November 14, 2014

Q3-14 Results

Altice SA

Q3-14 Results - Highlights

Pro forma Financials[1]

- Revenue down 0.3% to €832m
  - down 0.7% constant currency
- EBITDA up 12% to €396m
  - up 12% constant currency
  - International EBITDA up 17%
  - International EBITDA margin expanded by 7.8 pts to 47.4%
- OpFCF[2] down 0.8% to €195m
  - International OpFCF up 9.4%

Recent Strategic Initiatives

- Increased NUM stake to 74.6%
  - Acquired C&C[3] 35% stake in NUM for €529m cash and 25m ATC shares
    - cash due in Jan-15
  - NUM ownership will reduce to 60.3% on close of SFR deal with Vivendi receiving 20%
- Received French Anti Trust approval on SFR deal
- Made offer for Portugal Telecom
  - Fully financed with debt and cash

Liquidity & Capital

- Numericable €4.7bn rights issue completed

Pro forma for SFR deal

- Consolidated net debt: €19bn
- Consolidated cash and undrawn RCF: €1.6bn

[1] Pro forma defined here & throughout presentation as pro forma results of the Altice S.A. group as if all acquisitions occurred on 1/1/13, unless otherwise stated.
[2] Defined here and throughout presentation as EBITDA – Capex
[3] Carlyle and Cinven.

Altice S.A

Key Operational Highlights

Israel

- Strong triple-play and hi-speed broadband growth
- Growing UMTS mobile service revenue
- Intense price competition continues in Mobile market
- Cable customers affected by poor customer service
- EBITDA margin expanded 7 pts to 49%

France

- Customer growth driving 3.0% cable revenue growth
- Multiplay subscribers grew by 6.3%
- Continuing shift to hi-speed broadband
- B2B increased due to data growth and LTI acquisition

Caribbean / Indian Ocean

Dom Rep

- EBITDA margin expanded 14 pts to 53%
- 11% cable customer growth
- 15% mobile post-pay sub growth

French Overseas

- EBITDA margin expanded 7 pts to 44%
- Strong shift from prepaid to postpaid mobile
- Focus on bundling leading to strong triple play growth

Portugal / Benelux

Portugal

- Intense competition, adverse macro economic conditions leading to cable customer losses and B2B declines
- Despite this, EBITDA grew 12%

Benelux

- Market leading EBITDA margins at 67%

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Pro Forma Consolidated Financials

€m		Q3-13	Q3-14	Reported Growth	Constant Currency Growth
Revenue	International	516	504	(2.3%)	(3.0%)
	France	319	329	3.0%	3.0%
	Total	**835**	**832**	**(0.3%)**	**(0.7%)**
EBITDA	International	204	239	17%	16%
	Margin (%)	*39.5%*	*47.4%*	*+7.8pp*	
	France	149	158	5.8%	5.8%
	Margin (%)	*46.7%*	*48.0%*	*+1.3pp*	
	Total	**353**	**396**	**12%**	**12%**
	Margin (%)	*42.3%*	*47.6%*	*+5.3pp*	
OpFCF	International	115	125	9.4%	8.6%
	France	82	70	(15%)	(15%)
	Total	**197**	**195**	**(0.8%)**	**(1.2%)**

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Pro Forma Consolidated Revenue

€m	Q3-13	Q3-14	Reported Growth	Constant Currency Growth
France	319	329	3.0%	3.0%
Israel	226	219	(3.0%)	(4.8%)
Dominican Republic	141	146	3.3%	3.8%
French Overseas Territories	62	60	(3.7%)	(3.7%)
Portugal	52	47	(11%)	(11%)
Benelux	18	18	1.5%	1.5%
Other	17	15	(13%)	(12%)
Total	835	832	(0.3%)	(0.7%)

- France grew due to cable customer growth and B2B growth
- Israel down due to iDEN decline and cable customer losses due to poor service
- Dom Rep up due to mobile postpay, cable customer and cable ARPU growth
- Portugal decline due to intense competition and adverse macroeconomic conditions

