NOTICE TO THE HOLDERS OF

ALTICE N.V.
Ordinary Shares

ALTICE LUXEMBOURG S.A.
$2,900,000,000 7 ¾% Senior Notes due 2022
€2,075,000,000 7¼% Senior Notes due 2022
$1,480,000,000 7⅝% Senior Notes due 2025
$750,000,000 6 ¼% Senior Notes due 2025

ALTICE FINCO S.A.
$250,000,000 9% Senior Notes due 2023
$400,000,000 8⅛% Senior Notes due 2024
$385,000,000 7⅝% Senior Notes due 2025

ALTICE FINANCING S.A.
$900,000,000 6½% Senior Secured Notes due 2022
€300,000,000 6½% Senior Secured Notes due 2022
$2,060,000,000 6⅝% Senior Secured Notes due 2023
€500,000,000 5 ¼% Senior Secured Notes due 2023
$2,750,000,000 7½% Senior Secured Notes due 2026

Dated October 5, 2017

This Notice amends and restates the notice previously delivered on October 5, 2017.

October 5, 2017 – Altice International S.à r.l. ("**Altice International**"), the parent of Altice Finco S.A (the "**Company**"), has announced that the Company proposes to issue €675 million in aggregate principal amount of senior notes (the "**Proposed Financing**") the proceeds of which will be used to finance the Refinancing Transactions (as defined herein).

The information contained in this Notice will, among other information, be disclosed in connection with the Proposed Financing.

This Notice may contain certain information that constitutes forward-looking statements. Forward-looking statements are frequently characterized by words such as "plan," "expect," "project," "intend," "believe," "anticipate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions and estimates of management at the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. We disclaim any obligation to update or revise any forward-looking statements if circumstances or management's estimates or opinions should change. The reader is cautioned not to place undue reliance on forward-looking statements.

This Notice is for informational purposes only and does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction. The information contained in this Notice does not constitute a prospectus or any other offering document, nor does it constitute or form part of any invitation or offer to purchase, sell or subscribe for, or any solicitation of any such offer to purchase, sell or subscribe for, any securities of the Company or any of its affiliates nor shall such information be relied on for the commencing of any actions in relation to the securities of the Company or any of its affiliates.

The terms "Group", "we", "us" and "our" as used in this Notice refers to Altice International and its subsidiaries.

DEFINITIONS

Unless otherwise stated or the context otherwise requires, the terms "Group," "we," "us" and "our" as used in this Notice refers to Altice International and its subsidiaries. Definitions of certain terms and certain financial and operating data can be found below. For explanations or definitions of certain technical terms relating to our business as used herein, see "Glossary".

"2012 Acquisition Note" refers to the NIS 955.5 million aggregate principal amount of notes due 2019 issued by Hadaros to the Company on the 2012 Transactions Completion Date as amended, restated, supplemented, modified, refinanced or replaced, in whole or in part, from time to time.

"2012 Revolving Credit Facility" refers to the $80 million revolving credit facility available under the 2012 Revolving Credit Facility Agreement.

"2012 Revolving Credit Facility Agreement" refers to the agreement dated November 27, 2012, as amended and restated on December 12, 2012 and as further amended, restated, supplemented or otherwise modified from time to time, between, *inter alios*, Altice Financing, as borrower, the lenders from time to time party thereto, Citibank International Limited (previously Citibank International) as facility agent and Citibank, N.A., London Branch as security agent.

"2012 Transactions" collectively refers to the HOT Take Private Transaction and the financing relating thereto, including the entry into the 2012 Revolving Credit Facility Agreement, the refinancing of certain indebtedness of Cool Holding and HOT, the issuance of the HOT Refinancing Notes and the 2012 Acquisition Note, and the entry into certain intercompany loans.

"2012 Transactions Completion Date" refers to December 27, 2012, the date on which the 2012 Transactions were completed.

"2013 December Senior Notes" refers to the $400 million aggregate principal amount of 8 ⅛% senior notes due 2024 issued by the Company under the indenture dated December 12, 2013, as amended, among, *inter alios*, the Company, the guarantors party thereto and the trustee and the security agent party thereto.

"2013 December Senior Secured Notes" refers to the $900 million aggregate principal amount of 6 ½% senior secured notes due 2022 and €300 million aggregate principal amount of 6 ½% senior secured notes due 2022 issued by Altice Financing under the indenture dated December 12, 2013, as amended, among, *inter alios*, Altice Financing, the guarantors party thereto and the trustee and the security agent party thereto.

"2013 December Senior Secured Notes Redemption" has the meaning ascribed to it under "*General Description of Our Business—The Refinancing Transactions—2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes.*"

"2013 December Transactions" refers to the Altice Hispaniola Acquisition, the Tricom Acquisition, the issuance of the 2013 December Senior Notes and the 2013 December Senior Secured Notes and the entry into certain intercompany loans.

"2013 June Senior Notes" refers to the €250 million aggregate principal amount of 9% senior notes due 2023 issued by the Company under the indenture dated June 14, 2013, as amended, among, *inter alios*, the Company, the guarantors party thereto and the trustee and the security agent party thereto.

"2013 June Transactions" refers to the Fold-in, the Outremer Transactions, certain other acquisitions, the issuance of the 2013 June Senior Notes, the entry into the 2013 Revolving Credit Facility, certain related refinancing transactions and the entry into certain intercompany loans,

"2013 Revolving Credit Facility" refers to the €80 million revolving credit facility available under the 2013 Revolving Credit Facility Agreement.

"2013 Revolving Credit Facility Agreement" refers to the agreement dated July 1, 2013, as amended, restated, supplemented or otherwise modified from time to time, between, *inter alios*, Altice Financing, as borrower, the lenders from time to time party thereto, Citibank International Limited (formerly Citibank International plc) as facility agent and Citibank, N.A., London Branch as security agent.

"2014 Pari Passu Revolving Credit Facility" refers to the €501 million revolving credit facility available under the 2014 Pari Passu Revolving Credit Facility Agreement.

"2014 Pari Passu Revolving Credit Facility Agreement" refers to the agreement dated December 9, 2014, as amended, restated, supplemented or otherwise modified from time to time between, *inter alios*, Altice Financing, as original borrower and guarantor, the lenders from time to time party thereto, Citibank International Limited, as facility agent and Citibank, N.A., London Branch as security agent.

"2014 SFR Acquisition" refers to the acquisition by the Altice France Group of all the shares of SFR and certain of its subsidiaries from Vivendi, which was consummated on November 27, 2014.

"2015 Revolving Credit Facility" refers to the €330 million revolving credit facility available under the 2015 Revolving Credit Facility Agreement.

"2015 Revolving Credit Facility Agreement" refers to the agreement dated January 30, 2015, as amended, restated, supplemented or otherwise modified from time to time between, *inter alios*, Altice Financing, as original borrower and guarantor, the lenders from time to time party thereto, Citibank International Limited as facility agent and Citibank, N.A., London Branch as security agent.

"2015 Senior Notes" refers to the $385 million aggregate principal amount of 7 ⅝% senior notes due 2025 issued by the Company under the indenture dated February 4, 2015, as amended, among, *inter alios*, the Company, the guarantors party thereto and the trustee and the security agent party thereto.

"2015 Senior Secured Notes" refers to the $2,060 million aggregate principal amount of 6 ⅝% senior secured notes and €500 million aggregate principal amount of 5 ¼% senior secured notes issued by Altice Financing under the indenture dated February 4, 2015, as amended, among, *inter alios*, Altice Financing, the guarantors party thereto and the trustee and the security agent party thereto.

"2015 Term Loan Agreement" refers to the agreement dated January 30, 2015, as amended, restated, supplemented, modified, refinanced or replaced, in whole or in part, from time to time, among, *inter alios*, Altice Financing, as borrower, the lenders from time to time party thereto, Deutsche Bank, A.G., London Branch and Deutsche Bank A.G., New York Branch, as administrative agents, and Citibank, N.A., London Branch as security agent.

"2016 Senior Secured Notes" refers to the $2,750 million aggregate principal amount of 7 ½% senior secured notes due 2026 issued by Altice Financing under the indenture dated May 3, 2016, as amended, among, *inter alios*, Altice Financing, the guarantors party thereto and the trustee and the security agent party thereto.

"2017 Guarantee Facility" refers to the guarantee facility available under the 2017 Guarantee Facility Agreement.

"2017 Guarantee Facility Agreement" refers to agreement dated June 23, 2017, as amended, restated, supplemented or otherwise modified from time to time between, *inter alios*, Altice Financing, as borrower and guarantor, the lenders from time to time party thereto, J.P. Morgan Europe Limited, as facility agent and Citibank, N.A., London Branch, as security agent.

"2017 Incremental Term Loan Agreement" has the meaning ascribed to it under "*General Description of Our Business—The Refinancing Transactions—2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes.*"

"2017 October Term Loans" has the meaning ascribed to it under "*General Description of Our Business—The Refinancing Transactions—2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes.*"

"ACS" or "Altice Customer Services" refers to Altice Customer Services S.à r.l., a private limited liability company (*société à responsabilité limiteé*) organized under the laws of Luxembourg, which is the sole shareholder of Intelcia Group S.A., a public limited liability company (*société anonyme*) organized under the laws of Morocco, with or without its subsidiaries, as the context requires.

"ACS Acquisition" refers to the acquisition by the Group of Intelcia S.A. Group on December 22, 2016.

"ACS Target" refers to Intelcia Group S.A., a public limited liability company (*société anonyme*) organized under the laws of Morocco, with or without its subsidiaries, as the context requires.

"AENS" refers to Altice Entertainment News & Sport S.A., a public limited liability company (*société anonyme*) incorporated under the laws of Luxembourg.

"AF Proceeds Loans" refers to the New AF Proceeds Loan and the Existing AF Proceeds Loans.

"Aggregate Portuguese Security and Guarantee Limit" refers to, as applicable, (1) €95 million, representing the maximum aggregate amount of obligations guaranteed by Altice Portugal, which limitation applies to all indebtedness so guaranteed and/or secured on an aggregate basis; and (2) (i) up to €4,634.4 million for PT Portugal and (ii) €968.4 million for PT OpCo, representing the maximum aggregate amount of obligations secured by PT Portugal and PT OpCo, respectively, and guaranteed by PT Portugal and PT OpCo, respectively, which limitation applies to all indebtedness so secured and/or guaranteed on an aggregate basis.

"AH Proceeds Loans" refers to the 2013 June AH Proceeds Loan, the 2013 December AH Proceeds Loan and the 2015 AH Proceeds Loan.

"Altice" refers to Altice N.V., a public company with limited liability (*naamloze vennootschap*) organized under the laws of the Netherlands, as successor by merger with Altice S.A. consummated on August 9, 2015.

“Altice Bahamas” refers to Altice Bahamas S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg.

“Altice Blue Two” refers to Altice Blue Two S.A.S., a private limited liability company (*société par actions simplifiée*) organized under the laws of France.

“Altice Caribbean” refers to Altice Caribbean S.à r.l. a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg.

“Altice Financing” refers to Altice Financing S.A., a public limited liability company (*société anonyme*) organized under the laws of Luxembourg.

“Altice Financing Pledged Proceeds Loans” refers to the AH Proceeds Loans, the Cool Proceeds Note, the 2012 Acquisition Note and the HOT Refinancing Notes, in each case, as amended, supplemented, modified, refinanced or replaced, in whole or in part, from time to time.

“Altice France Group” refers to Altice France S.A. and its subsidiaries.

“Altice Group” refers to Altice and its subsidiaries.

“Altice Hispaniola” refers to Altice Hispaniola S.A., a corporation (*sociedad anonima*) organized under the laws of the Dominican Republic, formerly known as Orange Dominicana S.A.

“Altice Hispaniola Acquisition” refers to the acquisition by the Group of Altice Hispaniola on April 9, 2014.

“Altice Holdings” refers to Altice Holdings S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg.

“Altice International” refers to Altice International S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg, formerly known as Altice VII S.à r.l.

“Altice Luxembourg” refers to Altice Luxembourg S.A., a public limited company (*société anonyme*) organized under the laws of Luxembourg.

“Altice Portugal” refers to Altice Portugal S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

“Altice USA” refers to Altice USA, Inc., a public company incorporated under the laws of Delaware.

“Altice USA Groups” refers to certain subsidiaries of Altice USA which are organized into two separate restricted groups.

“Altice West Europe” refers to Altice West Europe S.à r.l. a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg.

“AMI” refers to Altice Management International SA, a company limited by shares (*société anonyme*) organized under the laws of Switzerland.

“ATS” or “Altice Technical Services” refers to Altice Technical Services S.A. (formerly Parilis S.A.), a public limited liability company (*société anonyme*) organized under the laws of Luxembourg, with or without its subsidiaries, as the context requires.

“ATS Acquisition” refers to the acquisition by the Group of a 51% interest in ATS on November 25, 2016.

“Auberimmo” refers to Auberimmo S.A.S., a private limited liability company (*société par actions simplifiée*) organized under the laws of France.

“Business Day” refers to each day that is not a Saturday, Sunday or other day on which banking institutions in London, United Kingdom, Luxembourg or New York, United States are authorized or required by law to close.

“Cabovisão” refers to Cabovisão—Televisão por Cabo, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

“Cabovisão Disposal” refers to the disposal by the Group of Cabovisão and its subsidiaries on January 20, 2016 in compliance with the conditions imposed on the Group by the European Commission in connection with the approval of the PT Portugal Acquisition.

“Cabovisão Group” refers to Cabovisão and its subsidiaries.

“Clearstream” refers to Clearstream Banking, société anonyme.

“Coditel Belgium” refers to Coditel Brabant S.P.R.L, a private limited liability company (s*ociété privée à responsabilité limitée*) organized under the laws of Belgium.

“Coditel Disposal” refers to the disposal by the Group of Coditel Belgium and of its subsidiary Coditel Luxembourg, on June 19, 2017.

“Coditel Luxembourg” refers to Coditel S.à r.l., a private limited liability company (*société à responsabilité limitée*) organized under the laws of Luxembourg.

“Cool Holding” refers to Cool Holding Ltd., (a) a public limited liability company (société anonyme) organized under the laws of Luxembourg and (b) a private limited liability company organized under the laws of Israel.

“Cool Proceeds Note” refers to the NIS 1,052.8 million aggregate principal amount of notes due 2019 issued by Cool Holding to Altice Financing on the 2012 Transactions Completion Date, as amended, restated, supplemented, modified, refinanced or replaced, in whole or in part, from time to time.

“Cool Shareholder Loan” refers to the amended and restated interest free loan agreement dated January 11, 2013 between Altice International and Cool Holding pursuant to which Altice International agreed to grant Cool Holding a loan in a maximum aggregate amount of NIS 1.5 billion.

“Covenant Party Pledged Proceeds Loans” refers to the AWE Proceeds Loan, the Outremer Proceeds Loan and the Le Cable Proceeds Loans.

“Euroclear” refers to Euroclear Bank SA/NV.

“Existing AF Proceeds Loans” refers to the 2012 AF Proceeds Loan, the 2013 June AF Proceeds Loan, the 2013 December AF Proceeds Loan and the 2015 AF Proceeds Loan.

“Existing HOT Unsecured Notes” refers to the NIS 825 million notes (Series A) and the NIS 675 million notes (Series B) issued by HOT and offered to Israeli investors pursuant to an Israeli shelf offering report dated March 29, 2011 and under an Israeli shelf prospectus dated February 28, 2011, as amended on March 29, 2011, and as amended from time to time.

