closing of the public tender offer on February 1, 2016, and the appointment of Mr. Weill to the executive committee of Altice, the Group determined that its investment in GNP met the criteria for control as per IFRS 10.

On May 12, 2016, the Company sold its participation in Altice Content Luxembourg to SFR. The consideration received amounted to €634.7 million. The proceeds from the sale were used to reimburse the drawn RCFs at Altice Financing. SFR Group is controlled by Altice Luxembourg S.A., the sole shareholder of the Company. A gain of €8.0 million was recorded on the disposal of Altice Content Luxembourg to SFR.

Groupe News Participation contributed €71.6 million to revenues, €5.2 million to operating profit and €2.2 million to the net loss of the Group for the six months ended June 30, 2016.

Disposal of Cabovisao and ONI

On January 20, 2016, the Group announced that it had completed the sale of Cabovisão and its subsidiaries (including Winreason, which provided B2B services under the 'ONI' brand name) to Apax France. This disposal was mandated by the European Commission and the Portuguese competition authorities following the acquisition of PT Portugal in June 2015. These entities were classified as held for sale by the Group as of 31 December 2015, in accordance with IFRS 5.

Total consideration received for the disposal amounted to €140.6 million (subject to purchase price adjustments), of which €63.9 million for the shares of Cabovisao and its subsidiaries. The Group recognised a gain on disposal of €107.5 million in the condensed consolidated statement of income for the period ended June 30, 2016.

3 – Segment reporting

3.1 Definition of segments

Given the geographical spread of the various Group entities, it follows that an analysis and control by geographical areas is inalienable to the Group strategy of managing its different businesses. It has thus been decided by the senior management to analyse the business across geographies and then by activity. Other activities such as content, data-centers, smaller geographical location and holding company operations are classified as "Others". Such presentation is consistent with the reporting used internally by the executive management of the Group to track operational and financial performance.

The following geographies have been identified:

- Portugal,
- Israel,
- Dominican Republic,
- Others (French Overseas Territories / Belgium and Luxembourg / Switzerland / Content / Corporate entities).

Additional information on the revenue split is presented as follows:

- Fixed in the business to consumer market (B2C)
- Fixed in the business to business market (B2B)
- Wholesale market
- Mobile in the business to consumer market (B2C)
- Mobile in the business to business market (B2B)
- Other

We operate high-speed cable, fiber or DSL based fixed line networks in all our locations. Consistent with our strategy to invest in convergent networks, we also operate 4G/LTE and 3G networks in our Portugal, Israel, Dominican Republic and French Overseas Territories operations.

The reporting segments presented are consistent with the ones presented in the consolidated financial statements as at December 31, 2015. The businesses that the Group owns and operates do not show significant seasonality, with the exception of 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 (fixed and mobile) 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.

3.2 Segment information

3.2.1 Operating profit per geographical segment

(in € millions)	Six months ended June 30, 2016				
	Portugal	**Israel**	**Dominican Republic**	**Others**	**Total**
Standalone revenues	**1,147.1**	**466.1**	**351.7**	**295.7**	**2,260.6**
Intersegment eliminations	(0.2)	-	(0.4)	(0.4)	(0.9)
Group consolidated revenues	**1,146.9**	**466.1**	**351.3**	**295.3**	**2,259.6**
Purchasing and subcontracting costs	(239.0)	(110.7)	(68.6)	(75.5)	(493.8)
Other operating expenses	(204.8)	(106.7)	(83.3)	(47.2)	(442.1)
Staff costs and employee benefit expenses	(147.1)	(33.2)	(15.2)	(50.4)	(245.9)
Adjusted EBITDA	**556.0**	**215.5**	**184.2**	**122.2**	**1,077.9**
Depreciation and amortisation	(421.6)	(162.9)	(78.1)	(69.2)	(731.7)
Impairment losses	-	-	-	(1.1)	(1.1)
Non-recurring items and other adjustments	(26.4)	(10.3)	(3.3)	4.9	(35.0)
Operating profit	**108.1**	**42.3**	**102.8**	**56.8**	**310.0**

(in € millions)	Six months ended June 30, 2015				
	Portugal	**Israel**	**Dominican Republic**	**Others**	**Total**
Revenue	**277.8**	**457.6**	**341.9**	**201.6**	**1,278.9**
Intersegment eliminations	(0.8)	-	-	(1.6)	(2.4)
Group consolidated revenues	**277.0**	**457.6**	**341.9**	**200.0**	**1,276.5**
Purchasing and subcontracting costs	(65.3)	(108.1)	(69.4)	(48.6)	(291.5)
Other operating expenses	(66.2)	(101.5)	(78.7)	(41.5)	(287.9)
Staff costs and employee benefit expenses	(36.7)	(32.7)	(14.0)	(16.4)	(99.7)
Adjusted EBITDA	**108.8**	**215.3**	**179.8**	**93.5**	**597.4**
Depreciation and amortisation	(117.0)	(152.7)	(83.4)	(67.4)	(420.5)
Impairment losses (1)	-	-	-	(19.8)	(19.8)
Non-recurring items and other adjustments	(3.9)	(13.2)	(6.1)	(5.0)	(28.2)
Operating (loss)/profit	**(12.1)**	**49.3**	**90.3**	**1.2**	**128.8**

