

# **Altice N.V.**



## **Condensed Interim Consolidated Financial Statements**

**As of and for the three month period ended  
March 31, 2018**

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| Consolidated Statement of Income   | Notes | Three months ended<br>March 31, 2018 | Three months ended<br>March 31, 2017<br>(revised*) |
|--|-------|--------------------------------------|--|
| (€m)   |       |                                      |  |
| <b>Revenues</b>  |       | <b>3,599.1</b>                       | <b>3,734.4</b>                                     |
| Purchasing and subcontracting costs  | 4     | (1,116.6)                            | (1,168.8)  |
| Other operating expenses   | 4     | (862.9)                              | (846.0)  |
| Staff costs and employee benefits  | 4     | (367.3)                              | (414.8)  |
| Depreciation, amortization and impairment                                      | 4     | (1,005.2)                            | (925.2)  |
| Other expenses and income  | 4     | (106.1)                              | (78.2)   |
| <b>Operating profit</b>  |       | <b>141.0</b>                         | <b>301.4</b>                                       |
| Interest relative to gross financial debt                                      |       | (476.6)                              | (529.7)  |
| Other financial expenses   |       | (93.6)                               | (25.7)   |
| Finance income   |       | 1.7                                  | 97.3   |
| <b>Finance costs, net</b>  |       | <b>(568.6)</b>                       | <b>(458.2)</b>                                     |
| Share of earnings of associates  |       | (1.6)                                | 1.3  |
| <b>Loss before income tax from continuing operations</b>                       |       | <b>(429.2)</b>                       | <b>(155.6)</b>                                     |
| Income tax benefit   | 11    | 72.5                                 | 38.2   |
| <b>Loss for the period from continuing operations</b>                          |       | <b>(356.7)</b>                       | <b>(117.4)</b>                                     |
| <b>Discontinued operations</b>   |       |                                      |  |
| Profit/loss after tax for the period from discontinued operations <sup>1</sup> | 3.5   | 245.4                                | (96.4)   |
| <b>Loss for the period</b>   |       | <b>(111.2)</b>                       | <b>(213.8)</b>                                     |
| <i>Attributable to equity holders of the parent</i>                            |       | (179.3)                              | (165.8)  |
| <i>Attributable to non-controlling interests</i>                               |       | 68.1                                 | (48.0)   |
| Earning per share (basic and diluted)  | 8     | (0.15)                               | (0.15)   |

1 Following the decision of the Board of Directors on Altice N.V. made on January 8, 2018 to separate Altice USA Inc. from Altice N.V., Altice USA was classified as discontinued operations in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. For more details, please refer to notes 3.4 and 3.5.

| Consolidated Statement of Other Comprehensive Income             |  | Three months ended<br>March 31, 2018 | Three months ended<br>March 31, 2017<br>(revised*) |
|--|--|--------------------------------------|--|
| (€m)   |  |                                      |  |
| <b>Loss for the period</b>                                       |  | <b>(111.2)</b>                       | <b>(213.8)</b>                                     |
| <b>Other comprehensive income/(loss)</b>                         |  |                                      |  |
| <b>Items that are reclassified to profit or loss</b>             |  |                                      |  |
| Exchange differences on translating foreign operations           |  | (83.3)                               | (47.1)   |
| Revaluation of available for sale financial assets, net of taxes |  | (1.4)                                | 0.3  |
| Gain/(loss) on cash flow hedge, net of taxes                     |  | (78.7)                               | 103.2  |
| <b>Item that is not reclassified to profit or loss</b>           |  |                                      |  |
| Actuarial gain/(loss), net of taxes                              |  | 10.0                                 | 12.0   |
| <b>Total other comprehensive income</b>                          |  | <b>(153.4)</b>                       | <b>68.4</b>  |
| <b>Total comprehensive loss for the period</b>                   |  | <b>(264.5)</b>                       | <b>(145.4)</b>                                     |
| <i>Attributable to equity holders of the parent</i>              |  | (299.7)                              | (104.6)  |
| <i>Attributable to non-controlling interests</i>                 |  | 35.1                                 | (40.8)   |

(\*) Previously published information has been revised to take into account the impact following the classification of Altice USA as discontinued operation and the adoption of IFRS 15 *Revenue from Contracts with Customers*. Please refer to note 17 for the reconciliation to previously published results.

*The accompanying notes on page 7 to 38 form an integral part of these condensed interim consolidated financial statement.*

**Altice N.V.**  
Condensed Interim Consolidated Financial Statements

| Consolidated Statement of Financial Position<br>(€m)                           | Notes | As of<br>March 31, 2018 | As of<br>December 31, 2017<br>(revised*) |
|--|-------|-------------------------|--|
| <b>Non-current assets</b>  |       |                         |  |
| Goodwill   | 5.1   | 15,876.9                | 22,302.4                                 |
| Intangible assets  | 5.4   | 8,654.4                 | 24,264.0                                 |
| Property, plant & equipment  |       | 10,407.7                | 15,161.4                                 |
| Contract costs   |       | 246.7                   | 256.7                                    |
| Investment in associates   |       | 53.0                    | 49.4                                     |
| Financial assets   |       | 813.8                   | 2,545.5                                  |
| Deferred tax assets  |       | 138.5                   | 152.3                                    |
| Other non-current assets   |       | 403.1                   | 466.9                                    |
| <b>Total non-current assets</b>  |       | <b>36,594.1</b>         | <b>65,198.6</b>                          |
| <b>Current assets</b>  |       |                         |  |
| Inventories  |       | 491.3                   | 461.4                                    |
| Contract assets  |       | 271.5                   | 302.3                                    |
| Trade and other receivables  |       | 4,565.9                 | 4,870.6                                  |
| Current tax assets   |       | 224.3                   | 235.0                                    |
| Financial assets   |       | 14.3                    | 93.4                                     |
| Cash and cash equivalents  | 6     | 961.4                   | 1,239.0                                  |
| Restricted cash  | 6     | 167.9                   | 168.1                                    |
| <b>Total current assets</b>  |       | <b>6,696.6</b>          | <b>7,369.8</b>                           |
| <i>Assets classified as held for sale</i>                                      | 3.4   | <i>28,899.0</i>         | <i>184.3</i>                             |
| <b>Total assets</b>  |       | <b>72,189.7</b>         | <b>72,752.7</b>                          |
| <b>Equity attributable to owners of the Company</b>                            |       | <b>(1,991.3)</b>        | <b>(1,606.4)</b>                         |
| Issued capital   | 7.1   | 72.0                    | 76.5                                     |
| Treasury shares  | 7.2   | (40.5)                  | (370.1)                                  |
| Additional paid in capital   | 7.3   | 2,250.9                 | 2,605.9                                  |
| Other reserves   | 7.4   | (931.8)                 | (811.4)                                  |
| Accumulated losses   | 7     | (3,341.9)               | (3,107.3)                                |
| Non-controlling interests  | 3.3   | 1,279.9                 | 1,242.9                                  |
| <b>Total equity</b>  |       | <b>(711.4)</b>          | <b>(363.5)</b>                           |
| <b>Non-current liabilities</b>   |       |                         |  |
| Long term borrowings, financial liabilities and related hedging instruments    | 9     | 33,927.4                | 50,059.4                                 |
| Other financial liabilities  | 9.6   | 610.7                   | 1,963.1                                  |
| Provisions   |       | 1,268.9                 | 1,479.8                                  |
| Deferred tax liabilities   |       | 333.6                   | 4,451.1                                  |
| Non-current contract liabilities   |       | 448.6                   | 471.9                                    |
| Other non-current liabilities  |       | 163.9                   | 165.8                                    |
| <b>Total non-current liabilities</b>   |       | <b>36,753.1</b>         | <b>58,591.1</b>                          |
| <b>Current liabilities</b>   |       |                         |  |
| Short-term borrowings, financial liabilities                                   | 9     | 894.5                   | 1,792.9                                  |
| Other financial liabilities  | 9.6   | 1,864.9                 | 2,394.0                                  |
| Trade and other payables   |       | 7,207.3                 | 8,368.8                                  |
| Contract liabilities   |       | 772.8                   | 811.9                                    |
| Current tax liabilities  |       | 192.6                   | 205.4                                    |
| Provisions   |       | 373.4                   | 542.4                                    |
| Other current liabilities  |       | 348.1                   | 305.0                                    |
| <b>Total current liabilities</b>   |       | <b>11,653.6</b>         | <b>14,420.4</b>                          |
| <i>Liabilities directly associated with assets classified as held for sale</i> | 3.4   | <i>24,494.4</i>         | <i>104.7</i>                             |
| <b>Total liabilities</b>   |       | <b>72,901.1</b>         | <b>73,116.2</b>                          |
| <b>Total equity and liabilities</b>  |       | <b>72,189.7</b>         | <b>72,752.7</b>                          |

(\*) Previously published information has been revised to take into account the impact following the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 17 for the reconciliation to previously published results.

*The accompanying notes on page 7 to 38 form an integral part of these condensed interim consolidated financial statement.*

**Altice N.V.**
**Condensed Interim Consolidated Financial Statements**

| Consolidated Statement<br>Changes in Equity   | Number of shares on issue |                    | Share capital | Treasury<br>Shares | Additional<br>paid in capital | Accumulated<br>losses | Currency<br>translation<br>reserve | Cash Flow<br>hedge reserve | Available for<br>sale | Employee<br>Benefits | Total equity<br>attributable to<br>equity holders<br>of the parent | Non-<br>controlling<br>interests | Total equity   |
|---|---------------------------|--------------------|---------------|--------------------|-------------------------------|-----------------------|------------------------------------|----------------------------|-----------------------|----------------------|--|----------------------------------|----------------|
|   | Class A                   | Class B            |               |                    |                               |                       |                                    |                            |                       |                      |  |                                  |                |
| <b>Equity at January 1, 2018</b>              | <b>1,572,352,225</b>      | <b>243,035,949</b> | <b>76.5</b>   | <b>(370.1)</b>     | <b>2,605.9</b>                | <b>(3,107.3)</b>      | <b>(215.8)</b>                     | <b>(535.6)</b>             | <b>3.6</b>            | <b>(63.7)</b>        | <b>(1,606.4)</b>   | <b>1,242.9</b>                   | <b>(363.5)</b> |
| IFRS 9 transition impact                      | -                         | -                  | -             | -                  | -                             | (11.1)                | -                                  | -                          | -                     | -                    | (11.1)   | -                                | (11.1)         |
| <b>Equity at January 1, 2018 (*revised)</b>   | <b>1,572,352,225</b>      | <b>243,035,949</b> | <b>76.5</b>   | <b>(370.1)</b>     | <b>2,605.9</b>                | <b>(3,118.3)</b>      | <b>(215.8)</b>                     | <b>(535.6)</b>             | <b>3.6</b>            | <b>(63.7)</b>        | <b>(1,617.4)</b>   | <b>1,242.9</b>                   | <b>(374.6)</b> |
| Loss for the period                           | -                         | -                  | -             | -                  | -                             | (179.3)               | -                                  | -                          | -                     | -                    | (179.3)  | 68.1                             | (111.2)        |
| Other comprehensive profit/(loss)             | -                         | -                  | -             | -                  | -                             | -                     | (50.2)                             | (78.7)                     | (1.4)                 | 9.9                  | (120.4)  | (33.0)                           | (153.4)        |
| <b>Comprehensive profit/(loss)</b>            | -                         | -                  | -             | -                  | -                             | <b>(179.3)</b>        | <b>(50.2)</b>                      | <b>(78.7)</b>              | <b>(1.4)</b>          | <b>9.9</b>           | <b>(299.7)</b>   | <b>35.1</b>                      | <b>(264.6)</b> |
| Conversion common shares B to common shares A | 336,403,950               | (13,456,158)       | -             | -                  | -                             | -                     | -                                  | -                          | -                     | -                    | -  | -                                | -              |
| Cancellation of treasury shares               | (416,000,000)             | (1,307,716)        | (4.5)         | 329.7              | (325.2)                       | -                     | -                                  | -                          | -                     | -                    | -  | -                                | -              |
| Share based payments                          | -                         | -                  | -             | -                  | -                             | 10.2                  | -                                  | -                          | -                     | -                    | 10.2   | 1.0                              | 11.2           |
| Transactions with non-controlling interests   | -                         | -                  | -             | -                  | (29.9)                        | -                     | -                                  | -                          | -                     | -                    | (29.9)   | (2.0)                            | (31.9)         |
| Other   | -                         | -                  | -             | -                  | -                             | (54.5)                | -                                  | -                          | -                     | -                    | (54.5)   | 2.8                              | (51.7)         |
| <b>Equity at March 31, 2018</b>               | <b>1,492,756,175</b>      | <b>228,272,075</b> | <b>72.0</b>   | <b>(40.5)</b>      | <b>2,250.9</b>                | <b>(3,341.9)</b>      | <b>(265.9)</b>                     | <b>(614.3)</b>             | <b>2.2</b>            | <b>(53.8)</b>        | <b>(1,991.3)</b>   | <b>1,279.9</b>                   | <b>(711.4)</b> |

| Consolidated Statement<br>Changes in Equity   | Number of shares on issue |                    | Share capital | Treasury<br>Shares | Additional<br>paid in capital | Accumulated<br>losses | Currency<br>translation<br>reserve | Cash Flow<br>hedge reserve | Available for<br>sale | Employee<br>Benefits | Total equity<br>attributable to<br>equity holders<br>of the parent | Non-<br>controlling<br>interests | Total equity     |
|---|---------------------------|--------------------|---------------|--------------------|-------------------------------|-----------------------|------------------------------------|----------------------------|-----------------------|----------------------|--|----------------------------------|------------------|
|   | Class A                   | Class B            |               |                    |                               |                       |                                    |                            |                       |                      |  |                                  |                  |
| <b>Equity at January 1, 2017 (revised*)</b>   | <b>972,363,050</b>        | <b>267,035,516</b> | <b>76.5</b>   | <b>-</b>           | <b>738.0</b>                  | <b>(2,533.4)</b>      | <b>148.8</b>                       | <b>(671.8)</b>             | <b>2.9</b>            | <b>(44.6)</b>        | <b>(2,283.6)</b>   | <b>228.9</b>                     | <b>(2,054.8)</b> |
| Loss for the period                           | -                         | -                  | -             | -                  | -                             | (165.8)               | -                                  | -                          | -                     | -                    | (165.8)  | (48.0)                           | (213.8)          |
| Other comprehensive profit/(loss)             | -                         | -                  | -             | -                  | -                             | -                     | (39.4)                             | 88.1                       | 0.3                   | 12.2                 | 61.1   | 7.2                              | 68.4             |
| <b>Comprehensive profit/(loss)</b>            | -                         | -                  | -             | -                  | -                             | <b>(165.8)</b>        | <b>(39.4)</b>                      | <b>88.1</b>                | <b>0.3</b>            | <b>12.2</b>          | <b>(104.6)</b>   | <b>(40.8)</b>                    | <b>(145.4)</b>   |
| Conversion common shares B to common shares A | 151,214,950               | (6,048,598)        | -             | -                  | -                             | -                     | -                                  | -                          | -                     | -                    | -  | -                                | -                |
| Share based payment                           | -                         | -                  | -             | -                  | -                             | (41.3)                | -                                  | -                          | -                     | -                    | (41.3)   | (20.1)                           | (61.4)           |
| Transaction with non-controlling interests    | -                         | -                  | -             | -                  | (70.1)                        | -                     | -                                  | -                          | -                     | -                    | (70.1)   | (41.0)                           | (111.1)          |
| Other   | -                         | -                  | -             | -                  | 9.3                           | -                     | -                                  | -                          | -                     | -                    | 9.3  | (10.4)                           | (1.0)            |
| <b>Equity at March 31, 2017 (revised*)</b>    | <b>1,123,578,000</b>      | <b>260,986,918</b> | <b>76.5</b>   | <b>-</b>           | <b>677.3</b>                  | <b>(2,740.4)</b>      | <b>109.4</b>                       | <b>(583.7)</b>             | <b>3.1</b>            | <b>(32.4)</b>        | <b>(2,490.2)</b>   | <b>116.5</b>                     | <b>(2,373.7)</b> |

(\*) Previously published information has been revised to take into account the impact following the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 17 for the reconciliation to previously published results.