“Existing Indentures” refers to the indentures governing the 2016 Senior Secured Notes, the 2015 Senior Secured Notes, the 2015 Senior Notes, the 2013 December Senior Secured Notes, the 2013 December Senior Notes and the 2013 June Senior Notes, each as amended from time to time.

“Existing Revolving Credit Facilities” refers to the 2015 Revolving Credit Facility, the 2014 Pari Passu Revolving Credit Facility, the 2013 Revolving Credit Facility and the 2012 Revolving Credit Facility.

“Existing Revolving Credit Facilities Repayment” has the meaning ascribed to it under “*General Description of Our Business—The Refinancing Transactions—The Proposed Financing and the Existing Revolving Credit Facilities Repayment.*”

“Existing Revolving Credit Facility Agreements” refers to the 2015 Revolving Credit Facility Agreement, the 2014 Pari Passu Revolving Credit Facility Agreement, the 2013 Revolving Credit Facility Agreement and the 2012 Revolving Credit Facility Agreement.

“Existing Senior Notes” refers to the 2015 Senior Notes, the 2013 December Senior Notes and the 2013 June Senior Notes.

“Existing Senior Secured Notes” refers to the 2016 Senior Secured Notes, the 2015 Senior Secured Notes and the 2013 December Senior Secured Notes.

“Existing Term Loans” refers to the term loans available under the 2015 Term Loan Agreement.

“Fold-in” refers to the transfer by Altice International of all of the share capital of Altice Holdings and certain of its subsidiaries, including Altice Portugal, Green and Le Cable into the Restricted Group in connection with the 2013 June Transactions.

“French Overseas Territories” refers to Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.

“Global Interlink” refers to Global Interlink Ltd., a corporation organized under the laws of The Bahamas.

“GNP” refers to Groupe News Participations, the joint venture in which the Group held a 49% minority interest until its disposal to the Altice France Group on May 12, 2016.

“Green” refers to green.ch AG (company registration no. CHE-113.574.742), a company limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland, a wholly-owned subsidiary of Altice West Europe.

“Green Datacenter” refers to Green Datacenter AG (company registration no. CHE-115.555.342), a company limited by shares (*Aktiengesellschaft*) organized under the laws of Switzerland.

“Group” refers to Altice International and its subsidiaries, unless the context otherwise requires.

“Hadaros” refers to H. Hadaros 2012 Ltd., a company organized under the laws of Israel.

“HOT” refers to HOT Telecommunication Systems Ltd. or HOT Telecommunication Systems Ltd. and its subsidiaries, as the context requires.

"HOT Mobile" refers to HOT Mobile Ltd., a company organized under the laws of Israel, formerly known as MIRS Communications Ltd.

"HOT Net" refers to HOT Net Internet Services Ltd. a company organized under the laws of Israel.

"HOT Refinancing Notes" refers to the NIS 320 million aggregate principal amount of notes issued by HOT to Altice Financing on the 2012 Transactions Completion Date subject to the terms of the revolving loan agreement dated December 27, 2012 among Altice Financing, HOT, the HOT Refinancing Notes Guarantors and Citibank, N.A., London Branch as security agent, and the NIS 1,900 million aggregate principal amount of notes issued by HOT to Altice Financing on the 2012 Transactions Completion Date, each as amended, restated, supplemented or modified from time to time.

"HOT Refinancing Notes Collateral" refers to the pledge over substantially all of the assets of HOT (including all of the share capital of HOT Mobile) and the HOT Refinancing Notes Guarantors securing the HOT Refinancing Notes but, in each case, excluding licenses granted by the Israeli Ministry of Communication and certain end-user equipment, with respect to which HOT is not permitted to grant a security interest.

"HOT Refinancing Notes Guarantors" refers to HOT Net and HOT Telecom Limited Partnership, a limited partnership organized under the laws of Israel.

"HOT Take Private Transaction" refers to the acquisition by Cool Holding and Hadaros of all of the outstanding shares of HOT (other than certain share options) and the subsequent delisting of the shares of HOT from the Tel Aviv Stock Exchange which was completed on the 2012 Transactions Completion Date.

"IFRS" refers to the International Financial Reporting Standards as adopted by the European Union, unless the context otherwise requires.

"Indenture" refers to the indenture expected to be entered into among, *inter alios*, the Company, the Guarantors, the Trustee and the Security Agent, governing the Notes.

"Intercreditor Agreement" refers to the intercreditor agreement dated December 12, 2012, as amended and restated on July 1, 2013 and July 1, 2013 and as further amended from time to time, among, *inter alios*, the Company, Altice International and Citibank, N.A., London Branch, as security agent.

"Company" refers to Altice Finco S.A., a public limited liability company (*société anonyme*) organized under the laws of Luxembourg.

"JV Entity" has the meaning ascribed to it under "*Description of Our Business—Material Contracts—Israel—Mobile Network Sharing Agreement with Partner in Israel.*"

"Le Cable" refers to Le Cable Martinique and Le Cable Guadeloupe.

"Le Cable Guadeloupe" refers to World Satellite Guadeloupe S.A., a public limited liability (*société anonyme*) company organized under the laws of France.

"Le Cable Martinique" refers to Martinique TV Câble S.A. a public limited liability company (*société anonyme*) organized under the laws of France.

"Luxembourg" refers to the Grand Duchy of Luxembourg.

"Media Capital" refers to Media Capital SGPS, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

"Media Capital Acquisition" has the meaning ascribed to it under "*General Description of Our Business—Recent Developments—Agreement to Acquire Media Capital.*"

"Mobius" or "Mobius Group" refers to Mobius S.A.S., a private limited liability company (s*ociété par actions simplifiée*) organized under the laws of France, and its subsidiaries.

"Mobius Acquisition" refers to the acquisition by the Group of the Mobius Group on January 15, 2014.

"Moody's" refers to Moody's Investors Services, Inc.

"Notes" refers to the €675.0 million aggregate principal amount of senior notes due 2028 expected to be issued pursuant to the Proposed Financing.

"OMT" refers to OMT Invest S.A.S., a private limited liability company (*société par actions simplifiée*) organized under the laws of France.

"ONI Group" refers to Winreason—S.A, ONI S.G.P.S., S.A., a holding company (*sociedade gestora de participações sociais*) organized under the laws of Portugal, Onitelecom—Infocomunicações, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal, Knewon S.A., and/or their subsidiaries, as the context requires.

“Outremer” refers to Groupe Outremer Telecom S.A., a public limited liability company (*société anonyme*) organized under the laws of France, and its subsidiaries.

“Outremer Investment Agreement” refers to the investment agreement between the parties to the Outremer Purchase Agreement.

“Outremer Minority Shareholders” has the meaning ascribed to it under “*Description of our Business—Material Contracts—Certain Shareholder Arrangements—French Overseas Territories*.”

“Outremer Mobile Disposal” refers to the disposal by the Group of Outremer’s mobile business based in Mayotte and La Réunion on July 31, 2015 in compliance with the conditions imposed on the Altice France Group by the European Commission for the approval of the 2014 SFR Acquisition.

“Outremer Purchase Agreement” refers to the sale and purchase agreement dated June 7, 2013 between Altice International, certain subsidiaries of Altice International, certain existing investors in, and certain managers of, OMT and certain of its affiliates.

“Outremer Transactions” refers to the following transactions consummated on July 5, 2013: (i) the purchase, by the Group, of all of the outstanding share capital of OMT (other than shares that were contributed separately by the Outremer Minority Shareholders pursuant to the Outremer Investment Agreement) and the refinancing of all of the outstanding indebtedness of OMT and its subsidiaries pursuant to the Outremer Purchase Agreement and (ii) the contribution (a) by the Group, of all of the outstanding share capital of Le Cable Martinique and Le Cable Guadeloupe to Altice Blue Two and (b) by the managers of OMT of substantially all of the outstanding shares of OMT not sold to Altice under the Outremer Purchase Agreement to Altice Blue Two pursuant to the Outremer Investment Agreement.

“Pledged Proceeds Loans” refers to the Altice Financing Pledged Proceeds Loans and the Covenant Party Pledged Proceeds Loans. The Pledged Proceeds Loans do not directly or indirectly secure the obligations under the Notes.

“PT Cloud” refers to PT Cloud e Data Centers, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

“PT Móveis” refers to PT—Móveis—Serviços de Telecomunicações, SGPS, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

“PT OpCo” refers to MEO—Serviços de Comunicações e Multimédia, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal with registration number 504 615 947, formerly known as PT Comunicações, S.A. and the surviving entity from the merger of Meo, S.A. into PT Comunicações, S.A. on December 29, 2014.

“PT Portugal” refers to PT Portugal SGPS, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

“PT Portugal Acquisition” refers to the acquisition by the Group of 100% of the issued share capital of PT Portugal on June 2, 2015.

“PT Portugal Acquisition Agreement” refers to the acquisition agreement entered into between Altice S.A., Altice Portugal and Oi S.A. in connection with the PT Portugal Acquisition.

“PT Portugal Group” refers to the entities that were acquired pursuant to the PT Portugal Acquisition.

“PTC” refers to PT Comunicações S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal and registered with the Commercial Registry Office of Lisbon under the registration number 504 615 947.

“Refinancing Transactions” has the meaning ascribed to it under “*General Description of Our Business—The Refinancing Transactions*.”

“Restricted Group” refers to Altice International and its subsidiaries, other than Green Datacenter and Auberimmo.

“S&P” refers to Standard & Poor’s Investors Ratings Services.

“Security Agent” refers to Citibank N.A., London Branch.

“Senior Secured Debt” refers to the Existing Revolving Credit Facilities, the Existing Senior Secured Notes, the Existing Term Loans and the 2017 Guarantee Facility.

“Senior Secured Guarantors” refers to the Guarantors (excluding Altice Financing and including Altice Bahamas).

“SFR Group” refers to SFR Group S.A., a public limited liability company (*société anonyme*) organized under the laws of France, and its subsidiaries.

“SIRESP” refers to SIRESP—Gestão de Redes Digitais de Segurança e Emergência, S.A., a public limited liability company (*sociedade anónima*) organized under the laws of Portugal.

“Teads” refers to Teads S.A., a public limited liability company (*société anonyme*) organized under the laws of Luxembourg.

“Teads Acquisition” refers to the acquisition by the Group of a 98.5% interest in Teads on June 22, 2017.

“Tricom” refers to Tricom S.A., a corporation (*sociedad anónima*) organized under the laws of the Dominican Republic.

“Tricom Acquisition” refers to the acquisition by the Group of Tricom and Global Interlink on March 12, 2014.

“Trustee” refers to Deutsche Bank Trust Company Americas.

“U.S. Exchange Act” refers to the U.S. Securities Exchange Act of 1934, as amended.

“U.S. Securities Act” refers to the U.S. Securities Act of 1933, as amended.

FORWARD-LOOKING STATEMENTS

This Notice contains "forward-looking statements" as that term is defined by the U.S. federal securities laws. These forward-looking statements include, but are not limited to, statements other than statements of historical facts contained in this Notice, including, but without limitation, those regarding our future financial condition, results of our operations and business, our products, acquisitions, dispositions and finance strategies, our capital expenditure priorities, regulatory or technological developments in the market, subscriber growth and retention rates, potential synergies and cost savings, competitive and economic factors, the maturity of our markets, anticipated cost increases, synergies, liquidity, credit risk and target leverage levels. In some cases, you can identify these statements by terminology such as "aim," "anticipate," "believe," "continue," "could," "estimate," "expect," "forecast," "guidance," "intend," "may," "plan," "potential," "predict," "project," "should," and "will" and similar words used in this Notice.

By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. We caution readers not to place undue reliance on the statements, which speak only as of the date of this Notice, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be achieved or accomplished.

Risks and uncertainties that could cause actual results to vary materially from those anticipated in the forward-looking statements included in this Notice include those described under "*Risk Factors*."

The following are some but not all of the factors that could cause actual results or events to differ materially from anticipated results or events:

- our substantial leverage and debt service obligations;
- our ability to generate sufficient cash flow to service our debt and to control and finance our capital expenditures, ongoing operations and debt obligations;
- restrictions and limitations contained in the agreements governing our debt;
- our ability to raise additional financing or refinance our existing indebtedness;
- fluctuations in currency exchange rates, inflation and interest rates;
- negative changes to our credit rating;
- risks associated with our structure and our other indebtedness;
- the competitive environment in each of our geographic segments and downward price pressure in the broadband internet communications, television sector, fixed line telephony, mobile telephony and business-to-business ("B2B") sectors in the countries in which we operate;
- economic and business conditions and trends in the industries in which we and the entities in which we have interests operate;
- changes in the political, judicial, economic or security environment in the countries in which we operate or will operate in the future;
- greater exposure to tax liability;
- changes in consumer demand for fixed-based and mobile products as well as the demand for bundled services and offerings;
- capital spending for the acquisition and/or development of telecommunications networks and services and equipment and competitor responses to our products and services, and the products and services of the entities in which we have interests;
- increases in operating costs and inflation risks;
- our ability to introduce new technologies or services and our ability to respond to technological developments;
- deployment of fiber or VDSL2 networks by competitors;

- risks of earthquakes, hurricanes, fire, power outages, floods, and other catastrophic events that can be further intensified due to the developing threat of climate change;
- perceived or actual health risks and other environmental requirements relating to our mobile operations;
- our ability to maintain favorable roaming or network sharing agreements;
- our ability to achieve cost saving from network sharing arrangements for our services;
- reduced interconnection rates in the countries in which we operate, including Portugal;
- the ability of third party suppliers and vendors to timely deliver products, network infrastructure, equipment, software and services;
- the availability of attractive programming for our video services or necessary equipment at reasonable costs;
- risks related to royalties payments and our licenses;
- technical failures, equipment defects, physical or electronic break-ins to the services, computer viruses and similar description problems;
- any negative impact on our reputation, including due to product quality issues;
- our ability to attract and retain customers;
- our ability to integrate acquired businesses and realize planned synergy benefits from past or future acquisitions;
- our ability to maintain adequate managerial controls and procedures as the business grows;
- any negative impact on our business if we are unable to provide high levels of customer service;
- the declining revenue from certain of our services and our ability to offset such declines;
- any disruptions in the credit and equity markets which could affect our credit instruments and cash investments;
- our ability to protect our intellectual property rights and avoid any infringement of any third party's intellectual property rights;
- our ability to maintain subscriber data and comply with data privacy laws;
- the outcome of any pending or threatened litigation, including class action lawsuits in Israel and antitrust proceedings in Portugal;
- uncertainty over the legal framework within which we own and operate our networks;
- post-retirement and healthcare benefit obligations (both funded and unfunded) of companies we have acquired or may acquire in the future;
- changes in laws or treaties relating to taxation in the countries in which we operate, or the interpretation thereof;
- the regulatory environment in the countries in which we operate and changes in, or a failure or an inability to comply with, government regulations and adverse outcomes from regulatory proceedings;
- the application of law generally and government intervention that opens our fixed-line and mobile networks to competitors, which may have the effect of increasing competition and reducing our ability to reach the expected returns on investment;
- our ability to manage our brands, and our ability to establish our new global brand in the marketplace for our products and services;
- our inability to completely control the prices we charge to customers or the programming we provide;
- our ability to obtain building and environmental permits for the building and upgrading of our networks, including our mobile network in Israel, and to comply generally with city planning laws;
- the loss of key employees and the availability of qualified personnel and a deterioration of the relationship with employee representatives;
- our ultimate parent's interest may conflict with our interests;
- the entry of new operators into the telecommunications markets in which we operate;
- events that are outside of our control, such as political unrest in international markets, terrorist attacks, natural disasters, pandemics and other similar events; and

- other factors discussed in this Notice.