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Pro Forma Consolidated EBITDA

€m	Q3-13	Q3-14	Reported Growth	Constant Currency Growth
France	149	158	6%	6%
Israel	95	108	14%	12%
Dominican Republic	55	77	39%	40%
French Overseas Territories	23	26	14%	14%
Portugal	13	14	12%	12%
Benelux	11	12	12%	12%
Other	8	2	(80%)	(80%)
Total	**353**	**396**	**12%**	**12%**

- France up due to revenue growth and margin expansion
- Israel growth due to cost restructuring and new mobile roaming agreement
- Dom Rep growth due to cost restructuring / synergies
- FOT growth due to cost optimisation from ongoing fixed/mobile integration
- Other down due to increased corporate costs

Altice SA
Pro Forma Consolidated Capex

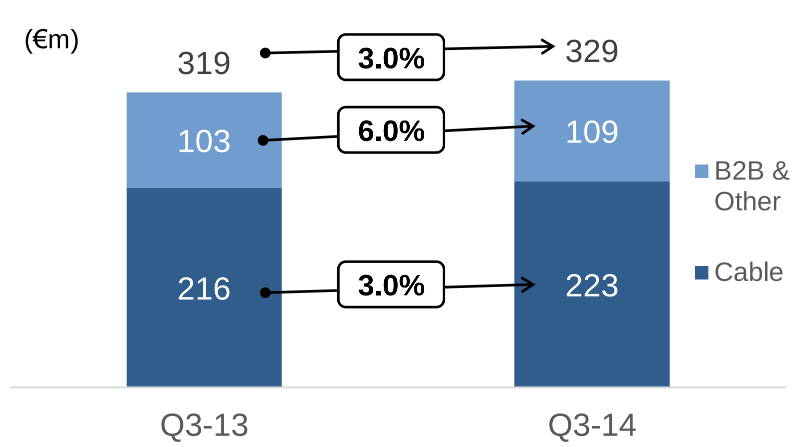
€m	Q3-13	Q3-14	Reported Growth	Constant Currency Growth
France	67	88	31%	31%
Israel	45	61	37%	34%
Dominican Republic	23	19	(17%)	(16%)
French Overseas Territories	8	14	64%	64%
Portugal	4	6	56%	56%
Benelux	5	5	2%	2%
Other	5	9	71%	72%
Total	**156**	**201**	**29%**	**28%**

- France capex up due to ongoing network upgrade
- Israel up due to network segmentation project, increased installation costs and HOT Fibre box costs
- Dom Rep capex down due to lower IT and mobile network spend and lower renegotiated costs
- FOT capex up due to upgrading network
- Other capex up due to new data centre in Switzerland

