Altice France S.A.

Condensed Interim ConsolidatedFinancial Statements

As of and for the six-month period ended June 30, 2020

Consolidated Statement of Income (€m)	**June 30, 2020**	**June 30, 2019 revised (*)**
Revenues	**5,243.8**	**5,164.2**
Purchasing and subcontracting costs	(1,401.7)	(1,389.7)
Other operating expenses	(912.7)	(872.5)
Staff costs and employee benefits	(501.5)	(495.5)
Depreciations, amortizations and impairments	(1,663.2)	(1,664.2)
Other expenses and income (**)	(26.3)	2,744.6
Operating profit	**738.5**	**3,486.7**
Finance income	17.0	4.3
Interest relative to gross financial debt	(385.3)	(434.6)
Realized and unrealized gains/(loss) on derivative instruments linked to financial debt	68.6	(162.2)
Other financial expenses	(80.6)	(98.3)
Net result on extinguishment of financial liabilities	-	(25.9)
Finance costs, net	**(380.3)**	**(716.6)**
Share of earnings of associates and joint ventures	(114.1)	(68.6)
Profit/(loss) before income tax from continuing operations	**244.1**	**2,701.5**
Income tax benefit/(expenses)	(159.5)	(34.3)
Profit/(loss) from continuing operations	**84.6**	**2,667.2**
Profit/(loss) after tax from discontinuing operations	**-**	**-**
Profit/(loss)	**84.6**	**2,667.2**
Attributable to equity holders of the parent	*46.1*	*2,639.1*
Attributable to non-controlling interests	*38.5*	*28.1*

(*) Refer to note 20 - *Assets (and liabilities) held for sale* in the 2019 annual consolidated financial statements.
(**) As of June 30, 2019, includes the capital gain due to the loss of control in SFR FTTH (€2,795.9 million).

Consolidated Statement of Other Comprehensive Income (€m)	**June 30, 2020**	**June 30, 2019 revised (*)**
Profit (loss)	**84.6**	**2,667.2**
Items that may be subsequently reclassified to profit or loss:		
Foreign currency translation adjustments	(0.2)	0.5
Cash flow hedges	24.2	89.8
Related taxes	(6.3)	(23.2)
Other items related to associates	0.1	0.1
Items that will not be subsequently reclassified to profit or loss:		
Actuarial gain (loss)	3.9	(13.1)
Related taxes	(1.0)	3.4
Total Comprehensive Profit (loss)	**105.4**	**2,724.8**
Of which:		
Attributable to equity holders of the parent	67.0	2,696.7
Attributable to non-controlling interests	38.4	28.1

Consolidated Statement of Financial Position (€m)	June 30, 2020	December 31, 2019
Assets		
Goodwill	11,042.7	11,076.3
Intangible assets	5,182.5	5,483.4
Contracts costs	145.9	159.6
Property, plant and equipment	6,305.1	6,323.1
Rights of use assets	3,413.6	3,418.6
Investments in associates and joint ventures	1,446.8	1,551.4
Financial assets	1,407.9	1,028.5
Deferred tax assets	97.3	230.7
Other assets	231.9	247.7
Total non-current assets	**29,273.6**	**29,519.2**
Inventories	393.3	348.5
Trade and other receivables	3,585.9	3,421.5
Contracts assets	191.9	217.4
Current tax assets	103.5	48.8
Financial assets	162.7	24.1
Cash and cash equivalents	482.1	556.8
Assets classified as held for sale	32.8	-
Total current assets	**4,952.0**	**4,617.0**
Total Assets	**34,225.7**	**34,136.3**

Consolidated Statement of Financial Position (€m)	June 30, 2020	December 31, 2019
Equity and liabilities		
Issued capital	443.7	443.7
Additional paid in capital	3,533.1	3,533.1
Reserves	490.8	446.0
Equity attributable to owners of the company	**4,467.6**	**4,422.8**
Non-controlling interests	**271.5**	**226.3**
Total equity	**4,739.1**	**4,649.2**
Borrowings, financial liabilities and relating hedging instruments	18,150.0	17,336.5
Lease liabilities	2,775.6	2,804.3
Other financial liabilities	304.9	312.0
Provisions	468.5	460.0
Non-current contracts liabilities	510.9	520.8
Deferred tax liabilities	13.3	44.2
Other liabilities	22.6	24.8
Total non-current liabilities	**22,245.8**	**21,502.7**
Borrowings, financial liabilities	330.6	426.7
Lease liabilities	688.9	675.6
Other financial liabilities	868.2	1,170.1
Trade and other payables	4,582.9	4,828.6
Contracts liabilities	531.4	501.7
Current tax liabilities	63.6	145.1
Provisions	120.3	149.5
Other liabilities	31.8	87.2
Liabilities directly associated with assets classified as held for sale	23.2	-
Total Current liabilities	**7,240.9**	**7,984.4**
Total Equity & liabilities	**34,225.7**	**34,136.3**

Consolidated Statement of Changes in Equity (€m)	Capital	Additional paid-in capital	Reserves	Other comprehensive income	Total	Non-controlling interests	Consolidated equity
Position at December 31, 2018	**443.7**	**5,403.1**	**(1,718.2)**	**(306.9)**	**3,821.7**	**216.4**	**4,038.1**
Transition - IFRS 16	-	-	40.0	-	40.0	-	40.0
Position at January 1st, 2019	**443.7**	**5,403.1**	**(1,678.1)**	**(306.9)**	**3,861.7**	**216.4**	**4,078.2**
Dividends paid	-	(820.0)	-	-	(820.0)	(22.6)	(842.6)
Comprehensive income	-	-	2,639.1	57.6	2,696.7	28.1	2,724.8
Share-based compensation	-	-	1.3	-	1.3	-	1.3
Other movements	-	-	(0.9)	-	(0.9)	(2.3)	(3.2)
Position at June 30, 2019 revised	**443.7**	**4,583.1**	**961.4**	**(249.3)**	**5,738.8**	**219.6**	**5,958.5**
Dividends paid	-	(1,050.0)	(501.4)	-	(1,551.4)	(25.1)	(1,576.5)
Comprehensive income	-	-	213.5	30.9	244.4	17.6	262.0
Share-based compensation	-	-	1.3	-	1.3	-	1.3
Other movements	-	-	(10.2)	-	(10.2)	14.3	4.0
Position at December 31, 2019	**443.7**	**3,533.1**	**664.5**	**(218.4)**	**4,422.8**	**226.3**	**4,649.2**
Comprehensive income (loss)	-	-	46.1	20.9	67.0	38.4	105.4
Share-based compensation	-	-	1.4	-	1.4	-	1.4
Additional participation in Rhon'Telecom and DSP (a)	-	-	(24.1)	-	(24.1)	7.5	(16.6)
Other movements	-	-	0.4	-	0.4	(0.8)	(0.3)
Position at June 30, 2020	**443.7**	**3,533.1**	**688.3**	**(197.6)**	**4,467.6**	**271.5**	**4,739.1**