The B2B and B2C fixed-based and mobile services, broadband internet access, fixed-line telephony and ISP industries are changing rapidly and, therefore, the forward-looking statements of expectations, plans and intent in this Notice are subject to a significant degree of risk.

The cautionary statements set forth above should be considered in connection with any subsequent written or oral forward-looking statements that we or persons acting on our behalf may issue. We do not undertake any obligation to review or confirm analysts' expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events or circumstances after the date of this Notice.

We disclose important factors that could cause our actual results to differ materially from our expectations in this Notice. These cautionary statements qualify all forward-looking statements attributable to us or persons acting on our behalf. When we indicate that an event, condition or circumstance could or would have an adverse effect on us, we mean to include effects upon our business, financial and other conditions, results of operations and ability to make payments under the Notes.

TRADEMARKS AND TRADE NAMES

We own or have rights to certain trademarks or trade names that we use in conjunction with the operation of our businesses. Each trademark, trade name or service mark of any other company appearing in this Notice is the property of its respective holder.

GENERAL DESCRIPTION OF OUR BUSINESS

This general description of our business highlights selected information contained in this Notice regarding the Group. You should read the entire Notice carefully including the "Risk Factors" and the financial statements and notes thereto included in this Notice.

In this section, unless the context otherwise requires, the terms "Group," "we," "us" and "our" refers to Altice International and its subsidiaries.

Overview

We are a multinational broadband and mobile communications, content and media group operating in Portugal, Israel, the Dominican Republic, the French Overseas Territories and Switzerland. We deliver broadband, pay television, fixed and mobile telephony services, content and advertising services to residential and business customers. In the geographies in which we operate, we are either the largest or the second largest cable/fiber pay television operator and broadband internet services provider, and a leading provider of multi-play services in our service areas. We offer bundled triple-play services, and where possible, quad-play services and focus our marketing on our multi-play offerings. Our service portfolio in each of the regions in which we operate is set forth below under "*—Overview of Service Portfolio*."

We are driven at all levels by our distinctive "Altice Way" —our founder-inspired owner-operator culture and strategy of operational efficiency, innovation and value creation. In developing and implementing our strategy, we are focused on the following principles, which are part of the Altice Way:

- ***Simplify and optimize our organization*** through streamlining business processes, centralizing functions and eliminating non-essential operating expenses and service arrangements;
- ***Reinvest in infrastructure and content***, including upgrading our HFC network and building out a FTTH network to strengthen our infrastructure capabilities and competitiveness;
- ***Invest in sales, marketing and innovation***, including brand-building, enhancing our sales channels and automating provisioning and installation processes;
- ***Enhance the customer experience*** by offering a technologically advanced customer platform combined with superior connectivity and service across the customer lifecycle; and
- ***Drive revenue and cash flow growth*** through cross-selling, market share gains, new product launches and improvements in our operating and capital efficiency.

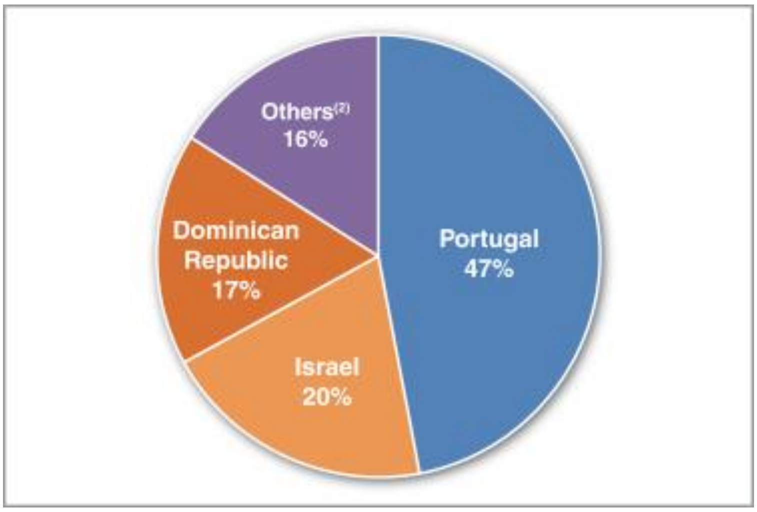
We believe the Altice Way, which has been successfully implemented across the Altice Group, distinguishes us from our industry peers and competitors.

We have expanded internationally through a number of price-disciplined acquisitions of telecommunications businesses, including: PT Portugal in Portugal, HOT in Israel, and Altice Hispaniola and Tricom in the Dominican Republic. Our acquisition strategy has allowed us to target cable, FTTH and mobile operators with what we believe to be high-quality networks in markets we find attractive from an economic, competitive and regulatory standpoint and create value at the acquired businesses by implementing the "Altice Way," including operational improvements and leveraging economies of scale, as well as pursuing in-market consolidation and attractive diversification with B2B, DSL and mobile add-on opportunities. Furthermore, our acquisition strategy has enabled us to grow the businesses we acquire organically while we continue to focus on cost optimization and increasing economies of scale and operational synergies as our Group develops. Moreover, as part of our strategy, we are also focusing on the convergence of telecoms, media, content and advertising to offer more value to our customers. For example, in June 2017 we completed the Teads Acquisition. Teads is a leading video advertising marketplace with an audience of more than 1.2 billion unique visitors. In Portugal, we acquired a 25% stake in the capital of sports broadcaster SPORT TV in February 2017, and in May 2017, we successfully acquired the exclusive rights to broadcast UEFA Champions League and UEFA Europa League fixtures in France. Sports events are broadcasted in France by the Altice France Group through channels packaged and distributed by AENS, our content distribution subsidiary. As part of the Altice Way, we have also recently centralized our management services, customer services and technical services operations, for example by creating two new divisions, ATS and ACS, following our acquisition of certain historical suppliers of the Group (Parilis S.A. and Intelcia Group S.A., respectively). See "*Description of Our Business—Significant Investments and Dispositions*" for more information regarding the significant investments we've made in the businesses that currently constitute the Group.

We are an indirect wholly-owned subsidiary of Altice N.V., a multinational broadband and mobile communications, content and media company founded and controlled by communications and media entrepreneur Patrick Drahi. We benefit from the Altice Group's experience in implementing the Altice Way around the world. Mr. Drahi, who has over 25 years of experience owning and managing communications and media operations, has built the Altice Group from a regional French cable company founded in 2002 into one of the world's leading broadband communications and video services companies. Over the past 15 years, he has led a transformation of the communications and media industry through investment in networks and improvements in customer experience and operations to enhance both service delivery and operational efficiency.

Our Adjusted EBITDA for the twelve months ended June 30, 2017 was €2,203.3 million. The table below shows the Adjusted EBITDA splits by geography for the twelve months ended June 30, 2017.

Adjusted EBITDA split for the twelve months ended June 30, 2017(1)



(1) The splits shown above reflect the Adjusted EBITDA generated by our businesses in each geography without giving effect to Group-wide intersegment eliminations in an aggregate amount of €(22.9) million for the twelve months ended June 30, 2017. See footnote (4) under "—*Key Performance Measures*" below for more information.

(2) Comprised of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content purchasing, production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

We have a high quality cable- and fiber-based network infrastructure. Our fixed-line services are primarily delivered over hybrid fiber coaxial ("HFC") cable that are among the most technically advanced in the markets in which we operate. Together with FTTH networks in Portugal which offer download speeds of up to 1 Gbps, this allows us to offer advanced triple-play services in a vast majority of our service areas. Our cable networks enable us to offer download speeds of at least 100 Mbps to a majority of homes passed in most of our footprint. Given the existing technological capability of our networks, in the short to medium term, we expect that the substantial majority of our cable networks will offer significant download speeds with limited network and customer premises equipment upgrades. We believe that our cable networks are well positioned for future technological developments, including our ability to upgrade to the upcoming DOCSIS 3.1 standard, while the FTTH networks in Portugal are already set up to provide download speeds of up to 1 Gbps. In Portugal, the Dominican Republic and the French Overseas Territories, we also provide fixed-line services to a portion of our customer base through a DSL network that we continue to upgrade to FTTH and HFC. We are focused on increasing our investment in FTTH in Portugal and in 2015 we announced a fiber rollout for 600,000 homes per year until the end of 2020. We rolled out over 700,000 new FTTH homes passed in 2016, and a further 500,000 FTTH homes since the beginning of the year (passing through 3.5 million cable/fiber homes in Portugal as of June 30, 2017), and believe we are on track to reach our target of 5.3 million FTTH homes passed in Portugal by 2020.

Overview of Service Portfolio

Geographic Area	Portugal	Israel	Dominican Republic	French Overseas Territories[1][2]	Other[4]
Countries of Operation	Portugal	Israel	Dominican Republic	French Overseas Territories	Various
Bundling Strategy	4P and 5P	3P + Mobile	4P	4P	N/A
Mobile Services Offered	■ 2G, 3G, 4G-LTE, 4G-LTE+ ■ B2B services ■ Wholesale services	■ UMTS 2G, 3G, 4G-LTE ■ B2B iDEN mobile services	■ 2G, 3G, 4G-LTE ■ B2B Services	■ UMTS 2G, 3G, 4G-LTE[3] ■ B2B Services	N/A
Fixed (Very High Speed Fixed/FTTH/ xDSL) Services Offered	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services ■ Wholesale services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ Infrastructure access ■ ISP ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services	■ B2B services
Content[5]	■ Television content	■ Television content ■ Local Israeli content	■ Television content	■ Television content	■ Centralized purchasing, production and distribution of television content

(1) We provide our cable based services in the French Overseas Territories under the SFR brand licensed from the Altice France Group.

(2) We provide pay TV, fixed-line telephony and internet access services over our unbundled xDSL network in certain parts of the French Overseas Territories under the SFR brand.

(3) In connection with the 2014 SFR Acquisition, we disposed of mobile network assets in La Réunion and Mayotte on July 31, 2015.

(4) Includes business and datacenter operations in Switzerland (Green and Green Datacenter) and datacenter operations in France and Portugal, as well as centralized content purchasing, production and distribution, advertising, technical service and customer service businesses such as ACS, ATS and Teads.

(5) We purchase, produce and broadcast a diverse range of content and offer such content as part of our pay TV packages in several of our geographies, primarily through AENS. We expect to continue to expand our content offering through the acquisition of a 25% stake in SPORT TV in Portugal and our rights to broadcast and distribute various premium sports events, including the English Premier League, the French Basketball League, the English Rugby Premiership and, most recently, the UEFA Champions League and the UEFA Europa League in France, as further described under "*Description of Our Business—Overview of our Business—Significant Investments and Dispositions*" and "*Description of Our Business—Material Contracts*," as applicable. Sports events are broadcasted in France by the Altice France Group through channels packaged and distributed by AENS. Additionally, our recently-announced global partnership with Netflix will allow us to make Netflix's content available to our customers in France, Portugal, Israel and the Dominican Republic.

Key Performance Measures

	For the year ended December 31,		For the six months ended June 30,		For the twelve months ended June 30,	
	2015[8]	2016	2016	2017	2017	L2QA[9]
	€ in millions					
Revenue						
Portugal[1]	1,496.1	2,311.5	1,147.1	1,148.5	2,312.9	2,297.0
Israel	923.3	955.5	466.0	527.7	1,017.2	1,055.4
Dominican Republic	694.8	717.5	351.5	359.1	725.1	718.2
Others[2]	380.9	564.4	296.0	775.4	1,043.8	1,550.8
Intersegment eliminations[3]	(2.3)	(35.1)	(1.0)	(172.5)	(206.6)	(345.0)
Total Revenue	**3,492.8**	**4,513.8**	**2,259.6**	**2,638.2**	**4,892.4**	**5,276.4**
Adjusted EBITDA[4]						
Portugal[1]	640.5	1,088.1	555.6	518.2	1,050.7	1,036.4
Israel	429.7	431.2	215.3	237.6	453.5	475.2
Dominican Republic	360.4	374.9	184.4	186.6	377.1	373.2
Others[2]	171.1	244.4	122.6	223.1	344.9	446.2
Intersegment eliminations[3]	—	—	—	(22.9)	(22.9)	(45.8)
Total Adjusted EBITDA	**1,601.8**	**2,138.4**	**1,077.9**	**1,142.6**	**2,203.3**	**2,285.2**
Adjustment for Coditel Disposal[5]			(24.6)	(18.7)	(42.8)	(37.4)

	For the year ended December 31,		For the six months ended June 30,		For the twelve months ended June 30,	
	2015[8]	2016	2016	2017	2017	L2QA[9]
			€ in millions			
Total Adjusted EBITDA adjusted for Coditel Disposal			**1,053.3**	**1,123.9**	**2,160.5**	**2,247.8**
Adjustment for Media Capital Acquisition[6]...............................					41.5	41.5
Adjustment for Teads Acquisition[7]					25.0	25.0
Pro Forma Adjusted EBITDA......					**2,226.8**	**2,314.3**

(1) "Portugal" includes PT Portugal and its subsidiaries with effect from June 2, 2015 and Cabovisão until the completion of the Cabovisão Disposal on January 20, 2016.

(2) "Others" includes our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content purchasing, production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

(3) Total revenue and total Adjusted EBITDA are presented after giving effect to intersegment eliminations. Intersegment eliminations refer to intersegment costs, which primarily relate to services rendered by certain centralized Group functions (such as content production and customer service) to the operational segments of the Group, and are eliminated in consolidation. For the six months ended June 30, 2017, our intersegment eliminations primarily related to the acquisition of entities consolidated under the "Others" segment, such as ATS, ACS Target, AENS and AMI, that render certain centralized functions relating to content production, technical services and customer services to the operational segments of the Altice Group.

(4) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial information as it provides them with a measure of our operating results which excludes certain items that we consider to be outside of our recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in our financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

(5) Reflects Adjusted EBITDA, on a standalone basis, attributable to Coditel Belgium and Coditel Luxembourg for the relevant periods and, with respect to the last two quarters annualized, the six months ended June 30, 2017 (multiplied by two), as applicable.

(6) Reflects reported EBITDA generated by Media Capital for the year ended December 31, 2016.

(7) Reflects reported EBITDA generated by Teads for the year ended December 31, 2016.

(8) The Historical Consolidated Financial Information for the year ended December 31, 2015 consolidates the financial information of PT Portugal and its subsidiaries with effect from June 2, 2015. For the period from January 1, 2015 to June 2, 2015, PT Portugal generated revenue of €983.4 million. For the period from January 1, 2015 to June 2, 2015, PT Portugal generated Adjusted EBITDA of €373.3 million, comprising €983.4 million in revenue less purchasing and subcontracting services costs of €208.1 million, other operating expenses of €244.1 million and staff costs and employee benefit expenses of €157.9 million.

(9) Last two quarters annualized ("L2QA") is calculated by multiplying the revenue or Adjusted EBITDA, as applicable, for the six months ended June 30, 2017 by two.

Key Operating Measures

The table below presents the key operating measures of the Group by geographic segment as of and for the six months ended June 30, 2017.