(in € millions)	Three months ended June 30, 2016 Portugal	Israel	Dominican Republic	Others	Total
Standalone revenues	**575.1**	**234.8**	**174.0**	**140.1**	**1,124.0**
Intersegment eliminations	(0.2)	-	-	(2.3)	(2.5)
Group consolidated revenues	**574.9**	**234.8**	**174.0**	**137.8**	**1,121.5**
Purchasing and subcontracting costs	(122.2)	(52.2)	(36.1)	(42.8)	(253.3)
Other operating expenses	(101.8)	(56.6)	(41.4)	(9.1)	(208.9)
Staff costs and employee benefit expenses	(72.3)	(15.5)	(7.7)	(17.5)	(113.0)
Adjusted EBITDA	**278.7**	**110.5**	**88.8**	**68.4**	**546.3**
Depreciation and amortisation	(202.7)	(80.6)	(38.9)	(30.9)	(353.0)
Impairment losses	-	-	-	(0.4)	(0.4)
Non-recurring items and other adjustments	(15.2)	(3.6)	(1.5)	0.9	(19.4)
Operating profit	**60.9**	**26.3**	**48.4**	**38.0**	**173.6**

(in € millions)	Three months ended June 30, 2015 Portugal	Israel	Dominican Republic	Others	Total
Revenue	**237.1**	**232.9**	**172.8**	**105.9**	**748.7**
Intersegment eliminations	-	-	-	(2.2)	(2.2)
Group consolidated revenues	**237.1**	**232.9**	**172.8**	**103.7**	**746.5**
Purchasing and subcontracting costs	(50.3)	(56.9)	(35.0)	(24.0)	(165.9)
Other operating expenses	(58.8)	(48.5)	(39.8)	(16.7)	(163.8)
Staff costs and employee benefit expenses	(32.9)	(16.4)	(7.1)	(8.5)	(64.9)
Adjusted EBITDA	**95.5**	**111.1**	**90.8**	**54.5**	**351.9**
Depreciation and amortisation	(76.1)	(76.4)	(44.3)	(21.9)	(218.6)
Non-recurring items and other adjustments	(2.4)	(7.3)	(0.8)	(10.0)	(20.5)
Operating (loss)/profit	**17.0**	**27.4**	**45.7**	**22.6**	**112.7**

(1) Includes an expense of €20.1 million relating to the discontinued use of the ONLY brand in the Antilles-Guyane region of the French Overseas Territories segment, following the replacement of the ONLY brand with the SFR brand.

3.2.2 Non-recurring items and other adjustments

Restructuring, deal fees and related expenses incurred during the six and three-month period ended June 30, 2016 and 2015 pertain mainly to transaction costs and one-off payment made to parties involved in the acquisitions or other similar operations. Details are given below:

	Six months ended June 30, 2016	**Six months ended June 30, 2015**	**Three months ended June 30, 2016**	**Three months ended June 30, 2015**
		(In € millions)		
Non-recurring items and other adjustments below EBITDA				
Restructuring costs (2)	24.3	5.9	16.9	2.6
Deal fees (1)	-	1.4	(3.1)	0.6
Other expenses, net	11.3	19.9	3.3	16.3
(Gain)/loss on disposals of assets	(0.6)	1.0	2.3	1.0
Total non-recurring items and other adjustments	**35.0**	**28.2**	**19.4**	**20.5**

(1) Deal fees do not include any financing costs, as these are capitalised and amortised as per the requirements of IAS 39, financial instruments. Thus the deal fees shown above only include discretionary fees paid to legal counsel, M&A counsel and any other consultants whose services the Group might have employed in order to facilitate various acquisitions performed during the course of the year.

(2) Restructuring costs mainly include costs related to provisions for employee redundancies and contract termination fees mainly consisting of €21.4 million at PT related to; 1) €12.4 million related to insourcing projects, 2) €9.0 million to a restructuring plan.

3.2.3 Revenue split by activities

Revenues split by activity are presented below:

			Six months ended June 30, 2016		
(in € millions)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	344.9	316.3	54.5	70.3	785.9
Fixed - B2B	216.0	38.8	19.5	13.7	288.1
Wholesale	143.0	-	34.7	6.3	185.5
Mobile - B2C	282.8	85.7	206.5	40.3	615.4
Mobile - B2B	102.1	25.2	24.8	2.3	154.4
Other	58.3	-	11.5	162.1	231.9
Total standalone	**1,147.1**	**466.1**	**351.7**	**295.7**	**2,260.6**
Intersegment adjustment	*(0.2)*	-	*(0.4)*	*(0.4)*	*(0.9)*
Total	**1,146.9**	**466.1**	**351.3**	**295.3**	**2,259.6**

	Three months ended June 30, 2016				
(in € millions)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	170.6	158.7	27.0	34.7	391.1
Fixed - B2B	107.9	19.3	9.6	7.1	143.9
Wholesale	74.5	-	18.2	2.9	95.6
Mobile - B2C	140.9	44.2	100.3	18.1	305.2
Mobile - B2B	50.2	12.5	12.6	1.2	76.5
Other	31.1	-	6.2	76.1	113.4
Total standalone	**575.1**	**234.8**	**174.0**	**140.1**	**1,124.0**
Intersegment adjustment	*(0.2)*	-	-	*(2.3)*	*(2.5)*
Total	**574.9**	**234.8**	**174.0**	**137.8**	**1,121.5**