a) Refer to Note 3 – *Change in scope*

Breakdown of Changes in Equity Related to Other Comprehensive Income (€m)	December 31, 2018	June 30, 2019	*Change*	December 31, 2019	June 30, 2020	*Change*
Hedging instruments	(418.3)	(328.4)	*89.8*	(274.6)	(250.4)	*24.2*
Related taxes	108.0	84.8	*(23.2)*	70.9	64.7	*(6.3)*
Actuarial gains and losses	0.8	(12.3)	*(13.1)*	(23.7)	(19.8)	*3.9*
Related taxes	(0.2)	3.2	*3.4*	5.4	4.4	*(1.0)*
Foreign currency translation adjustments	(1.0)	(0.5)	*0.5*	(0.8)	(1.0)	*(0.2)*
Items related to associates	3.7	3.8	*0.1*	4.0	4.2	*0.1*
Total	**(306.9)**	**(249.3)**	***57.6***	**(218.7)**	**(197.9)**	***20.8***

Consolidated Statement of Cash Flows **(€m)**	**June 30, 2020**	**June 30, 2019 revised (*)**
Net income (loss), Group share	**46.1**	**2,639.1**
Adjustments:		
Result attributable to non-controlling interests	38.5	28.1
Depreciations, amortizations and provisions	1,637.6	1,586.8
Share in net income (loss) of associates and joint-ventures	114.1	68.6
Finance costs recognised in the statement of income	380.3	716.6
Income tax (benefit) expense recognised in the statement of income	159.5	34.3
Other non-cash items (a)	41.3	(2,783.7)
Income tax paid	(196.0)	(100.8)
Change in working capital	(212.6)	(446.6)
Net cash flow provided (used) by operating activities	**2,008.7**	**1,742.4**
Payments to acquire tangible and intangible assets	(1,097.8)	(1,092.5)
Payments for acquisition of consolidated entities, net of cash acquired	(16.6)	(0.3)
Payments to acquire interests in associates	-	(19.6)
(Net) payments to acquire financial assets	1.2	(31.0)
Proceeds from disposal of property, plant and equipment and intangible assets (*)	0.8	4.1
Proceeds from disposal of consolidated entities, net of cash disposals	(9.6)	1,479.2
Net cash flow provided (used) by investing activities	**(1,121.9)**	**340.0**
Dividends paid to owners of the company	-	(820.0)
Dividends paid to non-controlling interests	-	(20.9)
Dividends received	0.3	0.6
Issuance of debt	5,492.6	400.0
Repayment of debt	(5,125.2)	(1,364.0)
Interest paid on debt	(388.8)	(432.7)
Proceeds from the sale of minority stake (purchase price adjustment)	-	(15.1)
Lease payment (principal) related to ROU	(389.0)	(374.8)
Lease payment (interest) related to ROU	(51.7)	(62.5)
Other cash (used in)/provided by financing activities (b)	(495.2)	(82.4)
Net cash flow provided (used) by financing activities	**(957.0)**	**(2,771.8)**
Net increase (decrease) in cash and cash equivalents	**(70.2)**	**(689.4)**
Effects of exchange rate changes on the balance of cash held in foreign currencies	(4.4)	(7.7)
Cash and cash equivalents at beginning of period	**556.8**	**1,068.5**
Cash and cash equivalents at end of period	**482.1**	**371.3**
of which cash and cash equivalents	*482.1*	*371.3*

(*) The 2019 amounts have been revised following the harmonization of the presentation of the cash flow statement with Altice Europe N.V. presentation and in order to provide a more relevant information in the cash flow statement. Except for the capital gain due to the loss of control in SFR FTTH recorded for (€2,795.9 million) as of June 30, 2019, the other revisions are described in the 2019 annual consolidated financial statements.

a) Of which the capital gain due to the loss of control in SFR FTTH : (€2,795.9 million) as of June 30, 2019

Commercial paper	(117.5)	(7.0)
Reverse factoring	(108.6)	(25.0)
Securitization	9.2	(53.0)
Bank overdrafts	5.9	93.9
Transaction with non-controlling interests	(11.1)	(11.1)
Restructuring of swap instruments	236.3	-
Redemption fees	-	(29.6)
Loan Altice Luxembourg S.A.	-	(750.0)
Loan Altice Group Lux S.à.R.L.	(175.0)	-
Debt to Altice France Holding S.A.	-	745.1
Current account Altice France Holding S.A.	(118.1)	-
Current account Altice Luxembourg S.A.	(180.0)	-
Other interests paid	(16.0)	(15.9)
Other	(20.3)	(29.9)
b) Other cash (used in)/provided by financing activities	**(495.2)**	**(82.4)**

Notes to the condensed interim consolidated financial statements

1. Basis of preparation

Altice France (hereinafter "the Company" or "the Group") is a limited liability corporation (*société anonyme*) formed under French law in August 2013 with headquarters in France.

Created subsequent to the merger of Numericable and SFR, the Group Altice France aims to become, on the back of the largest fiber optic network and a leading mobile network, the national leader in France in very-high-speed fixed-line/mobile convergence. The Group has major positions in all segments of the French B2C, B2B, local authorities and wholesale telecommunications market.

Altice France has adopted a new and increasingly integrated model around access and content convergence. Its division Media includes SFR Presse companies, which cover the Group's Press activities in France (Libération, etc.) and NextRadioTV, which covers the Group's audiovisual activities in France (RMC Sport, BFM TV, BFM Business, BFM Paris, RMC, RMC Découverte,…). In 2018, it also insourced its major providers of technical and maintenance services and customer services (Altice Technical Services France and Altice Customer Services). It also improved its positioning in the French Overseas Territories market via the acquisition of Outremer Telecom.