	As of and for the six months ended June 30, 2017 in thousands except percentages and as otherwise indicated				
	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
	in thousands except percentages and as otherwise indicated				
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]..	**4,999**	**2,476**	**774**	**178**	**8,427**
Cable/Fiber Homes Passed..........................	3,451	2,476	675	172	6,774
Cable/fiber unique customers[2]..................	**542**	**1,010**	**173**	**59**	**1,784**
Cable/fiber customer net adds......................	64	(7)	6	0	63
Multi-play customers....................................	506	487	88	50	1,131

	As of and for the six months ended June 30, 2017 in thousands except percentages and as otherwise indicated				
	Portugal[(6)]	Israel[(7)]	Dominican Republic	French Overseas Territories	Total[(8)]
	in thousands except percentages and as otherwise indicated				
Multi-play penetration[(3)]	93 %	48 %	51 %	85 %	63 %
Total Cable/fiber RGUs[(4)]	**1,588**	**2,168**	**405**	**160**	**4,321**
Pay TV	534	799	142	59	1,534
Pay TV net adds	63	(12)	2	0	53
Broadband	514	706	124	50	1,394
Broadband net adds	64	5	18	1	88
Telephony	539	662	138	50	1,389
Telephony net adds	65	(2)	17	1	81
RGUs per cable/fiber customer	2.9	2.1	2.3	2.7	2.4
Cable/Fiber ARPU (€)[(5)]	39.3	58.6	38.1	63.8	—
Total DSL/Other RGUs (Incl. DTH)	**2,214**	**—**	**249**	**81**	**2,544**
Broadband	585	—	71	24	680
Telephony	926	—	175	53	1,154
TV	703	—	4	4	711
MOBILE B2C					
Total mobile subscribers[(7)]	**6,330**	**1,247**	**3,591**	**230**	**11,398**
Postpaid subscribers	2,769	1,120	816	175	4,880
Postpaid net adds	46	39	4	12	101
Prepaid subscribers	3,562	127	2,775	56	6,520
Mobile ARPU (€)	6.5	13	9	32.5	—

Our cable and fiber technologies enable us to offer premium digital services, attractive interactive features and high-quality content. We have leveraged our network advantage to drive our multi-play strategy and offer an attractive combination of content, speed and functionality. We experienced a significant increase in the percentage of multi-play subscribers, reaching 1,131,000 multi-play customers as of June 30, 2017 compared to 980,000 multi-play customers as of December 31, 2015 and 912,000 multi-play customers as of December 31, 2014, translating into growth in RGU per unique cable/fiber customer relationship. We expect this upward trend in multi-play customer growth to continue.

Cable/Fiber-Based Services ARPU Growth and Multi-Play Penetration

	As of and for the year ended December 31,		As of and for the six months ended June 30,
	2015	2016	2017
Portugal[(6)]			
Fiber ARPU (€)	39.7	39.9	39.3
Growth (%)	—	0.5	(1.5)
Multi-play Penetration (%)	90	93	93
Israel			
Fiber ARPU (€)	53.8	54.8	58.6
Growth (%)	—	2.2	6.9
Multi-Play Penetration (%)	47	48	48
Dominican Republic			
Fiber ARPU (€)	36.9	37.0	38.1
Growth (%)	—	3.1	3.0
Multi-Play Penetration (%)	28	44	51
French Overseas Territories			
Fiber ARPU (€)	60.7	63.0	63.8
Growth (%)	—	3.8	1.3

	As of and for the year ended December 31,		As of and for the six months ended June 30,
	2015	2016	2017
Multi-Play Penetration (%)	78	83	85

(1) In Portugal, Homes Passed includes DSL homes enabled for IPTV outside of PT Portugal's fiber footprint. In the Dominican Republic, Homes Passed includes DSL homes outside of the fiber footprint. Homes Passed in Israel represent the total number of homes in the country.

(2) Cable/Fiber unique customers represents the number of individual end users who have subscribed for one or more of our cable/fiber-based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. The total number of Cable/Fiber unique customers does not include subscribers to either our mobile or ISP services.

(3) Multi-play penetration rates for our pay television, broadband and telephony services are presented as a percentage of cable/fiber unique customers.

(4) RGUs, or Revenue Generating Units, relate to sources of revenue, which may not always be the same as customer relationships. For example, one person may subscribe for two different services, thereby accounting for only one subscriber, but two RGUs. RGUs for pay television and broadband are counted on a per service basis and RGUs for telephony are counted on a per line basis.

(5) ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenue from subscribers. ARPU is calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue (such as hosting fees paid by channels) for the respective period by the average number of customer relationships for that period and further by the number of months in the period. The average number of customer relationships is calculated as the number of customer relationships on the first day in the respective period plus the number of customer relationships on the last day of the respective period, divided by two. For Israel and the Dominican Republic, ARPU has been calculated by using the following exchange rates: €1 to ILS 3.952 and €1 to 52.083 DOP.

(6) Portugal represents operating measures of the PT Portugal Group (which we acquired on June 2, 2015). We disposed of our interests in the Cabovisão Group pursuant to regulatory conditions attached to the PT Portugal Acquisition on January 20, 2016.

(7) Mobile subscribers is equal to the net number of lines or SIM cards that have been activated on our mobile networks. In Israel, the split between iDEN and UMTS networks (B2C only, including prepaid) services is as follows:

	As of June 30,	
	2016	2017
	in thousands	
Mobile Subscribers		
iDEN	11	9
UMTS	1,079	1,238
Total	**1,090**	**1,247**

(8) Excludes the effects of Coditel Belgium and Coditel Luxembourg as a result of the Coditel Disposal, which we completed on June 19, 2017.

Summary Financials

The table below sets forth our revenue, Adjusted EBITDA, Adjusted Capital Expenditures and Adjusted EBITDA less Adjusted Capital Expenditures for the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2016 and 2017, together with Adjusted Pro Forma Capital Expenditures and Adjusted EBITDA less Adjusted Pro Forma Capital Expenditures for the twelve months ended June 30, 2017 and for the last two quarters annualized:

	For the year ended December 31,		For the six months ended June 30,		For the twelve months ended June 30,	
	2015(5)	2016	2016	2017	2017	L2QA(6)
	€ in millions, except where otherwise indicated					
Revenue(1)(7)	3,492.8	4,513.8	2,259.6	2,638.2	4,892.4	5,276.4
Adjusted EBITDA(1)(2)(7)	1,601.8	2,138.4	1,077.9	1,142.6	2,203.3	2,285.2
Adjusted EBITDA margin(2)(3)(7)	45.9 %	47.4 %	47.7 %	43.3 %	45.0 %	43.3 %
Capital Expenditures(4)(7)	674.3	1,125.8	473.1	528.3	1,181.0	1,056.6
Adjusted EBITDA—Capital Expenditures(2)(4)(7)	927.5	1,012.6	604.8	614.3	1,022.3	1,228.6

(1) Revenue and Adjusted EBITDA are presented above after giving effect to intersegment eliminations. See footnote (4) under "—*Key Performance Measures*" above for more information.

(2) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial information as it provides them with a measure of our operating results which excludes certain items that we consider to be outside of our recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in our financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

(3) Adjusted EBITDA margin is calculated as Adjusted EBITDA as a percentage of revenues for the relevant period.

(4) Capital Expenditures reflects accrued capital expenditures plus capital expenditures for working capital items.

(5) The Historical Consolidated Financial Information for the year ended December 31, 2015 consolidates the financial information of PT Portugal and its subsidiaries with effect from June 2, 2015. For the period from January 1, 2015 to June 2, 2015, PT Portugal generated revenue of €983.4 million. For the period from January 1, 2015 to June 2, 2015, PT Portugal generated Adjusted EBITDA of €373.3 million, comprising €983.4 million in revenue less purchasing and subcontracting services costs of €208.1 million, other operating expenses of €244.1 million and staff costs and employee benefit expenses of €157.9 million. For the period from January 1, 2015 to June 2, 2015 and prior to its acquisition by the Group, PT Portugal's total capital expenditures were €146.9 million.

(6) Last two quarters annualized ("L2QA") is calculated by multiplying the revenue, Adjusted EBITDA or Adjusted Capital Expenditures, as applicable, for the six months ended June 30, 2017 by two.

(7) Includes our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017). Adjusted EBITDA, on a standalone basis, attributable to Coditel Belgium and Coditel Luxembourg for the six months ended June 30, 2016, the six months ended June 30, 2017, the last twelve months ended June 30, 2017 and the L2QA was €24.6 million, €18.7 million, €42.8 million and €37.4 million, respectively.

Our Competitive Strengths

We believe that we benefit from the following key strengths:

We benefit from an owner-operator culture. We are part of a founder-controlled organization with an owner-operator culture and strategy that is focused on operational efficiency and innovation. In recent years, our management team has moved quickly to, among other things, streamline business processes, centralize functions and eliminate non-essential expenses, simplify and redesign our product offerings, drive adoption of higher broadband speeds and continue to build out our FTTH network across our footprint. We continuously challenge ourselves to improve our operational and financial performance. We encourage communication across the organization while empowering nimble, efficient decision-making that is focused at every level on enhancing the overall customer experience. We believe our owner-operator culture and the Altice Way differentiate us from our industry peers.

We enjoy leading positions in pay TV and broadband internet services in well diversified markets with favorable dynamics for cable and fiber operators. We are the largest or second largest cable/fiber pay TV operator and broadband internet services provider in each of our service areas and the sole cable provider in a significant majority of our footprint. We are located in markets that we believe have a number of attractive trends for cable and mobile operators. Portugal is our largest geography by revenue and EBITDA. In Portugal, we benefit from PT Portugal's number one positions in broadband internet, fixed-line telephony and enterprise telecom services and number two position in pay TV which we provide through a fixed network that passes 3.5 million homes with FTTH as of June 30, 2017. We are also the largest mobile operator in Portugal. PT Portugal's mobile network is 4G-LTE enabled, allowing speeds of up to 400 Mbps, and also provides nationwide 3G and 2G coverage. In Israel, we are the leading cable operator with the number one market position in pay TV and number two position in broadband internet. There we benefit from nationwide cable network coverage, a unique feature in the cable sector, which we believe provides us with significant penetration upside potential. All of the countries in which we currently operate have historically had high consumption of television and high pay TV penetration combined with a relatively weak free-to-air television proposition. Broadband internet penetration in our footprint, and in particular in Israel, also compares favorably with most West European markets.

We believe that we benefit from a fixed network advantage in each of our markets. Substantially all of our HFC networks are DOCSIS 3.0 enabled, and, in Portugal, we own one of the largest FTTH networks by penetration that passes 3.5 million cable/fiber homes (approximately 60% penetration). We also implemented our fiber rollout strategy in Portugal pursuant to which we rolled out over 700,000 new fiber homes passed in 2016, and a further 500,000 FTTH homes since the beginning of the year, which we believe leaves us well-positioned to reach our target of 5.3 million fiber homes passed in Portugal by 2020. We believe our state-of-the-art networks allow us to offer attractive and competitive services in terms of picture quality, speed and connection reliability. Outside of the Dominican Republic and the French Overseas Territories, we are able to offer download speeds of at least 100 Mbps to a vast majority of homes passed in our footprint. Given the existing technological capability of our networks, in the short to medium term, we expect to offer download speeds of up to 400 Mbps with limited network and customer premises equipment upgrades across a substantial portion of our network. We currently have a network advantage in terms of download speed across a part of our cable service area across geographies (excluding the Dominican Republic), particularly in Israel, where we expect to continue offering faster speeds than our competitor's legacy technology and at par with it in areas where it has deployed FTTH. We believe that with our HFC and FTTH technologies we are well positioned for future technological developments making it possible for us to reach broadband internet download and upload speeds exceeding those offered by competing technologies, without making significant additional investments.

We are a leading multi-play provider of cable and/or fiber based services in our markets with substantial cross-sell and up-sell opportunities in B2C and B2B fixed and mobile. Building on our technologically advanced networks and innovative offerings, we have developed leading positions in our markets in multi-play offerings by selling our differentiated pay TV, high-speed broadband internet, fixed-line telephony and, in most instances, mobile telephony services as bundles. We believe that the strength of our fixed businesses and our ability to offer advanced mobile services makes us well positioned to increase penetration of multi-play and premium packages. We believe that continued focus on our bundling strategy and increasing our triple- or, where possible, quad-play penetration will enable us to grow our cable/fiber based services ARPU. The demand for high-speed internet, fixed mobile convergence and high-quality content are key drivers of our cross-sell and up-sell strategy.

We believe that we are well positioned to capitalize on this trend as we offer download speeds of at least 100 Mbps to a majority of homes passed in our footprint (other than the portion of homes passed in the Dominican Republic and the French Overseas Territories that are not currently DOCSIS 3.0 enabled). In Portugal, PT Portugal is a leading provider of multi-play services and the market leading provider of broadband internet services, which we believe provides upsell opportunities in fixed-line and mobile telephony. In addition, we have been offering mobile services in Israel through our own mobile network since 2012, and we see the increase in penetration of mobile subscribers as a key potential upside.

We have a fully integrated fixed and mobile business in Portugal, Israel, the Dominican Republic and the French Overseas Territories. In Portugal, we believe that we are well positioned to benefit from convergence between fixed and mobile service offerings by leveraging our high-speed fiber-based fixed network and 4G mobile network. In Portugal, we have successfully capitalized on cross-selling opportunities through delivery of converged services as evidenced by our consistently high multi-play penetration rates of 93% as of June 30, 2017, 93% as of December 31, 2016 and 92% as of June 30, 2016. We own and operate a 3G mobile network in Israel, the Dominican Republic and in the French Overseas Territories which, in each case, benefit from synergies with our cable networks. We are also focused on delivering high quality content offerings to complement our fixed and mobile services. For example, in Portugal, we offer a high-quality content package through more than 200 channels and a leading VOD library, and we recently acquired a 25% stake in SPORT TV and exclusive broadcasting rights to the F. C. Porto matches in the Portuguese Premier League. In Israel, we co-develop and co-own high-quality original local content together with local producers and broadcast it on our proprietary channels. We believe that our high-quality proprietary local content along with premium local content that we purchase and/or distribute, together with our distinctive brand, enable us to attract new and retain existing subscribers to our fixed-based services.

We employ a customer-centric operating and service model supported by technology and data analytics. We seek to provide our customers with the best connectivity and service experience available. This customer-centric approach drives our decision-making processes and is a key component of the Altice Way. Through investments in our IT platforms and a focus on process improvement, we have simplified and harmonized our service offering bundles, and improved our technical service delivery and our customer service. We develop, monitor and analyze detailed customer metrics to identify root-causes of customer dissatisfaction and to further improve the customer experience. Taken together, we believe these initiatives will further reduce calls and service visits, increase customer satisfaction and strengthen our top-line performance and cash flow generation.

We enjoy the benefits of a global communications group. We benefit from being part of an international media and communications group. As part of the Altice Group, we have access to the innovation, management expertise and best practices developed and tested in other Altice Group markets such as France and the U.S. For example, our businesses across the organization benefit from technologies developed by Altice Labs, Altice's technology, services and operations innovation center. Our B2B service offerings draw from platforms, services and expertise developed by sophisticated B2B operators across the Altice Group footprint, such as SFR Group in France. We also benefit from the Altice Group's significant scale advantages, allowing us to draw on centralized functions, including procurement and technical services. For example, we recently purchased our parent company's stake in AMI, a management services company, and created technical services (ATS) and customer services (ACS) divisions following the acquisition of our historical suppliers, Parilis S.A. and Intelcia Group S.A., respectively. AMI, ACS and ATS now serve as our centralized management, technical and customer service providers and generate revenue primarily by providing such services to affiliated entities within the Altice Group. We believe that the acquisition of a controlling stake in these companies will enable our operating subsidiaries to provide customers with fully-integrated services, will enhance their expertise and will ensure further quality of service improvements. We also believe that these scale benefits and operational expertise assist us in increasing our operating efficiency and reducing our capital expenditures while also improving the customer experience.