*The accompanying notes on page 7 to 38 form an integral part of these condensed interim consolidated financial statement.*

**Altice N.V.**  
Condensed Interim Consolidated Financial Statements

| <b>Consolidated Statement of Cash Flows</b>  | <b>Three months ended<br/>March 31, 2018</b> | <b>Three months ended<br/>March 31, 2017<br/>(revised*)</b> |
|--|--|---|
| <b>(€m)</b>  |  |   |
| <b>Net (loss) including non-controlling interests</b>                              | <b>(356.7)</b>                               | <b>(117.4)</b>  |
| Adjustments for:   |  |   |
| Depreciation, amortization and impairment  | 1,005.2                                      | 925.2   |
| Share in income of associates  | 1.6  | (1.3)   |
| Gains on disposals of business   | (72.2)                                       | -   |
| Expenses related to share based payment  | 7.9  | 30.3  |
| Other non-cash operating (losses)/gains, net <sup>1</sup>                          | (53.5)                                       | (77.7)  |
| Pension liability payments   | (6.5)  | (32.5)  |
| Finance costs recognized in the statement of income                                | 568.6  | 458.2   |
| Income tax credit recognized in the statement of income                            | (72.5)                                       | (38.2)  |
| Income tax paid  | (41.0)                                       | (31.9)  |
| Changes in working capital   | (133.7)                                      | (145.4)   |
| <b>Net cash provided by operating activities</b>                                   | <b>847.3</b>                                 | <b>969.2</b>  |
| Payments to acquire tangible and intangible assets                                 | (821.6)                                      | (864.9)   |
| Payments to acquire financial assets   | (5.6)  | (2.9)   |
| Proceeds from disposal of businesses   | 157.4  | -   |
| Proceeds from disposal of tangible, intangible and financial assets                | 2.3  | 21.0  |
| Payments to acquire interests in associates  | (19.6)                                       | (12.3)  |
| Payment to acquire subsidiaries, net   | (0.7)  | (24.1)  |
| <b>Net cash used in investing activities</b>                                       | <b>(687.8)</b>                               | <b>(883.2)</b>  |
| Proceeds from issuance of debts  | 730.2  | 285.0   |
| Payments to redeem debt instruments  | (258.0)                                      | (268.7)   |
| Transfers to restricted cash   | -  | 19.5  |
| Interest paid  | (667.8)                                      | (736.2)   |
| Other cash provided by financing activities <sup>2</sup>                           | 38.2   | 518.8   |
| <b>Net cash (used)/generated in financing activities</b>                           | <b>(157.5)</b>                               | <b>(181.5)</b>  |
| Classification of cash as held for sale  | (274.4)                                      | (0.9)   |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | (5.2)  | (1.0)   |
| <b>Net change in cash and cash equivalents</b>                                     | <b>(277.6)</b>                               | <b>(97.3)</b>   |
| Cash and cash equivalents at beginning of period                                   | 1,239.0                                      | 712.7   |
| <b>Cash and cash equivalents at end of the period</b>                              | <b>961.4</b>                                 | <b>615.4</b>  |

- 1 Other non-cash operating gains and losses mainly include allowances and writebacks for provisions (including those for restructuring), and gains and losses recorded on the disposal of tangible and intangible assets.
- 2 Other cash from financing activities at the end of three month period ended March 31, 2018 included net repayments from the issuance of commercial paper (€34.5 million) and net proceeds from factoring arrangements (€65.9 million).

(\*) Previously published information has been revised to take into account the impact following the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 17 for the reconciliation to previously published results.

*The accompanying notes on page 7 to 38 form an integral part of these condensed interim consolidated financial statement.*

## 1. About Altice

Altice N.V. (the “Company”) is a public limited liability company (“*Naamloze vennootschap*”) incorporated in the Netherlands and is headquartered at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Company is the parent entity of the Altice N.V. consolidated group (“the Group” or “Altice”). The Company is ultimately controlled by Patrick Drahi (via Next Alt S.à r.l., “Next Alt”). As of March 31, 2018, Next Alt held 64.07% of the share capital of the Company.

Founded in 2001 by entrepreneur Patrick Drahi, Altice is a convergent global leader in telecom, content, media, entertainment and advertising. Altice delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 50 million customers over fiber networks and mobile broadband. The Group enables millions of 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 millions of customers to enjoy the most well-known media and entertainment. Altice innovates with technology in its Altice labs across the world. Altice links leading brands to audiences through premium advertising solutions. Altice is also a global provider of enterprise digital solutions to millions of business customers.

## 2. Accounting policies

### 2.1. Basis of preparation

These condensed interim consolidated financial statements of the Group as of March 31, 2018 and for the three month period then ended were approved by the Board of Directors and authorized for issue on May 28, 2018.

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

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

#### 2.1.1. Standards applicable for the reporting period

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

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

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

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

#### 2.1.1.1. Revenue recognition

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

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

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

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

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

This leads to the recognition of a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position.

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

#### ***Revenue from mobile devices***

The Group recognizes revenues when a customer takes possession of the device. This usually occurs when the customer signs a new contract. The amount of revenue includes the sale of mobile devices and ancillary equipment for those devices. For mobile devices sold separately, customers pay in full at the point of sale or in several installments (credit agreement). For mobile devices sold in bundled packages, customer usually pay monthly in equal installments over the contractual service period.

#### ***Revenue from service***

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

#### ***Installation revenue***

Installation service revenue is deferred and recognized over the benefit period. For B2B customers, the benefit period is the contract term. For B2C customers, the benefit period is less than one year.

#### ***Agent versus principal***

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

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

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

#### 2.1.1.2. Contract costs

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

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

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

#### 2.1.1.3. Financial instruments

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

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

#### ***Classification and measurement***

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

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

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

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

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

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

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

The assessment of the Group’s business models was made as of the date of initial application, January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the statement of profit or loss. Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

### ***Impairment***

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

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

### ***Hedge accounting***

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

### ***Financial liabilities restructuring***

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

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

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

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

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

IFRS 16 Leases issued on January 13, 2016 is the IASB's replacement of IAS 17 Leases. IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model,

requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

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

#### 2.1.3. *Significant accounting judgments and estimates*

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

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

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

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

As of March 31, 2018, there were no changes in the key areas of judgements and estimates except that, following the application of IFRS 15 *Revenue from Contracts with Customers*, judgement and estimates are made for the determination of the enforceable period that is used for the recognition of contract assets and the amortization of the contract costs.

#### 2.1.4. *Revised information*

The comparative information as of March 31, 2017 and December 31, 2017 had been revised to reflect the impact of new accounting standards IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*, applicable from January 1, 2018. Please refer to note 17 for the reconciliation to previously published results.

##### 2.1.4.1. IFRS 15 Revenue from Contracts with Customers

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

The details of the significant changes are set out below. The quantitative impacts are presented in note 17.

#### *Mobile activities*

The most significant impact is in the mobile activities (B2C and B2B transactions) as some arrangements include multiple elements that are being bundled: a handset component sold at a discounted price and a communication service component. In application of IFRS 15, the Group has identified those items as separate performance obligations. Total revenue is allocated to both elements based on their stand-alone selling price, leading to more revenue being allocated to the handset upfront. This also impacts the timing of revenue recognition as the handset is delivered up-front, even though total revenue does not change in most cases over the life of the contract. Other IFRS 15 topics impacting the accounts include capitalization of commissions (i.e. renewal commissions) which

are broader than the current capitalization model, along with depreciation pattern which is based on estimates relating to the contract duration in some instances (prepaid business for example).

#### *Fixed activities*

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

#### 2.1.4.2. IFRS 9 Financial Instruments

IFRS 9 Financial Instruments issued on July 24, 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The Group implemented the standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with no impact on 2017. The quantitative impact are presented in note 17.

Main impact of IFRS 9 are as follows:

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

### 3. Scope of consolidation

The following changes occurred during the three month period ended March 31, 2018, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

#### 3.1. Transactions completed in the current period

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

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

The capital gain recorded in Q1 2018 amounted to €72.2 million, net of tax. The total proceeds received related to the sale amounted to €156.4 million.

### 3.2. Transactions completed in the prior period

#### 3.2.1. Acquisition of a stake in SPORT TV

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

#### 3.2.2. Acquisition of Audience Partners

On March 2, 2017, Altice USA acquired Audience Partners, a leading provider of data-driven, audience-based digital advertising solutions worldwide. Altice USA has a successful TV data and addressable advertising track record in the New York designated market area, and this will expand to include the digital capabilities of Audience Partners to deliver seamless multiscreen addressable solutions.

### 3.3. Variations in non-controlling interests

| Variations in non-controlling interests (€m)         | Altice USA     | Altice France | Altice Technical Services | Other         | Group          |
|--|----------------|---------------|---------------------------|---------------|----------------|
| <b>Opening balance at January 1, 2017 (*revised)</b> | (347.7)        | 551.5         | 49.8                      | (24.7)        | <b>228.9</b>   |
| Net income   | 426.9          | (67.6)        | (7.7)                     | (7.5)         | <b>344.1</b>   |
| Other comprehensive income                           | (118.9)        | -             | (2.2)                     | 0.0           | <b>(121.1)</b> |
| Dividends  | (246.9)        | (6.9)         | (6.0)                     | -             | <b>(259.8)</b> |
| US IPO   | 1,517.2        | -             | -                         | -             | <b>1,517.2</b> |
| Stock option plan                                    | -              | -             | -                         | -             | <b>-</b>       |
| SFR share transfers and squeeze out                  | -              | (544.0)       | -                         | -             | <b>(544.0)</b> |
| Variation in minority interest put                   | -              | 93.2          | -                         | -             | <b>93.2</b>    |
| Other  | 8.0            | (16.6)        | (8.9)                     | 2.0           | <b>(15.5)</b>  |
| <b>Closing at December 31, 2017 (*revised)</b>       | <b>1,238.5</b> | <b>9.7</b>    | <b>24.9</b>               | <b>(30.1)</b> | <b>1,242.9</b> |
| <b>Opening balance at January 1, 2018</b>            | <b>1,238.5</b> | <b>9.7</b>    | <b>24.9</b>               | <b>(30.1)</b> | <b>1,242.9</b> |
| Net income   | 73.1           | (3.2)         | (0.5)                     | (1.4)         | <b>68.1</b>    |
| Other comprehensive income                           | (30.8)         | -             | (1.0)                     | (1.2)         | <b>(33.0)</b>  |
| Merger ATS US  | 1.8            | -             | -                         | -             | <b>1.8</b>     |
| Variation in minority interest put                   | -              | 7.0           | -                         | -             | <b>7.0</b>     |
| Other  | (8.6)          | -             | -                         | 1.7           | <b>(6.9)</b>   |
| <b>Closing at March 31, 2018</b>                     | <b>1,274.0</b> | <b>13.5</b>   | <b>23.4</b>               | <b>(31.1)</b> | <b>1,279.9</b> |

The main change in non-controlling interests as at March 31, 2018 was mainly due to the net income and loss in other comprehensive income recorded in Altice USA, amounting to €73.1 million and €30.8 million, respectively for the three month period ended March 31, 2018.

### 3.4. Assets held for sale

On January 8, 2018, the Company announced that its Board - after due and careful consideration of several options - has approved plans for the separation of Altice USA from the Company (which will be renamed "Altice Europe"), to be affected by a spin-off of the Company's 67.2% interest in Altice USA through a distribution in kind out of the Company's share premium reserve to the Company's shareholders. As a result, assets and liabilities of Altice USA including Altice Technical Services US ("ATS USA") were classified as held for sale as of March 31, 2018 and its related depreciation and amortization had stopped as of January 8, 2018. Following the vote in favour of the separation by the Company's shareholders at the Annual General Meeting held on May 18, 2018 and provided regulatory approval of a prospectus in connection with the distribution is obtained from the AFM, the separation is currently expected to become effective on June 8, 2018. However, the date of the distribution is dependent on the timing of the AFM's approval.

In December 2017, the Board of Directors of the Company decided to sell the Group's International Wholesale business. The transits and international outgoing traffic business in Portugal and Dominican Republic was classified as held for sale as of December 31, 2017, in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. On March 12, 2018, the Company announced that it had entered into exclusivity with Tofane Global, a Paris-based telecommunications and digital player specializing in international carrier services, for the sale of its international wholesale voice carrier business in France, Portugal and the Dominican Republic. As a result, the working capital related to France wholesale business was also classified as a disposal

group held for sale as of March 31, 2018, in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. The results from these operations are included in the respective segments mentioned above.

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

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

| Disposal groups held for sale<br>(€m)                    | March 31, 2018    |                  |                   | December 31, 2017 |                  |            |                |
|--|-------------------|------------------|-------------------|-------------------|------------------|------------|----------------|
|  | Altice USA        | Wholesale market | Total             | Green             | Wholesale Market | Other      | Total          |
| Goodwill   | 6,219.2           | -                | 6,219.2           | 18.2              | -                | -          | 18.2           |
| Tangible and intangible assets                           | 19,686.2          | -                | 19,686.2          | 113.2             | -                | -          | 113.2          |
| Other non current assets                                 | 1,328.0           | -                | 1,328.0           | 0.4               | -                | -          | 0.4            |
| Investment in associates                                 | -                 | -                | -                 | -                 | -                | 4.4        | 4.4            |
| Currents assets  | 1,555.8           | 109.9            | 1,665.7           | 13.6              | 34.4             | -          | 48.0           |
| <b>Total assets held for sale</b>                        | <b>28,789.1</b>   | <b>109.9</b>     | <b>28,899.0</b>   | <b>145.4</b>      | <b>34.4</b>      | <b>4.4</b> | <b>184.2</b>   |
| Non-current liabilities                                  | (22,151.5)        | -                | (22,151.5)        | (54.2)            | -                | -          | (54.2)         |
| Current liabilities                                      | (2,240.0)         | (102.9)          | (2,342.9)         | (25.0)            | (25.4)           | -          | (50.4)         |
| <b>Total Liabilities related to assets held for sale</b> | <b>(24,391.5)</b> | <b>(102.9)</b>   | <b>(24,494.4)</b> | <b>(79.2)</b>     | <b>(25.4)</b>    | <b>-</b>   | <b>(104.7)</b> |

### 3.5. Discontinued operations

Table below presents the impacts of discontinued operations of Altice USA in the statement of income for the three month period ended March 31, 2018 and March 31, 2017:

| Disposal groups held for sale<br>(€m)                      | Altice USA     |                |
|--|----------------|----------------|
|  | March 31, 2018 | March 31, 2017 |
| Revenue  | 1,895.7        | 2,166.0        |
| Operating profit   | 749.6          | 210.2          |
| Finance costs  | (399.0)        | (346.0)        |
| Share earnings of associates                               | (8.5)          | (2.6)          |
| Income tax   | (96.7)         | 42.1           |
| <b>Net income/(loss) related to discontinued operation</b> | <b>245.4</b>   | <b>(96.4)</b>  |

The following table presents the impacts of discontinued operation of Altice USA in the statement of cash flow for the three month period ended March 31, 2018 and March 31, 2017:

| Disposal groups held for sale<br>(€m)            | March 31, 2018 | March 31, 2017 |
|--|----------------|----------------|
| Net cash provided by operating activities        | 388.2          | 781.9          |
| Net cash provided (used) by investing activities | (237.3)        | (288.6)        |
| Net cash provided (used) by financing activities | 779.9          | (454.7)        |

## 4. Segment reporting

### 4.1. Definition of segments

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

of public and private sector companies. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **France:** The Group controls Altice France S.A., the second largest telecom operator in France, which provides services to residential (B2C) and business clients (B2B) as well as wholesale customers, providing mobile and high speed internet services using SFR and the associated brands. As of 2018, this segment also comprises of French Overseas Territories (FOT), Altice Technical Services France (ATS) and Altice Customer Services.
- **Portugal:** Altice owns Portugal Telecom ("PT Portugal"), the largest telecom operator in Portugal. PT Portugal caters to fixed and mobile B2C, B2B and wholesale clients using the Meo brand. As of 2018, this segment also includes Altice Technical Services entities in Portugal.
- **Israel:** Fixed and mobile services are provided using the HOT and HOT Mobile brands to B2C, B2B clients. HOT also produces award winning exclusive content that it distributes using its fixed network. As of 2018, this segment also includes Altice Technical Services entities in Israel.
- **Dominican Republic:** The Group provides fixed and mobile services to B2C, B2B and wholesale clients using the Tricom (cable network) and Altice brands. As of 2018, this segment also includes Altice Technical Services entities in the Dominican Republic.
- **Teads:** Provides digital advertising solutions.
- **Altice TV:** Content business from the use of content rights in France.
- **Others:** This segment includes all corporate entities and i24 US LLC. The Board of Directors believes that these operations are not substantial enough to require a separate reporting segment, and so are reported under "Others".