As of June 30, 2020, Altice Europe directly or indirectly held 100% of the capital of Altice France S.A.

The condensed interim consolidated financial statements were prepared and approved by the Company's Board of Directors on July 29, 2020.

1.1. Basis of preparation of financial information

These condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the six-month period then ended, are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (IAS) 34 - *Interim Financial Reporting*. They should be read in conjunction with the Group's 2019 annual consolidated financial statements and the notes which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") (the "annual consolidated financial statements").

The accounting policies applied for the condensed interim consolidated financial statements as of June 30, 2020 do not differ from those applied in the annual consolidated financial statements as of and for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020.

1.2. New standards and interpretations

1.2.1. Standards and interpretations applied from January 1, 2020

The following standards have mandatory application for periods beginning on or after January 1, 2020 as described in note 1.2.2 to the annual consolidated financial statements:

- Amendments to IAS 1 and IAS 8 - *Definition of material*, effective on or after January 1, 2020;
- Amendments to IFRS 3 - *Definition of a business*, effective on or after January 1, 2020;
- Amendments to References to the Conceptual Framework in IFRS Standards, effective on or after January 1, 2020;
- Interest Rate Benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7), effective on or after January 1, 2020.

The application of amendments to IAS 1 and IAS 8, IFRS 3 and to References of the Conceptual Framework in IFRS standards had no material impact on the amounts recognised and on the disclosures in these condensed interim consolidated financial statements.

1.2.2. Standards and interpretations not yet applied

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for period started from January 1, 2020 and that may impact the amounts reported:

- Amendments to IFRS 10 and IAS 28 - *Sale or contribution of assets between an investor and its associate or joint venture*, effective date of the amendments has not yet been determined by the IASB;
- Amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective on or after January 1, 2023;
- Annual Improvements to IFRS Standards 2018-2020, effective on or after January 1, 2022; and
- Amendments to IFRS 16 Leases, Covid-19-Related Rent Concessions, effective on or after June 1, 2020.

The Board of Directors anticipates that the application of those amendments will not have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

1.2.3. 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-employments benefits;
- Revenue recognition;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Impairment of intangible assets;
- Estimation of useful lives of intangible assets and property, plant and equipment;
- Estimation of impairment losses for contract assets and trade receivables; and
- Determination of the right of use and lease liabilities.

As of June 30, 2020, there were no changes in the key areas of judgements and estimates.

2. Significant events of the period

Issuance of New Senior and Senior Secured Debt

On January 24, 2020, Altice France issued €500 million aggregate principal amount of its euro denominated 2.125% Senior Secured Notes due February 15, 2025 (the “2025 Altice France Senior Secured Notes”).

On January 24, 2020, Ypso Finance Bis issued $1,225 million aggregate principal amount of its dollar denominated 6.000% Senior Notes due February 15, 2028 (the “2028 Ypso Finance Bis Dollar Senior Notes”) and €500 million aggregate principal amount of its euro denominated 4.000% Senior Notes due February 15, 2028 (the “2028 Ypso Finance Bis Euro Senior Notes” and, together with the 2028 Ypso Finance Bis Dollar Senior Notes, the “2028 Ypso Finance Bis Senior Notes”).

Exchange offer completed by Ypso Finance Bis and automatic exchange

On February 06, 2020, Ypso Finance Bis commenced an exchange offer to noteholders of Altice Luxembourg’s (i) 2027 Altice Luxembourg Dollar Senior Notes and (ii) 2027 Altice Luxembourg Euro Senior Notes, to exchange the 2027 Altice Luxembourg Dollar Senior Notes for an equal aggregate principal amount of corresponding dollar denominated 10.500% Senior Notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Dollar Notes”) and the 2027 Altice Luxembourg Euro Senior Notes for an equal aggregate principal amount of corresponding euro denominated 8.000% Senior Notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Euro Notes” and, together with the Ypso Finance Exchange Dollar Notes, the “Ypso Finance Bis Exchange Notes”). At the expiration of the exchange offer, a total of $1,562 million (accounting for 97.63% of the outstanding aggregate principal) of the 2027 Altice Luxembourg Dollar Senior Notes and €1,317 million (accounting for 94.10% of the outstanding aggregate principal) of the 2027 Altice Luxembourg Euro Senior Notes were tendered and accepted. On February 27, 2020, $1,562 million of Ypso Finance Bis Exchange Dollar Notes and €1,317 million of Ypso Finance Exchange Bis Euro Notes were issued by Ypso Finance Bis.

Upon satisfaction of certain conditions, comprising full discharge, cancellation and/or redemption of 2027 Altice Luxembourg Senior Notes and 2027 Altice Luxembourg Senior Notes, at the discretion of Ypso Finance Bis (i) the Ypso Finance Exchange Dollar Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 10.500% Senior Notes due 2027 to be issued by Altice France Holding, (ii) the Ypso Finance Exchange Euro Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 8.000% Senior Notes due 2027 to be issued by Altice France Holding, (iii) the 2028 Ypso Finance

Bis Dollar Senior Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 6.000% Senior Notes due 2028 to be issued by Altice France Holding and (iv) the 2028 Ypso Finance Bis Euro Senior Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 4.000% Senior Notes due 2028 to be issued by Altice France Holding (the actions described in sub-clauses (i)-(iv) collectively, the "Automatic Exchange").

Update on the COVID-19 Pandemic

On March 11, 2020, the COVID-19 outbreak was declared by the World Health Organization (WHO) as a global pandemic, highlighting the health risks of the disease. In this context and following regulatory requirements published by governments over the last months in the countries in which the Group operates, the Group activated a response program in order to minimize the impact of the COVID-19 pandemic (please refer to Note 36 of the annual consolidated financial statements for further detail).

The COVID-19 had a limited impact on the condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the six-month period then ended. Indeed, the Group has been impacted by a decline in handsets sales (low margin activity) in the context of the closure of the shops in many countries where the Group operates, a decrease in roaming revenue, some delays in the construction of FTTH homes passed in France and a decline in the advertising businesses (NextRadioTV) but the impact has been limited, since the beginning of the crisis demonstrating a resilient Telecom business over the countries where the Group operates. Although the situation continues to evolve, the Company expects that the COVID-19 will have limited effects on the Group's operations and financial performance for future periods.