	Six months ended, June 30, 2015				
(in € millions)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	101.7	321.7	53.6	70.3	547.3
Fixed - B2B	65.0	35.7	18.3	14.7	133.7
Wholesale	30.1	-	30.4	6.6	66.1
Mobile - B2C	48.1	73.5	204.6	69.2	395.3
Mobile - B2B	17.8	26.7	24.8	2.9	72.1
Other	15.1	-	10.1	37.9	63.1
Total Standalone	**277.8**	**457.6**	**341.9**	**201.6**	**1,278.9**
Intersegment adjustment	*(0.8)*	-	-	(1.6)	*(2.4)*
Total	**277.0**	**457.6**	**341.9**	**200.0**	**1,276.5**

	Three months ended, June 30, 2015				
(in € millions)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	78.7	164.8	27.2	32.4	301.8
Fixed - B2B	52.6	17.3	9.1	2.1	82.2
Wholesale	25.7	-	16.1	5.3	47.3
Mobile - B2C	48.0	37.5	102.8	36.2	224.5
Mobile - B2B	17.8	13.3	12.7	1.5	45.5
Other	14.4	-	5.0	28.4	47.3
Total Standalone	**237.1**	**232.9**	**172.8**	**105.9**	**748.7**
Intersegment adjustment	-	-	-	(2.2)	*(2.2)*
Total	**237.1**	**232.9**	**172.8**	**103.7**	**746.5**

3.2.4 Capital expenditure

Capital expenditure is a key performance indicator tracked by the Group. The schedule below lists the capital expenditure by segment.

	June 30, 2016				
(in € millions)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Capital expenditure	217.2(*)	174.4	59.2	102.8(**)	553.6

	June 30, 2015				
(in € millions)	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Capital expenditure	32.0	155.8	50.7	42.8	281.4

(*) Includes a one-off capital expenditure related to the multi-year Porto canal contract amounting to €44.4 million.
(**) Includes a one-off capex related to an IRU on the use of a datacenter at Green datacenter in our Swiss business, for a total amount of €29.6 million.

4 - Goodwill

Goodwill recorded in the statement of financial position of the Group was allocated to the different groups of cash generating units ("GCGU") (except for Green.ch and GNP which are CGUs on their own) as defined by the Group. Summary of goodwill recognized on the different acquisitions is provided below:

	December 31, 2015 (revised)*	Recognized on business combinations	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	**June 30, 2016**
				(In million €)				
Portugal	**1,706.2**	-	-	-	-	-	-	**1,706.2**
Israel	**697.8**	-	-	-	(4.6)	-	-	**693.2**
Dominican Republic	**858.9**	-	-	-	(15.4)	-	-	**843.5**
GNP	-	630.4	-	-	-	-	(630.4)	-
French Overseas Territories	**281.1**	-	-	-	-	-	-	**281.1**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Green.ch	**18.3**	-	-	-	0.0	-	-	**18.3**
Total Gross Value	**3,857.7**	**630.4**	**-**	**-**	**(20.0)**	**-**	**(630.4)**	**3,837.7**
Portugal	-	-	-	-	-	-	-	-
Israel	**(144.0)**	-	-	-	1.0	-	-	**(143.0)**
Dominican Republic	-	-	-	-	-	-	-	-
GNP	-	-	-	-	-	-	-	-
French Overseas Territories	**(4.6)**	-	-	-	-	-	-	**(4.6)**
Belgium and Luxembourg	-	-	-	-	-	-	-	-
Green.ch	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(148.6)**	**-**	**-**	**-**	**1.0**	**-**	**-**	**(147.6)**
Portugal	**1,706.2**	-	-	-	-	-	-	**1,706.2**
Israel	**553.8**	-	-	-	(3.6)	-	-	**550.2**
Dominican Republic	**858.9**	-	-	-	(15.4)	-	-	**843.5**
GNP	-	630.4	-				**(630.4)**	-
French Overseas Territories	**276.5**	-	-	-	-	-	-	**276.5**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Green.ch	**18.3**	-	-	-	0.0	-	-	**18.3**
Total Net book value	**3,709.2**	**630.4**	**-**	**-**	**(19.0)**	**-**	**(630.4)**	**3,690.1**