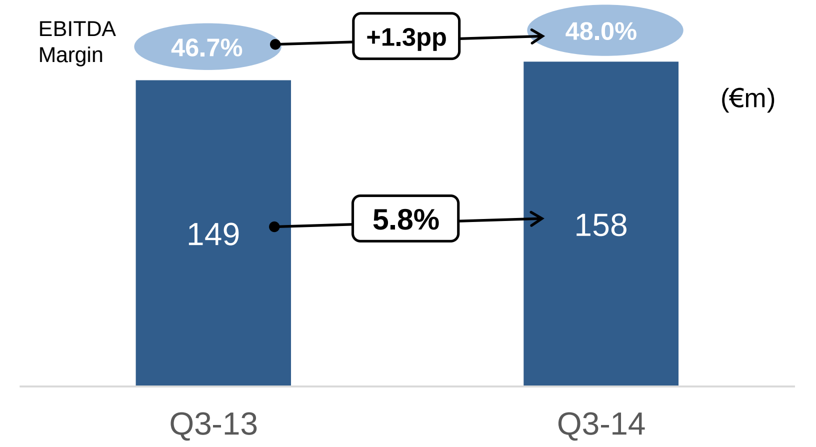
France

Improving revenue growth

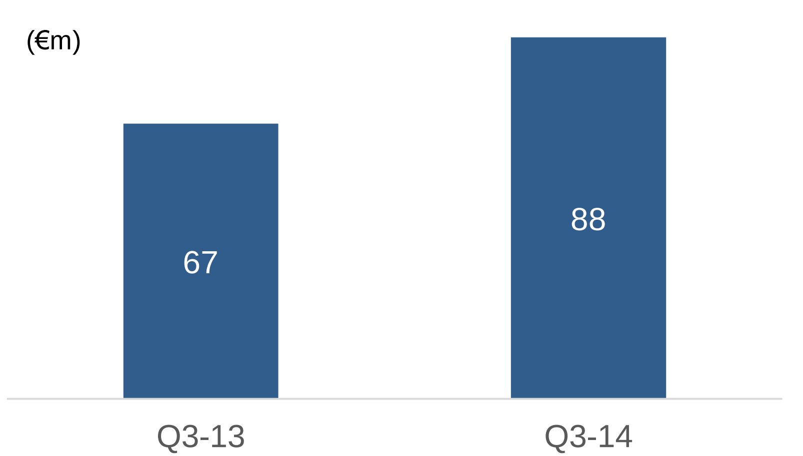
Revenue growth



EBITDA growth



Increased capex for Docsis 3.0 upgrade



Strong operational performance

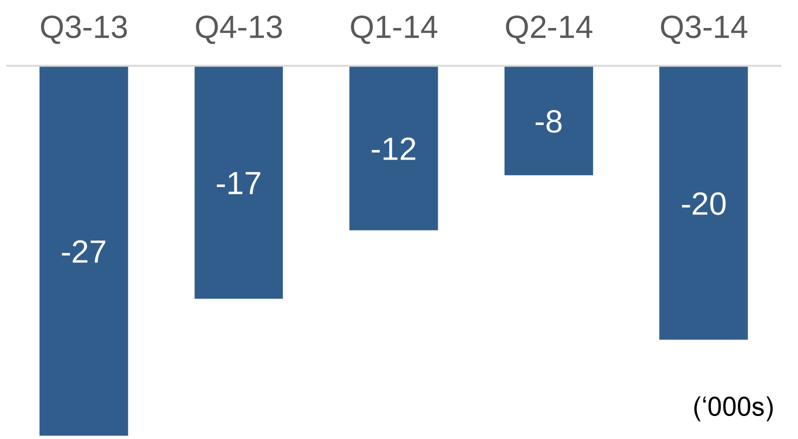
- Total individual users grew by 2.4% to 1.7m
- Multiplay base grew by 6.3% to 1.1m
- La Box penetration increased to 39% of multiplay
- B2B increased due to data growth and LTI acquisition
- Fibre homes passed increased 14% to 5.8m

Note: Revenue chart above does not break out intercompany elimination of €3m in Q3-14