As part of economic measures meant to mitigate the impact of the COVID-19 pandemic on industry, the French State announced a series of measures, some of which the Group had recourse to during the mandatory quarantine period, especially partial unemployment. The Group decided to apply for partial unemployment for around 4,600 employees whose jobs were directly impacted by the mandatory quarantine imposed by the French state. As part of the agreement, the French State paid the concerned employees the equivalent of 84% of their fixed and variable pay per month and the Group paid the remaining 16%. There were no restrictions associated with using this measure.

The Group has taken this situation into account in its estimates, notably those related to the non-current and current assets valuation (including goodwill). The valuation of the non-current and current assets has not been adjusted as of June 30, 2020 as a result of the COVID-19 outbreak.

Based on the information above, the Group considers that the assessment of the going concern assumption for the Group is not impacted.

Financing flows with Altice Group entities

For the six months ended June 30, 2020:

- The Group increased its receivable position with Altice Group Lux S.à.R.L. for an additional amount of €175 million;
- The Group also repaid a portion of its debt towards Altice Luxembourg S.A. for an aggregate amount of €180 million;
- The Group also entered provided a short term loan to its direct shareholder Altice France Holding S.A. for an aggregate amount of €118 million.

Transfer of Libération by Altice France to a non-profit organization

On May 14, 2020, Altice France announced that it would transfer Libération, the daily newspaper, to *Presse Indépendante SAS*, a management and holding company to be owned by a non-profit organization *Fonds de Dotation pour une Presse Indépendante (*"*FDPI*"). Although FDPI would not manage Presse Indépendante nor Libération, it would be entitled to future profits that would in turn be redistributed to other non-profit organizations.

As part of the project, Altice France will make an initial donation to FDPI, which FDPI can then use to invest into Presse Indépendante, which will in turn acquire the shares in Libération and consequently repay Libération's debts and finance its future operations. This project will notably ensure the editorial, economic and financial independence of Libération in the long term.

The sale is planned for the end of August or early September 2020. Following the closing of the transaction, the Group will no longer exercise control over Libération and therefore the assets and associated liabilities of Libération were classified as held for sale as per the provisions of IFRS 5 - *Non-currents assets held for sale and discontinued operations*. The estimated capital loss has been recorded in the statement of income for the six-month period ended June 30, 2020 for €32.2 million in the caption "other expenses and income".

Restructuring plan at NextRadioTV

On May 19, 2020, NextRadioTV announced a restructuring plan to take into account the changing environment for the media industry in France and the impact of the COVID-19 pandemic on the advertising market. This plan, based on voluntary departures, aims at reducing the employee workforce by limiting the use of part time workers, freelancers and consultants. Since as of June 30, 2020, the details had not been shared with the workers' council and the conditions of the departure plan were not yet final, management considers that the conditions for recording a provision are not met as per IAS 37 - *Provisions, contingent liabilities and contingent assets* as of June 30, 2020.

3. Change in scope

Over the period ended June 30, 2020, the main changes in the consolidation scope are described as follows:

- Additional participation in Rhon'Telecom S.A.S. by Altice Technical Services France S.A.R.L.;
- Additional participation in Moselle Telecom S.A.S. by SFR S.A.;
- Additional participation in Irisé S.A.S. by SFR S.A.;
- Disposal of SFR Business Solutions Morocco S.A. by Altice France S.A. to Intelcia IT Solutions S.A.;
- Disposal of Informatique Telematique Ocean Indien S.A.R.L.;
- Creation of the company Keos Telecom S.A.S.;
- Creation of the company Ypso Finance Bis S.A.;
- Acquisition of RMC Films S.A.S.;
- Deconsolidation of Audience Square S.A.S.

These changes in scope had no material impact on the financial statements of the Group.

4. 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;
- Revenues;
- Capital expenditure ("Capex"); and
- Operating free cash flow ("OpFCF").

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, de facto, the metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics. The definition of Adjusted EBITDA used in the covenant has not changed with the adoption of IFRS 15 – *Revenue from contracts with customers* and IFRS 16 – *Leases* by the Group.

- *Adjusted EBITDA*

Following the application of IFRS 16, Adjusted EBITDA is defined as operating income before depreciation and amortization, other expenses and incomes (capital gains, non-recurring litigation, restructuring costs and management fees), share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 for operating lease). 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 Adjusted EBITDA, do ultimately affect the operating results. Operating results presented in the annual consolidated financial statements are in accordance with IAS 1 – *Presentation of financial statements*.

- *Capex*

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

- *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 7 – *Statement of cash flows*.

4.1. Revenue

The breakdown of revenue is detailed as follows:

Revenues (€m)	**June 30, 2020**	**June 30, 2019**
Residential - Fixed	1,274.4	1,245.4
Residential - Mobile	1,766.5	1,748.2
Business services	1,693.3	1,522.8
Total Telecom excl. equipment sales	**4,734.1**	**4,516.4**
Equipment sales	352.0	414.9
Media	157.7	232.9
Total	**5,243.8**	**5,164.2**

“Residential” corresponds to B2C services revenues, excluding equipment.
“Business services” includes revenues from B2B and wholesale including construction of the FTTH Network and excluding revenues from equipment and Media presented in the line below.
“Equipment sales” relates to equipment revenues from B2B and B2C.

4.2. Adjusted EBITDA

The following table shows the reconciliation of the operating profit in the condensed interim consolidated financial statements to Adjusted EBITDA:

Operating Profit (€m)	**June 30, 2020**	**June 30, 2019 revised (*)**
Revenues	**5,243.8**	**5,164.2**
Purchasing and subcontracting costs	(1,401.7)	(1,389.7)
Other operating expenses	(912.7)	(872.5)
Staff costs and employee benefits	(501.5)	(495.5)
Total	**2,428.0**	**2,406.4**
Share-based expenses	2.0	2.2
Rental expense operating lease	(391.9)	(380.1)
Adjusted EBITDA	**2,038.1**	**2,028.4**
Depreciation, amortization and impairment	(1,663.2)	(1,664.2)
Share-based expenses	(2.0)	(2.2)
Other expenses and income	(26.3)	2,744.6
Rental expense operating lease	391.9	380.1
Operating profit	**738.5**	**3,486.7**

(*) As of June 30, 2019, includes the capital gain due to the loss of control in SFR FTTH (€2,795.9 million).