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

## 4.2. Financial Key Performance Indicators ("KPIs")

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

The financial KPIs tracked by the Board of Directors are:

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

### 4.2.1. Non-GAAP measures

Adjusted EBITDA, Capex and OpFCF are non-GAAP measures. These measures are useful to readers of Altice's financial statements as they provide a measure of operating results excluding certain items that Altice's management believe are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group's operating results and cash flow generation to be more easily observable. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics.

#### 4.2.1.1. Adjusted EBITDA

Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, non-recurring litigation, restructuring costs) and equity based compensation expenses. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment,

excluded from this measure do ultimately affect the operating results, which is also presented within the annual consolidated financial statements in accordance with IAS 1 - *Presentation of Financial Statements*.

#### 4.2.1.2. Capex

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

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

#### 4.2.1.3. Operating free cash flow

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

#### 4.2.2. Revenues

Additional information on the revenue split is presented as follows:

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

Intersegment revenues represented 1.1% of total revenues for the three months ended March 31, 2018, compared to 4.5% of total revenues for the three month period ended March 31, 2017 (€41.3 million compared to €169.7 million). Intersegment revenues mainly relate to services rendered by certain centralized Group functions (relating to content production, technical services, customer services and management fees) to the operational segments of the Group.

### 4.3. Segment results

#### 4.3.1. Operating profit by segment

| For the three months ended<br>March 31, 2018<br>€m | France         | Portugal     | Israel       | Dominican<br>Republic | Teads         | Altice TV     | Others        | Inter-<br>segment<br>elimination | Total          |
|--|----------------|--------------|--------------|-----------------------|---------------|---------------|---------------|----------------------------------|----------------|
| <b>Revenues</b>                                    | <b>2,641.7</b> | <b>521.1</b> | <b>241.5</b> | <b>147.4</b>          | <b>67.7</b>   | <b>20.3</b>   | <b>0.5</b>    | <b>(41.3)</b>                    | <b>3,599.1</b> |
| Purchasing and subcontracting costs                | (837.8)        | (136.3)      | (64.0)       | (41.3)                | -             | (72.4)        | (.9)          | 36.0                             | (1,116.6)      |
| Other operating expenses                           | (641.6)        | (96.4)       | (54.7)       | (23.5)                | (44.2)        | (2.7)         | (3.9)         | 4.2                              | (862.9)        |
| Staff costs and employee benefits                  | (245.8)        | (67.2)       | (15.7)       | (6.5)                 | (18.1)        | (1.2)         | (13.6)        | 0.8                              | (367.3)        |
| <b>Total</b>                                       | <b>916.6</b>   | <b>221.2</b> | <b>107.1</b> | <b>76.2</b>           | <b>5.4</b>    | <b>(56.0)</b> | <b>(17.9)</b> | <b>(0.4)</b>                     | <b>1,252.1</b> |
| Stock option expense                               | -              | -            | -            | -                     | -             | -             | 7.9           | -                                | 7.9            |
| <b>Adjusted EBITDA</b>                             | <b>916.6</b>   | <b>221.2</b> | <b>107.1</b> | <b>76.2</b>           | <b>5.4</b>    | <b>(56.0)</b> | <b>(10.0)</b> | <b>(0.4)</b>                     | <b>1,260.0</b> |
| Depreciation, amortisation and impairment          | (671.4)        | (164.4)      | (78.2)       | (28.3)                | (15.6)        | (46.4)        | (0.9)         | -                                | (1,005.2)      |
| Stock option expense                               | -              | -            | -            | -                     | -             | -             | (7.9)         | -                                | (7.9)          |
| Other expenses and income                          | (340.3)        | (7.3)        | (4.8)        | (2.0)                 | -             | 300.0         | (51.7)        | -                                | (106.1)        |
| <b>Operating profit/(loss)</b>                     | <b>(95.1)</b>  | <b>49.5</b>  | <b>24.1</b>  | <b>45.9</b>           | <b>(10.2)</b> | <b>197.6</b>  | <b>(70.5)</b> | <b>(0.4)</b>                     | <b>141.0</b>   |

| For the three months ended<br>March 31, 2017 (revised*)<br>€m | France  | Portugal | Israel Dominican<br>Republic | Teads  | Altice TV | Others | Inter-<br>segment<br>elimination | Total   |           |
|---|---------|----------|------------------------------|--------|-----------|--------|----------------------------------|---------|-----------|
| Revenues  | 2,735.8 | 572.8    | 261.3                        | 181.4  | -         | 88.2   | 64.7                             | (169.7) | 3,734.4   |
| Purchasing and subcontracting costs                           | (977.4) | (144.1)  | (64.6)                       | (47.7) | -         | (29.6) | (11.4)                           | 106.0   | (1,168.8) |
| Other operating expenses                                      | (666.4) | (100.2)  | (58.6)                       | (28.0) | -         | (1.2)  | (51.3)                           | 59.6    | (846.0)   |
| Staff costs and employee benefits                             | (291.9) | (70.6)   | (19.0)                       | (8.1)  | -         | (1.4)  | (23.8)                           | 0.1     | (414.8)   |
| Total   | 800.1   | 257.8    | 119.0                        | 97.6   | -         | 56.1   | (21.8)                           | (4.0)   | 1,304.8   |
| Stock option expense  | 0.4     | -        | -                            | -      | -         | -      | 3.4                              | -       | 3.8       |
| Adjusted EBITDA   | 800.5   | 257.8    | 119.0                        | 97.6   | -         | 56.1   | (18.4)                           | (4.0)   | 1,308.6   |
| Depreciation, amortisation and impairment                     | (595.6) | (161.4)  | (84.7)                       | (38.8) | -         | (36.4) | (8.4)                            | -       | (925.2)   |
| Stock option expense  | (0.4)   | -        | -                            | -      | -         | -      | (3.4)                            | -       | (3.8)     |
| Other expenses and income                                     | (107.1) | (17.1)   | (3.4)                        | (7.0)  | -         | 2.8    | 53.5                             | -       | (78.2)    |
| Operating profit/(loss)                                       | 97.5    | 79.3     | 30.9                         | 51.9   | -         | 22.5   | 23.2                             | (4.0)   | 301.4     |

\* Please refer to note 17 for details about the revised information

#### 4.3.2. Other expenses and income

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

Details of costs incurred during the three months ended March 31, 2018 and 2017 are provided in the following table.

| Other expenses and income<br>(€m)          | For the three months ended<br>March 31, 2018 | For the three months ended<br>March 31, 2017 (revised*) |
|--|--|---|
| Stock option expense                       | 7.9  | 3.8   |
| <b>Items excluded from adjusted EBITDA</b> | <b>7.9</b>                                   | <b>3.8</b>  |
| Restructuring costs                        | 2.9  | 23.6  |
| Onerous contracts                          | 11.0   | -   |
| Loss on disposals of assets                | 1.9  | 27.2  |
| Disputes and litigation                    | (0.9)  | -   |
| Penalties                                  | 124.5  | -   |
| Gain on sale of consolidated entities      | (72.2)                                       | -   |
| Deal fees                                  | 3.2  | 1.6   |
| Other expenses and income (net)            | 35.7   | 25.9  |
| <b>Other expenses and income</b>           | <b>106.1</b>                                 | <b>78.2</b>   |

\* Please refer to note 17 for details about the revised information

##### 4.3.2.1. Stock option expenses

The Group has several stock option plans across its various entities comprising of mainly the Long Term Incentive Plan ("LTIP"), stock option plan ("SOP"), the options granted to Next Alt, as described in the annual consolidated financial statements. During the three month period ended March 31, 2018, the Group incurred stock option expenses of €7.9 million, an increase of €4.1 million compared to the three month period ended March 31, 2017.

##### 4.3.2.2. Restructuring costs

Restructuring costs mainly relates to the restructuring plan in PT Portugal (€2.4 million for the three month period ended March 31, 2018). Restructuring costs incurred for the three month period ended March 31, 2017 was higher by €20.7 million mainly due to €16.1 million costs in Altice France and €3.6 million in PT Portugal.

##### 4.3.2.3. Onerous contracts

The expenses recognised for onerous contracts mainly relate to the expected vacancy of the current Altice France campus in Saint Denis (T2 transition), following the move to the new Altice campus in Paris for €5.2 million and double rent for Quadrans (Nord & Ouest) of €4.7 million.

##### 4.3.2.4. Loss on disposal of assets

The loss on disposal of asset primarily relates to losses on scrapped property, plant and equipment, assets related to France (€0.6 million) and in PT Portugal due to forest fires damages (€1.3 million). The loss on disposal in 2017 was recorded in Altice France, related to loss on sale of Completel ADSL network to KOSC (€27 million).

#### 4.3.2.5. Penalties

Penalties correspond to the fine imposed to the Group following the European Commission's investigation on gun jumping during the acquisition of PT Portugal by the Group. The €124.5 million fine was recorded in Portugal segment. Please refer to note 13.2.1 for more details.

#### 4.3.2.6. Gain on sale of consolidated entities

This relates to the gain on the sale of telecommunications solutions business and Data Center operations in Switzerland, green.ch AG and Green Datacenter AG. Please refer to note 3.1.1. for more details.

#### 4.3.2.7. Deal fees

Consisted mainly of €2.7 million deal fee in Altice France.

#### 4.3.2.8. Other expenses and incomes (net)

Consisted mainly of expenses in Altice France related to settlements of operational litigation with Orange of €15 million and €7.0 million of indemnity expense to Intelcia. Additionally, Altice Holdings recorded €13.0 million of settled warrants with management of OMT, PT Portugal recorded €1.6 million related to penalty under the termination of a real estate rental agreement. RedGreen recorded expenses of liquidation of €4.2 million. Management fee income for the three month period ended March 31, 2018 was €6.1 million, which corresponds to the corporate costs charged by AMI to Altice USA.

#### 4.3.3. Revenues by activity

| For the three months ended<br>March 31, 2018<br>€m | France         | Portugal     | Israel Dominican<br>Republic | Teads        | Altice TV   | Others      | Total          |
|--|----------------|--------------|------------------------------|--------------|-------------|-------------|----------------|
| Revenue Fixed - B2C                                | 665.6          | 155.3        | 150.2                        | 24.4         | -           | -           | 995.4          |
| Revenue Mobile - B2C                               | 1,055.5        | 134.9        | 61.8                         | 86.0         | -           | -           | 1,338.1        |
| B2B  | 453.8          | 145.4        | 29.6                         | 20.1         | -           | -           | 648.7          |
| Wholesale  | 290.5          | 53.3         | -                            | 16.5         | -           | -           | 360.3          |
| Other revenue                                      | 176.5          | 32.3         | -                            | 0.4          | 67.7        | 20.3        | 297.7          |
| <b>Total standalone revenues</b>                   | <b>2,641.7</b> | <b>521.1</b> | <b>241.5</b>                 | <b>147.4</b> | <b>67.7</b> | <b>20.3</b> | <b>3,640.4</b> |
| Intersegment eliminations                          | (11.2)         | (11.9)       | (0.2)                        | (0.3)        | (0.5)       | (15.8)      | (41.3)         |
| <b>Total consolidated revenues</b>                 | <b>2,630.5</b> | <b>509.2</b> | <b>241.3</b>                 | <b>147.1</b> | <b>67.2</b> | <b>4.5</b>  | <b>3,599.1</b> |

| For the three months ended<br>March 31, 2017 (revised*)<br>€m | France         | Portugal     | Israel Dominican<br>Republic | Teads        | Altice TV | Others       | Total          |
|---|----------------|--------------|------------------------------|--------------|-----------|--------------|----------------|
| Fixed - B2C   | 696.6          | 176.2        | 170.0                        | 28.7         | -         | -            | 1,088.7        |
| Mobile - B2C  | 1,026.6        | 140.7        | 55.9                         | 107.5        | -         | -            | 1,331.0        |
| B2B   | 492.5          | 151.8        | 35.3                         | 23.9         | -         | -            | 706.9          |
| Wholesale   | 345.7          | 71.9         | -                            | 22.0         | -         | -            | 439.6          |
| Other revenue   | 174.5          | 32.2         | -                            | (0.7)        | -         | 88.2         | 337.9          |
| <b>Total standalone revenues</b>                              | <b>2,735.8</b> | <b>572.8</b> | <b>261.3</b>                 | <b>181.4</b> | <b>-</b>  | <b>88.2</b>  | <b>3,904.1</b> |
| Intersegment eliminations                                     | (34.2)         | (9.3)        | (0.3)                        | (1.0)        | -         | (88.5)       | (169.7)        |
| <b>Total consolidated revenues</b>                            | <b>2,701.6</b> | <b>563.5</b> | <b>261.0</b>                 | <b>180.4</b> | <b>-</b>  | <b>(0.3)</b> | <b>3,734.4</b> |

\* Please refer to note 17 for details about the revised information

The table below provides the stand-alone and consolidated revenues in accordance to IFRS 15 *Revenue from Contracts with Customers* for the three month periods ended March 31, 2018 and 2017.

| Revenues split IFRS 15<br>(€m)    | March 31, 2018 | March 31, 2017 |
|-----------------------------------|----------------|----------------|
| Mobile services                   | 1,306.1        | 1,351.8        |
| Mobile equipment sales            | 240.3          | 214.2          |
| Fixed revenues                    | 1,435.9        | 1,560.8        |
| Wholesale revenues                | 360.3          | 439.6          |
| Other revenues                    | 297.7          | 337.6          |
| <b>Total stand-alone revenues</b> | <b>3,640.4</b> | <b>3,904.1</b> |
| Intersegment elimination          | (41.3)         | (169.7)        |
| <b>Total consolidated</b>         | <b>3,599.1</b> | <b>3,734.4</b> |