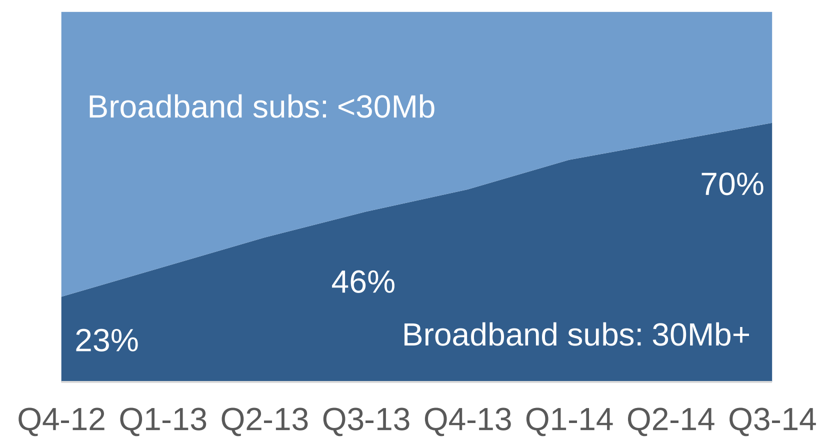
Israel - Cable

Improving mix but customer growth affected by customer service

Customer losses affected by customer service



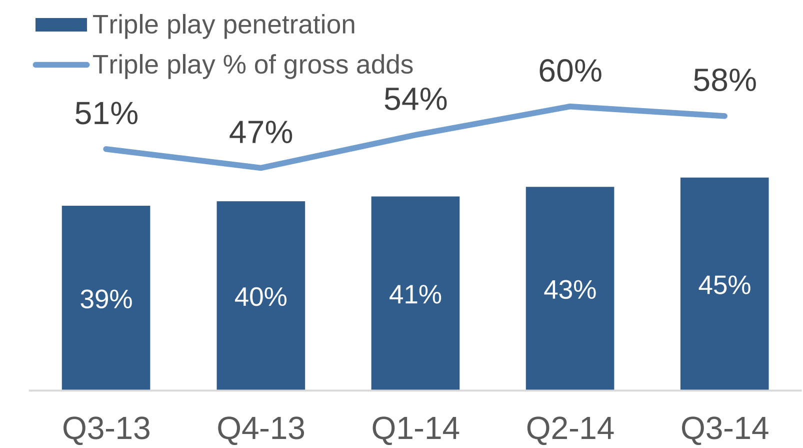
Improving broadband mix



Improving mix but issues in customer service

- Strong growth in triple play and hi-speed broadband
- Customer service issues
  - behind target on calls received / answer times
  - exacerbated by Gaza conflict
- Working hard to improve service with outsourcing partner
  - new Jerusalem call centre has opened
- Q4 customer decline to be similar to Q3