4.3. Capital expenditure

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

Capital Expenditure (€m)	**June 30, 2020**	**June 30, 2019**
Capital expenditure (accrued)	978.5	1,147.3
Capital expenditure - working capital items and other impacts	119.3	(54.7)
Payments to acquire tangible and intangible assets	**1,097.8**	**1,092.6**

4.4. 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 of Directors 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.

Adjusted EBITDA less accrued Capex (€m)	**June 30, 2020**	**June 30, 2019**
Adjusted EBITDA	2,038.1	2,028.4
Capital expenditure (accrued)	(978.5)	(1,147.3)
Operating free cash flow	**1,059.6**	**881.1**

5. Financial income

The following table presents the breakdown of the financial income:

Financial Income (€m)	June 30, 2020	June 30, 2019
Interest relative to gross financial debt	**(385.3)**	**(434.6)**
Realized and unrealized gains/(loss) on derivative instruments linked to financial debt	**68.6**	**(162.2)**
Finance income	**17.0**	**4.3**
Provisions and unwinding of discount	3.4	(3.7)
Interest related to lease liabilities	(51.7)	(62.5)
Other	(32.3)	(32.1)
Other financial expenses	**(80.6)**	**(98.3)**
Net result on extinguishment of a financial liability	**-**	**(25.9)**
Finance costs, net	**(380.3)**	**(716.6)**

The interest relative to gross financial debt decreased from €434.6 million as of June 30, 2019 to €385.3 million as of June 30, 2020. This decrease was mainly driven by a decrease in our cost of debt, resulting from the debt refinancings performed in 2018 and 2019.

For the six-month period ended June 30, 2020, the net gain realized on derivative instruments is mainly due to a favourable variation in the fair value of our derivative financial instruments. This caption also includes a one off income related to the monetisation of certain CCS for an aggregate amount of €236.3 million, which was offset by negative variation of the FX rate effect on the restructured cross currency swaps. The realized and unrealized FX gain on CCS is offset by the unrealized FX loss on the debts.

6. Income tax expense

For interim condensed financial statements, the tax expense or tax income on profit or loss is determined in accordance with IAS 34, based on the best estimate of the annual average tax rate expected for the full fiscal year, restated for non-recurring items (which are recorded in the period as incurred).

7. Change in Goodwill

Change in Goodwill (€m)	June 30, 2020	December 31, 2019
Opening balance	**11,076.3**	**11,071.9**
Acquisitions	-	4.5
Disposals	(0.0)	(0.2)
Exchange impact	(0.1)	0.1
Impairment (a)	(32.2)	-
Assets classified in "held for sale"	(1.2)	-
Closing balance	**11,042.7**	**11,076.3**

a) Refer to Note 2 – *Significant events of the period - Transfer of Libération by Altice France to a non-profit organization*

8. Investments in associates and joint ventures

The change as of June 30, 2020 is analysed as follows:

Change of the Investments in Associates and Joint Ventures (€m)	June 30, 2020
Opening balance	**1,551.4**
Change in scope	(0.4)
Dividends paid	(0.3)
Profit/Loss	(114.1)
Other	10.2
Closing balance	**1,446.8**

9. Other non-current assets

Other non-current assets are detailed as follows:

Other Non-Current Assets (€m)	June 30, 2020	December 31, 2019
Derivative financial instruments (a)	839.3	629.3
Call options with non-controlling interests (b)	28.6	28.5
Loans and receivables (c)	428.6	258.3
Other	111.3	112.4
Non-current financial assets	**1,407.9**	**1,028.5**
Other non-current assets (d)	231.9	247.7
Other non-current assets	**1,639.7**	**1,276.2**

a) Related to swaps (Refer to Note 15 – *Derivative instruments*);
b) Related to ACS call option;
c) Concerns a loan to Altice Group Lux S.à.R.L.;
d) Includes mainly non-current prepaid expenses.

10. Current Financial Assets

Current Financial Assets (€m)	June 30, 2020	December 31, 2019
Loan Altice Group Lux S.à.R.L.	23.9	7.6
Current account Altice France Holding S.A.	130.0	-
Other	8.8	16.4
Current financial assets	**162.7**	**24.1**

11. Assets (and liabilities) held for sale

As described in the Note 2 – *Significant events of the period - Transfer of Libération by Altice France to a non-profit organization*, the assets and associated liabilities of Libération were classified as held for sale as per the provisions of IFRS 5 - *Non-currents assets held for sale and discontinued operations*.

The following table presents the details of the assets and liabilities held for sale as of June 30, 2020:

Held for Sale (€m)	June 30, 2020
Goodwill	1.2
Tangible and intangible assets	15.3
Other non-current assets	0.1
Currents assets	16.2
Total assets held for sale	**32.8**
Non-current liabilities	6.9
Current liabilities	16.3
Total liabilities related to assets held for sale	**23.2**

12. Cash and cash equivalents

The following table presents the breakdown of the cash and cash equivalents:

Cash and Cash Equivalents (€m)	June 30, 2020	December 31, 2019
Cash	434.8	501.5
Cash equivalents (a)	47.3	55.2
Cash and cash equivalents	**482.1**	**556.8**

a) Cash equivalents mainly consisted of money-market funds.

13. Equity

As of June 30, 2020, Altice France's share capital amounted to €443,706,618 comprising 443,706,618 ordinary shares with a par value of €1 each. There was no change on share capital over the six-month period.

The Group does not hold treasury shares.

The Group did not pay dividends to its shareholders in the six-month period ended June 30, 2020.
The Shareholders' Meeting of May 7, 2019 approved an exceptional dividend distribution at €1.85 per share, for an aggregate amount of €820 million, which was deducted from the "additional paid-in capital" caption.
The Shareholders' Meeting of August 14, 2019 approved an exceptional dividend distribution at €2.37 per share, for an aggregate amount of €1,050 million, which was deducted from the "additional paid-in capital" caption.
The Board of December 19, 2019 approved an interim dividend distribution at €1.13 per share, for an aggregate amount of €501.4 million, which was deducted from the "Reserves" caption.
The Group did not pay dividends to its shareholders during the fiscal years 2017 and 2018.