#### 4.3.4. Capital expenditure

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

| For the three months ended<br>March 31, 2018              | France       | Portugal     | Israel      | Dominican<br>Republic | Teads    | Altice TV  | Others   | Eliminations | Total        |
|---|--------------|--------------|-------------|-----------------------|----------|------------|----------|--------------|--------------|
| €m  |              |              |             |                       |          |            |          |              |              |
| Capital expenditure (accrued)                             | 568.8        | 104.7        | 58.1        | 27.6                  | -        | 3.8        | -        | (2.3)        | 760.7        |
| Capital expenditure - working capital items               | 48.7         | 13.8         | 4.6         | (10.7)                | -        | 4.5        | -        | -            | 60.9         |
| <b>Payments to acquire tangible and intangible assets</b> | <b>617.5</b> | <b>118.5</b> | <b>62.7</b> | <b>16.9</b>           | <b>-</b> | <b>8.3</b> | <b>-</b> | <b>(2.3)</b> | <b>821.6</b> |

| For the three months ended<br>March 31, 2017 (revised*)   | France       | Portugal     | Israel      | Dominican<br>Republic | Teads    | Altice TV   | Others     | Eliminations | Total        |
|---|--------------|--------------|-------------|-----------------------|----------|-------------|------------|--------------|--------------|
| €m  |              |              |             |                       |          |             |            |              |              |
| Capital expenditure (accrued)                             | 481.1        | 112.5        | 62.1        | 22.1                  | -        | 2.9         | 8.5        | (1.5)        | 687.7        |
| Capital expenditure - working capital items               | 148.1        | 19.1         | 0.6         | (2.9)                 | -        | 12.3        | -          | -            | 177.2        |
| <b>Payments to acquire tangible and intangible assets</b> | <b>629.2</b> | <b>131.6</b> | <b>62.7</b> | <b>19.2</b>           | <b>-</b> | <b>15.2</b> | <b>8.5</b> | <b>(1.5)</b> | <b>864.9</b> |

\* Please refer to note 17 for details about the revised information

#### 4.3.5. Adjusted EBITDA less accrued Capex

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

| For the three months ended<br>March 31, 2018 | France       | Portugal     | Israel      | Dominican<br>Republic | Teads      | Altice TV     | Others        | Eliminations | Total        |
|--|--------------|--------------|-------------|-----------------------|------------|---------------|---------------|--------------|--------------|
| €m   |              |              |             |                       |            |               |               |              |              |
| Adjusted EBITDA                              | 916.6        | 221.2        | 107.1       | 76.2                  | 5.4        | (56.0)        | (10.0)        | (0.4)        | 1,260.0      |
| Capital expenditure (accrued)                | (568.8)      | (104.7)      | (58.1)      | (27.6)                | -          | (3.8)         | -             | 2.3          | (760.7)      |
| <b>Operating free cash flow (OpFCF)</b>      | <b>347.8</b> | <b>116.5</b> | <b>49.0</b> | <b>48.6</b>           | <b>5.4</b> | <b>(59.8)</b> | <b>(10.0)</b> | <b>1.9</b>   | <b>499.3</b> |

| For the three months ended<br>March 31, 2017 (revised*) | France       | Portugal     | Israel      | Dominican<br>Republic | Teads    | Altice TV   | Others        | Eliminations | Total        |
|---|--------------|--------------|-------------|-----------------------|----------|-------------|---------------|--------------|--------------|
| €m  |              |              |             |                       |          |             |               |              |              |
| Adjusted EBITDA   | 800.5        | 257.8        | 119.0       | 97.6                  | -        | 56.1        | (18.4)        | (4.0)        | 1,308.6      |
| Capital expenditure (accrued)                           | (481.1)      | (112.5)      | (62.1)      | (22.1)                | -        | (2.9)       | (8.5)         | 1.5          | (687.7)      |
| <b>Operating free cash flow (OpFCF)</b>                 | <b>319.4</b> | <b>145.3</b> | <b>56.9</b> | <b>75.5</b>           | <b>-</b> | <b>53.2</b> | <b>(26.9)</b> | <b>(2.5)</b> | <b>620.9</b> |

\* Please refer to note 17 for details about the revised information.

## 5. Goodwill and Intangible Assets

### 5.1. Goodwill

Goodwill recorded in the consolidated statement of financial position was allocated to the different groups of cash generating units (“GCGU” or “CGU” for cash generating units) as defined by the Group. Following the change in the segment structure as of 2018 (please refer to note 4.1), FOT, ATS France and ACS were reclassified from caption Others to France. Similarly, other ATS entities in Portugal, Israel and the Dominican Republic were allocated to the total goodwill in respective countries.

| <b>Goodwill</b>              | <b>December 31, 2017</b> | <b>Recognized on</b>        | <b>Changes in</b>                   | <b>Held for</b>  | <b>Other</b>  | <b>March 31, 2018</b> |
|------------------------------|--------------------------|-----------------------------|-------------------------------------|------------------|---------------|-----------------------|
| <b>(€m)</b>                  | <b>(revised*)</b>        | <b>business combination</b> | <b>foreign currency translation</b> | <b>sale</b>      |               |                       |
| France                       | 12,594.3                 | -                           | (0.1)                               | -                | (10.2)        | 12,584.0              |
| United States                | 6,378.9                  | -                           | -                                   | (6,378.9)        | -             | -                     |
| Portugal                     | 1,727.4                  | -                           | -                                   | -                | -             | 1,727.4               |
| Israel                       | 746.4                    | -                           | (22.1)                              | -                | -             | 724.3                 |
| Dominican Republic           | 800.2                    | -                           | (16.8)                              | -                | -             | 783.5                 |
| Others                       | 210.2                    | -                           | -                                   | -                | -             | 210.2                 |
| <b>Gross value</b>           | <b>22,457.5</b>          | <b>-</b>                    | <b>(39.0)</b>                       | <b>(6,378.9)</b> | <b>(10.2)</b> | <b>16,029.4</b>       |
| France                       | (8.6)                    | -                           | -                                   | -                | -             | (8.6)                 |
| United States                | -                        | -                           | -                                   | -                | -             | -                     |
| Portugal                     | -                        | -                           | -                                   | -                | -             | -                     |
| Israel                       | (146.7)                  | -                           | 4.6                                 | -                | -             | (142.1)               |
| Dominican Republic           | -                        | -                           | -                                   | -                | -             | -                     |
| Others                       | -                        | -                           | -                                   | -                | (2.0)         | (2.0)                 |
| <b>Cumulative impairment</b> | <b>(155.2)</b>           | <b>-</b>                    | <b>4.6</b>                          | <b>-</b>         | <b>(2.0)</b>  | <b>(152.6)</b>        |
| France                       | 12,585.8                 | -                           | (0.1)                               | -                | (10.2)        | 12,575.4              |
| United States                | 6,378.9                  | -                           | -                                   | (6,378.9)        | -             | -                     |
| Portugal                     | 1,727.4                  | -                           | -                                   | -                | -             | 1,727.4               |
| Israel                       | 599.8                    | -                           | (17.5)                              | -                | -             | 582.3                 |
| Dominican Republic           | 800.2                    | -                           | (16.8)                              | -                | -             | 783.5                 |
| Others                       | 210.2                    | -                           | 0.1                                 | -                | (2.0)         | 208.4                 |
| <b>Net book value</b>        | <b>22,302.3</b>          | <b>-</b>                    | <b>(34.3)</b>                       | <b>(6,378.9)</b> | <b>(12.2)</b> | <b>15,876.8</b>       |

| <b>Goodwill</b>              | <b>December 31, 2016</b> | <b>Recognized on</b>        | <b>Changes in</b>                   | <b>Held for</b> | <b>Other</b> | <b>December 31, 2017</b> |
|------------------------------|--------------------------|-----------------------------|-------------------------------------|-----------------|--------------|--------------------------|
| <b>(€m)</b>                  | <b>(*revised)</b>        | <b>business combination</b> | <b>foreign currency translation</b> | <b>sale</b>     |              | <b>(revised*)</b>        |
| France                       | 12,541.7                 | 52.9                        | (0.8)                               | -               | 0.4          | 12,594.3                 |
| United States                | 7,246.2                  | 27.5                        | (896.1)                             | -               | 1.3          | 6,378.9                  |
| Portugal                     | 1,726.9                  | 0.5                         | -                                   | -               | -            | 1,727.4                  |
| Israel                       | 767.2                    | 0.9                         | (21.6)                              | -               | -            | 746.4                    |
| Dominican Republic           | 904.4                    | 0.3                         | (104.5)                             | -               | -            | 800.2                    |
| Others                       | 18.9                     | 209.5                       | -                                   | (18.2)          | -            | 210.2                    |
| <b>Gross value</b>           | <b>23,205.4</b>          | <b>291.7</b>                | <b>(1,023.1)</b>                    | <b>(18.2)</b>   | <b>1.8</b>   | <b>22,457.5</b>          |
| France                       | (8.6)                    | -                           | -                                   | -               | -            | (8.6)                    |
| United States                | -                        | -                           | -                                   | -               | -            | -                        |
| Portugal                     | -                        | -                           | -                                   | -               | -            | -                        |
| Israel                       | (151.1)                  | -                           | 4.5                                 | -               | -            | (146.7)                  |
| Dominican Republic           | -                        | -                           | -                                   | -               | -            | -                        |
| Others                       | -                        | -                           | -                                   | -               | -            | -                        |
| <b>Cumulative impairment</b> | <b>(159.7)</b>           | <b>-</b>                    | <b>4.5</b>                          | <b>-</b>        | <b>-</b>     | <b>(155.2)</b>           |
| France                       | 12,533.2                 | 52.9                        | (0.8)                               | -               | 0.4          | 12,585.8                 |
| United States                | 7,246.2                  | 27.5                        | (896.1)                             | -               | 1.3          | 6,378.9                  |
| Portugal                     | 1,726.9                  | 0.5                         | -                                   | -               | -            | 1,727.4                  |
| Israel                       | 616.1                    | 0.9                         | (17.2)                              | -               | -            | 599.8                    |
| Dominican Republic           | 904.4                    | 0.3                         | (104.5)                             | -               | -            | 800.2                    |
| Others                       | 18.9                     | 209.5                       | -                                   | (18.2)          | -            | 210.2                    |
| <b>Net book value</b>        | <b>23,045.7</b>          | <b>291.7</b>                | <b>(1,018.6)</b>                    | <b>(18.2)</b>   | <b>1.8</b>   | <b>22,302.3</b>          |

\* Please refer to note 17 for details about the revised information

## 5.2. Impairment of goodwill

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

## 5.3. Business combinations

The Group has concluded several acquisitions during the past 12 months. In all acquisitions, the Group records the provisional value of the assets and liabilities as being equivalent to the book values in the accounting records

of the entity being acquired. The Group then identifies the assets and liabilities to which the purchase price needs to be allocated. The fair value is determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition.

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

#### 5.3.1.1. Pho Holding

On July 26, 2017, Altice France obtained approval for the take-over of Pho Holding (owner of the Numero 23 channel) by NextRadioTV. Following the take-over (current ownership is 51%), the consolidation method changed as of September 30, 2017 (from equity accounted to full consolidation).

#### 5.3.1.2. Teads

On June 22, 2017, Altice Teads (a company which the Group has 98.5% of the financial interest, with 1.5% attributable to the managers of Teads) closed the acquisition of Teads. The acquisition purchase price was €302.3 million, with 75% due at closing, and the remaining 25% earn-out subject to Teads obtaining defined revenue performance in 2017, which targets have been met.

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

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

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

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

## 5.4. Intangible Assets

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

| Intangible Assets<br>(€m)     | March 31, 2018        |                          |                     |
|-------------------------------|-----------------------|--------------------------|---------------------|
|                               | Gross carrying amount | Accumulated amortization | Net carrying amount |
| Customer relationships        | 4,808.1               | (2,135.6)                | 2,672.5             |
| Trade names                   | 1,543.5               | (924.3)                  | 619.2               |
| Franchise & patents           | 512.2                 | (284.8)                  | 227.4               |
| Software & licenses           | 5,753.5               | (2,587.6)                | 3,165.9             |
| Other amortizable intangibles | 5,315.0               | (3,345.6)                | 1,969.4             |
| <b>Total</b>                  | <b>17,932.2</b>       | <b>(9,277.8)</b>         | <b>8,654.4</b>      |

  

| Intangible Assets<br>(€m)     | December 31, 2017 (revised*) |                          |                     |
|-------------------------------|------------------------------|--------------------------|---------------------|
|                               | Gross carrying amount        | Accumulated amortization | Net carrying amount |
| Customer relationships        | 9,790.6                      | (3,165.7)                | 6,624.9             |
| Trade names                   | 2,432.5                      | (1,380.9)                | 1,051.6             |
| Franchise & patents           | 11,358.4                     | (245.7)                  | 11,112.7            |
| Software & licenses           | 6,275.9                      | (2,774.6)                | 3,501.3             |
| Other amortizable intangibles | 5,234.2                      | (3,260.8)                | 1,973.4             |
| <b>Total</b>                  | <b>35,091.6</b>              | <b>(10,827.6)</b>        | <b>24,264.0</b>     |

\* Please refer to note 17 for details about the revised information

The total amortization expense for the three months ended March 31, 2018 and 2017 was €547.3 million and €500.4 million, respectively, an increase of €46.9 million. Decrease in gross carrying amount of €17,159.4 million compared to December 31, 2017 was caused by classification of Altice USA as held for sale.

## 6. Cash and cash equivalents and restricted cash

| Cash balances<br>(€m)            | March 31,<br>2018 | December 31,<br>2017 |
|----------------------------------|-------------------|----------------------|
| Term deposits                    | 92.9              | 90.8                 |
| Bank balances                    | 868.6             | 1,148.2              |
| <b>Cash and cash equivalents</b> | <b>961.4</b>      | <b>1,239.0</b>       |
| Restricted cash                  | 167.9             | 168.1                |
| <b>Total</b>                     | <b>1,129.3</b>    | <b>1,407.1</b>       |

The restricted cash balance at March 31, 2018 included:

- €33.5 million related to the Teads acquisition held in an escrow account to be released in June 2018.
- €131.5 million for debt financing obligations.

## 7. Shareholders' equity

| Equity attributable to owners of the Company<br>(€m) | Notes | As of<br>March 31, 2018 | As of<br>December 31, 2017<br>(*revised) |
|--|-------|-------------------------|--|
| Issued capital                                       | 7.1   | 72.0                    | 76.5                                     |
| Treasury shares                                      | 7.2   | (40.5)                  | (370.1)                                  |
| Additional paid in capital                           | 7.3   | 2,250.9                 | 2,605.9                                  |
| Other reserves                                       | 7.4   | (931.8)                 | (811.4)                                  |
| Accumulated losses                                   |       | (3,341.9)               | (3,107.3)                                |
| <b>Total</b>   |       | <b>(1,991.3)</b>        | <b>(1,606.4)</b>                         |

### 7.1. Issued capital

| Share capital         | Total shares<br>authorized<br>(number) | Total capital<br>authorized<br>(€m) | Number of<br>shares issued<br>(number) | Value<br>per share<br>(cents) | Total capital<br>issued<br>(€m) |
|-----------------------|--|-------------------------------------|--|-------------------------------|---------------------------------|
| <b>March 31, 2018</b> |  |                                     |  |                               |                                 |
| Common shares A       | 9,235,546,100                          | 92.4                                | 1,492,756,175                          | 0.01                          | 14.9                            |
| Common shares B       | 256,428,714                            | 64.1                                | 228,272,075                            | 0.25                          | 57.1                            |
| Preference shares A   | 4,700,000,000                          | 188.0                               | -                                      | 0.04                          | -                               |
| Preference shares B   | 150,000,000                            | 1.5                                 | -                                      | 0.01                          | -                               |
| <b>Total</b>          | <b>14,341,974,814</b>                  | <b>346.0</b>                        | <b>1,721,028,250</b>                   |                               | <b>72.0</b>                     |

| Share capital            | Total shares<br>authorized<br>(number) | Total capital<br>authorized<br>(€m) | Number of<br>shares issued<br>(number) | Value<br>per share<br>(cents) | Total capital<br>issued<br>(€m) |
|--------------------------|--|-------------------------------------|--|-------------------------------|---------------------------------|
| <b>December 31, 2017</b> |  |                                     |  |                               |                                 |
| Common shares A          | 8,899,142,150                          | 89.0                                | 1,572,352,225                          | 0.01                          | 15.7                            |
| Common shares B          | 269,884,872                            | 67.5                                | 243,035,949                            | 0.25                          | 60.8                            |
| Preference shares A      | 4,700,000,000                          | 188.0                               | -                                      | 0.04                          | -                               |
| Preference shares B      | 150,000,000                            | 1.5                                 | -                                      | 0.01                          | -                               |
| <b>Total</b>             | <b>14,019,027,022</b>                  | <b>346.0</b>                        | <b>1,815,388,174</b>                   |                               | <b>76.5</b>                     |

As at March 31, 2018, Altice N.V. had 1,492,756,175 common shares A (including 531,025,305 treasury shares) and 228,272,075 common shares B outstanding.