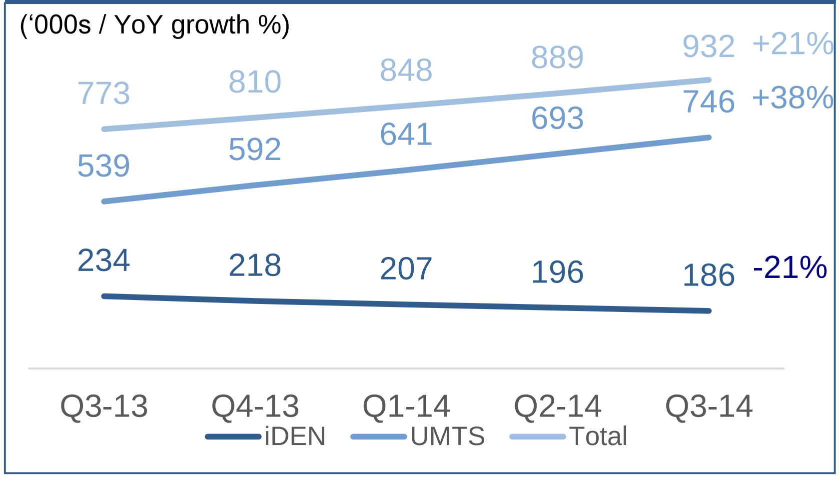
Growing triple-play



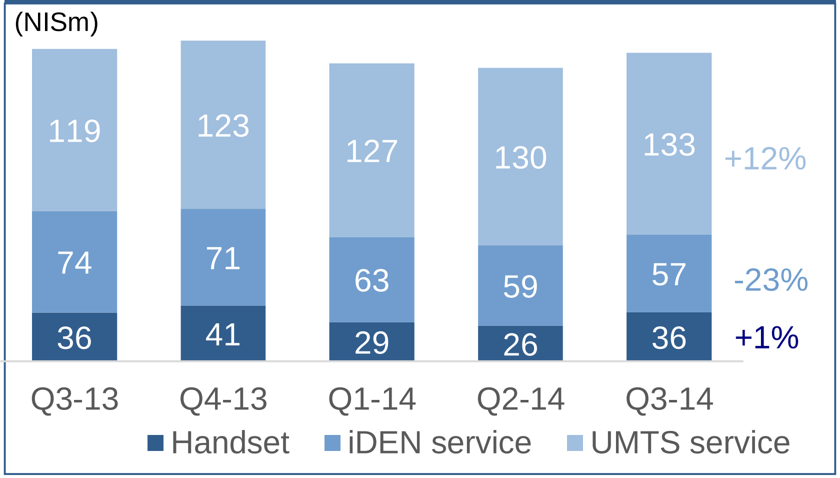
Israel - Mobile

UMTS service revenue up 12%

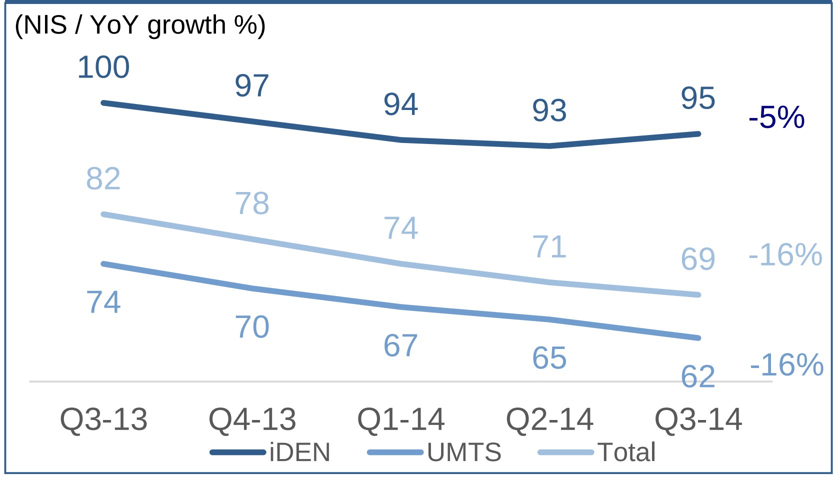
UMTS sub growth continues



UMTS Service revenue growth



UMTS ARPU under pressure



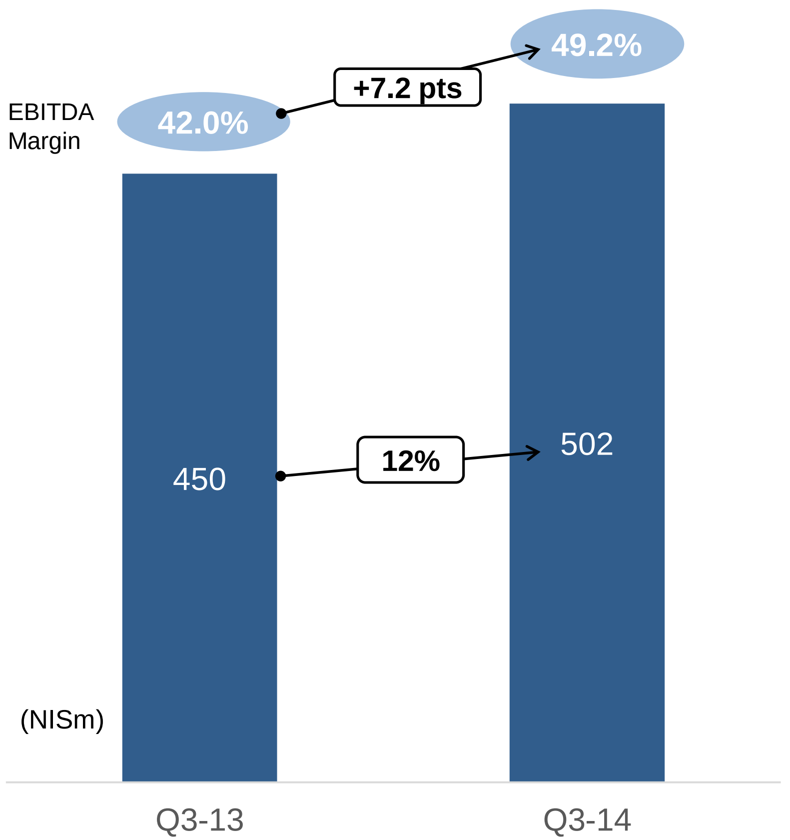
Competitive pressure in mobile market

- Price competition remains intense
- Acquisition pricing is below base ARPUs
- UMTS service revenue grew 12%