(*) For the revision impact please see note 13

	December 31, 2014 (revised)*	Recognized on business combinations	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2015 (revised)*
				(In million €)				
Portugal	**1.3**	1,706.2	-	-	-	(1.3)	-	**1,706.2**
Israel	**627.2**	-	-	-	70.6	-	-	**697.8**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French overseas territories	**281.1**	-	-	-	-	-		**281.1**
Belgium and Luxembourg	**295.5**	-	-	-	-	-		**295.5**
Green.ch	**18.2**	-	-	-	0.1	-	-	**18.3**
Total Gross Value	**1,990.6**	**1,706.2**	**-**	**-**	**162.3**	**(1.3)**	**-**	**3,857.7**
Portugal	**-**	-	-	-	-	-	-	**-**
Israel	**(129.4)**	-	-	-	(14.7)	-	-	**(144.0)**
Dominican Republic	**-**	-	-	-	-	-	-	**-**
French overseas territories	**(4.6)**	-	-	-	-	-	-	**(4.6)**
Belgium and Luxembourg	**-**	-	-	-	-	-	-	**-**
Green.ch	**-**	-	-	-	-	-	-	**-**
Total Cumulative impairment	**(134.0)**	**-**	**-**	**-**	**(14.7)**	**-**	**-**	**(148.6)**
Portugal	**1.3**	1,706.2	-	-	-	(1.3)	-	**1,706.2**
Israel	**497.8**	-	-	-	56.0	-	-	**553.8**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French overseas territories	**276.5**	-	-	-	-	-	-	**276.5**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Green.ch	**18.2**	-	-	-	0.1	-	-	**18.3**
Total Net book value	**1,856.6**	**1,706.2**	**-**	**-**	**147.5**	**(1.3)**	**-**	**3,709.2**

(*) For the revision impact please see note 13

4.1 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. For 2015, goodwill was tested at the GCGU level for impairment as of December 31, 2015 (except for Switzerland, tested at CGU level). The 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 Group determined to calculate value in use for purposes of its impairment testing and, accordingly, did not determine the fair value of the GCGUs. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period.

The Board of Managers has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable and therefore no updated impairment model analysis has been carried out nor any impairment recorded for the six months ended June 30, 2016.

4.2 Purchase price allocation

4.2.1 Portugal Telecom

During the six months period ended June 30, 2016, the Group has finalized the purchase price allocation regarding the acquisition of Portugal Telecom.

Total consideration transferred to the vendors amounted to €195.1 million (excluding purchase price adjustments) on a cash free debt free basis.

The Group has identified the following assets and liabilities to which the purchase price will be allocated as described above. The fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition:

a) Customer relationships: Customer relationships were determined for each operating segment of PT-Portugal, namely B2C, B2B and Wholesale customers (for both the fixed and mobile businesses). They were evaluated using the excess earnings method and the useful life reflects the economic life of the asset. The total value of customer relationships was €1,211.0 million (€877.9 million net of taxes).

b) Brand: The Meo brand was measured at its fair value using the relief from royalty method, and a useful life of 15 years. The fair value amounted to €227.0 million (€164.6 million net of taxes)

c) Frequencies: PT has invested in spectrum in order to provide mobile services. The mobile licenses were revalued for an amount of €56 million (€40.6 million net of taxes).

d) Property, Plant and Equipment: Property plant and equipment was re-measured at its fair value. The PPE was revalued for an amount of €177 million (128.3 million net of taxes).

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the period ended June 30, 2016:

Total consideration transferred	€195.1 million
Fair value of identifiable assets, liabilities and contingent liabilities	€(1,511.1) million
Goodwill	€1,706.2 million

4.2.2 Groupe News Participations

The Group obtained control over Groupe News Participation (GNP) during the period ended June 30, 2016 (refer to note 2.1).

This transaction qualified as a step acquisition as per IFRS 3, *Business Combinations*, and goodwill was calculated as follows and allocated to a new CGU, GNP:

Carrying amount of equity investment	€0.3 million
Gain on step acquisition	€0.0 million
Fair value of identifiable assets, liabilities and contingent liabilities	€ (630.1) million
Goodwill	€630.4 million

As part of the sale of GNP to SFR Group, the goodwill recognised above was derecognised.

5 - Partner's equity (including non-controlling interests)

5.1 Issued capital

As of June 30, 2016, total issued capital of the Company amounted to €309.3 million, and was composed of 30,925,700,000 outstanding ordinary shares, with a nominal value of € 0.01 each.

There were no changes in the issued capital of the Group for the six month period ended June 30, 2016.

5.2 Additional paid in capital

As of June 30, 2016, total additional paid-in capital of the Group amounted to €318.4 million.

There were no changes in the additional paid in capital of the Group for the six month period ended June 30, 2016.

5.3 Reserves

5.3.1 Other reserves

During the period ended June 30, 2015, the increase of 1,040.8 million was due to the issuance by the Company of Mandatory Convertible Notes ("MCNs"), a compound financial instrument, to finance the acquisition of Portugal Telecom.

5.3.2 Currency, available for sale, cash flow hedge and employee benefits reserve

The components of the Group's reserves with their respective tax effects is provided below:

(in € millions)	June 30, 2016			December 31, 2015 (revised)*		
	Pre-tax amount	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(49.7)	11.8	(37.9)	(6.6)	-	(6.6)
Items not potentially reclassified to profit and loss	**(49.7)**	**11.8**	**(37.9)**	**(6.6)**	**-**	**(6.6)**
Available for sale	2.6	-	2.6	2.4	-	2.4
Currency reserve	15.6	-	15.6	4.9	-	4.9
Cash flow hedge	(100.6)	29.5	(71.1)	(114.1)	33.3	(80.7)
Items potentially reclassified to profit and loss	**(82.4)**	**29.5**	**(52.9)**	**(106.8)**	**33.3**	**(73.5)**
Total other reserves	**(132.1)**	**41.3**	**(90.8)**	**(113.4)**	**33.3**	**(80.1)**