14. Financial liabilities

14.1. Financial liabilities breakdown

Financial liabilities breakdown as follows:

	Current		Non-current		Total	
Financial Liabilities breakdown (€m)	**June 30, 2020**	**December 31, 2019**	**June 30, 2020**	**December 31, 2019**	**June 30, 2020**	**December 31, 2019**
Bonds	253.6	257.2	10,166.9	9,677.4	10,420.5	9,934.6
Loans from financial institutions	77.0	169.4	7,171.0	7,203.3	7,248.0	7,372.7
Derivative financial instruments	-	-	812.1	455.8	812.1	455.8
Borrowings, financial liabilities and related hedging instruments	**330.6**	**426.7**	**18,150.0**	**17,336.5**	**18,480.6**	**17,763.2**
Finance lease liabilities	22.4	24.3	40.3	42.5	62.7	66.8
Operating lease liabilities	666.5	651.3	2,735.3	2,761.8	3,401.9	3,413.2
Lease liabilities	**688.9**	**675.6**	**2,775.6**	**2,804.3**	**3,464.6**	**3,479.9**
Perpetual subordinated notes ("TSDI")	-	-	58.7	56.8	58.7	56.8
Deposits received from customers	27.6	33.9	171.2	166.9	198.8	200.8
Bank overdrafts	11.3	6.2	-	-	11.3	6.2
Securitization	162.1	152.9	-	-	162.1	152.9
Reverse factoring	606.1	601.2	-	-	606.1	601.2
Commercial paper	31.5	149.0	-	-	31.5	149.0
Other (a)	29.6	226.8	74.9	88.4	104.6	315.2
Other financial liabilities	**868.2**	**1,170.1**	**304.9**	**312.0**	**1,173.1**	**1,482.1**
Financial liabilities	**1,887.8**	**2,272.3**	**21,230.5**	**20,452.9**	**23,118.3**	**22,725.2**

a) As of June 30, 2020, this amount includes:
- €36.7 million of liabilities related to the acquisition of the minority interests (in ERT Luxembourg for €30.0 million and Icart €6.7 million), compared to €50.1 million as of December 31, 2019 (in ERT Luxembourg for €41.1 million and Icart €9.0 million);
- €40.2 million related to ACS put option;
- €2.2 million related to a current account with Altice Luxembourg S.A. compared to €182.2 million as of December 31, 2019.

Financial liabilities issued in US dollars are converted at the following closing rate:
- As of June 30, 2020: €1 = 1.1243 USD;
- As of December 31, 2019: €1 = 1.1229 USD.

On January 24, 2020, Altice France issued bonds for an aggregate amount of €500 million, due in 2025 and bearing a coupon of 2.125%. The bonds were issued at an OID of 99.408% and an issuance fee of 0.5%. The proceeds from the issuance of these bonds were used to fully repay the revolving credit facility.

As of June 30, 2020, the Group has completely repaid borrowings under its revolving credit facility.

14.2. Net financial debt

Net financial debt as defined and utilized by the Group can be broken down as follows:

Net Financial Debt (€m)	**June 30, 2020**	**December 31, 2019**
Bonds	10,201.1	9,710.0
Loans from financial institutions	7,365.5	7,499.8
Finance lease liabilities	62.7	66.8
Commercial paper	31.5	149.0
Bank overdrafts	11.3	6.2
Other	41.1	68.6
Financial Liabilities contributing to net financial debt (a)	**17,713.2**	**17,500.5**
Cash and cash equivalents	482.1	556.8
Net derivative instruments - currency translation impact	503.3	755.3
Financial Assets contributing to net financial debt (b)	**985.4**	**1,312.0**
Net financial debt (a) – (b)	**16,727.8**	**16,188.5**

a) Liability items correspond to the nominal value of financial liabilities excluding accrued interest, impact of EIR, perpetual subordinated Notes, operating debts (notably guarantee deposits, securitization debts and reverse factoring). All these liabilities are converted at the closing exchange rates. Refer to Note 14.3 – *Reconciliation between net financial liabilities and net financial debt*;

b) Asset items consist of cash and cash equivalents and the portion of the fair value of derivatives related to the currency impact (€503.3 million as of June 30, 2020 and €755.3 million as of December 31, 2019). The fair value of derivatives related to the interest rate impacts €(476.1) million as of June 30, 2020 and €(581.8) million as of December 31, 2019 is not included.

14.3. Reconciliation between net financial liabilities and net financial debt

In compliance with IAS 7 amendments, the following table shows the reconciliation between net financial liabilities in the consolidated statement of financial position and the net financial debt:

Reconciliation between Net Financial Liabilities and Net Financial Debt (€m)	**June 30, 2020**	**December 31, 2019**
Financial liabilities	23,118.3	22,725.2
Cash and cash equivalents	(482.1)	(556.8)
Derivative instruments classified as asset	(839.3)	(629.3)
Net financial debt - consolidated statement of financial position	**21,796.9**	**21,539.2**
Reconciliation:		
Lease liabilities	(3,401.9)	(3,413.2)
Net derivative instruments - rate impact	(476.1)	(581.8)
Accrued interest	(286.7)	(288.9)
EIR	188.7	197.6
Perpetual subordinated notes ("TSDI")	(58.7)	(56.8)
Deposits received from customers	(198.8)	(200.8)
Securitization	(162.1)	(152.9)
Reverse factoring	(606.1)	(601.2)
Debt on share purchase	(54.4)	(60.0)
Dividend to pay	(1.9)	(1.9)
Current accounts (a)	(2.6)	(182.4)
Other	(8.5)	(8.5)
Net financial debt	**16,727.8**	**16,188.5**

a) Of which €2.2 million related to a current account with Altice Luxembourg S.A. compared to €182.2 million as of December 31, 2019.

15. Derivative instruments

The following table shows the derivative instruments fair value:

Type (€m)	Underlying element	June 30, 2020	December 31, 2019
Cross-currency Swaps	2026 USD bonds	222.2	240.7
	2027 USD bonds	246.3	120.8
	2028 USD bonds	66.8	3.6
	January 2026 USD term loan	10.9	(2.2)
	July 2025 USD term loan	109.9	167.9
	August 2026 USD term loan	(72.3)	(29.1)
	Fixed rate - Floating rate USD	(517.3)	(291.4)
Interest rate swaps	Fixed rate - EURIBOR 3 months	(35.4)	(26.1)
	Swap EURIBOR 1 month - EURIBOR 3 months	(3.8)	(10.7)
	Derivative instruments classified as assets	839.3	629.3
	Derivative instruments classified as liabilities	(812.1)	(455.8)
	Net Derivative instruments	**27.2**	**173.5**
	O/w currency effect	*503.3*	*755.3*
	O/w interest rate effect	*(476.1)*	*(581.8)*

In accordance with IFRS 9, the Group uses the fair value method to recognise its derivative instruments.