Issued capital decreased by €4.5 million during the three month period ended March 31, 2018 to €72.0 million as the result of the cancellation of treasury shares announced on December 4, 2017. Please see note 7.2.2 for more details.

### 7.2. Treasury shares

The table below provides a reconciliation of treasury shares held by the Company and the movements in the period.

| Reconciliation of treasury shares | Three months ended<br>March 31, 2018 | Year ended<br>December 31, 2017 |
|-----------------------------------|--------------------------------------|---------------------------------|
| <b>Opening</b>                    | <b>625,385,229</b>                   | <b>107,324,976</b>              |
| Conversions                       | 322,947,792                          | 575,989,608                     |
| Shares utilised in share exchange | -                                    | (80,230,333)                    |
| Cancellation of treasury shares   | (417,307,716)                        | 22,300,978                      |
| <b>Closing</b>                    | <b>531,025,305</b>                   | <b>625,385,229</b>              |
| Common shares A                   | 531,025,305                          | 624,077,513                     |
| Common shares B                   | -                                    | 1,307,716                       |

### 7.2.1. Share conversions

For the three months ended March 31, 2018, the Company received and executed conversion orders amounting to a total of 13,456,158 common shares B. For each conversion, 1 common share B is converted to 25 common shares A and 24 common shares A are subsequently acquired by the Company for nil consideration and retained as treasury shares. As a result, a total of 336,403,950 of common shares A was created during the period.

### 7.2.2. Cancellation of treasury shares

On December 4, 2017, the Board resolved to cancel 416,000,000 common shares A and 1,307,716 common shares B held as treasury shares. It became effective on February 10, 2018.

On January 26, 2018, Altice announced its intention to cancel 370,000,000 common A shares. It became effective on May 18, 2018 following approval by the shareholders.

## 7.3. Additional paid in capital

| Changes in additional paid in capital<br>(€m)                | March 31,<br>2018 | December<br>31,<br>2017<br>(*revised) |
|--|-------------------|---------------------------------------|
| Opening balance  | 2,605.9           | 738.0                                 |
| Exchange of Altice N.V. shares for Altice France shares      | -                 | (65.2)                                |
| Recognition of put option for minority investors in Teads    | (1.5)             | (154.6)                               |
| Transactions with non-controlling interests of Altice France | (29.6)            | (186.1)                               |
| Transactions with non-controlling interests of Altice USA    | -                 | 2,234.1                               |
| Cancellation of treasury shares                              | (325.2)           | -                                     |
| Other  | 1.2               | 39.8                                  |
| <b>Total</b>   | <b>2,250.9</b>    | <b>2,605.9</b>                        |

## 7.4. Other reserves

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

| Other reserves<br>(€m)                                  | March 31, 2018    |              |                | December 31, 2017 |              |                |
|---|-------------------|--------------|----------------|-------------------|--------------|----------------|
|   | Pre-tax<br>amount | Tax effect   | Net amount     | Pre-tax<br>amount | Tax effect   | Net amount     |
| Actuarial gains and losses                              | (75.4)            | 21.6         | (53.8)         | (89.1)            | 25.4         | (63.7)         |
| <b>Items not reclassified to profit or loss</b>         | <b>(75.4)</b>     | <b>21.6</b>  | <b>(53.8)</b>  | <b>(89.1)</b>     | <b>25.4</b>  | <b>(63.7)</b>  |
| Available for sale reserve                              | 2.2               | -            | 2.2            | 3.6               | -            | 3.6            |
| Currency translation reserve                            | (263.8)           | -            | (263.8)        | (213.6)           | -            | (213.6)        |
| Cash flow hedge reserve                                 | (913.5)           | 299.3        | (614.3)        | (793.7)           | 258.2        | (535.6)        |
| <b>Items potentially reclassified to profit or loss</b> | <b>(1,175.1)</b>  | <b>299.3</b> | <b>(875.9)</b> | <b>(1,003.7)</b>  | <b>258.2</b> | <b>(745.6)</b> |
| <b>Total</b>  | <b>(1,250.5)</b>  | <b>320.9</b> | <b>(929.6)</b> | <b>(1,092.8)</b>  | <b>283.6</b> | <b>(809.3)</b> |

## 8. Earnings per share

| Earnings per share<br>(€m)                                       | Three months ended<br>March 31, 2018 | Three months ended<br>March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Loss for the period attributable to equity holders of the Parent | (179.3)                              | (165.8)                              |
| <b>Earnings per share (basic and diluted)</b>                    |                                      |                                      |
| Weighted average number of ordinary shares (millions)            | 1,190.0                              | 1,132.1                              |
| <i>Earnings per ordinary share (in €)</i>                        | <i>(0.15)</i>                        | <i>(0.15)</i>                        |

As both common shares A and common shares B have the same economic rights, basic earnings per share is calculated using the aggregate number of shares in circulation, excluding treasury shares held by the Company. Basic and diluted earnings per share are the same due to the Group recording a loss for the three month periods ended March 31, 2018 and 2017; the potential dilutive shares upon creation would have led to an increase of diluted earnings per share.

## 9. Borrowings and other financial liabilities

| Borrowings and other financial liabilities<br>(€m)                                 | Notes | March 31,<br>2018 | December 31,<br>2017<br>(revised*) |
|--|-------|-------------------|------------------------------------|
| <b>Long term borrowings, financial liabilities and related hedging instruments</b> |       | <b>33,927.4</b>   | <b>50,059.4</b>                    |
| - <i>Debentures</i>  | 9.1   | 22,943.7          | 35,251.6                           |
| - <i>Loans from financial institutions</i>   | 9.1   | 8,958.3           | 12,959.8                           |
| - <i>Derivative financial instruments</i>  | 9.3   | 2,025.4           | 1,848.0                            |
| <b>Other non-current financial liabilities</b>                                     | 9.6   | <b>610.7</b>      | <b>1,963.1</b>                     |
| - <i>Finance leases</i>  |       | 55.2              | 95.3                               |
| - <i>Other financial liabilities</i>   |       | 555.4             | 1,867.8                            |
| <b>Non-current liabilities</b>   |       | <b>34,538.1</b>   | <b>52,022.5</b>                    |
| <b>Short term borrowing, financial liabilities and related hedge instruments</b>   |       | <b>894.5</b>      | <b>1,792.9</b>                     |
| - <i>Debentures</i>  | 9.1   | 192.8             | 1,499.1                            |
| - <i>Loans from financial institutions</i>   | 9.1   | 687.4             | 230.2                              |
| - <i>Derivative financial instruments</i>  | 9.3   | 14.3              | 63.6                               |
| <b>Other financial liabilities</b>   | 9.6   | <b>1,864.9</b>    | <b>2,394.0</b>                     |
| - <i>Other financial liabilities</i>   |       | 1,339.1           | 1,255.0                            |
| - <i>Bank overdraft</i>  |       | 17.8              | 80.3                               |
| - <i>Accrued interests</i>   |       | 443.0             | 1,001.9                            |
| - <i>Finance leases</i>  |       | 65.0              | 56.8                               |
| <b>Current liabilities</b>   |       | <b>2,759.4</b>    | <b>4,186.9</b>                     |
| <b>Total</b>   |       | <b>37,297.5</b>   | <b>56,209.4</b>                    |

\* Please refer to note 17 for details about the revised information

### 9.1. Debentures and loans from financial institutions

| Debentures and loans from financial institutions<br>(€m) | Notes | March 31,<br>2018 | December 31,<br>2017<br>(revised*) |
|--|-------|-------------------|------------------------------------|
| Debentures   |       | 23,136.4          | 36,750.7                           |
| Loans from financial institutions                        |       | 9,645.7           | 13,190.0                           |
| <b>Total</b>   |       | <b>32,782.2</b>   | <b>49,940.7</b>                    |

\* Please refer to note 17 for details about the revised information

During the three month period ended March 31, 2018, the Group did not refinance any of its debt, except for refinancing in Altice USA (please refer to notes 9.2.1 and 9.2.2). For the three months ended March 31, 2018, the debentures and loans from financial institutions for Altice USA have been classified as held for sale and therefore not reported in borrowings and other financial liabilities.

#### 9.1.1. Debentures

| Maturity of debentures<br>(€m) | Less than<br>one year | One year<br>or more | March 31,<br>2018 | December 31,<br>2017<br>(revised*) |
|--------------------------------|-----------------------|---------------------|-------------------|------------------------------------|
| Altice France                  | -                     | 10,740.6            | 10,740.6          | 10,956.3                           |
| Altice USA                     | -                     | -                   | -                 | 13,192.9                           |
| Altice Luxembourg              | -                     | 6,298.9             | 6,298.9           | 6,385.1                            |
| Altice Financing               | -                     | 4,357.3             | 4,357.3           | 4,454.7                            |
| Altice Finco                   | -                     | 1,546.9             | 1,546.9           | 1,562.7                            |
| HOT Telecom                    | 192.8                 | -                   | 192.8             | 199.0                              |
| <b>Total</b>                   | <b>192.8</b>          | <b>22,943.7</b>     | <b>23,136.5</b>   | <b>36,750.8</b>                    |

\* Please refer to note 17 for details about the revised information

Debentures of Altice USA was 0 as of March 31, 2018 due to the classification as held for distribution to owners.

### 9.1.2. Loans from financial institutions

| Maturity of loans from financial institutions<br>(€m) | Less than<br>one year | One year<br>or more | March 31,<br>2018 | December 31,<br>2017<br>(revised*) |
|---|-----------------------|---------------------|-------------------|------------------------------------|
| Altice France (including RCF)                         | 385.8                 | 4,850.7             | 5,236.6           | 5,036.4                            |
| Altice USA (including RCF)                            | -                     | -                   | -                 | 3,862.5                            |
| Altice Corporate Financing                            | -                     | 2,353.0             | 2,353.0           | 2,353.0                            |
| Altice Financing (including RCF)                      | 297.7                 | 1,732.8             | 2,030.4           | 1,911.8                            |
| Others  | 3.9                   | 21.8                | 25.7              | 26.3                               |
| <b>Total</b>  | <b>687.4</b>          | <b>8,958.3</b>      | <b>9,645.7</b>    | <b>13,190.0</b>                    |

\* Please refer to note 17 for details about the revised information

Loans from financial institutions of Altice USA was 0 as of March 31, 2018 due to the classification as held for distribution to owners.

## 9.2. Refinancing activities

During the three month period ended March 31, 2018, the Group did not refinance any of its debt, except for refinancing in Altice USA (please refer to notes 9.2.1 and 9.2.2 below).

### 9.2.1. Issuance of Cablevision's \$1,500 million incremental term loans

On January 12, 2018, CSC Holdings successfully priced, for the Cablevision credit pool, \$1,500 million of 8-year incremental term loans under the 2015 Cablevision credit facility agreement. The term loans were issued at OID of 99.50 and are due to mature in January 2026. The term loans are comprised of eurodollar borrowings or alternate base rate borrowings, and bear interest at a rate per annum equal to the adjusted LIBO rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 1.50% per annum and (ii) with respect to any eurodollar loan, 2.50% per annum. The term loans were drawn on January 25, 2018. The proceeds of the term loans were used, together with proceeds from CSC Holdings' offering of new 2018 Cablevision senior guaranteed notes, borrowings under the 2015 Cablevision revolving credit facility and cash on balance sheet, to (i) refinance all of CSC Holdings' 7½% senior debentures due 2018, (ii) make a dividend to Cablevision, the direct parent of CSC Holdings, which used the proceeds to refinance all of Cablevision's 7¼% senior notes due 2018, (iii) temporarily repay approximately \$450.0 million of outstanding borrowings under the 2015 Cablevision revolving credit facility, (iv) fund a dividend of \$1,500 million to Cablevision and (v) pay fees, costs and expenses associated with these transactions. Cablevision will use the proceeds referred to in (iv) above to fund a dividend to its parent, Altice USA, which will in turn use such proceeds to fund the Pre-Distribution Dividend.

### 9.2.2. Issuance of Cablevision's \$1,000 million Senior Guaranteed Notes due 2028

On January 12, 2018, CSC Holdings successfully priced \$1,000 million in aggregate principal amount of senior guaranteed notes due 2028. The 2018 Cablevision senior guaranteed notes bear interest at a rate of 5.375% and are due to mature on February 1, 2028. The offering closed on January 29, 2018. The proceeds of the 2018 Cablevision senior guaranteed notes will be used, together with proceeds from the \$1,500 million of incremental term loans borrowed under the 2015 Cablevision credit facility agreement (as described above) to (i) refinance all of CSC Holdings' 7½% senior debentures due 2018, (ii) make a dividend to Cablevision, the direct parent of CSC Holdings, which used the proceeds to refinance all of Cablevision's 7¼% senior notes due 2018, (iii) temporarily repay approximately \$450.0 million of outstanding borrowings under the 2015 Cablevision revolving credit facility, (iv) fund a dividend of \$1,500 million to Cablevision and (v) pay fees, costs and expenses associated with these transactions.

## 9.3. Derivatives and hedge accounting

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

### 9.3.1. CCIRS

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

| Entity<br>Maturity            | Notional amount<br>due from<br>counterparty<br>(millions) | Notional amount<br>due to<br>counterparty<br>(millions) | Interest rate due from<br>counterparty | Interest rate due to<br>counterparty | Accounting<br>treatment <sup>1</sup> |
|-------------------------------|---|---|--|--------------------------------------|--------------------------------------|
| <b>Altice France S.A.</b>     |   |   |  |                                      |                                      |
| May 2022                      | USD 4,000   | EUR 2,989   | 6.00%                                  | 5.14%                                | CFH                                  |
| July 2022                     | USD 550   | EUR 498   | 3m LIBOR+3.25%                         | 3m EURIBOR+2.73%                     | FVPL                                 |
| January 2023                  | USD 1,240   | EUR 1,096   | 3m LIBOR+4.00%                         | 3m EURIBOR+4.15%                     | FVPL                                 |
| January 2024                  | USD 1,425   | EUR 1,104   | 3m LIBOR+4.25%                         | 3m EURIBOR+4.45%                     | FVPL                                 |
| May 2024                      | USD 1,375   | EUR 1,028   | 6.25%                                  | 5.36%                                | CFH                                  |
| April 2024                    | USD 2,790   | EUR 2,458   | 7.38%                                  | 5.75%                                | CFH                                  |
| July 2024                     | USD 2,400   | EUR 1,736   | 7.38%                                  | 6.78%                                | CFH                                  |
| January 2026                  | USD 350   | EUR 298   | 3m LIBOR+3.00%                         | 3m EURIBOR+2.76%                     | CFH                                  |
| <b>Altice Luxembourg S.A.</b> |   |   |  |                                      |                                      |
| May 2022                      | USD 2,900   | EUR 2,097   | 7.75%                                  | 7.38%                                | CFH                                  |
| February 2023                 | USD 1,480   | EUR 1,308   | 7.63%                                  | 6.50%                                | CFH                                  |
| <b>Altice Financing S.A.</b>  |   |   |  |                                      |                                      |
| July - Nov 2018               | USD 293   | ILS 1,077   | 3m LIBOR+4.50%                         | 3m TELBOR+5.33%                      | FVPL                                 |
| February 2023                 | USD 2,060   | EUR 1,821   | 6.63%                                  | 5.30%                                | CFH                                  |
| May 2026                      | USD 930   | EUR 853   | 7.50%                                  | 7.40%                                | CFH                                  |
| July 2025                     | USD 485   | EUR 449   | 3m LIBOR+2.75%                         | 3m EURIBOR+2.55%                     | FVPL                                 |
| July 2024                     | USD 1,820   | EUR 1,544   | 7.50%                                  | 6.02%                                | CFH                                  |
| <b>Altice Finco S.A.</b>      |   |   |  |                                      |                                      |
| February 2025                 | USD 385   | EUR 340   | 7.63%                                  | 6.25%                                | CFH                                  |

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

The change in fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the three month period ended March 31, 2018. Before the impact of taxes, losses of €119.8 million were recorded in other comprehensive income (€78.7 million net of taxes).