- iDEN service revenue declined as expected

Note: Revenue chart above does not include intercompany eliminations

Israel
Strong EBITDA growth despite revenue pressure

Strong EBITDA growth



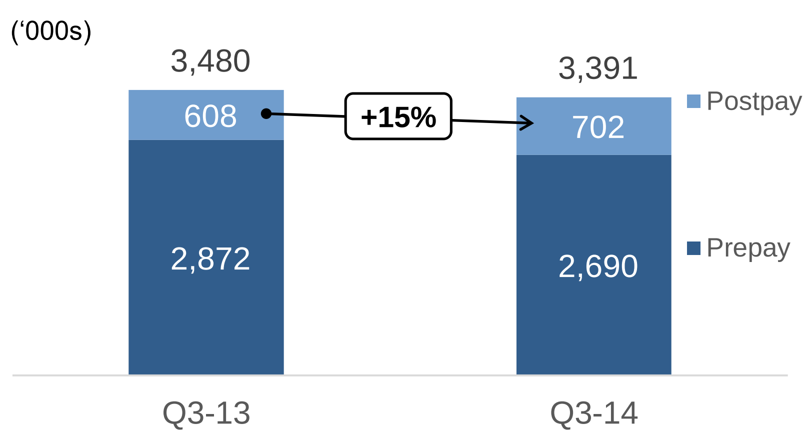
Successful cost restructuring

- Reduced headcount to 2,335
- Mobile roaming agreement saved c.€10m
- Reduced network maintenance spend

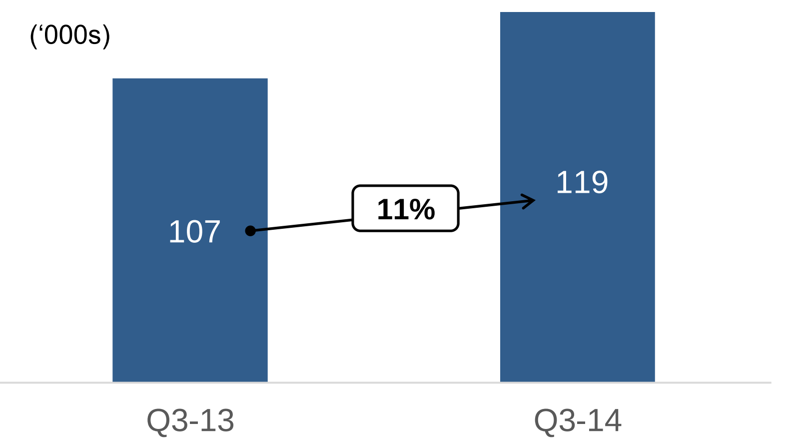
Note: Average Foreign Exchange Rates: Q3-13: ILS / Euro = 4.74, Q3-14: ILS / Euro = 4.66