5.4 Variations in non-controlling interests

The variations of non-controlling interests based on the nature of the transaction is given below:

	June 30, 2016	**December 31, 2015 (Revised)***
	(In millions €)	
Balance at beginning of year	**(5.6)**	**(2.6)**
Share of loss for the year	(5.8)	(4.0)
Other comprehensive income	0.2	1.2
Non-controlling interests on acquisition of Portugal Telecom	-	0.5
Transactions with non-controlling interests in Altice Content Luxembourg S.A.	4.4	(0.7)
Other variations	(0.2)	-
Balance at period/year end	**(7.1)**	**(5.6)**

(*) For the revision impact please see note 13

6 - Borrowings and other financial liabilities

Total borrowings and other financial liabilities are broken down as follows:

	June 30, 2016	December 31, 2015 (Revised)*
	(In millions €)	
Long term borrowings, financial liabilities and related hedging instruments	**7,880.5**	**7,843.3**
- Debentures	7,411.8	5,639.8
- Loans from financial institutions	466.9	2,201.7
- Derivative financial instruments	1.8	1.8
Other non-current financial liabilities:	**965.2**	**1,020.7**
- Finance leases	82.1	62.8
- Other financial liabilities	883.1	957.9
Non-current liabilities	**8,845.7**	**8,864.0**
Short term borrowing, financial liabilities	**38.0**	**216.6**
- Debentures	29.5	29.7
- Loans from financial institutions	8.6	186.9
Other financial liabilities:	**417.3**	**463.1**
- Other financial liabilities	252.5	296.8
- Bank overdraft	-	0.9
- Accrued interests	139.3	137.7
- Finance leases	25.5	27.7
Current liabilities	**455.4**	**679.7**
Total	**9,301.1**	**9,543.7**

6.1 Debentures and loans from financial institutions

As at June 30, 2016, the details of the loans from financial institutions and debentures are given in the sections that follows:

	June 30, 2016	December 31, 2015
Debentures	7,441.3	5,669.5
Loans from financial institutions	475.5	2,388.6
Total	**7,916.7**	**8,058.1**

6.2 Debentures

A summary of the debentures issued by different entities of the Group is provided below:

	June 30, 2016	< 1 year	One year or more	December 31, 2015
			(In millions €)	
Altice Financing	5,878.3	-	5,878.3	4,069.1
Altice Finco	1,324.9	-	1,324.9	1,345.7
Hot Telecom	238.1	29.5	208.6	254.7
Total	**7,441.3**	**29.5**	**7,411.8**	**5,669.5**

During the six months ended June 30, 2016, the Group refinanced a portion of its debentures, for an aggregate amount of $ 2,750 million (€2,430.6 million equivalent). On April 19, 2016, Altice Financing S.A., an indirect subsidiary of the Company, announced that it had successfully priced new 10 year Senior Secured Notes for an aggregate amount of $2.75 billion. The new debt will pay a coupon of 7.5% (c .5.8% swapped into euros). The proceeds from this issuance were used to refinance the following debts:

- $460 million senior secured notes due 2019;
- €210 million senior secured notes due 2019;
- $1,013 million of loans under the 2019 Term Loan facility; and
- €855 million of loans under the 2022 Term Loan facility ($500 million and €400 million respectively).

At the date of the refinancing, the average maturity of Altice International’s debt was increased from 6.0 years to 7.7 years.

As a result of the refinancing described above, the Group recognised a loss on extinguishment of a financial liability for an amount of €88.0 million for the six months ended June 30, 2016.

6.3 Covenants

There was no change regarding the covenants impacting the Group and its subsidiaries during the period ended June 30, 2016 compare to December 31, 2015.

We were in compliance with all our covenants as of June 30, 2016.

6.4 Loans from financial institutions

As of June 30, 2016, the loans from financial institutions are composed of the following:

	June 30, 2016	< 1 year	One year or more	December 31, 2015
		(In millions €)		
Altice Financing Term Loans	440.4	4.5	435.9	2,194.6
Altice Financing RCF	-	-	-	160.0
Others	35.0	4.1	30.9	34.0
Total	**475.5**	**8.6**	**466.9**	**2,388.6**

The decrease in the loans from financial institutions was mainly due to the prepayment of different term loan facilities by the Group during the period. The Term Loans were repaid prior to their maturity through the issuance of new debentures, as follows:

- $1,013 million of Altice Financing Term Loans under the 2019 Term Loan facility; and
- €855 million of Altice Financing Term Loans under the 2022 Term Loan facility ($500 million and €400 million respectively)

As mentioned in note 2, the RCFs drawn during the period were fully repaid using proceeds from the sale of GNP.

Available credit facilities:

As of June 30, 2016, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €998.1 million:

- Revolving credit facilities:

  Altice Financing S.A.: €983.1 million;

- Guarantee facilities:

  Altice Financing S.A.: €15 million.