The fair value of derivative financial instruments (cross currency swaps) traded over-the-counter is calculated on the basis of models commonly used by traders to measure these types of instruments. The resulting fair values are checked against bank valuations.

The measurement of the fair value of derivative financial instruments includes a “counterparty risk” component for asset derivatives and an “own credit risk” component for liability derivatives. Credit risk is measured using a simplified model derived from Basel II for calculating exposure risk and using market data to determine the probability of default.

For the six-month period ended June 30, 2020, the following changes were made to the Group’s derivative instruments:

- Altice France Holding mirror swap: the Group entered into a back to back swap with its direct shareholder, Altice France Holding, in order to hedge a new dollar denominated debt issued by Altice France Holding. The characteristics of the swap are as follows:
  - Altice France with financing counterparties: CCS with a USD leg of $1,150.9 million/ EUR leg of €1,046.0 million with a USD receiving rate of 6.00% and a EUR paying rate of 4.06%;
  - Altice France with Altice France Holding: CCS with a EUR leg of €1,046.0 million/USD leg of $1,150.9 million with a USD paying rate of 6.00% and a receiving rate of EUR 4.06%.

The Group modified the conditions of existing swaps associated with the 2026 USD notes and the TLB 11 loan:

Nominal USD Receiving	Nominal EUR paying - Old	Interest rate - EUR paying - Old	Nominal EUR paying - New	Interest rate - EUR paying - New	Cash premium received
262.0	189.5	6.790%	239.4	5.840%	49.8
96.0	69.0	6.790%	86.0	5.860%	17.0
280.0	202.0	6.770%	258.0	5.660%	56.0
120.0	87.0	7.070%	104.0	6.500%	17.5
213.0	176.0	5.990%	194.0	5.850%	16.0
117.0	84.0	6.780%	104.0	5.890%	20.0
204.0	148.0	Euribor 3m + 4.585%	189.0	Euribor 3m + 4.295%	41.0
130.0	94.0	Euribor 3m + 4.830%	113.0	Euribor 3m + 4.640%	19.0

Other modifications to the Group's derivative instruments are listed below.

- Modification of a USD receiving/EUR paying CCS ($851.9 million/€768.4 million), where the EUR paying rate was changed from 5.744% to 4.783%. The Group also entered into a new fixed to floating swap with the same counterparty, for the same nominal amounts, with USD receive rate of USD libor 6m+ 3% and a EUR paying rate of 4.783%. This new swap has a forward start in May 2026, with a maturity date of May 2030.
- Removal of mandatory breaks on a swap nominal of $1,790 million associated with the USD TLB 12. Previous mandatory breaks were all positioned in 2020. Following the removal of the mandatory breaks, the Euro paying rate was adjusted for almost all legs of the swap. The new weighted average euro paying rate increased from Euribor 3m+3.124% to Euribor 3m+3.244%.

Following these modifications, the Group received a net amount of €236.3 million as cash from the restrike of the CCS, which was also recorded as income in the consolidated statement of income. The income was offset by a negative variation of the fair value of the restructured CCS swaps. The realized and unrealized FX gain on CCS is offset by the unrealized FX loss on the debts.

The Group also entered into new IRS swaps for a total nominal amount of €3,400 million, with two legs as described below:

- A floating to fixed swap with an average receive fixed rate of 6.139% and a floating pay rate of Euribor 6m+3% from 2020 to 2024;
- A fixed to floating swap with an average fixed paying rate of 4.627% and an average receive rate of Euribor 6m+3% from 2020 to 2030.

On an annual basis, the above IRS will allow the Group to economise €51.4 million in cash interest expense from 2020 to 2024.

Given that the swaps above were entered with the same counterparties at the same time, the Group has considered that the two legs constitute a single swap and hence has valued the swaps as such, especially for the calculations of the credit risks.

16. Fair value of financial instruments

The following table presents the net carrying amount per category and the fair value of the Group's financial instruments at June 30 of each year:

Fair values of assets and liabilities	**June 30, 2020**		**December 31, 2019**	
(€m)	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Cash and cash equivalents	482.1	482.1	556.8	556.8
Other financial assets	162.7	162.7	24.1	24.1
Current assets	**644.8**	**644.8**	**580.8**	**580.8**
Derivatives	839.3	839.3	629.3	629.3
Call options on non-controlling interests	28.6	28.6	28.5	28.5
Equity instruments at fair value through OCI	0.0	0.0	0.0	0.0
Other financial assets	539.9	539.9	370.7	370.7
Non-current assets	**1,407.9**	**1,407.9**	**1,028.5**	**1,028.5**
Short term borrowings and financial liabilities	330.6	330.6	426.7	426.7
Lease liabilities	688.9	688.9	675.6	675.6
Reverse factoring and securitisation	768.2	768.2	754.1	754.1
Accrued interest	7.1	7.1	5.2	5.2
Commercial paper	31.5	31.5	149.0	149.0
Other financial liabilities	61.4	61.4	261.8	261.8
Current liabilities	**1,887.8**	**1,887.8**	**2,272.3**	**2,272.3**
Long term borrowings and financial liabilities	17,337.9	17,598.7	16,880.7	17,623.0
Put options with non-controlling interests	40.2	40.2	40.0	40.0
Derivatives	812.1	812.1	455.8	455.8
Lease liabilities	2,775.6	2,775.6	2,804.3	2,804.3
Other financial liabilities	264.7	264.7	272.0	272.0
Non-current liabilities	**21,230.5**	**21,491.3**	**20,452.9**	**21,195.2**

For the six-month period ended June 30, 2020, there was no transfer of asset or liabilities between levels of the fair value hierarchy. 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.

With the exception of derivatives, loans and other short-term and long-term financial debts, and other current and non-current financial liabilities are measured at their amortized cost, which corresponds to the estimated value of the financial liability when initially recognised, minus repayments of principal, and plus or minus cumulative amortization, measured using the effective interest rate method.