Dominican Republic
Strong postpay and cable growth

Strong Mobile postpay sub growth



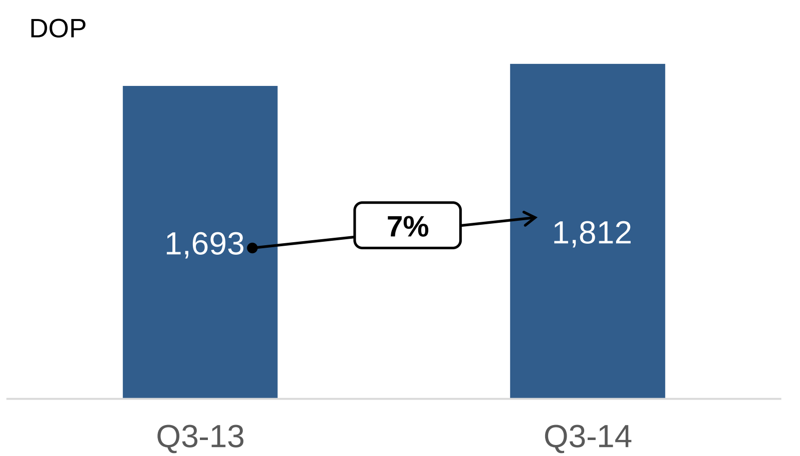
Strong Cable sub growth



Strong underlying performance

- Strong mobile postpay growth
- Regulator ruled that all prepay customers without valid ID be disconnected
- We disconnected 807k prepay customers for this reason in Q3-14
    - Over half of these would probably have churned anyway
- Strong growth in cable due to network roll-out and improved focus on triple-play