The Altice Group also cross-deploys talent and expertise across its businesses, allowing us to benefit from our senior management's experience in successfully implementing the Altice Way around the world. We believe this diversity of experience differentiates us from our more traditional and localized industry peers.

We benefit from strong Adjusted EBITDA margin and scalable capital expenditures translating into strong organic cash flow. On a historical consolidated basis our Adjusted EBITDA as a percentage of revenues has remained consistently high at 45.9% for the fiscal year ended December 31, 2015, 47.4% for the fiscal year ended December 31, 2016 and 45.0% for the twelve months ended June 30, 2017 primarily as a result of the operational efficiencies arising from our implementation of the Altice Way, including streamlining business processes, centralizing functions and eliminating non-essential operating expenses and service arrangements across the organization, in addition to acquisitions of higher margin businesses. The operational efficiencies have been complemented by efficient capital expenditure as 99% of our cable networks are already upgraded to DOCSIS 3.0, making our fixed-based business's capital expenditures largely success driven, including network upgrades and customer acquisition-related investments. In the twelve months ended June 30, 2017, we generated Pro Forma Adjusted EBITDA as a percentage of revenues of 46.1% and Pro forma Adjusted EBITDA less Capital Expenditures as a percentage of Pro Forma Adjusted EBITDA of 47.0%. We expect that the scale of our operations, together with the centralization of our business functions, will enable us to further reduce operating expenses and benefit from economies of scale in our capital expenditures. We will continue to build out our FTTH network in Portugal and upgrade the portions of our cable network where we see strong return on investment, including in the Dominican Republic.

We have a proven track record of making attractive acquisitions and of unlocking value through operational excellence. We believe that our entrepreneurial culture and efficient decision making processes allow us to quickly react to changes in our operating environments and to seize business opportunities as they arise. We believe a key driver of our success has been our ability to identify attractive acquisition targets and assess the associated potential for value creation, consummate the acquisitions on terms economically attractive to us and consistently and timely implement best operational practices that drive the previously identified improvements in the profitability of acquired businesses. We have historically been able to acquire fixed and mobile networks operators in what we believe to be new attractive markets and create value through operational synergies. We have expertise in operating cable and telecommunications businesses in numerous countries and business environments, with consistent focus on fostering cash-flow growth. In our acquired businesses, we have successfully employed the Altice Way to simplify our organizational structure, reduce management layers, streamline decision-making processes, optimize costs and redeploy resources with a focus on network investment, customer service enhancements and marketing support. For example, in our Israeli business, following the acquisition of control by the Group over HOT in 2011, our Israeli operations' Adjusted EBITDA margin increased from 39% for the year ended December 31, 2011 to 45% for the fiscal year ended December 31, 2016 (without giving effect to intersegment eliminations). In the Dominican Republic, our cost restructuring efforts following the Altice Hispaniola Acquisition and the Tricom Acquisition in March 2014 and April 2014, respectively, have resulted in an increase in Adjusted EBITDA margin from 39% for the year ended December 31, 2013 to 52% for the fiscal year ended December 31, 2016 (without giving effect to intersegment eliminations). Similarly, following the PT Portugal Acquisition, PT Portugal's Adjusted EBITDA margin increased from 38% for the period from January 1, 2015 to June 2, 2015 to 47% for the fiscal year ended December 31, 2016 (without giving effect to intersegment eliminations). Across our operations, we expect to continue to realize operational synergies from the centralization of procurement, optimization of marketing spending, brand convergence, IT rationalization and through simplification of processes and offerings as part of the Altice Way.

We have an experienced management team with a long term industry track record. We manage our business by combining the expertise of the Altice Group senior management team with the local expertise of the managers of our operating subsidiaries who have significant experience managing day to day operations at cable and telecommunications companies. We are an indirect wholly-owned subsidiary of Altice, which was founded and is controlled by communications and media entrepreneur Mr. Drahi. Mr. Drahi, who has over 25 years of experience owning and managing communications and media operations, has built the Altice Group from a regional French cable company founded in 2002 into one of the world's leading broadband communications and video services companies. Over the past 15 years, he has led a transformation of the communications and media industry through investment in networks and improvements in customer experience and operations to enhance both service delivery and operational efficiency. The Altice Group senior management team has extensive experience in the cable and telecommunications sectors. Upon joining Altice in 2009, Dexter Goei, President of Altice and CEO and Chairman of Altice USA, spearheaded the rapid expansion of the company from a French cable operator to a multinational communications enterprise with fixed and mobile assets across six different countries. Prior to joining Altice, Mr. Goei worked in investment banking for 15 years, most recently as Co-Head of the European Technology, Media & Telecommunications Group at Morgan Stanley. Michel Combes (CEO of Altice) has previously held the positions of CEO of Alcatel Lucent, CEO of Vodafone Europe and Chairman and CEO of TDF. He was also the CFO and Vice Chairman of France Télécom and has over 25 years' worth of experience in the telecommunications industry. Before joining Altice in 2012, Dennis Okhuijsen (CFO of Altice) worked in the cable sector for 17 years with UPC, UGC and Liberty Global, most recently as Group Treasurer of Liberty Global.

Our Strategy

Our business strategy is based on the successful Altice Way. By executing the principles described below, we aim to provide advanced, innovative broadband, pay television and fixed and mobile telephony services to our customers and further improve our business operations and practices.

Grow operating margins and cash flow by capitalizing on Group synergies and leveraging our operational expertise. We have a successful track record of improving the performance of cable and telecommunication operators across geographies. We have implemented the Altice Way across our organization to streamline processes and service offerings and to improve productivity by centralizing our business functions, reorganizing our procurement processes, eliminating duplicative management functions and overhead, terminating lower-return projects and non-essential consulting and third-party service arrangements, and investing in our employee relations and our culture. This has resulted in improved financial performance, and we will continue to focus on achieving organic growth of our operating margins across our operations. We have realized certain operating synergies from our acquisition of PT Portugal, including in the following areas: subcontractor rationalization, increased buying power through combined procurement, reduction in interconnection costs through rerouting to Altice's international backbone, renegotiations of price lists with suppliers, and reduction in IT spending. We expect to continue to achieve savings as we focus on integrating acquired businesses with our existing business, as well as implementing and sharing best practices across the Altice Group. We seek to achieve further economies of scale in capital expenditures as the Altice Group expands and our bargaining power increases. We aim to achieve such operational efficiencies and successfully integrate our businesses through our experienced management team which has a proven track record of delivering such improvements.

Drive revenue and cash flow growth by providing new and existing customers with best-in-class products, services and content. We have continued to make significant progress in improving our growth in revenue, Adjusted EBITDA and cash flow and, in addition to the synergies and operational efficiencies described above, we believe we have additional opportunities to drive continued growth in these financial metrics based on the following factors:

- continued market demand for our multi-play services, driven by increased data consumption and bandwidth requirements;
- focus on selling and cross-selling higher value and more enriched service offerings to our residential and business customers, as well as the introduction of new services leveraging our advanced HFC and FTTH networks;
- market share gains driven by product innovation, high-quality content and the quality and value of our services; and
- focus on connectivity, business and advertising services.

In particular, we believe that our fixed network leadership, operational excellence and multi-play strategy are key success factors in our end markets, and that our state-of-the-art cable and fiber networks across our markets provide us with a strong technological infrastructure for delivering high quality television, higher speed internet and triple-play and, subject to certain regulatory considerations, quad-play services at attractive prices. We have successfully increased our multi-play customers from 984,000 as of June 30, 2016 to 1,131,000 as of June 30, 2017, with a multi-play penetration of 59% as of June 30, 2016 as compared to 63% as of June 30, 2017. Our strategy is to continue to drive revenue and cash flow growth in part by increasing our multi-play customer penetration through accelerated investment in both fiber and 4G infrastructure, which we believe will enable us to attract new multi-play customers and cross-sell our mobile services to existing fixed services customers.

Invest in fixed and mobile infrastructure across our footprint, as well as sales, marketing and innovation, to maintain our competitive advantage in the market and provide best-in-class services to our customers. Technological innovation and network investments are key components of the Altice Way. For example, in 2015 we announced our plan to extend our fiber network from approximately 2.3 million homes to 5.3 million homes by extending our fiber coverage by 600,000 homes per year until 2020, creating the most innovative, GPON-technology based fiber network in Europe. We are well-positioned to achieve this target, having rolled out over 700,000 new fiber homes passed in 2016 and a further 500,000 FTTH homes since the beginning of the year, reaching 3.5 million homes passed as of June 30, 2017. We aim to remain a technology leader in each of our markets and to provide innovative, best-in-class services to our customers. For our residential customers, this includes our focus on new customer platforms and faster data speeds. For our business customers, we are introducing new value-added managed services, while for our advertising clients we offer advanced, targeted and multi-screen advertising services and data analytics using our proprietary data and the advanced technology platforms that we have developed and acquired.

We are also focused on building and implementing a global brand to emphasize the quality of our services and to communicate more clearly our global strategy as an innovator, disruptor and a provider of superior next generation services to our customers. This includes harmonizing and changing existing brands in countries in which we operate to share a new global identity. We expect this new global brand to take effect across the Altice Group by the end of the second quarter of 2018.

We intend to continue to build up our global brand and invest in our networks, services and new technologies in order to maintain our competitive advantage and position ourselves to grow in the future.

Selectively invest in key content to enrich our communications service offerings and differentiate our offerings in the market place. We plan to invest selectively in premium content as part of our long term strategy of converging our telecom assets with media channels, distribution, content development and production. For example, at the end of 2015 and at the beginning of 2016, PT Portugal entered into contracts with several first and second division football clubs in Portugal, including F.C. Porto, Vitoria F.C., Rio Ave F.C. and Boavista F.C. to acquire the exclusive broadcasting rights for the home games of these clubs for up to ten football seasons. We have also purchased rights to broadcast and distribute various premium sports events, including the English Premier League, the French Basketball League, the English Rugby Premiership and, most recently, the UEFA Champions League and the UEFA Europa League, which we distribute to our affiliate, the Altice France Group, for broadcasting in France. We believe that these arrangements will enhance our profile in the market and help us differentiate ourselves from our competitors.

Enhance the customer experience in order to increase our customer base and prevent churn. We intend to deliver a superior customer experience through implementation of the Altice Way. First, we aim to offer the most technologically-advanced customer platforms and equipment, such as our multifunctional set-top box, LaBox, which was developed by Altice Labs and continues to be rolled out across Portugal and Israel. Second, by leveraging our advanced infrastructure (with approximately 8.4 million total homes passed as of June 30, 2017), we seek to provide our customers with a bandwidth and connectivity experience superior to what our competition offers. We believe investments in our FTTH and HFC networks across our geographies will further enhance our infrastructure position, improve service reliability for our customers and lower our maintenance costs. Third, we strive to provide the best service across the customer lifecycle from point of sale to installation and customer care, including through the use of ACS, our new centralized customer services division. A key aspect of this initiative is to link internal sales incentives to metrics tied to the length of a new customer relationship and product mix, as opposed to more traditional criteria of new sales, in order to refocus our organization away from churn retention to churn prevention.

Leverage our networks to address new growth opportunities including B2B and mobility. We believe that our dense cable/fiber network, supported by fiber backbones, will position us ideally to service new demand from corporate customers and to benefit from the convergence of fixed and mobile usage with relatively lower levels of capital investment compared to some of our peers. We aim to leverage our well-invested infrastructures to offer tailored data solutions and capture profitable growth in these markets, thereby maximizing the return on our network assets. As the B2B telecommunications market shifts to next generation services, including IP VPN, hosting or cloud services, which are more bandwidth intensive and complex, we will look to expand opportunistically in the B2B businesses, which offer important economies of scale and synergies with our B2C operations.

In addition, as mobile internet traffic is expected to grow at a compound annual growth rate of 53% between 2015 and 2020 (according to third party sources), primarily driven by development of smart devices supporting multiple wireless technologies, we believe that our high capacity backbone will differentiate us from our competitors as it enables us to offer a compelling backhaul offload offering to MVNOs. In Portugal, we benefit from PT Portugal’s leading enterprise telecom infrastructure (including one of the largest data centers in the world) and strong customer relationships, as well as from its number one mobile telecom position with its 4G mobile network and superior scale. We believe we can further grow this business by implementing best practices from the broader Altice Group as part of the Altice Way.

Opportunistically grow through value-accretive acquisitions and generate value through proven integration capabilities. The Group has made numerous acquisitions over the last several years. The Group believes that it has consistently demonstrated an ability to acquire and effectively integrate companies, realize efficiencies and cost synergies, improve revenue trends and grow Adjusted EBITDA and cash flow. The Group believes that its superior operating model and ability to achieve efficiencies and cost synergies through acquisitions provide it with a competitive advantage in future consolidation opportunities within the communications and media market in the geographies in which the Group operates, including through selective investments in advertising, content and services. The Group will carefully evaluate these opportunities based on a number of criteria, including the quality of the assets, the fit with the Group's existing operations and the opportunity to create value by optimizing operations, accelerating growth and realizing cost efficiencies.

Recent Developments

Agreement to Acquire Media Capital

On July 14, 2017, we entered into a definitive agreement with Promotora de Informaciones, S.A. ("Prisa") to acquire its 94.7% stake in Media Capital SGPS, S.A. ("Media Capital"), a leading Portuguese media group with audience leadership positions in both TV and radio (the "Media Capital Acquisition"). Media Capital also owns the largest Portuguese content producer, Plural. The acquisition values Media Capital at an enterprise value of €440 million, subject to customary debt, debt-like and working capital adjustments. Closing of the acquisition will be subject to customary closing conditions including approval by Prisa shareholders and regulatory approval. On the same date, we launched a mandatory takeover offer for the remaining 5.3% stake of Media Capital not owned by Prisa.

On September 19, 2017, ANACOM issued an opinion opposing the transaction in its current form. The opinion issued by ANACOM is not binding and the merger control proceedings carried out by Autoridade da Concorrência remain ongoing in accordance with the relevant terms of procedure. The mandatory takeover offer that we preliminarily announced over the share capital of Media Capital also remains ongoing, with registration and launching being subject to the approval of regulatory conditions set out in the preliminary announcement.

The Refinancing Transactions

The Proposed Financing and the Existing Revolving Credit Facilities Repayment

We intend to use the proceeds of the Proposed Refinancing:

(i) to refinance borrowings drawn under the Existing Revolving Credit Facilities, together with any accrued and unpaid interest (the "Existing Revolving Credit Facilities Repayment"); and

(ii) to pay fees, costs and expenses associated with the Refinancing Transactions.

2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes

Following the date of this Notice, Altice Financing S.A. is expected to enter into an incremental term loan agreement between, *inter alios* the various lenders party thereto and J.P. Morgan Europe Limited and J.P. Morgan Chase Bank N.A. as additional administrative agents (the "2017 Incremental Term Loan Agreement") under the 2015 Term Loan Agreement. Pursuant to the 2017 Incremental Term Loan Agreement, various lenders are expected to lend (i) a new euro-denominated tranche of term loans in an aggregate principal amount of €300.0 million (the "2017 October Euro Term Loan"), and (ii) a new U.S. dollar-denominated tranche of term loans in an aggregate principal amount of $900.0 million (the "2017 October Dollar Term Loan," together with the 2017 October Euro Term Loan, the "2017 October Term Loans").

The 2017 October Term Loans are expected to mature in January 2026.