6.5 Other financial liabilities

For the six-month period ended June 30, 2016, the Group registered a decrease in other non-current financial liabilities of €119.1 million, mainly related to the payment of interest on the MCNs issued by the Company and subscribed by Altice Luxembourg S.A. (€148.6 million) and the transfer of the liability generated by a put agreement with News Participation to SFR (€59.2 million)

6.6 Derivatives and hedge accounting

As part of the refinancing transactions mentioned in note 6.1 and 6.2, the Group entered into new swaps and modified the conditions of existing swaps on the refinanced debt to maintain its hedging strategy.

The following table provides a summary of the modified and new swap contracts:

Issuing company	**Nominal USD** *(In millions)*	**Nominal EUR** *(In millions)*	**USD/EUR exchange rate**	**Effective date**	**Termination date (*)**	**USD coupon**	**EUR coupon**	**Modified/ New**
Fixed/Fixed cross currency swap								
Altice Financing S.A.	779.2	686.4	1.1352	03/05/2016	15/07/2024	7.5%	5.573% to 5.816%	New
Altice Financing S.A.	540.5	415.5	1.3010	03/05/2016	15/07/2024	7.5%	5.91% to 6.4%	Modified
Altice Financing S.A.	500.0	442.1	1.1320	03/05/2016	15/07/2024	7.5%	5.95% to 6.06%	Modified

1. The new fixed to fixed cross currency have been designated as hedging instruments and have been accounted for as cash flow hedges as per IAS 39.

2. The modified fixed/fixed cross currency swaps at Altice Financing were previously designated as held for trading and designated as fair value through profit and loss (FVTPL) instruments. Following the modifications, these instruments were designated as cash flow hedge instruments.

Thus, the fair value change of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the six-month period ended June 30, 2016. Before the impact of taxes, an income of €13.6 million was recorded as other comprehensive income (€9.6 million net of taxes).

6.6.1 Interest rate swaps

Compared to the year ended December 31, 2015, the Group entered into new interest rate swaps at Altice Financing with the following characteristics:

The Group also entered into a similar swap at Altice Financing S.A. with the following features:

- Nominal: €0.75 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: -0.13%
- Maturity: 7 years, but cancellable by the counterparty after 5 years.

In addition to the cash flow hedge instruments listed above, the Group entered into a new fixed to floating interest rate swap at Altice Financing. The objective of these swaps is to cover the exposure of the refinanced debt to changes in the market interest rate (as the refinanced term loans were replaced with fixed rate debentures).

In line with its hedging policy, the Group has designated these swaps as fair value hedges. As per the provisions of IAS 39, ‘Financial instruments’, the variations in fair value of the hedged instrument is recorded through the statement of income as are the variations in the fair value of the hedged item. In case of effective hedged instrument, the variations in the fair value of the hedged instrument and the hedged item compensate for each other.

The details of the fixed to floating interest rate swaps are given below:

- Hedged items:
    - $720 million tranche of a $2,750 million bond bearing a coupon of 7.5%
- Hedging instruments:
    - Fixed to floating swap changing $720 million from a fixed rate of 1.81% to Libor 6m.

For the six-month period ended June 30, 2016, the group recorded a net financial expense of €0.1 million related to the fair value hedges mentioned above.

6.6.2 Reconciliation to swap adjusted debt

The Group has entered into various hedge transactions in order to mitigate interest rate and FX risks on the different debt instruments issued by the Group.

Such instruments cover both the principal and the interests due on different debts (both debentures and loans from financial institutions).

A reconciliation between the carrying amount of the Group's financial debt and the due amount of the debts after taking into account the effect of the hedge operations (the "Swap adjusted debt") are given below:

	June 30, 2016			
	In million €			
	Carrying value as recorded in statement of financial position	Transaction Costs	Adjustment related to fair value hedge	Nominal Amount Excl. impact of transaction costs
Total debenture and loans from financial institutions	7,916.7	106.7	(22.0)	8,001.4
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-		(4,816.3)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-		4,718.4
Total swap adjusted value of debentures and loans from financial institutions	**7,916.7**	**106.7**	**(22.0)**	**7,903.4**

6.7 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities is presented below:

	June 30, 2016		December 31, 2015	
	Carrying value	Fair value	Carrying value	Fair value
	(In millions €)			
Current assets	**357.5**	**357.5**	**269.4**	**269.4**
Financial assets	5.0	5.0	3.0	3.0
Cash and cash equivalents..............	351.8	351.8	266.0	266.0
Restricted cash	0.7	0.7	0.4	0.4
Non-current assets	**457.2**	**457.2**	**400.3**	**400.3**
Available for Sale financial assets...	6.6	6.6	6.5	6.5
Loans and receivables	394.7	394.7	323.8	323.8
Derivative financial assets	50.4	50.4	-	-
Other financial assets	5.5	5.5	70.0	70.0
Financial assets.............................	**814.7**	**814.7**	**669.7**	**669.7**

	June 30, 2016		December 31, 2015	
	Carrying value	Fair value	Carrying value	Fair value
	(In millions €)			
Current liabilities	**455.4**	**455.4**	**679.7**	**679.7**
Short term borrowings, financial liabilities and related hedging instruments.....................................	38.0	38.0	216.6	216.6
Other financial liabilities.................	417.3	417.3	463.1	463.1
Non-current liabilities	**8,845.7**	**8,785.3**	**8,864.0**	**9,018.4**
Long term borrowings, financial liabilities and related hedging instruments.....................................	7,880.5	7,820.1	7,843.3	7,997.7
Other financial liabilities.................	965.2	965.2	1,020.7	1,020.7

During the six months ended June 30, 2016, there have been 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. The carrying amounts of both categories approximate their fair values.