Derivatives are measured at fair value through the income statement, or through other items of comprehensive income, for the effective portion of the change in fair value of derivatives qualifying as cash flow hedges. As of June 30, 2020, no derivative was qualified for hedge accounting.

17. Related party transactions

Parties related to the Group include:

- All companies included in the consolidation scope, regardless of whether they are fully consolidated or equity associates;
- Altice Europe, the entities that it consolidates and its related parties;
- All the members of the Executive Committee of Altice France and companies in which they hold a directorship.

Transactions between fully consolidated entities within the consolidation scope have been eliminated when preparing the condensed interim consolidated financial statements. Details of transactions between the Group and other related parties are disclosed below.

17.1. Shareholders

As of June 30, 2020, the overview of these transactions is as follows:

Related Parties Transactions - Shareholders (€m)	**June 30, 2020**	**December 31, 2019**
Assets	**1,188.7**	**792.5**
Non-current financial assets (a)	462.2	290.5
Non-current operating assets (b)	456.8	439.1
Current financial assets (c)	156.0	10.7
Current operating assets	113.7	52.2
Liabilities	**566.3**	**703.2**
Non-current financial liabilities (d)	470.5	426.8
Current financial liabilities (e)	45.8	218.0
Operating liabilities	49.9	58.4

a) Of which loan to Altice Group Lux S.à.R.L.: €428.6 million as of June, 2020 compared to €258.3 million as of December 31, 2019;
b) Concerns mainly the transaction with SCI Quadrans (which is majority owned by the Company's controlling shareholder) recorded under IFRS 16 – *Leases*;
c) Of which current account with Altice France Holding S.A.: €130.0 million;
d) Concerns the transaction with SCI Quadrans under IFRS 16: €428.0 million and Altice France Holding S.A. mirror swap: €33.7 million as of June 30, 2020;
e) Of which current account with Altice Luxembourg S.A.: €2.2 million as of June 30, 2020 compared to €182.2 million as of December 31, 2019 and Altice France Holding S.A. mirror swap (accrued interests): €8.2 million as of June 30, 2020;

Related Parties Transactions - Shareholders (€m)	**June 30, 2020**	**June 30, 2019**
Operating income	34.9	43.7
Operating expenses	119.0	141.9
Financial income	16.3	-
Financial expenses (f)	50.0	15.9
Net income (loss)	**(117.7)**	**(114.1)**

f) Of which Altice France Holding S.A. mirror swap: €41.8 million as of June 30, 2020.

These transactions are carried out as part of the Group's activity, mainly with the following entities:

- Hot, Portugal Telecom: telecommunication services;
- Altice Entertainment News and Sport: television royalties and content;
- Altice Europe and Altice Luxembourg: management fees;
- SCI Quadrans: rental of real estate.

17.2. Associates and joint ventures

The main transactions with equity associates (EA) and joint ventures (JV) relate to:

- La Poste Telecom SAS (EA) as part of its telecommunication activities;
- Synerail SAS (JV) as part of the GSM-R public-private partnership;
- SFR FTTH SAS (JV) and its subsidiaries as part of the network deployment in AMII zones.

Associates and Joint Ventures (€m)	June 30, 2020	December 31, 2019
Assets	**378.1**	**225.0**
Non-current assets	9.5	10.4
Current assets	368.6	214.6
Liabilities	**123.2**	**106.2**
Current liabilities	123.2	106.2

Associates and Joint Ventures (€m)	June 30, 2020	June 30, 2019
Statement of income	**441.4**	**279.2**
Revenue	468.5	285.6
Operating expenses	27.6	6.5
Financial income	0.6	0.2

18. Commitments and contractual obligations

During the six-month period ended June 30, 2020, there was no significant change in the commitments and contractual obligations undertaken or received by the Group as described in the Group's 2019 annual consolidated financial statements.

19. Litigation

In the normal course of business, the Group is subject to a number of lawsuits and governmental arbitration and administrative proceedings as a plaintiff or a defendant.

During the six-month period ended June 30, 2020, there was no significant development in existing litigation or new litigation since the publication of the 2019 annual consolidated financial statements that have had, or that may have, a significant effect on the financial position of the Group.

Furthermore, in the context of the on-going COVID-19 pandemic, all planned audiences and legal procedures were postponed to further dates.

20. Entity consolidating the financial statements

The consolidated financial statements of Altice France are included in the consolidated financial statements of Altice Europe, a company listed for trading in the Netherlands.

21. Subsequent events

Transfer of sports rights to Altice France

On July 7, 2020, SportCoTV S.A.S, a fully owned, unrestricted subsidiary of the Group, acquired the shares of Altice Pictures S.à.R.L, a Luxembourg based entity, which houses the sports and other content rights mainly for the UEFA champions league and other premium content. Prior to the sale, a reorganization of the structure in Luxembourg was carried out, with the transfer of activities performed by Altice Entertainment News and Sport (AENS), (the entity that provided the premium sports channels to Altice France) to Altice Pictures, thus ensuring that the entire value chain would subsequently be transferred to Altice France, the entity that benefits the most from the marketing of the associated channels. Altice Pictures S.à.R.L will subsequently be merged into SportCoTV S.A.S.

Media restructuring

On July 24, 2020, the Management of the Group's media business presented the Livre 2, the document that outlines the restructuring plan announced in May to workers' council. As per the document, the Group intends to introduce a voluntary departure plan aimed at reducing the workforce by around 228 full time employees. The plan is expected to start at the end of 2020 or in early 2021. The Management has also committed not to undertake a compulsory employee redundancy plan before November 2021 in the event that the targeted reduncicies are not met. Following the end of negotiations with the workers' council, the Livre 2 will be sent for homologation to the French Labor Authorities (DIRECCTE).

Reorganization of Altice France's shareholding structure

On July 10, 2020, Altice France's shareholding structure was simplified by way of a share transfer between Altice Europe N.V. and Altice France Holding S.A., the direct shareholder of Altice France. Following the restructuring, Altice France Holding S.A. holds 100% minus one share of Altice France, with Altice Luxembourg S.A. Holding the one share.

As part of the reorganization, the upstream loan to Altice Group Lux S.à.R.L. was also reassigned to Altice France Holding S.A. Thus, the Group has no outstanding transactions with Altice Group Lux S.à.R.L.