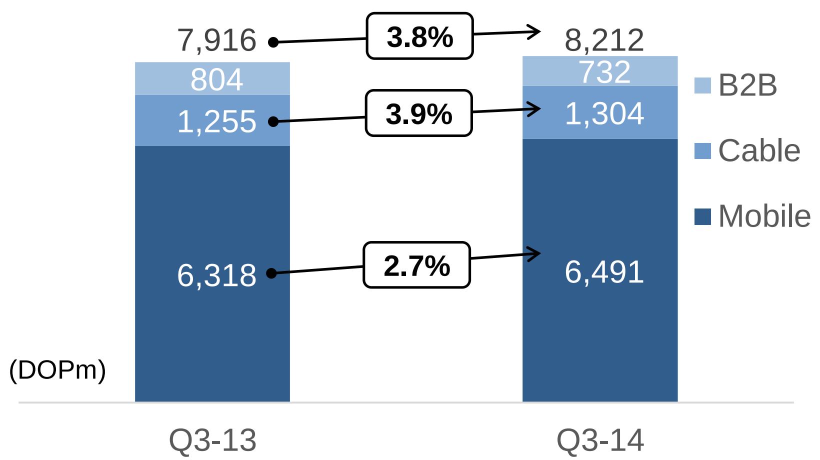
Strong Cable ARPU growth



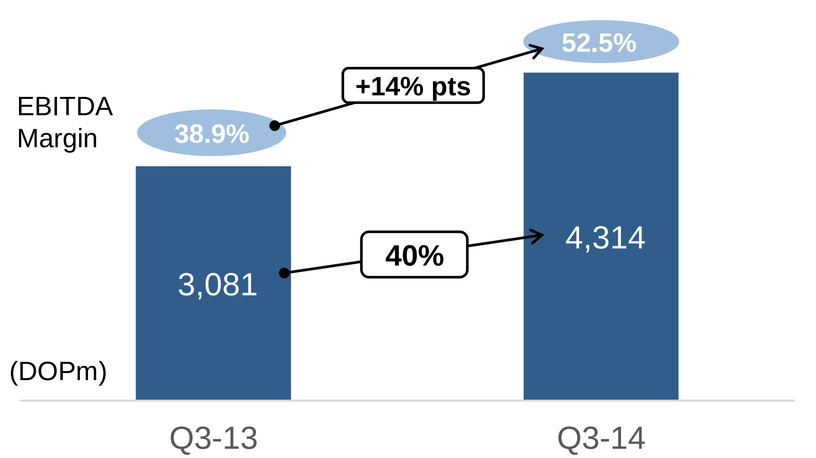
Dominican Republic

Strong EBITDA growth through cost restructuring and synergies

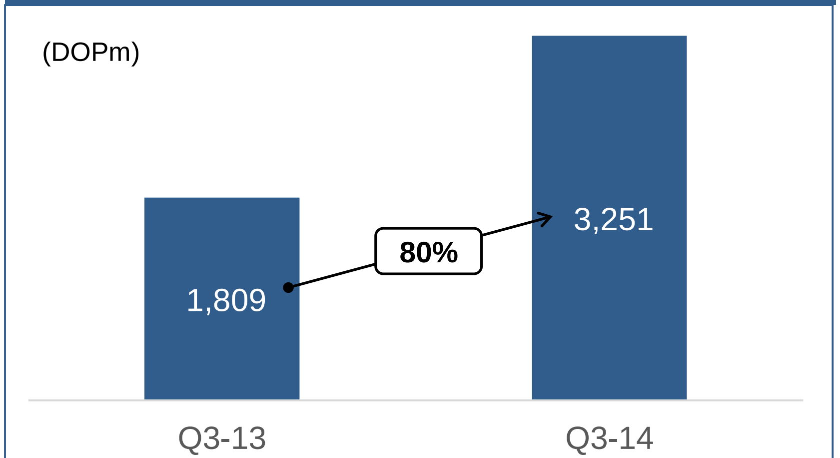
Revenue growth



Strong EBITDA and margin growth



Strong OpFCF growth



Cost restructuring

- Reduce Headcount to 2,158
- Reduced marketing spend (synergies / renegotiation)
- Renegotiated lower programming, IT & Network costs as per the Altice restructuring model

Note: Revenue chart above does not break out intercompany elimination of DOP 315m in Q3-14 and DOP 461m in Q3-13. Average Foreign Exchange Rates: Q3-13: DOP / Euro = 56.01, Q3-14: DOP / Euro = 56.25

Group Net Debt

Q3-14 Actual

Altice SA Consolidated	
Gross Debt:	€19.7bn
Total Cash	€13.6bn
Total Net Debt:	€6.1bn
Undrawn RCF	€593m

Altice SA	
Gross Debt:	€4.2bn
Cash:	€385m
Restricted Cash	€4.2bn
Net Debt:	**€(0.4)bn**
Un. RCF :	**€200m**

74.6%

France	
Gross Debt[1]:	€11.8bn
Cash:	€14m
Restr Cash:	€8.9bn
Net Debt:	**€2.9bn**
Un. RCF:	€250m

100%

International	
Gross Debt:	€3.7bn
Cash:	€141m
Net Debt:	**€3.6bn**
Un. RCF:	€143m

Pro Forma for SFR/C&C

Altice SA Consolidated	
Gross Debt:	€19.7bn
Total Cash	€556m
Total Net Debt:	€19.2bn
Undrawn RCF	€1,043m

Altice SA	
Gross Debt:	€4.2bn
Cash[2]:	€401m
Net Debt:	**€3.8bn**
Un. RCF :	**€200m**

60.3%[3]

France	
Gross Debt:	€11.8bn
Cash:	€14m
Net Debt:	**€11.8bn**
Un. RCF:	€700m

100%

International	
Gross Debt:	€3.7bn
Cash:	€141m
Net Debt:	**€3.6bn**
Un. RCF:	€143m

[1] Includes other debt of €46m (mainly leases) and FX adjustment of €97m on USD debt/USD escrow cash (relating to September 30 exchange rate of 1.2629 vs. swapped rate of 1.3827).
[2] Includes impact of overfunding/excess proceeds at SFR closing and C&C payment €529m payment
[3] PF for (i) NC rights issue, (ii) issuance of 20% stake of SFR to Vivendi at closing and (iii) Fiberman acquisition/pro-rata rights, Altice France will own 60.3%.


Thank You

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