7 – Cash and cash equivalents

	March 31, 2016	December 31, 2015
	(In millions €)	
Term deposits	145.1	128.1
Bank balances	206.7	137.9
Cash and cash equivalents	**351.8**	**266.0**

8 – Contractual obligations and commercial commitments

During the six months ended June 30, 2016, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2015.

9- Income tax

	June 30, 2016	June 30, 2015
Current tax	(62.5)	(45.1)
Deferred tax	59.6	27.8
Total	**(3.0)**	**(17.3)**

For the six-month period ended June 30, 2016, the Group recorded an income tax expense of €3.0 million compared to an income tax expense of €17.3 million for the six months ended June 30, 2015. The variation in the income tax recorded resulted mainly from a current income tax expense of €62.5 million for the six months ended June 2016 (compared to an expense of €45.1 million in 2015), owing to the first consolidation of Portugal Telecom (included in the consolidation scope starting June 2015).

The Group also recorded a deferred tax income of €59.6 million for the six months ended June 30, 2016 (compared to an income of €27.8 million in 2015) mainly linked to the variation in deferred tax of Portugal Telecom and the change in the fair value recorded on derivative instrument.

Income tax litigation

There were no significant evolutions in tax litigations for the six months ended June 30, 2016.

10 – Litigations

There were no significant changes in litigations compared to the year ended December 31, 2015.

11 – Related party disclosure

During the six months ended June 30, 2016, no operations had significant effect on the amounts of the transactions with related parties as compared to the year ended December 31, 2015, except for, 1.) A net increase in advances made to Altice Luxembourg S.A., the direct and sole partner of the Group (€80.4 million) and 2.) an increase in finance leases of €29.6 million related to the exclusive use of a datacenter owned by an entity controlled by the controlling shareholder. In addition to the transactions listed above, in the six months ended June 30, 2016, the company concluded the sale of GNP and Altice Content Luxembourg to SFR Group for a total consideration received of €634.7 million.

12 - Going concern

As of June 30, 2016, the Group had net current liability position of €944.2 million (mainly due to trade payables of €1,467.0 million) and a negative working capital of €364.8 million. During the 6 months period ended June 30, 2016, the Group registered a net profit of €25.3 million (compared to a loss of €116.7 million for the 6 month period ended June 30, 2015) and generated cash flows from operations of €813.5 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short DSOs (Days of Sales Outstanding) and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€1,024.9 million vs. €1,467.0 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of June 30, 2016, the Group's short term borrowings mainly comprised of accrued interests for €139.3 million on the debenture and loans from financial institutions which are repaid on a semi-annual basis, and the amortization of some bonds and term loans. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries. As of June 30, 2016, all drawn RCFs had been fully repaid using proceeds from the sale of Altice Content Luxembourg and GNP to SFR.

As mentioned in note 6, the Group has pushed back most of its significant debt reimbursements to 2022 through some refinancing that were completed in April 2016.

In determining the appropriateness of the use of the going concern assumption, the Board of Managers has considered the following elements:

- The Group has a strong track record of generating positive Adjusted EBITDA and generated strong positive operating cash flows for the six-month period ended June 30, 2016 (€813.5 million). Adjusted EBITDA amounted to €1,077.9 million, an increase of 80.4% compared to June 30, 2015. This increase in Adjusted EBITDA is mainly due to the integration of PT-Portugal for the full six months in 2016, as compared to 2015, which contributed to this increase compared to prior year. The Board of Managers is of the view that such EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.
- The Group had healthy unrestricted cash reserves as of June 30, 2016 (€351.8 million vs. €266.0 million as of December 31, 2015), which would allow it to cover any urgent cash needs. Additionally, as of June 30, 2016, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €983.1 million
- As of June 30, 2016, the Group had a positive equity position of €466.5 million, of which €473.6 million attributable to the owners.

The Executive Committee tracks operational key performance indicators (KPIs) on a weekly basis, thus closely tracking top line trends very closely. This allows the Executive Committee and local CEOs to ensure proper alignment with budget targets and respond with speed and flexibility to counter any unexpected events and ensure that the budgeted targets are met.

On the basis of 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 condensed interim consolidated financial statements and has hence deemed it appropriate to prepare these condensed interim consolidated financial statements using the going concern assumption.

13 – Revised information

As per the provisions of IFRS 3 Business Combination, the impact of the recognition of the identifiable tangible and intangible assets of PT at their fair value was revised for the year ended December 31, 2015. The comparative information was also changed to record the impact of the put with non-controlling interests of GNP.