### 9.3.2. Interest rate swaps

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

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

| Entity<br>Maturity           | Notional amount<br>due from<br>counterparty<br>(millions) | Notional amount<br>due to<br>counterparty<br>(millions) | Interest rate due from<br>counterparty | Interest rate due to<br>counterparty | Accounting<br>treatment |
|------------------------------|---|---|--|--------------------------------------|-------------------------|
| <b>Altice France S.A.</b>    |   |   |  |                                      |                         |
| January 2023                 | EUR 4,000   | EUR 4,000   | 3m EURIBOR                             | -0.12%                               | FVPL                    |
| <b>Altice Financing S.A.</b> |   |   |  |                                      |                         |
| May 2026                     | USD 720   | USD 720   | 1.81%                                  | 6m LIBOR                             | FVPL                    |
| January 2023                 | EUR 750   | EUR 750   | 3m EURIBOR                             | -0.13%                               | FVPL                    |

## 9.4. Reconciliation to swap adjusted debt

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

| <b>Reconciliation to swap adjusted debt<br/>(€m)</b>                          | <b>March 31,<br/>2018</b> | <b>December 31,<br/>2017<br/>(revised*)</b> |
|---|---------------------------|---|
| <b>Debentures and loans from financial institutions</b>                       | <b>32,782.3</b>           | <b>49,940.7</b>                             |
| Transaction costs   | 339.2                     | 546.9                                       |
| Fair value adjustments  | (3.9)                     | 150.0                                       |
| <b>Total (excluding transaction costs and fair value adjustments)</b>         | <b>33,117.6</b>           | <b>50,637.6</b>                             |
| Conversion of debentures and loans in foreign currency (at closing spot rate) | (26,585.3)                | (25,971.6)                                  |
| Conversion of debentures and loans in foreign currency (at hedged rates)      | 26,582.2                  | 25,470.7                                    |
| <b>Total swap adjusted value</b>  | <b>33,114.5</b>           | <b>50,136.7</b>                             |

## 9.5. Available credit facilities

| <b>Available credit facilities<br/>(€m)</b> | <b>Total facility</b> | <b>Drawn</b> |
|---|-----------------------|--------------|
| Altice France S.A.                          | 1,125.0               | 330.0        |
| Altice Financing S.A.                       | 911.0                 | 280.0        |
| Altice Luxembourg S.A.                      | 200.0                 | -            |
| <b>Revolving credit facilities</b>          | <b>2,236.0</b>        | <b>610.0</b> |

The facility at Altice Financing was drawn €120.0 million as at December 31, 2017. During the first quarter an additional net amount of €160.0 million was drawn for various purposes.

During the three month period ended March 31, 2018, an amount of €330.0 million was drawn by Altice France to fund the departure plan and other working capital related expenditures.

## 9.6. Other financial liabilities

| <b>Other financial liabilities<br/>(€m)</b> | <b>March 31, 2018</b> |                    |                | <b>December 31, 2017 (revised*)</b> |                    |                |
|---|-----------------------|--------------------|----------------|-------------------------------------|--------------------|----------------|
|   | <b>Current</b>        | <b>Non-current</b> | <b>Total</b>   | <b>Current</b>                      | <b>Non-current</b> | <b>Total</b>   |
| Collateralised debt - Comcast               | -                     | -                  | -              | -                                   | 1,122.5            | 1,122.5        |
| Reverse factoring and securitisation        | 1,072.5               | -                  | 1,072.5        | 1,032.7                             | -                  | 1,032.7        |
| Accrued interest                            | 443.0                 | -                  | 443.0          | 1,001.9                             | -                  | 1,001.9        |
| Put options with non-controlling interests  | 127.8                 | 203.9              | 331.7          | -                                   | 301.6              | 301.6          |
| Deposits received                           | 45.5                  | 155.0              | 200.5          | 52.0                                | 148.0              | 200.0          |
| Finance leases                              | 65.0                  | 55.2               | 120.3          | 56.8                                | 95.3               | 152.1          |
| Bank overdraft                              | 17.8                  | -                  | 17.8           | 80.3                                | -                  | 80.3           |
| Commercial paper                            | -                     | -                  | -              | 34.0                                | -                  | 34.0           |
| Other                                       | 93.3                  | 196.6              | 289.8          | 136.3                               | 295.7              | 432.0          |
| <b>Total</b>                                | <b>1,864.9</b>        | <b>610.7</b>       | <b>2,475.6</b> | <b>2,394.0</b>                      | <b>1,963.1</b>     | <b>4,357.1</b> |

The current portion of €1,864.9 million decreased by €529.0 million compared to December 31, 2017 while the non-current portion decreased by €1,352.4 million compared to December 31, 2017 to €610.7 million. Details of the main items within the caption, and the movements from the prior period, are detailed below.

### 9.6.1. Collateralised debt – Comcast

This indebtedness in Altice USA is collateralized by the investment in the listed stock of Comcast. For the three months ended March 31, 2018, the collateralised debt has been classified as held for sale and therefore not reported in other financial liabilities.

### 9.6.2. Put options with non-controlling interests

The Group executes agreements with the non-controlling interests in certain acquisitions whereby the non-controlling interests have the option to sell their non-controlling interests to the Group. These instruments are measured at their fair value at the balance sheet date (please refer to note 10 for further information). On August 27, 2015, Altice Content Luxembourg (a company 75% owned by Altice and 25% owned by News Participations, a company controlled by Alain Weill) acquired Groupe News Participations SAS, the holding company of NextradioTV (the “NextradioTV Transaction”). In May 2016, Altice transferred its participation in Altice Content Luxembourg to Altice France. In the context of the NextradioTV transaction, News Participations has granted to Altice a call option on the Altice Content Luxembourg securities held by News Participations. In addition, Altice has granted to News Participations a put option on the Altice Content Luxembourg securities held by News Participations. During the second quarter of 2018, the call option has been exercised for an amount of €100.0 million.

### 9.6.3. Deposits received

Altice France receives deposits from customers largely in relation to equipment that it provides customers that Altice France retains ownership of.

### 9.6.4. Reverse factoring and securitization

Through the use of reverse factoring structures, the Group improves the financial efficiency of its supply chain by reducing requirements for working capital. The year on year increase is due to the combination of an increase in spending with existing suppliers and new suppliers having joined the various reverse factoring programmes that the Group maintains and due to Altice France securing certain B2B receivables, also reducing need of working capital flows.

### 9.6.5. Commercial paper

During the three month period ended March 31, 2018, Altice France repayed the borrowings made under its commercial paper programme.

### 9.6.6. Bank overdraft

Bank overdrafts consist of temporary overdrafts on bank accounts.

## 10. Fair value of financial assets and liabilities

### 10.1. Fair value of assets and liabilities

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

| Fair values of assets and liabilities<br>(€m)   | March 31, 2018  |                 | December 31, 2017 (revised*) |                 |
|---|-----------------|-----------------|------------------------------|-----------------|
|   | Carrying value  | Fair value      | Carrying value               | Fair value      |
| Cash and cash equivalents                       | 961.4           | 961.4           | 1,239.0                      | 1,239.0         |
| Restricted cash                                 | 167.9           | 167.9           | 168.1                        | 168.1           |
| Derivatives                                     | -               | -               | 88.8                         | 88.8            |
| Other financial assets                          | 14.3            | 14.3            | 4.6                          | 4.6             |
| <b>Current assets</b>                           | <b>1,143.6</b>  | <b>1,143.6</b>  | <b>1,500.5</b>               | <b>1,500.5</b>  |
| Investment in Comcast                           | -               | -               | 1,431.0                      | 1,431.0         |
| Derivatives                                     | 644.3           | 644.3           | 884.8                        | 884.8           |
| Call options held by non-controlling interests  | 43.9            | 43.9            | 50.6                         | 50.6            |
| Other financial assets                          | 125.6           | 125.6           | 179.1                        | 179.1           |
| <b>Non-current assets</b>                       | <b>813.8</b>    | <b>813.8</b>    | <b>2,545.5</b>               | <b>2,545.5</b>  |
| Short term borrowings and financial liabilities | 880.2           | 880.2           | 1,729.3                      | 1,729.3         |
| Put options with non-controlling interests      | 127.8           | 127.8           | -                            | -               |
| Derivatives                                     | 14.3            | 14.3            | 63.6                         | 63.6            |
| Other financial liabilities                     | 1,737.1         | 1,737.1         | 2,394.0                      | 2,394.0         |
| <b>Current liabilities</b>                      | <b>2,759.4</b>  | <b>2,759.4</b>  | <b>4,186.9</b>               | <b>4,186.9</b>  |
| Long term borrowings and financial liabilities  | 31,902.0        | 30,895.3        | 48,211.4                     | 48,544.0        |
| Collateralised debt - Comcast                   | -               | -               | 1,122.5                      | 1,122.5         |
| Put options with non-controlling interests      | 203.9           | 203.9           | 301.6                        | 301.6           |
| Derivatives                                     | 2,025.4         | 2,025.4         | 1,848.0                      | 1,848.0         |
| Other financial liabilities                     | 406.8           | 406.8           | 539.0                        | 539.0           |
| <b>Non-current liabilities</b>                  | <b>34,538.1</b> | <b>33,531.4</b> | <b>52,022.5</b>              | <b>52,355.1</b> |

\* Please refer to note 17 for details about the revised information

During the three month period ended March 31, 2018, there were no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The Group's trade and other receivables and trade and other payables are not shown in the table above as their carrying amounts approximate their fair values.

#### 10.1.1. New put and call options

During the quarter the Group did not enter into new put-call contracts.

### 10.1.2. Fair value hierarchy

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

| Fair value measurement<br>(€m)               | Fair value<br>hierarchy | Valuation technique     | March 31,<br>2018 | December 31,<br>2017<br>(revised*) |
|--|-------------------------|-------------------------|-------------------|------------------------------------|
| <b>Financial Liabilities</b>                 |                         |                         |                   |                                    |
| Collateralised Debt - Comcast                | Level 2                 | Discounted cash flows   | -                 | 1,122.5                            |
| Derivative financial instruments             | Level 2                 | Discounted cash flows   | 2,039.7           | 1,911.6                            |
| Minority Put Option - Other                  | Level 3                 | Discounted cash flows   | 27.8              | -                                  |
| Minority Put Option - Teads                  | Level 3                 | Discounted cash flows   | 162.0             | 160.4                              |
| Minority Put Option - Intelcia               | Level 3                 | Discounted cash flows   | 41.9              | 41.2                               |
| Minority Put Option - GNP                    | Level 3                 | Discounted cash flows   | 100.0             | 100.0                              |
| <b>Financial Assets</b>                      |                         |                         |                   |                                    |
| Derivative financial instruments             | Level 2                 | Discounted cash flows   | 644.3             | 973.7                              |
| Investment in Comcast shares                 | Level 1                 | Quoted share price      | -                 | 1,431.0                            |
| Minority Call option - Teads                 | Level 3                 | Black and Scholes model | 8.0               | 10.6                               |
| Minority Call option - Parilis               | Level 3                 | Black and Scholes model | 18.1              | 18.8                               |
| Minority Call option - Intelcia              | Level 3                 | Black and Scholes model | 17.9              | 21.2                               |
| Available for sale assets - Partner Co. Ltd. | Level 1                 | Quoted share price      | 4.6               | 6.7                                |

\* Please refer to note 17 for details about the revised information

### 10.2. Level 3 financial instruments

| Change in fair value of level 3 instruments<br>(€m)        | Minority put<br>options | Minority call<br>options | March 31,<br>2018 |
|--|-------------------------|--------------------------|-------------------|
| <b>Opening balance</b>                                     | <b>(301.6)</b>          | <b>50.6</b>              | <b>(251.0)</b>    |
| Additions/disposals  | (27.8)                  | -                        | (27.8)            |
| Change in value of minority put options recorded in equity | (2.3)                   | (6.7)                    | (9.0)             |
| Gains or losses recognised in profit or loss               | -                       | -                        | -                 |
| <b>Closing balance</b>                                     | <b>(331.7)</b>          | <b>43.9</b>              | <b>(287.8)</b>    |

| Change in fair value of level 3 instruments<br>(€m) | Minority put<br>options | Minority call<br>options | December 31,<br>2017 |
|---|-------------------------|--------------------------|----------------------|
| <b>Opening balance</b>                              | <b>(2,913.1)</b>        | <b>28.4</b>              | <b>(2,884.7)</b>     |
| Additions   | (160.4)                 | 10.6                     | (149.8)              |
| US put and call options cancelled                   | 2,812.3                 | (1.7)                    | 2,810.6              |
| Re-measurement (variation)                          | (40.4)                  | -                        | (40.4)               |
| Gains or losses recognised in profit or loss        | -                       | 13.3                     | 13.3                 |
| <b>Closing balance (revised*)</b>                   | <b>(301.6)</b>          | <b>50.6</b>              | <b>(251.0)</b>       |

\* Please refer to note 17 for details about the revised information

## 11. Taxation

| Tax expense<br>(€m)  | Three months ended<br>March 31, 2018 | Three months ended<br>March 31, 2017 |
|--|--------------------------------------|--------------------------------------|
| Loss before income tax and share of earnings of associates | (427.6)                              | (156.9)                              |
| Income tax benefit   | 72.5                                 | 38.2                                 |
| <b>Effective tax rate</b>                                  | <b>17%</b>                           | <b>24%</b>                           |

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

The Group recorded an income tax benefit of €72.5 million for the three month period ended March 31, 2018, reflecting an effective tax rate of 17% compared to an income tax benefit of €38.2 million for the three month period ended March 31, 2017, reflecting an effective tax rate of 24%. Non-deductible financial expenses and provisions (mainly penalties related to gun jumping in Portugal, please refer to note 13.2.1) had the impact of lowering the Group's effective tax rate for the three month period ended March 31, 2018 and 2017.

### 11.1. Income tax litigation

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

## 12. Contractual obligations and commercial commitments

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

## 13. Litigation

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

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

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

### 13.1. France

#### 13.1.1. *CLCV's summons and complaint against Altice France*

On January 7, 2013, the consumer association CLCV filed a complaint against Altice France in the Paris Commercial Court. CLCV claimed that some of the clauses in Altice France's general terms of subscription, and those of some other telephone operators, were unfair. It also asked for compensation for the collective loss suffered. The Paris District Court ruled that the clauses were unfair. On February 24, 2015, the Paris District court ruled that eight clauses included in the general terms of subscription were unfair and ordered Altice France to publish the ruling on its website and three daily print publications. Altice France was also asked to pay € 30,000 in damages to the CLCV. This decision was not executory and Altice France appealed this ruling on April 16, 2015. The case was pleaded before the court of appeals of Paris on October 19, 2017.