The net proceeds from the 2017 October Term Loans are expected to be used on or after December 15, 2017 to redeem in full the aggregate principal amount of outstanding 2013 December Senior Secured Notes at a redemption price equal to 103.250% of such principal amount, together with any accrued and unpaid interest, in accordance with the indenture governing the 2013 December Senior Secured Notes (the "2013 December Senior Secured Notes Redemption"). However, there can be no assurance that the 2017 Incremental Term Loan Agreement will be entered into, that the 2017 October Term Loans will be extended or that the 2013 December Senior Secured Notes Redemption will occur. The Proposed Financing is not conditioned on the successful completion of such transactions.

The Proposed Financing, the Existing Revolving Credit Facilities Repayment, the borrowings under the 2017 October Term Loans and 2013 December Senior Secured Notes Redemption are collectively referred to herein as the "Refinancing Transactions."

Altice Group

Our Controlling Shareholder

As of the date of this Notice, Altice, a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of The Netherlands, registered with the Dutch Trade Registry under number 63329743, having its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands, owns, through its indirect wholly owned subsidiary Altice Luxembourg S.A., 100% of the Company's and Altice International's share capital.

Founded by telecommunications entrepreneur Patrick Drahi, Altice is a multinational broadband and mobile communications, content and media company with presence in four regions: Western Europe (comprising France, Portugal and Switzerland), the United States, Israel, the Dominican Republic and the French Overseas Territories (currently comprising Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte). Altice provides very-high-speed based services (high quality pay-television, fast broadband internet and fixed-line telephony) and, in certain countries, mobile telephony services to residential and business subscribers.

Altice completed an initial public offering of ordinary shares on February 6, 2014, following which its shares are listed on Euronext Amsterdam.

The Company

The Company is a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg, having its registered office at 5, rue Eugène Ruppert, L-2453 Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de Commerce et des Sociétés, Luxembourg*) under number B171.151. The Company's business operations include only managing the financing activities of the Group. The Company's ability to pay principal, interest and premium, if any, on the Notes, is dependent, in large part, upon payments received from the Group pursuant to the AF Proceeds Loans.

SUMMARY FINANCIAL INFORMATION AND OTHER DATA

Basis of Presentation

The following tables set forth summary selected Historical Consolidated Financial Information of Altice International derived from (i) the unaudited condensed consolidated financial statements of Altice International as of and for the six month period ended June 30, 2017 (including comparative information as of and for the six month period ended June 30, 2016), prepared in accordance with IAS 34, which have been reviewed by Deloitte Audit S.à r.l. and (ii) the consolidated financial statements of Altice International as of and for the years ended December 31, 2015 and 2016, prepared in accordance with IFRS, which have been audited by Deloitte Audit S.à r.l.

The summary financial information presented below should be read together with Altice International's historical financial statements as of and for the years ended December 31, 2015 and 2016 and the six months ended June 30, 2017, including the accompanying notes, included elsewhere in this Notice. As a result of the series of significant acquisitions and disposals that have been consummated by Altice International during these periods, and the intra-year timing of such acquisitions and disposals, the comparability of the Historical Consolidated Financial Information over each of the periods presented below may be limited.

Income Statement Data

	For the year ended December 31,		For the six months ended June 30,	
	2015	2016	2016[(1)]	2017
	€ in millions			
Revenues	**3,492.8**	**4,513.8**	**2,259.6**	**2,638.2**
Purchasing and subcontracting costs	(786.2)	(1,025.7)	(493.8)	(706.7)
Other operating expenses	(764.9)	(890.6)	(442.1)	(467.8)
Staff costs and employee benefit expenses	(339.9)	(459.0)	(245.9)	(334.8)
Depreciation, amortization and impairment	(1,221.5)	(1,471.5)	(742.4)	(704.8)
Other expenses and income	(101.5)	(157.3)	(35.1)	(17.8)
Operating income	**278.8**	**509.7**	**300.3**	**406.3**
Interest relative to gross financial debt	(480.8)	(654.1)	(360.7)	(440.8)
Other financial expenses	(191.6)	(80.5)	(20.7)	(16.5)
Financial income	11.5	86.6	71.9	70.9
Net result on extinguishment of a financial liability	—	(88.0)	(88.0)	(39.0)
Finance costs, net	**(660.9)**	**(736.0)**	**(397.5)**	**(425.4)**
Net result on disposal of businesses	27.5	112.6	115.5	—
Share of profit of associates	2.1	2.5	0.2	2.9
Profit (loss) before income tax	**(352.5)**	**(111.2)**	**18.5**	**(16.2)**
Income tax expenses	(48.7)	(131.6)	0.3	(16.7)
Profit (loss) for the year	**(401.2)**	**(242.8)**	**18.8**	**(32.9)**
Attributable to equity holders of the parent	*(397.2)*	*(231.1)*	*28.6*	*(44.1)*
Attributable to non-controlling interests	*(4.0)*	*(11.7)*	*(9.8)*	*11.2*

(1) Figures for the six months ended June 30, 2016 have been revised for the impact of the purchase price allocations of Group entities acquiring during the 2015 and 2016 financial years. See Note 16 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

Revenue, Adjusted EBITDA and Pro Forma Adjusted EBITDA

The following table sets forth the revenues and Adjusted EBITDA by geography based on the Historical Consolidated Financial Information of Altice International.

	For the year ended December 31,		For the six months ended June 30,		For the twelve months ended June 30,	
	2015[(8)]	2016	2016	2017	2017	L2QA[(9)]
	€ in millions					
Revenue						
Portugal[(1)]	1,496.1	2,311.5	1,147.1	1,148.5	2,312.9	2,297.0
Israel	923.3	955.5	466.0	527.7	1,017.2	1,055.4
Dominican Republic	694.8	717.5	351.5	359.1	725.1	718.2
Others[(2)]	380.9	564.4	296.0	775.4	1,043.8	1,550.8

	For the year ended December 31,		For the six months ended June 30,		For the twelve months ended June 30,	
	2015[8]	2016	2016	2017	2017	L2QA[9]
			€ in millions			
Intersegment eliminations[3]	(2.3)	(35.1)	(1.0)	(172.5)	(206.6)	(345.0)
Total Revenue	**3,492.8**	**4,513.8**	**2,259.6**	**2,638.2**	**4,892.4**	**5,276.4**
Adjusted EBITDA[4]						
Portugal[1]	640.5	1,088.1	555.6	518.2	1,050.7	1,036.4
Israel	429.7	431.2	215.3	237.6	453.5	475.2
Dominican Republic	360.4	374.9	184.4	186.6	377.1	373.2
Others[2]	171.1	244.4	122.6	223.1	344.9	446.2
Intersegment eliminations[3]	—	—	—	(22.9)	(22.9)	(45.8)
Total Adjusted EBITDA	**1,601.8**	**2,138.4**	**1,077.9**	**1,142.6**	**2,203.3**	**2,285.2**
Adjustment for Coditel Disposal[5]			(24.6)	(18.7)	(42.8)	(37.4)
Total Adjusted EBITDA adjusted for Coditel Disposal			**1,053.3**	**1,123.9**	**2,160.5**	**2,247.8**
Adjustment for Media Capital Acquisition[6]					41.5	41.5
Adjustment for Teads Acquisition[7]					25.0	25.0
Pro Forma Adjusted EBITDA					**2,226.8**	**2,314.3**

(1) "Portugal" includes PT Portugal and its subsidiaries with effect from June 2, 2015 and Cabovisão until the completion of the Cabovisão Disposal on January 20, 2016.

(2) "Others" includes our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content purchasing, production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

(3) Total revenue and total Adjusted EBITDA are presented after giving effect to intersegment eliminations. Intersegment eliminations refer to intersegment costs, which primarily relate to services rendered by certain centralized Group functions (such as content production and customer service) to the operational segments of the Group, and are eliminated in consolidation. For the six months ended June 30, 2017, our intersegment eliminations primarily related the acquisition of entities consolidated under the "Others" segment, such as ATS, ACS Target, AENS and AMI, that render certain centralized functions relating to content production, technical services and customer services to the operational segments of the Altice Group.

(4) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial information as it provides them with a measure of our operating results which excludes certain items that we consider to be outside of our recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in our financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

(5) Reflects Adjusted EBITDA, on a standalone basis, attributable to Coditel Belgium and Coditel Luxembourg for the relevant periods and, with respect to the last two quarters annualized, the six months ended June 30, 2017 (multiplied by two), as applicable.

(6) Reflects reported EBITDA generated by Media Capital for the year ended December 31, 2016.

(7) Reflects reported EBITDA generated by Teads for the year ended December 31, 2016.

(8) The Historical Consolidated Financial Information for the year ended December 31, 2015 consolidates the financial information of PT Portugal and its subsidiaries with effect from June 2, 2015. For the period from January 1, 2015 to June 2, 2015, PT Portugal generated revenue of €983.4 million. For the period from January 1, 2015 to June 2, 2015, PT Portugal generated Adjusted EBITDA of €373.3 million, comprising €983.4 million in revenue less purchasing and subcontracting services costs of €208.1 million, other operating expenses of €244.1 million and staff costs and employee benefit expenses of €157.9 million.

(9) Last two quarters annualized ("L2QA") is calculated by multiplying the revenue or Adjusted EBITDA, as applicable, for the six months ended June 30, 2017 by two.

Selected Balance Sheet Data

	As of December 31,		As of June 30,
	2015[1]	2016	2017
		€ in millions	
Total current assets	1,381.0	2,323.4	2,556.6
Total non-current assets	11,680.0	11,146.5	11,229.0
Total assets classified as held for sale[2]	122.1	416.7	—

	As of December 31,		As of June 30,
	2015[1]	2016	2017
		€ in millions	
Total assets	**13,183.1**	**13,886.6**	**13,785.6**
Total current liabilities	2,645.8	3,341.5	3,354.3
Total non-current liabilities	10,006.4	10,473.8	10,398.9
Total liabilities directly associated with assets classified as held for sale[2]	84.6	42.9	—
Total liabilities	**12,736.8**	**13,858.2**	**13,753.2**
Total equity	**446.3**	**28.4**	**32.4**

(1) Figures for the year ended December 31, 2015 have been revised for the impact of the purchase price allocations of Group entities acquired during the 2015 financial year. See Note 29 to the consolidated financial statements of Altice International as of and for the year ended December 31, 2016 included elsewhere in this Notice.

(2) Assets classified as held for sale and liabilities directly associated with assets classified as held for sale as of December 31, 2016 relate to the classification of Coditel Belgium and Coditel Luxembourg as a disposal group held for sale in accordance with IFRS. See Note 3.3.6 to the consolidated financial statements of Altice International as of and for the year ended December 31, 2016. Assets classified as held for sale and liabilities directly associated with assets classified as held for sale as of December 31, 2015 relate to the classification of the Cabovisão Group as a disposal group held for sale in accordance with IFRS. See Note 4.4 to the consolidated financial statements of Altice International as of and for the year ended December 31, 2015 included elsewhere in this Notice.

Selected Cash Flow Data

	For the year ended December 31,		For the six months ended June 30,	
	2015[1]	2016	2016[2]	2017
	€ in millions			
Cash and cash equivalents at beginning of year/period	188.1	266.0	266.0	266.0
Net cash provided by operating activities	1,441.3	1,571.2	812.1	1,003.1
Net cash used in investing activities	(1,242.4)	(781.1)	(68.9)	(454.2)
Net cash used in financing activities[3]	(116.6)	(792.3)	(659.9)	(572.5)
Effects of exchange rate changes on the balance of cash held in foreign currencies	2.4	3.2	1.1	(5.5)
Cash and cash equivalents linked to assets classified as held for sale at the end of the reporting	(6.8)	(0.9)	—	—
Cash and cash equivalents at end of year/period	266.0	266.0	350.4	236.9

(1) Figures for the year ended December 31, 2015 have been revised for the impact of the purchase price allocations of Group entities acquiring during the 2015 financial year. See Note 29 to the consolidated financial statements of Altice International as of and for the year ended December 31, 2016.

(2) Figures for the six months ended June 30, 2016 have been revised for the impact of the purchase price allocations of Group entities acquiring during the 2015 and 2016 financial years. See Note 16 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

(3) Includes cash received on vendor financing and securitization for an aggregate amount of €107.2 million for the six months ended June 30, 2017.

Certain As Adjusted Information**

	As of and for the twelve months ended June 30, 2017	As of June 30, 2017 and for the last two quarters annualized[6]
	€ in millions	
As adjusted total net debt[1][3]	8,207.0	8,207.0
As adjusted senior net debt[2][3]	6,591.2	6,591.2
Pro Forma Adjusted EBITDA[4]	2,226.8	2,314.3
As adjusted cash interest expense[5]	465.8	465.8
Ratio of as adjusted total net debt to Pro Forma Adjusted EBITDA	3.7	3.5
Ratio of as adjusted senior net debt to Pro Forma Adjusted EBITDA	3.0	2.8
Ratio of Pro Forma Adjusted EBITDA to as adjusted cash interest	4.8	5.0

** Assumes that the Refinancing Transactions are consummated. For further details, see "*Capitalization*."

(1) Subject to note (3) below, as adjusted total net debt reflects the aggregate principal amount of our debt (including financial leases) after taking into account the exchange rate effect of derivative instruments with respect to our existing debt minus cash and cash equivalents, in each case on an as adjusted basis after giving effect to the Proposed Financing and the Refinancing Transactions.

(2) Subject to note (3) below, as adjusted senior net debt reflects the aggregate principal amount of our senior debt (including financial leases) after taking into account the exchange rate effect of derivative instruments with respect to our existing debt minus cash and cash equivalents, in each case, after giving effect to the Proposed Financing and the Refinancing Transactions.

(3) As adjusted total net debt and as adjusted senior net debt give effect to the Refinancing Transactions, including repayment of €300.0 million aggregate principal amount of indebtedness outstanding under the Existing Revolving Credit Facilities that was drawn as of June 30, 2017, but do not give effect to any subsequent borrowings or repayments under the Existing Revolving Credit Facilities (including in connection with the Media Capital Acquisition or the other Refinancing Transactions). The aggregate principal amount of indebtedness drawn after June 30, 2017 is €375 million (excluding the expected drawdown of €200 million under Existing Revolving Credit Facilities to finance the Media Capital Acquisition). As a result, the aggregate principal amount of indebtedness outstanding under the Existing Revolving Credit Facilities as of the date of this Notice is €675 million, which, with the expect additional drawdown of €200 million under Existing Revolving Credit Facilities to finance the Media Capital Acquisition, would increase to €875 million. We will use cash on balance sheet to repay €135 million out of the €375.0 million drawn under the Existing Revolving Credit Facilities after June 30, 2017.

(4) For a description of the components of Pro Forma Adjusted EBITDA, see "*—Revenue, Adjusted EBITDA and Pro Forma Adjusted EBITDA*" above.

(5) As adjusted cash interest expense represents the gross cash interest expense (including estimated hedging impact) after giving effect to the issuance of the Notes and the Refinancing Transactions, which is calculated using the estimated cash interest expense in connection with the issuance of the Notes, the borrowings under the 2017 October Term Loans (using an assumed interest rate), the estimated Existing HOT Unsecured Notes, the Existing Term Loans, the Existing Senior Secured Notes and the Existing Senior Notes. As adjusted cash interest expense has been presented for illustrative purposes only and does not purport to (i) represent what our interest expense would actually have been had the Refinancing Transactions occurred, (ii) project our interest rate for any future period or (iii) project our financial condition at any future period. Interest expense excludes (a) other financing costs relating to (i) foreign exchange transactions, collection costs and embedded derivatives, (ii) bank charges and credit card commissions, (iii) refinancing and reorganization costs and (iv) interest costs on finance leases (b) interest income and (c) commitment fees payable under the Existing Revolving Credit Facility Agreements.