The total impact for the condensed statement of financial position as of December 31, 2015 is:

	December 31, 2015 (previously reported)	**Revision**	**December 31, 2015 (revised)**
		(In millions €)	
Goodwill	3,860.0	*(150.8)*	3,709.2
Intangible asset	2,717.3	*31.1*	2,748.4
Property plant and equipment	4,376.5	*64.2*	4,440.8
Other non-current assets	744.9	-	744.9
Deferred tax assets	442.7	*53.5*	496.3
Non-current assets	**12,141.4**	***(1.9)***	**12,139.5**
Current assets	**1,380.9**	**-**	**1,380.9**
Assets classified as held for sale	*122.1*	-	*122.1*
Total assets	***13,644.4***	***(1.9)***	**13,642.5**
Equity	584.9	*(138.6)*	446.4
Other non-current liabilities	9,836.7	*56.8*	9,893.6
Deferred tax liabilities	492.6	*79.8*	572.3
Non-current liabilities	**10,329.4**	***136.6***	**10,465.9**
Current liabilities	**2,645.9**	**-**	**2,645.6**
Liabilities directly associated with assets classified as held for sale	*84.6*	-	*84.6*
Total liability and equity	**13,644.4**	***(1.9)***	**13,642.5**

	Six months ended June 30, 2015 (previously reported)	Revision	Six months ended June 30, 2015 (revised)
		(In millions €)	
Revenue	1,276.5	-	1,276.5
Other expenses	(679.1)	-	(679.1)
Depreciation and amortisation and impairment	(413.9)	(30.0)	(443.9)
Other expenses and income	(28.2)	3.4	(24.7)
Operating profit	**154.6**	**(25.8)**	**128.8**
Net finance costs	(227.3)	-	(227.3)
Share of profit in associates	(0.8)	-	(0.8)
Loss before taxes	**(73.5)**	**(25.9)**	**(99.4)**
Income tax expense	(24.4)	7.1	(17.3)
Loss for the period	**(97.9)**	**(18.8)**	**(116.7)**
Comprehensive losss	**(130.6)**	**(19.3)**	**(149.9)**

	Three months ended June 30, 2015 (previously reported)	Revision	Three months ended June 30, 2015 (revised)
		(In millions €)	
Revenue	746.6	(0.1)	746.5
Other expenses	(394.7)	0.1	(394.6)
Depreciation and amortisation	(191.5)	(30.9)	(222.4)
Other expenses and income	(19.9)	3.1	(17.0)
Operating profit	**140.5**	**(27.8)**	**112.7**
Net finance costs	(293.2)	2.5	(290.7)
Share of profit in associates	(0.8)	(0.0)	(0.8)
Loss before taxes	**(153.5)**	**(25.4)**	**(178.9)**
Income tax expense	11.0	7.1	18.1
Loss for the period	**(142.5)**	**(18.3)**	**(160.9)**
Comprehensive loss	**(29.7)**	**(19.2)**	**(48.9)**

	June 30, 2015 (previously reported)	**Revision**	**June 30, 2015 (revised)**
		(In millions €)	
Goodwill	5,076.8	*(1,232.6)*	3,844.2
Intangible asset	1,397.5	*1,483.2*	2,880.7
Property plant and equipment	4,469.8	*183.7*	4,653.5
Other non-current assets	197.6	*(1.9)*	195.7
Deferred tax assets	424.9	*80.4*	505.3
Non-current assets	**11,566.6**	***512.9***	**12,079.5**
Current assets	**1,592.4**	***(66.7)***	**1,525.7**
Assets classified as held for sale	199.2	-	199.2
Total assets	**13,358.2**	*446.2*	**13,804.4**
		-	
Equity	**754.1**	*(19.1)*	**735.0**
Other non-current liabilities	9,470.1	*(206.2)*	9,263.9
Deferred tax liabilities	250.0	*459.5*	709.5
Non-current liabilities	**9,720.1**	***253.5***	**9,973.6**
Current liabilities	**2,764.0**	***211.5***	**2,976.0**
Liabilities directly associated with assets classified as held for sale	*120.0*	-	*120.0*
Total liability and equity	**13,358.2**	**446.2**	**13,804.4**

14- Events after the reporting period

Sports rights agreement in Portugal and acquisition of a stake in Sport TV

On July 26, 2016, NOS, Vodafone Portugal, Cabovisão, Altice Pictures, PT Portugal and MEO announced the signing of an agreement for reciprocal sharing of: (1) sports event broadcasting rights, and; (2) distribution and broadcasting rights of sports and club channels, which are currently owned or come to be owned by the signatories, who will share the current and future costs of the aforementioned sports content. This agreement is subject to approval from anti-trust authorities in Portugal.

In addition, on August 4, 2016, PT Portugal / MEO announced that it had signed a memorandum of understanding ("MOU") with the objective of entering the share capital of Sport TV, a sports broadcaster based in Portugal.

These agreements are subject to approval from anti-trust authorities in Portugal.

To the Sole Partner of
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REVIEW REPORT OF THE REVISEUR D'ENTREPRISES AGREE

ON CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Altice International S.à r.l. as of June 30, 2016, the related condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the three and six month periods then ended and the other explanatory notes (collectively, the "Interim Financial Statements"). The Board of Managers is responsible for the preparation and fair presentation of the Interim Financial Statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union. Our responsibility is to express a conclusion on these Interim Financial Statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union.

For Deloitte Audit, *Cabinet de révision agréé*

Originally signed by John Psaila, *Réviseur d'entreprises agréé*

August 26, 2016