On March 30, 2018, the court of appeals of Paris ruled that seven (of the fifty or so clauses which the CLCV claimed were unfair/abusive) were unfair and demanded that Altice France publish the entire ruling on its website preceded by the phrase, 'legal communiqué' and ordered Altice France to remove said clauses from the general terms of subscription with a penalty of upto 300 euros per day of delay.

#### 13.1.2. *Altice France against Iliad, Free and Free mobile: unfair competition by disparagement*

On May 27, 2014, Altice France filed a complaint against Iliad, Free and Free Mobile in the Paris Commercial Court for unfair competition claiming that when Free Mobile was launched and afterwards, Iliad, Free and Free Mobile were guilty of disparaging Altice France services. Altice France claimed €493 million in damages.

On September 9, 2016, by pleadings on counterclaims, Free requested the court to judge that Altice France denigrated their capacities and services and claimed €475 million in damages. The Paris Commercial Court rendered its judgment on January 29, 2018. The Court sentenced Free Mobile to pay to Altice France €20 million as moral damage as a result of unfair competition made by disparagement.

In addition, the court sentenced Altice France to pay to Free Mobile €25 million as moral and material damage as a result of unfair competition made by disparagement.

Accordingly, the court sentences, as compensation, Altice France to pay to Free Mobile €5 million as damages. This decision has not yet been made executory.

### 13.1.3. *Canal Plus Group (GCP) against Altice France and NC Numericable*

On October 4, 2017, GCP summoned Altice France and NC Numericable before Paris Commercial Court. GCP claimed that both Altice France and NC Numericable breached their contractual obligations and notably:

- the marketing of substitute products to the GCP allowing customer poaching from GCP offers to the benefit of « Altice » offers;
- the decrease of GCP's offers promotions;
- the promotion of migration of the subscribers base in favour of FTTB offer, which does not allow access to Canalsat offer;
- misleading advertising on contents (ex : « Le Grand Football est chez Altice France »);
- the refusal to set up new offers ;
- the modification of the GCP channels numbering;
- the GCP channels denigration on SC platforms.

GCP requested the termination of the above under financial penalty of thirty thousand euros per day, and damages in the amount of €174 million. Altice France fully contests the facts and has initiated its own evaluation of damages suffered before initiating its own demands against Canal Plus.

## 13.2. **Portugal**

### 13.2.1. *European Commission Investigation*

After having approved the acquisition of PT Portugal by the Group on April 20, 2015, the European Commission initiated an investigation into infringement by the Group of the obligation of prior notification of concentrations under Article 4(1) of the Merger Regulation and/or of the stand-still obligation laid down in Article 7(1) of the Merger Regulation. The European Commission issued a statement of objections on May 18, 2017, informing the Group of the objections raised against it. The issuance of a statement of objections does not prejudice the outcome of the investigation and does not affect the approval granted by the European Commission for the acquisition of PT Portugal by the Group. The Group disagrees with the European Commission's preliminary conclusions and submitted on August 18, 2017 its answer to the statement of objections, in which it challenged each of the Commission's claims. A hearing took place in Brussels on September 21, 2017.

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

Further, the Group considers that the elements in the Commission's file do not establish the exercise of influence, as alleged by the Commission, by the Group over PT Portugal's business conduct neither prior to the merger notification to the Commission nor prior to the Commission's clearance. Besides, the Group's right to a due process was violated in several respects during the Commission's proceedings, in particular related to the investigation conducted by the Commission.

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

As of March 31, 2018, a liability of €124.5 million is recorded at Altice Portugal, as it is the acquiring entity of PT Portugal.

### 13.2.2. *Optimus - Interconnection agreement*

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

## 14. Related party transactions and balances

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

## 15. Going concern

As of March 31, 2018, the Group had net current liability position of €4,957.0 million (mainly due to trade payables amounting to €7,207.3 million) and a negative working capital of €2,150.2 million. During the three month period ended March 31, 2018, the Group registered a net loss of €356.7 million from continued operations and generated cash flows from operations of €847.3 million from continued operations.

As of March 31, 2018, the Group had a negative equity position of €711.4 million compared to €363.4 million as at December 31, 2017. The negative equity position decreased from the prior period due to higher accumulated losses.

The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short days of sales outstanding and suppliers are paid under standard commercial terms, thus generating a negative working capital. This is evidenced by the difference in the level of receivables and payables; €4,565.9 million compared to €7,207.3 million for the three month period ended March 31, 2018, as compared to €4,870.6 million and €8,368.8 million for the year ended December 31, 2017. Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of March 31, 2018, the Group’s short term borrowings mainly comprised mainly of debentures of HOT Telecom for an amount of €192.8 million and loans from financial institutions for Altice France and Altice Financing for €385.8 million and €297.7 million respectively. These short-term obligations are expected to be covered by the operating cash flows of the operating subsidiaries. As of March 31, 2018, the revolving credit facilities at Altice France and Altice Financing were drawn in an aggregate of €610.0 million. A listing of available credit facilities by silo is provided in note 9.5 and the amounts available per segments are sufficient to cover the short-term debt and interest expense needs of each of these segments if needed.

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

- The Group has a strong track record of generating positive adjusted EBITDA and operating cash flows:
  - Adjusted EBITDA amounted to €1,260.0 million, a decrease of 3.7% compared to the same period last year. This decrease in adjusted EBITDA is mainly linked to lower performance in France and Portugal segments.
  - Operating cash flows for the three month period ended March 31, 2018 were €847.3 million.

- The Group had healthy unrestricted cash reserves €961.4 million as of March 31, 2018, compared to €1,239.0 million as of December 31, 2017, which would allow it to cover any urgent cash needs. The Group can move its cash from one segment to another under certain conditions as allowed by its debentures and debt covenants. Cash reserves in operating segments carrying debt obligations were as follows:
  - France: €354 million
  - Altice International: €357.2 million
- Additionally, as of March 31, 2018, the Group had access to revolving credit facilities of up to €2,236.0 million (of which €610.0 million was drawn as of March 31, 2018) and has access to an equity market where it can issue additional equity.

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

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

## **16. Events after the reporting period**

### **16.1. Acquisition by Altice France of the minority stake held by News Participations in Altice Content Luxembourg**

On April 5, 2018, Altice France acquired the minority stake held by News Participations (NP) in Altice Content Luxembourg (ACL) for the amount of €100 million by exercising the call option it held on NP's 25% stake in ACL. This amount was recognized in liabilities as of March 31, 2018.

### **16.2. Termination of a material definitive agreement**

On April 23, 2018 (the "Redemption Date"), Cequel Communications Holdings I, LLC, a Delaware limited liability company and Cequel Capital Corporation, a Delaware corporation, each an indirect, wholly owned subsidiary of Altice USA, Inc. (collectively, the "Issuers"), redeemed in full the outstanding \$1,050,000,000 in aggregate principal amount of its 6.375% Senior Notes due 2020 (the "Notes"), which were issued pursuant to an indenture dated as of October 25, 2012, between the Issuers and U.S. Bank National Association, as trustee (the "Trustee"). The Notes were redeemed at a redemption price equal to 101.594% of the outstanding aggregate principal amount, plus accrued and unpaid interest on the Notes to the Redemption Date.

### **16.3. European Commission's Investigation**

On April 24, 2018, the European Commission has notified the Group of its decision to impose upon it a fine for an amount of €124.5 million. The Commission found that the Group infringed the prior notification obligation of a concentration under Article 4(1) of the EU Merger Regulation, and the stand-still obligation under Article 7(1) of the EU Merger Regulation. The Group fully disagrees with the Commission's decision and will file an appeal against the Commission's decision before the EU General Court to request that the decision as a whole be annulled or, at the very least, that the sanction be significantly reduced.

### **16.4. Exercise of the ATS call option**

In April 2018, the Group exercised the call option for the acquisition of the remaining 49% in ATS for a fixed price of €147 million, bearing interests at an annual rate of EURIBOR 1 month plus 3.5%. This amount will be paid in November 2018. As a result of the exercise of the call option, Altice N.V. ownership in ATS increased to 100%.

### **16.5. Separation of Altice USA from Altice N.V.**

On May 18, 2018, at the annual general meeting of Altice N.V., shareholders of Altice N.V. approved the intended separation of Altice USA from Altice N.V. (the "Separation"). The Separation is to be effected by a special distribution in kind by Altice N.V. of its 67.2% interest in Altice USA to Altice N.V. shareholders out of Altice N.V.'s share premium reserve (the "Distribution"). The Separation was announced by Altice N.V. on January 8, 2018.

### ***Key dates***

Altice N.V. shares were trading ex-dividend as of May 22, 2018 on Euronext Amsterdam. The Distribution record date was May 23, 2018. Each shareholder of Altice N.V. as of the Distribution record date is entitled to receive 0.4163 share of Altice USA common stock for every share held by such shareholder in Altice N.V.'s capital.

On May 24, 2018, Altice N.V. announced that the Distribution is expected to take place on June 8, 2018.

### ***Election of percentage of Altice USA Class A common stock and Class B common stock***

Between May 24, 2018 and June 4, 2018 ("the "Election Period"), each shareholder will be given the opportunity to elect the percentage of shares of Altice USA Class A common stock and shares of Altice USA Class B common stock such shareholder will receive in the Distribution, whereby the number of shares of Altice USA Class B common stock to be distributed will be subject to a cap of 50% of the total shares of Altice USA common stock being distributed (the "Class B Cap"); if the Class B Cap is exceeded, the shares of Altice USA Class B common stock delivered to Altice N.V.'s shareholders of record who elect to receive shares of Altice USA Class B common stock will be subject to proration, and such shareholders will receive shares of Altice USA Class A common stock in lieu of the portion of shares of Altice USA Class B common stock that is cut back. If a shareholder of Altice N.V. does not make an election, the Distribution will be paid to such shareholder in the form of Altice USA Class A common stock. Based on the final results of the election and any proration, Altice N.V. will convert shares of Class B common stock into the requisite number of shares of Class A common stock for the Distribution, Altice N.V. expects to announce the number of shares of Altice USA Class A common stock and Class B common stock to be distributed to its shareholders on June 7, 2018.

### ***EU Prospectus***

On May 24, 2018, Altice USA published a prospectus (the "EU Prospectus") in connection with the Distribution, which has been approved by the Dutch Authority for the Financial Markets. The prospectus that is included in Altice USA's registration statement on Form S-1, which was declared effective by the U.S. Securities and Exchange Commission (the "SEC") on May 23, 2018, is incorporated by reference into the EU Prospectus. Shareholders of Altice N.V. should carefully read the entire EU Prospectus before electing the percentage of shares of Altice USA Class A common stock and shares of Altice USA Class B common stock they wish to receive in the Distribution.

### ***Cash dividend to be paid by Altice USA***

On May 14, 2018, Altice USA announced that its Board of Directors had declared a one-time cash dividend of \$2.035 per share of Altice USA Class A common stock and Class B common stock. The dividend is payable to stockholders of record at the close of business on May 22, 2018. On May 24, 2018, Altice USA announced that the payment date for the one-time cash dividend will be June 6, 2018, two business days prior to the anticipated completion of the Distribution.

If the Master Separation Agreement entered into on May 18, 2018 by Altice N.V. and Altice USA in connection with the separation of Altice USA from Altice NV is terminated on or prior to the payment date of the dividend, the payment of the one-time cash dividend will not occur. Because the payment of the dividend is subject to a condition, as required by NYSE rules, Altice USA's Class A common stock will trade with "due-bills" representing an assignment of the right to receive the cash dividend beginning on May 21, 2018 (one business day prior to the record date) through the payment date, June 6, 2018, and will not trade ex-dividend until June 7, 2018, the first business day after the payment date. Stockholders who sell their shares of Altice USA Class A common stock on or before the payment date will not be entitled to receive the cash dividend.

### ***When-Issued Trading in Altice USA Class A Common Stock***

The NYSE has informed Altice USA that from commencement of the election period on May 24, 2018 through the consummation of the Distribution on June 8, 2018, shares of Altice USA's Class A common stock to be distributed to Altice NV shareholders in the Distribution will trade on a when-issued basis under the ticker symbol "ATUS-WI". This will be in addition to trading of Altice USA Class A common stock in the "regular way" market under the ticker symbol "ATUS". Buyers and sellers of Altice USA Class A common stock in the when-issued

market should consult their broker for additional information about when-issued trading before trading in Altice USA's Class A common stock in the when-issued market to be sure they understand the effect of the NYSE's when-issued trading procedures. Holders of shares of Altice USA Class A common stock trading on a when-issued basis will not be entitled to the Altice USA cash dividend. From and after June 11, 2018, all Altice USA Class A common stock will continue to trade in the regular way under ticker symbol "ATUS".

## 16.6. Cancellation of Common Shares A

On January 26, 2018, Altice announced its intention to cancel 370,000,000 common A shares. The cancellation of such shares was not effective as of March 31, 2018. It became effective on May 18, 2018.

## 17. Revised information

The statement of income had been revised as of and for the three month period ended March 31, 2017 to take into account the impacts of the classification of Altice USA as discontinued operations as per IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations* and the adoption of IFRS 15 *Revenue from Contracts with Customers* by the Group.

| Consolidated Statement of Income<br>(€m)                          | Three months ended<br>March 31, 2017<br>reported discontinued operation | Revision<br>Altice USA | Revision<br>IFRS 15 | Three months ended<br>March 31, 2017<br>revised |
|---|---|------------------------|---------------------|---|
| <b>Revenues</b>   | <b>5,948.6</b>  | <b>(2,165.5)</b>       | <b>(48.6)</b>       | <b>3,734.4</b>                                  |
| Purchasing and subcontracting costs                               | (1,864.7)   | 711.7                  | (15.8)              | (1,168.8)                                       |
| Other operating expenses  | (1,122.3)   | 260.9                  | 15.4                | (846.0)   |
| Staff costs and employee benefits                                 | (744.6)   | 329.8                  | -                   | (414.8)   |
| Depreciation, amortization and impairment                         | (1,496.4)   | 572.9                  | (1.6)               | (925.2)   |
| Other expenses and income   | (158.3)   | 80.0                   | -                   | (78.2)  |
| <b>Operating profit</b>   | <b>562.2</b>  | <b>(210.1)</b>         | <b>(50.7)</b>       | <b>301.4</b>                                    |
| Interest relative to gross financial debt                         | (903.8)   | 374.1                  | -                   | (529.7)   |
| Other financial expenses  | (92.7)  | 67.0                   | -                   | (25.7)  |
| Finance income  | 192.3   | (95.0)                 | -                   | 97.3  |
| <b>Finance costs, net</b>   | <b>(804.2)</b>  | <b>346.0</b>           | <b>-</b>            | <b>(458.2)</b>                                  |
| Share of earnings of associates                                   | (1.5)   | 2.6                    | 0.1                 | 1.3   |
| <b>Loss before income tax from continuing operations</b>          | <b>(243.5)</b>  | <b>138.4</b>           | <b>(50.6)</b>       | <b>(155.6)</b>                                  |
| Income tax benefit  | 62.4  | (42.1)                 | 17.9                | 38.2  |
| <b>Loss for the period from continuing operations</b>             | <b>(181.1)</b>  | <b>96.4</b>            | <b>(32.7)</b>       | <b>(117.4)</b>                                  |
| <b>Discontinued operations</b>                                    |   |                        |                     |   |
| Profit/loss after tax for the period from discontinued operations | -   | (96.4)                 | -                   | (96.4)  |
| <b>Loss for the period</b>  | <b>(181.1)</b>  | <b>-</b>               | <b>(32.7)</b>       | <b>(213.8)</b>                                  |
| <i>Attributable to equity holders of the parent</i>               | <i>(138.3)</i>  | <i>-</i>               | <i>(27.4)</i>       | <i>(165.8)</i>                                  |
| <i>Attributable to non-controlling interests</i>                  | <i>(42.7)</i>   | <i>-</i>               | <i>(5.4)</i>        | <i>(48.0)</i>                                   |