(6) Last two quarters annualized ("L2QA") is calculated by multiplying the relevant metric for the six months ended June 30, 2017 by two.

Key Operating Measures

	As of and for the six months ended June 30, 2017 in thousands except percentages and as otherwise indicated				
	Portugal[6]	**Israel[7]**	**Dominican Republic**	**French Overseas Territories**	**Total[8]**
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]	**4,999**	**2,476**	**774**	**178**	**8,427**
Cable/Fiber Homes Passed	3,451	2,476	675	172	6,774
Cable/Fiber unique customers[2]	**542**	**1,010**	**173**	**59**	**1,784**
Cable/Fiber customer net adds	64	(7)	6	0	63
Multi-play customers	506	487	88	50	1,131
Multi-play penetration[3]	93 %	48 %	51 %	85 %	63 %
Total Cable/Fiber RGUs[4]	**1,588**	**2,168**	**405**	**160**	**4,321**
Pay TV	534	799	142	59	1,534
Pay TV net adds	63	(12)	2	0	53
Broadband	514	706	124	50	1,394
Broadband net adds	64	5	18	1	88
Telephony	539	662	138	50	1,389
Telephony net adds	65	(2)	17	1	81
RGUs per cable/fiber customer	2.9	2.1	2.3	2.7	2.4
Cable/Fiber ARPU (€)[5]	39.3	58.6	38.1	63.8	—
Total DSL/Other RGUs (Incl. DTH)	**2,214**	**—**	**249**	**81**	**2,544**
Broadband	585	—	71	24	680
Telephony	926	—	175	53	1,154
Pay TV	703	—	4	4	711
MOBILE B2C					
Total mobile subscribers[7]	**6,330**	**1,247**	**3,591**	**230**	**11,398**
Postpaid subscribers	2,769	1,120	816	175	4,880
Postpaid net adds	46	39	4	12	101

As of and for the six months ended June 30, 2017 in thousands except percentages and as otherwise indicated	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
Prepaid subscribers	3,562	127	2,775	56	6,520
Mobile ARPU (€)	6.5	13	9	32.5	—

As of and for the six months ended June 30, 2016 in thousands except percentages and as otherwise indicated	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]	**4,887**	**2,426**	**689**	**178**	**8,180**
Cable/Fiber Homes Passed	2,588	2,426	590	171	5,775
Cable/Fiber unique customers[2]	**428**	**1,023**	**150**	**58**	**1,659**
Cable/Fiber customer net adds	24	(4)	7	3	30
Multi-play customers	392	487	58	47	984
Multi-play penetration[3]	92 %	48 %	39 %	81 %	59 %
Total Cable/Fiber RGUs[4]	**1,243**	**2,178**	**321**	**151**	**3,893**
Pay TV	421	819	132	58	1,430
Pay TV net adds	25	(5)	4	3	27
Broadband	399	698	87	47	1,231
Broadband net adds	28	4	19	4	55
Telephony	423	662	102	47	1,234
Telephony net adds	25	2	22	4	53
RGUs per cable/fiber customer	2.9	2.1	2.1	2.6	2.4
Cable/Fiber ARPU (€)[5]	40.6	54.2	36.4	62.8	—
Total DSL/Other RGUs (Incl. DTH)	**2,646**	**—**	**276**	**120**	**3,042**
Broadband	712	—	86	41	839
Telephony	1,109	—	190	72	1,371
Pay TV	825	—	—	7	832
MOBILE B2C					
Total mobile subscribers[7]	**6,126**	**1,090**	**3,907**	**217**	**11,340**
Postpaid subscribers	2,726	1,020	819	153	4,718
Postpaid net adds	49	53	16	5	123
Prepaid subscribers	3,400	70	3,088	64	6,622
Mobile ARPU (€)	6.9	11.7	9.1	31.4	—

As of and for the year ended December 31, 2016 in thousands except percentages and as otherwise indicated	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]	**4,985**	**2,454**	**740**	**178**	**8,357**
Cable/Fiber Homes Passed	2,955	2,454	640	171	6,220
Cable/Fiber unique customers[2]	**478**	**1,017**	**167**	**59**	**1,721**
Cable/Fiber customer net adds	74	(10)	24	4	92
Multi-play customers	443	489	74	49	1,055
Multi-play penetration[3]	93 %	48 %	44 %	83 %	67 %

	As of and for the year ended December 31, 2016 in thousands except percentages and as otherwise indicated				
	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
Total Cable/Fiber RGUs[4]	**1,395**	**2,176**	**368**	**157**	**4,096**
Pay TV	471	811	140	59	1,481
Pay TV net adds	75	(13)	12	4	78
Broadband	450	701	107	49	1,307
Broadband net adds	79	7	38	6	130
Telephony	474	664	121	49	1,308
Telephony net adds	75	4	41	6	126
RGUs per cable/fiber customer	2.9	2.1	2.2	2.7	10
Cable/Fiber ARPU (€)[5]	39.9	54.8	37.0	63.0	—
Total DSL/Other RGUs (Incl. DTH)	**2,449**	**—**	**259**	**92**	**2,800**
Broadband	654	—	77	29	760
Telephony	1,023	—	182	59	1,264
Pay TV	773	—	—	4	777
MOBILE B2C					
Total mobile subscribers[7]	**6,169**	**1,187**	**3,752**	**223**	**11,331**
Postpaid subscribers	2,722	1,081	811	162	4,776
Postpaid net adds	46	114	9	14	183
Prepaid subscribers	3,447	105	2,941	61	6,554
Mobile ARPU (€)	6.9	11.4	9.3	32.3	—

	As of and for the year ended December 31, 2015 in thousands except percentages and as otherwise indicated				
	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]	**4,742**	**2,395**	**611**	**178**	**7,970**
Cable/Fiber Homes Passed	2,237	2,395	512	171	5,315
Cable/Fiber unique customers[2]	**404**	**1,027**	**143**	**55**	**1,629**
Cable/Fiber customer net adds	20	(37)	20	9	12
Multi-play customers	364	483	40	43	930
Multi-play penetration[3]	90 %	47 %	28 %	78 %	61 %
Total Cable/Fiber RGUs[4]	**1,166**	**2,178**	**277**	**141**	**3,762**
Pay TV	396	824	128	55	1,403
Pay TV net adds	22	(29)	10	9	19
Broadband	371	694	69	43	1,177
Broadband net adds	28	(19)	24	13	44
Telephony	399	660	81	43	1,183
Telephony net adds	23	(11)	33	13	50
RGUs per cable/fiber customer	2.9	2.1	1.9	2.6	10
Cable/Fiber ARPU (€)[5]	39.7	53.8	36.0	60.7	190
Total DSL/Other RGUs (Incl. DTH)	**2,763**	**—**	**300**	**138**	**3,201**
Broadband	741	—	93	52	886
Telephony	1,169	—	207	75	1,451
Pay TV	852	—	—	11	863
MOBILE B2C					
Total mobile subscribers[7]	**6,252**	**996**	**3,894**	**218**	**11,593**
Postpaid subscribers	2,676	967	803	148	4,826

	As of and for the year ended December 31, 2015 in thousands except percentages and as otherwise indicated				
	Portugal(6)	Israel(7)	Dominican Republic	French Overseas Territories	Total(8)
Postpaid net adds	283	205	75	12	585
Prepaid subscribers	3,576	29	3,092	70	6,768
Mobile ARPU (€)	7.0	11.3	9.9	31.1	60

Cable/Fiber-Based Services ARPU Growth and Multi-Play Penetration

	As of and for the year ended December 31,		As of and for the six months ended June 30,
	2015	2016	2017
Portugal(6)			
Fiber ARPU (€)	39.7	39.9	39.3
Growth (%)	—	0.5	(1.5)
Multi-play Penetration (%)	90	93	93
Israel			
Fiber ARPU (€)	53.8	54.8	58.6
Growth (%)	—	2.2	6.9
Multi-Play Penetration (%)	47	48	48
Dominican Republic			
Fiber ARPU (€)	36.9	37.0	38.1
Growth (%)	—	3.1	3.0
Multi-Play Penetration (%)	28	44	51
French Overseas Territories			
Fiber ARPU (€)	60.7	63.0	63.8
Growth (%)	—	3.8	1.3
Multi-Play Penetration (%)	78	83	85

(1) In Portugal, Homes Passed includes DSL homes enabled for IPTV outside of PT Portugal's fiber footprint. In the Dominican Republic, Homes Passed includes DSL homes outside of the fiber footprint. Homes Passed in Israel represent the total number of homes in the country.

(2) Cable/Fiber unique customers represents the number of individual end users who have subscribed for one or more of our cable/fiber-based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. The total number of Cable/Fiber unique customers does not include subscribers to either our mobile or ISP services.

(3) Multi-play penetration rates for our pay television, broadband and telephony services are presented as a percentage of cable/fiber unique customers.

(4) RGUs, or Revenue Generating Units, relate to sources of revenue, which may not always be the same as customer relationships. For example, one person may subscribe for two different services, thereby accounting for only one subscriber, but two RGUs. RGUs for pay television and broadband are counted on a per service basis and RGUs for telephony are counted on a per line basis.

(5) ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenue from subscribers. ARPU is calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue (such as hosting fees paid by channels) for the respective period by the average number of customer relationships for that period and further by the number of months in the period. The average number of customer relationships is calculated as the number of customer relationships on the first day in the respective period plus the number of customer relationships on the last day of the respective period, divided by two. For Israel and the Dominican Republic, ARPU has been calculated by using the following exchange rates: (i) for the six months ended June 30, 2017, €1 to ILS 3.952 and €1 to 52.083 DOP, (ii) for the six months ended June 30, 2016, €1 to ILS 4.309 and €1 to 51.733 DOP, (iii) for the year ended December 31, 2016, €1 to ILS 4.2488 and €1 to 50.8876 DOP and (iv) for the year ended December 31, 2015, €1 to ILS 4.3122 and €1 to 49.9712 DOP.

(6) Portugal represents operating measures of the PT Portugal Group (which we acquired on June 2, 2015). We disposed of our interests in the Cabovisão Group pursuant to regulatory conditions attached to the PT Portugal Acquisition on January 20, 2016.

(7) Mobile subscribers is equal to the net number of lines or SIM cards that have been activated on our mobile networks. In Israel, the split between iDEN and UMTS networks (B2C only, including prepaid) services is as follows:

	As of June 30,	
	2016	2017
	in thousands	
Mobile Subscribers		
iDEN	11	9
UMTS	1,079	1,238

	As of June 30,	
	2016	2017
	in thousands	
Total	**1,090**	**1,247**

(8) Excludes Coditel Belgium and Coditel Luxembourg as a result of the Coditel Disposal, which we completed on June 19, 2017.

RISK FACTORS

In this section, unless the context otherwise requires, the terms "Group," "we," "us" and "our" refer to Altice International and its subsidiaries.

Risks Relating to Our Financial Profile

Our substantial leverage could adversely affect our business, financial condition and results of operations and prevent us from fulfilling our debt obligations under the Notes or impede our ability to raise additional capital to fund our operations.

We have significant outstanding debt and debt service requirements and may incur additional debt in the future. As of June 30, 2017, as adjusted for the Proposed Financing and the Refinancing Transactions, we had total third party debt (excluding certain other long term and short term liabilities, other than finance leases, of the Group, any intercompany loans among the Group and preferred equity certificates issued to certain minority shareholders of our subsidiaries) of €8,406.7 million. In addition, the aggregate principal amount of indebtedness drawn after June 30, 2017 and outstanding under the Existing Revolving Credit Facilities as of the date hereof is €375 million. See "*Capitalization*."

Even though our parent, Altice, also owns the Altice France Group and the Altice USA Groups, our financing structure is separate from that of the Altice France Group and the Altice USA Groups. Each financing group is subject to covenants that restrict the use of their respective cash flows outside their respective restricted group. Consequently, cash flows from operations of any of the restricted groups may not be applied to meet the obligations of any other restricted group. In addition, we carry out certain financing activities at holding companies that are not a part of the financing groups.

Our significant level of debt could have important consequences, including, but not limited to, the following:

- making it more difficult for us to satisfy our obligations under the Notes;
- requiring that a substantial portion of our cash flows from operations be dedicated to servicing debt, thereby reducing the funds available to us to finance our operations, capital expenditures, research and development and other business activities, including maintaining the quality of and upgrading our network;
- impeding our ability to obtain additional debt or equity financing, including financing for capital expenditures, and increasing the cost of any such funding, particularly due to the financial and other restrictive covenants contained in the agreements governing our debt;
- impeding our ability to compete with other providers of fixed-based and mobile services in the regions in which we operate;
- restricting us from exploiting business opportunities or making acquisitions, investments or disposals;
- increasing our vulnerability to, and reducing our flexibility to respond to, adverse general economic or industry conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive and economic environment in which we operate; and
- adversely affecting our public perception and that our brands.

Any of these factors or their consequences could have a material adverse effect on our ability to satisfy our debt obligations.

The terms of the agreements and instruments governing our debt restrict, but do not prohibit, us from incurring additional debt. We may refinance our outstanding debt or increase our consolidated debt for various business reasons which might include, among other things, financing acquisitions, funding the prepayment premiums, if any, on the debt that we refinance, funding distributions to our shareholders or general corporate purposes. In the event that we incur additional debt, the related risks that we now face will intensify.

We may not generate sufficient cash flow to fund our capital expenditures, ongoing operations and debt obligations, and may be subject to certain tax liabilities.

Our ability to service our debt and to fund our ongoing operations will depend on our ability to generate cash. We cannot provide any assurance that our businesses will generate sufficient cash flow from operations or that future debt or equity financing will be available to us in an amount sufficient to enable us to pay our debt obligations when due. Our ability to generate cash flow and to fund our capital expenditures, ongoing operations and debt obligations is dependent on many factors, including:

- our future operating performance;
- the demand and price levels for our current and planned products and services;
- our ability to maintain the required level of capacity and technical capability in our networks and in the subscriber equipment and other relevant equipment connected to our networks;
- our ability to successfully introduce new products and services;
- our ability to reduce churn;
- general economic conditions and other conditions affecting consumer spending;
- competition;
- sufficient distributable reserves, as required under applicable law;
- the outcome of certain litigation in which we are involved; and
- legal, tax and regulatory developments affecting our business.

Some of these factors are beyond our control. If we are unable to generate sufficient cash flow, we may not be able to repay our debt, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, including capital expenditures. If we are unable to meet our debt service obligations, we may have to sell assets, attempt to restructure or refinance our existing indebtedness or seek additional funding in the form of debt or equity capital. We may not be able to do so on satisfactory terms, if at all.

We expect that a portion of our cash flow will consist of payments of dividends or interest by Israeli companies in our Group. In general, payments of dividends or interest by companies that are Israeli residents for tax purposes are subject to withholding tax. With respect to payments to Luxembourg tax residents or residents of other countries who have a tax treaty with Israel, such withholding tax may be reduced from the rates generally applicable under Israeli law to the rates applicable under the tax treaty between Israel and Luxembourg or the other applicable treaty. In order to enjoy the reduced rate of withholding tax, it is necessary to file with the Israel Tax Authority a request for relief from withholding prior to payment of the dividend and/or interest. If a withholding tax exemption or relief certificate is received from the Israel Tax Authority prior to the payment of the dividend and/or interest, the payer will be able to make the dividend/interest payment at such reduced withholding tax rate. However, if such request is denied or delayed and such certificate is not available at the time of payment, withholding will be made at the full statutory rates. Any changes in the tax rates on dividends or interest could significantly affect our ability to meet our debt service obligations under the Notes. In addition, payments of dividends or interests by companies resident in the Dominican Republic are subject to a withholding tax of 10%.