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

| <b>Consolidated Statement of Financial Position<br/>(€m)</b>                   | <b>As of<br/>December 31, 2017<br/>Reported</b> | <b>Revision<br/>IFRS15</b> | <b>As of<br/>December 31, 2017<br/>Revised</b> | <b>Adjustment<br/>IFRS 9</b> | <b>As of<br/>January 1, 2018<br/>Adjusted<br/>IFRS9</b> |
|--|---|----------------------------|--|------------------------------|---|
| <b>Non-current assets</b>  |   |                            |  |                              |   |
| Goodwill   | 22,302.4  | -                          | 22,302.4                                       | -                            | 22,302.4  |
| Intangible assets  | 24,502.3  | (238.3)                    | 24,264.0                                       | -                            | 24,264.0  |
| Property, plant & equipment  | 15,161.4  | -                          | 15,161.4                                       | -                            | 15,161.4  |
| Contract costs   | -   | 256.7                      | 256.7  | -                            | 256.7   |
| Investment in associates   | 49.4  | -                          | 49.4   | -                            | 49.4  |
| Financial assets   | 2,545.5   | -                          | 2,545.5  | -                            | 2,545.5   |
| Deferred tax assets  | 157.3   | (5.0)                      | 152.3  | 19.6                         | 172.0   |
| Other non-current assets   | 466.9   | -                          | 466.9  | (4.1)                        | 462.7   |
| <b>Total non-current assets</b>  | <b>65,185.2</b>                                 | <b>13.4</b>                | <b>65,198.6</b>                                | <b>15.5</b>                  | <b>65,214.1</b>   |
| <b>Current assets</b>  |   |                            |  |                              |   |
| Inventories  | 461.4   | -                          | 461.4  | -                            | 461.4   |
| Contract assets  | -   | 302.3                      | 302.3  | (13.3)                       | 289.0   |
| Trade and other receivables  | 4,870.6   | -                          | 4,870.6  | (43.6)                       | 4,827.0   |
| Current tax assets   | 235.0   | -                          | 235.0  | -                            | 235.0   |
| Financial assets   | 93.4  | -                          | 93.4   | -                            | 93.4  |
| Cash and cash equivalents  | 1,239.0   | -                          | 1,239.0  | -                            | 1,239.0   |
| Restricted cash  | 168.1   | -                          | 168.1  | -                            | 168.1   |
| <b>Total current assets</b>  | <b>7,067.5</b>                                  | <b>302.3</b>               | <b>7,369.8</b>                                 | <b>(56.9)</b>                | <b>7,312.9</b>  |
| <i>Assets classified as held for sale</i>                                      | <i>184.3</i>                                    | <i>-</i>                   | <i>184.3</i>                                   | <i>-</i>                     | <i>184.3</i>  |
| <b>Total assets</b>  | <b>72,437.0</b>                                 | <b>315.7</b>               | <b>72,752.7</b>                                | <b>(41.4)</b>                | <b>72,711.3</b>   |
| Issued capital   | 76.5  | -                          | 76.5   | -                            | 76.5  |
| Treasury shares  | (370.1)   | -                          | (370.1)  | -                            | (370.1)   |
| Additional paid in capital   | 2,572.8   | 33.1                       | 2,605.9  | -                            | 2,605.9   |
| Other reserves   | (807.7)   | (3.7)                      | (811.4)  | -                            | (811.4)   |
| Accumulated losses   | (3,296.7)                                       | 189.4                      | (3,107.3)                                      | (11.4)                       | (3,118.7)   |
| <b>Equity attributable to owners of the Company</b>                            | <b>(1,825.2)</b>                                | <b>218.8</b>               | <b>(1,606.4)</b>                               | <b>(11.4)</b>                | <b>(1,617.8)</b>  |
| Non-controlling interests  | 1,244.2   | (1.3)                      | 1,242.9  | -                            | 1,242.9   |
| <b>Total equity</b>  | <b>(581.0)</b>                                  | <b>217.4</b>               | <b>(363.5)</b>                                 | <b>(11.4)</b>                | <b>(374.9)</b>  |
| <b>Non-current liabilities</b>   |   |                            |  |                              |   |
| Long term borrowings, financial liabilities and related hedging instruments    | 50,059.4  | -                          | 50,059.4                                       | (56.0)                       | 50,003.4  |
| Other financial liabilities  | 1,963.1   | -                          | 1,963.1  | 11.2                         | 1,974.3   |
| Provisions   | 1,484.0   | (4.1)                      | 1,479.8  | -                            | 1,479.8   |
| Deferred tax liabilities   | 4,355.2   | 95.9                       | 4,451.1  | 14.9                         | 4,466.0   |
| Contract liabilities   | -   | 471.9                      | 471.9  | -                            | 471.9   |
| Other non-current liabilities  | 637.7   | (471.9)                    | 165.8  | -                            | 165.8   |
| <b>Total non-current liabilities</b>   | <b>58,499.4</b>                                 | <b>91.7</b>                | <b>58,591.1</b>                                | <b>(30.0)</b>                | <b>58,561.1</b>   |
| <b>Current liabilities</b>   |   |                            |  |                              |   |
| Short-term borrowings, financial liabilities                                   | 1,792.9   | -                          | 1,792.9  | -                            | 1,792.9   |
| Other financial liabilities  | 2,394.0   | -                          | 2,394.0  | -                            | 2,394.0   |
| Trade and other payables   | 8,368.8   | -                          | 8,368.8  | -                            | 8,368.8   |
| Contract liabilities   | -   | 811.9                      | 811.9  | -                            | 811.9   |
| Current tax liabilities  | 205.4   | -                          | 205.4  | -                            | 205.4   |
| Provisions   | 542.4   | -                          | 542.4  | -                            | 542.4   |
| Other current liabilities  | 1,110.4   | (805.4)                    | 305.0  | -                            | 305.0   |
| <b>Total current liabilities</b>   | <b>14,413.8</b>                                 | <b>6.6</b>                 | <b>14,420.4</b>                                | <b>-</b>                     | <b>14,420.4</b>   |
| <i>Liabilities directly associated with assets classified as held for sale</i> | <i>104.7</i>                                    | <i>-</i>                   | <i>104.7</i>                                   | <i>-</i>                     | <i>104.7</i>  |
| <b>Total liabilities</b>   | <b>73,018.0</b>                                 | <b>98.2</b>                | <b>73,116.2</b>                                | <b>(30.0)</b>                | <b>73,086.2</b>   |
| <b>Total equity and liabilities</b>  | <b>72,437.0</b>                                 | <b>315.7</b>               | <b>72,752.7</b>                                | <b>(41.4)</b>                | <b>72,711.3</b>   |

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

| <b>Consolidated Statement of Financial Position</b>                            | <b>As of<br/>December 31, 2016<br/>Published</b> | <b>Revision<br/>IFRS 15</b> | <b>As of<br/>January 1, 2017<br/>Revised</b> |
|--|--|-----------------------------|--|
| <b>(€m)</b>  |  |                             |  |
| <b>Non-current assets</b>  |  |                             |  |
| Goodwill   | 23,045.7   | -                           | 23,045.7                                     |
| Intangible assets  | 29,412.1   | (206.4)                     | 29,205.7                                     |
| Property, plant & equipment  | 16,256.8   | -                           | 16,256.8                                     |
| Contract costs   | -  | 232.9                       | 232.9  |
| Investment in associates   | 65.7   | -                           | 65.7   |
| Financial assets   | 3,615.8  | -                           | 3,615.8                                      |
| Deferred tax assets  | 113.6  | -                           | 113.6  |
| Other non-current assets   | 182.4  | -                           | 182.4  |
| <b>Total non-current assets</b>  | <b>72,692.1</b>                                  | <b>26.5</b>                 | <b>72,718.6</b>                              |
| <b>Current assets</b>  |  |                             |  |
| Inventories  | 394.8  | -                           | 394.8  |
| Contracts assets   | -  | 398.0                       | 398.0  |
| Trade and other receivables  | 4,600.5  | -                           | 4,600.5                                      |
| Current tax assets   | 179.2  | -                           | 179.2  |
| Financial assets   | 758.6  | -                           | 758.6  |
| Cash and cash equivalents  | 1,109.1  | -                           | 1,109.1                                      |
| Restricted cash  | 202.0  | -                           | 202.0  |
| <b>Total current assets</b>  | <b>7,244.2</b>                                   | <b>398.0</b>                | <b>7,642.2</b>                               |
| <i>Assets classified as held for sale</i>                                      | 476.0  | -                           | 476.0  |
| <b>Total assets</b>  | <b>80,412.3</b>                                  | <b>424.5</b>                | <b>80,836.8</b>                              |
| <br>   |  |                             |  |
| Issued capital   | 76.5   | -                           | 76.5   |
| Treasury shares  | -  | -                           | -  |
| Additional paid in capital   | 738.0  | -                           | 738.0  |
| Other reserves   | (564.8)  | -                           | (564.8)                                      |
| Accumulated losses   | (2,779.5)  | 244.3                       | (2,535.2)                                    |
| <b>Equity attributable to owners of the Company</b>                            | <b>(2,529.8)</b>                                 | <b>244.3</b>                | <b>(2,285.5)</b>                             |
| Non-controlling interests  | 190.2  | 40.5                        | 230.7  |
| <b>Total equity</b>  | <b>(2,339.6)</b>                                 | <b>284.8</b>                | <b>(2,054.8)</b>                             |
| <b>Non-current liabilities</b>   |  |                             |  |
| Long term borrowings, financial liabilities and related hedging instruments    | 52,826.3   | -                           | 52,826.3                                     |
| Other financial liabilities  | 4,480.0  | -                           | 4,480.0                                      |
| Provisions   | 1,876.2  | (4.1)                       | 1,872.1                                      |
| Deferred tax liabilities   | 8,074.3  | 138.1                       | 8,212.4                                      |
| Contract liabilities   | -  | 394.0                       | 394.0  |
| Other non-current liabilities  | 878.4  | (394.0)                     | 484.4  |
| <b>Total non-current liabilities</b>   | <b>68,135.2</b>                                  | <b>134.0</b>                | <b>68,269.2</b>                              |
| <b>Current liabilities</b>   |  |                             |  |
| Short-term borrowings, financial liabilities                                   | 1,342.3  | -                           | 1,342.3                                      |
| Other financial liabilities  | 3,491.9  | -                           | 3,491.9                                      |
| Trade and other payables   | 7,713.4  | -                           | 7,713.4                                      |
| Contract liabilities   | -  | 818.5                       | 818.5  |
| Current tax liabilities  | 298.4  | -                           | 298.4  |
| Provisions   | 658.8  | -                           | 658.8  |
| Other current liabilities  | 1,022.7  | (812.8)                     | 209.9  |
| <b>Total current liabilities</b>   | <b>14,527.5</b>                                  | <b>5.7</b>                  | <b>14,533.2</b>                              |
| <i>Liabilities directly associated with assets classified as held for sale</i> | 89.2   | -                           | 89.2   |
| <b>Total liabilities</b>   | <b>82,751.9</b>                                  | <b>139.7</b>                | <b>82,891.6</b>                              |
| <b>Total equity and liabilities</b>  | <b>80,412.3</b>                                  | <b>424.5</b>                | <b>80,836.8</b>                              |

The statement of cash flow had been revised for the three month period ended March 31, 2017 following the discontinued operation of Altice USA and IFRS 15 adjustments.

| <b>Consolidated Statement of Cash Flows</b>  | <b>Three month ended<br/>March 31, 2017</b> | <b>Elimination Altice<br/>USA<br/>for the three<br/>months<br/>ended March 31,<br/>2017</b> | <b>Adjustments for<br/>IFRS 15<br/>for the three<br/>months<br/>ended March 31,<br/>2017</b> | <b>Three month<br/>ended<br/>March 31, 2017</b> |
|--|---|---|--|---|
|  | <b>Reported</b>                             |   |  | <b>Revised</b>                                  |
| <b>(€m)</b>  |   |   |  |   |
| <b>Net (loss) including non-controlling interests</b>                              | <b>(181.0)</b>                              | <b>96.3</b>   | <b>(32.7)</b>  | <b>(117.4)</b>                                  |
| Adjustments for:   |   |   |  |   |
| Depreciation, amortization and impairment  | 1,496.4                                     | (572.9)   | 1.7  | 925.2   |
| Share in income of associates  | 1.5   | (2.7)   | (.1)   | (1.3)   |
| Expenses related to share based payment  | 37.6  | (7.3)   | -  | 30.3  |
| Other non-cash operating (losses)/gains, net                                       | 109.1                                       | (186.8)   | -  | (77.7)  |
| Pension liability payments   | (32.5)                                      | -   | -  | (32.5)  |
| Finance costs recognized in the statement of income                                | 804.2                                       | (346.0)   | -  | 458.2   |
| Income tax credit recognized in the statement of income                            | (62.4)                                      | 42.1  | (17.9)   | (38.2)  |
| Income tax paid  | (33.3)                                      | 1.4   | -  | (31.9)  |
| Changes in working capital   | (392.0)                                     | 196.6   | 50.0   | (145.4)   |
| <b>Net cash provided by operating activities</b>                                   | <b>1,747.6</b>                              | <b>(779.3)</b>  | <b>1.0</b>   | <b>969.2</b>                                    |
| Payments to acquire tangible and intangible assets                                 | (1,106.7)                                   | 242.8   | (1.0)  | (864.9)   |
| Payments to acquire financial assets   | (2.9)                                       | -   | -  | (2.9)   |
| Proceeds from disposal of tangible, intangible and financial assets                | 21.0  | -   | -  | 21.0  |
| Payments to acquire interests in associates  | (12.3)                                      | -   | -  | (12.3)  |
| Payment to acquire subsidiaries, net   | (67.3)                                      | 43.2  | -  | (24.1)  |
| <b>Net cash used in investing activities</b>                                       | <b>(1,168.2)</b>                            | <b>286.0</b>  | <b>(1.0)</b>   | <b>(883.2)</b>                                  |
| Proceeds from issuance of debts  | 496.4                                       | (211.4)   | -  | 285.0   |
| Payments to redeem debt instruments  | (440.9)                                     | 172.2   | -  | (268.7)   |
| Transfers to restricted cash   | 19.5  | -   | -  | 19.5  |
| Interest paid  | (1,231.8)                                   | 495.6   | -  | (736.2)   |
| Other cash provided by financing activities  | 520.5                                       | (1.7)   | -  | 518.8   |
| <b>Net cash (used)/generated in financing activities</b>                           | <b>(636.3)</b>                              | <b>454.7</b>  | <b>-</b>   | <b>(181.6)</b>                                  |
| Classification of cash as held for sale  | (0.9)                                       | -   | -  | (0.9)   |
| Effects of exchange rate changes on the balance of cash held in foreign currencies | (2.1)                                       | 1.1   | -  | (1.0)   |
| <b>Net change in cash and cash equivalents</b>                                     | <b>(59.8)</b>                               | <b>(37.5)</b>   | <b>-</b>   | <b>(97.3)</b>                                   |
| Cash and cash equivalents at beginning of the year                                 | 1,109.1                                     | (396.4)   | -  | 712.7   |
| <b>Cash and cash equivalents at end of the year</b>                                | <b>1,049.3</b>                              | <b>(433.9)</b>  | <b>-</b>   | <b>615.4</b>                                    |