The agreements and instruments governing our debt contain restrictions and limitations that could adversely affect our ability to operate our business.

The terms of the agreements and instruments governing our debt contain a number of significant covenants or other provisions that could adversely affect our ability to operate our business. These covenants restrict our ability, and the ability of our subsidiaries, to, among other things:

- pay dividends or make other distributions;
- make certain investments or acquisitions, including participating in joint ventures;
- make capital expenditures;
- engage in transactions with affiliates and other related parties;
- dispose of assets other than in the ordinary course of business;
- merge with other companies;
- incur additional debt and grant guarantees;
- repurchase or redeem equity interests and subordinated debt or issue shares of subsidiaries;
- grant liens and pledge assets; and
- change our business plan.

All of these limitations will be subject to certain exceptions and qualifications, including the ability to pay dividends, make investments or to make significant prepayments of shareholder debt. However, these covenants could limit our ability to finance our future operations and capital needs and our ability to pursue business opportunities and activities that may be in our interest. In addition, our ability to comply with these restrictions may be affected by events beyond our control. In addition, we are also subject to the affirmative covenants contained in certain of the debt agreements we are party to, including those governing the Existing Revolving Credit Facilities, the 2017 Guarantee Facility and the Existing HOT Unsecured Notes, which require us to maintain specified leverage ratios. Our ability to meet these leverage ratios may be affected by events beyond our control and, as a result, we cannot assure you that we will be able to meet these ratios.

In addition to limiting our flexibility in operating our business, the breach of any covenants or obligations under the agreements and instruments governing our debt may result in a default under the applicable debt agreement or instrument and could trigger the acceleration of related debt, which in turn could trigger defaults under agreements governing our other debt. A default under any of the agreements governing our other debt could materially adversely affect our growth, financial condition and results of operations.

Moreover, until all of the Existing HOT Unsecured Notes are delisted from trading or repaid in full, HOT will remain a ‘reporting company’ under Israeli law. Reporting companies under Israeli law are subject to extensive disclosure requirements and burdensome corporate governance rules under the Israeli Companies Law, 1999, the Israeli Securities Law, 1968 and the regulations promulgated thereunder, including the provision which requires a reporting company to maintain an independent audit committee, and the approval of the audit committee as a prior condition to any transaction of the reporting company in which the controlling shareholder has a personal interest.

We may not be able to repay our indebtedness or refinance such indebtedness at maturity on favorable terms, or at all.

Our ability to refinance our indebtedness on favorable terms or at all will depend, in part, on our financial condition at the time of any contemplated refinancing. Any refinancing of our indebtedness could be at higher interest rates than our current debt and we may be required to comply with more onerous financial and other covenants, which could further restrict our business operations and may have a material adverse effect on our business, financial condition and results of operations as well as the value of our outstanding debt. We cannot provide assurance as to our ability to refinance our indebtedness as it comes due on commercially acceptable terms or at all and, in connection with the refinancing of our debt or otherwise, we may seek additional financing, dispose of certain assets, reduce or delay capital investments, or seek to raise additional capital.

We are exposed to interest rate risks. Shifts in such rates may adversely affect our debt service obligations.

As adjusted for the Proposed Financing and the Refinancing Transactions, we have €1,822 million of floating rate debt outstanding as of June 30, 2017 (including the Existing Revolving Credit Facilities, the Existing Term Loans and the 2017 October Term Loans but excluding the 2017 Guarantee Facility). The aggregate principal amount of indebtedness drawn after June 30, 2017 and outstanding under the Existing Revolving Credit Facilities as of the date of hereof is €375 million. In addition, any additional amounts we borrow under the Existing Revolving Credit Facilities and Existing Term Loans or the 2017 Guarantee Facility bear or will bear interest at a floating rate. Further, as of June 30, 2017, we had an amount equivalent to €120.9 million outstanding under Series A of the HOT Unsecured Notes which is linked to the consumer price index in Israel. An increase in the interest rates on our debt will reduce the funds available to repay our debt and to finance our operations, capital expenditures and future business opportunities. Although we enter into various derivative transactions to manage our exposure to movements in interest rates, there can be no assurance that we will be able to continue to do so at a reasonable cost.

Following allegations of manipulation of LIBOR, regulators and law enforcement agencies from a number of governments and the European Union are conducting investigations into whether the banks that contribute data in connection with the calculation of daily EURIBOR or the calculation of LIBOR may have been manipulating or attempting to manipulate EURIBOR and LIBOR. In addition, LIBOR, EURIBOR and other interest rates or other types of rates and indices which are deemed to be “benchmarks” are the subject of ongoing national and international regulatory reform, including the implementation of the IOSCO Principles for Financial Market Benchmarks (July 2013) and the new European regulation on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, which entered into force on June 30, 2016. Following the implementation of any such reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on July 27, 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the “FCA Announcement”). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. The potential elimination of the LIBOR benchmark or any other benchmark, changes in the manner of administration of any benchmark, or actions by regulators or law enforcement agencies could result in changes to the manner in which EURIBOR or LIBOR is determined, which could require an adjustment to the terms and conditions, or result in other consequences, in respect of any debt linked to such benchmark (including, but not limited to, the Existing Revolving Credit Facilities and/or the Existing Term Loans having interest rates that are linked to LIBOR or EURIBOR, as applicable). Any such change, as well as manipulative practices or the cessation thereof, may result in a sudden or prolonged increase in reported EURIBOR or LIBOR, which could have an adverse impact on our ability to service debt that bears interest at floating rates of interest.

Currency fluctuations and interest rate and other hedging risks could adversely affect our earnings and cash flow.

Our business is exposed to fluctuations in currency exchange rates. HOT's primary transactional currency is the New Israeli Shekel. The primary transactional currency of PT Portugal, Outremer and Le Cable is the Euro. The primary transactional currency of Green is the Swiss Franc. The primary transactional currency of Tricom and Altice Hispaniola is the Dominican Peso. Our existing debt is primarily denominated in U.S. dollars, Euros and New Israeli Shekels although the amount of debt incurred in such currencies does not necessarily match the cash flows generated from operations in such currencies. The exchange rate between the U.S. dollar and the New Israeli Shekel, Euro, Swiss Franc and Dominican Peso has fluctuated significantly in recent years and may continue to fluctuate significantly in the future. Moreover, the government of the Dominican Republic has imposed exchange controls and currency restrictions in the past and may do so in the future. This is beyond our control and may result in the Dominican Peso ceasing to be freely convertible or transferable abroad or being significantly depreciated relative to other currencies, including the U.S. dollar, which may impede our ability to service our outstanding obligations and affect our earnings and cash flow. We have historically covered a portion of our U.S. dollar and Euro cash outflows arising on anticipated and committed obligations through the use of foreign exchange derivative instruments. Further, while we manage the risk of certain currency fluctuations in respect of a portion of our existing debt and to hedge our exposure to interest rate changes in respect of indebtedness linked to interest rates, these arrangements may be costly and may not insulate us completely from such exposure. There can be no guarantee that our hedging strategies will adequately protect our operating results from the effects of exchange rate fluctuation or changes in interest rates, or that these hedges will not limit any benefit that we might otherwise receive from favorable movements in exchange rates or interest rates.

Negative changes in our credit rating and future ratings downgrades of sovereign debt may have a material adverse effect on our financial condition.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed herein and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal by the rating agency at any time. No assurance can be given that a credit rating will remain constant for any given period of time or that a credit rating will not be lowered or withdrawn entirely by the credit rating agency if, in its judgment, circumstances in the future so warrant. A suspension, reduction or withdrawal at any time of the credit rating assigned to the Notes by one or more of the credit rating agencies may adversely affect the cost and terms and conditions of our financings and could adversely affect the value and trading of such Notes.

A downgrade in our credit rating may negatively affect our ability to obtain future financing to fund our operations and capital needs, which may affect our liquidity. It may also increase our financing costs by increasing the interest rates of our outstanding debt or the interest rates at which we are able to refinance existing debt or incur additional debt.

Our credit rating may be impacted by a number of factors, including the effects of the economic conditions in the countries in which we operate and any future rating downgrades of the sovereign debt of these countries. For example, against the backdrop of the Eurozone crisis, Portuguese sovereign debt was consecutively downgraded by the rating agencies.

Because the financial condition, revenues and profitability of our operating subsidiaries are closely linked to the economies of their countries of operations, we expect that the Group as a whole will also be impacted by any downgrading in the sovereign debt rating of such countries. Any deterioration in the economic condition of the other countries in which we operate or any ratings downgrade of sovereign debt of these countries may have a material adverse impact on our business, financial condition and results of operations.

Risks Relating to Our Business, Technology and Competition

We face significant competition in each of the industries in which we operate and competitive pressures could have a material adverse effect on our business.

We face significant competition from market incumbents and new competitors in each of our geographic segments and operational activities. The nature and level of the competition that we face varies in each geographic segment and for each of the products and services that we offer. For our fixed-based services, our competitors include, but are not limited to, providers of television, broadband internet, fixed-line telephony and B2B services using DSL or fiber connections, providers of television services using technologies such as IPTV and satellite, DTT providers, mobile network operators, providers of emerging digital entertainment technologies and other providers of wholesale carrier, infrastructure and white label services. For our mobile services we face competition from other mobile operators who own and operate a mobile network as well as from providers of VoIP and MVNOs. For our wholesale services our key competitors include, but are not limited to, wholesale providers of voice, data and fiber services.

In some instances, our competitors may have easier access to financing, more comprehensive product ranges, lower financial leverage, greater financial, technical, marketing and personnel resources, larger subscriber bases, wider geographical coverage for their cable or mobile networks, greater brand name recognition and experience or longer established relationships with regulatory authorities, suppliers and customers. Some of our competitors may have fewer regulatory burdens with which they are required to comply because, among other reasons, they use different technologies to provide their services, do not own their own fixed-line network, or are not subject to obligations applicable to operators with significant market power.

There has been a trend of consolidation of telecommunications operations in a number of countries in which we operate. Mergers, joint ventures and alliances among franchised, wireless or private cable operators, satellite providers, local exchange carriers and other telecommunication service providers in the jurisdictions in which we operate may provide additional benefits to some of our competitors, for example via access to financing, resources, efficiencies of scale or the ability to provide multiple services in direct competition with us. Public-private joint ventures may also increase competition.

As a consequence of the telecommunications and mobile markets reaching saturation in certain geographic segments, there are a limited number of new subscribers entering the market and therefore in order to increase our subscriber base and market share, we are dependent on attracting our competitors' existing subscribers, which intensifies the competitive pressures that we are subject to. Moreover, the competitive landscape in our geographic segments is generally characterized by increasing competition, tiered offerings that include lower priced entry-level products and a focus on multi-play offerings, including special promotions and discounts for customers who subscribe for multi-play services. These factors contribute to increased average revenue per unique customer relationship, but will likely reduce our ARPU on a per service basis for each service included in a multi-play package. We expect additional competitive pressure from media and telecommunications industries that seek to offer packages of fixed-based and mobile voice, internet and video broadcast services. In addition, we expect competition to increase as a result of changes to the regulatory regimes in the markets in which we operate, such as those attempting to increase competition by allowing third party access to cable networks on a wholesale basis.

The telecommunications services industry has undergone significant technological development over time and these changes continue to affect our business. Such changes have had, and will continue to have, a profound impact on consumer expectations and behavior. Our products and services are increasingly subject to competition from alternative new technologies or improvements in existing technologies. For example, our pay TV services in certain jurisdictions compete with IPTV service providers in our network areas utilizing DSL or VDSL broadband internet connections. In the broadband internet market, we face competition from mobile operators that are increasingly utilizing a combination of progressively powerful handsets and high bandwidth technologies, such as UMTS and LTE technology. Mobile services providers, including those offering advanced, high speed, high bandwidth technologies and MVNOs also contribute to the competitive pressures that we face in our fixed-based telephony business. In the past, mobile operators have engaged in 'cord-cutting' campaigns and have used attractive mobile calling tariffs to encourage customers with both fixed-line and mobile services to retain only their mobile services. This substitution, in addition to the increasing use of alternative communications technologies, negatively affects our fixed-line call usage volumes and subscriber growth. At the same time, incumbent fixed-line operators have also applied resources to 'win back' activities that can entice our existing telephony customers, as well as prospective telephony customers, to return or remain with the incumbent by offering certain economic incentives.

New players from sectors that are either unregulated or subject to different regulations (including internet players such as Yahoo!, Google, Microsoft, Amazon, Apple, YouTube, Netflix and other audiovisual media players which operate OTT technology) have also emerged as competitors to our video content offering. These players are taking advantage of improved connectivity and platform agnostic technologies to offer OTT and cloud-based services. Telecommunications operators are expected to maintain traditional access services and billing relationships over which users access services from adjacent players offering music, video, photos, apps and retail. The rapid success of audiovisual content streamed through the telecommunications network and insufficient innovation could lead to the emergence of other content or service providers as well as the saturation of the network, which would put pressure on the revenues and margins of operators like our Group while simultaneously requiring them to increase capital expenditures to remain competitive, which could adversely affect our business, financial condition and results of operations.

Moreover, we are also facing competition from non-traditional mobile voice and data services based on new mobile ‘voice over the internet protocol technologies’, in particular OTT applications, such as Skype, Google Talk, Facetime, Viber and WhatsApp. These OTT applications are often free of charge, accessible via smartphones, and enable access to potentially unlimited messaging and voice services over the internet, thus bypassing more expensive traditional voice and messaging services, such as SMS and MMS, provided by mobile network operators like us, who are only able to charge internet data usage fees for such services. With the growing share of smartphone users in the jurisdictions in which we operate, there are an increasing number of consumers using OTT services. All telecommunications operators are currently competing with OTT service providers who leverage existing infrastructures and operate capital-light business models, enhancing their ability to compete with businesses, such as ours, which operate capital-intensive business models. OTT service providers have over the past years become more sophisticated and technological developments have led to a significant improvement in the quality of service, particularly in speech quality. In addition, players with strong brand capability and financial strength, such as Apple, Google and Microsoft, have turned their attention to the provision of OTT audio and data services. In the long term, if non-traditional mobile voice and data services or similar services continue to increase in popularity and if we, or more generally all of the telecommunications operators, are not able to address this competition, this could cause declines in ARPU, subscriber base and profitability across all of our products and services, among other material adverse effects.

In addition, we may face increasing competition from the large-scale roll-out of public WiFi networks by local governments and utilities, transportation service providers, new and existing WiFi telecommunications operators and others, which particularly benefits OTT applications. Due to their ability to leverage existing infrastructure and to roll out public WiFi in a cost-efficient way, our competitors may be better positioned to offer their customers public WiFi access at attractive terms and conditions or as part of their current mobile and landline offerings, which may affect our ability to retain or acquire customers. Furthermore, our competitors may realize cost savings by off-loading mobile data traffic onto their own WiFi networks or those of their partners in order to reduce costs and increase bandwidth more quickly or efficiently than we can. An increase in public WiFi networks could also cause declines in ARPU and profitability as demand for our network and services decreases.

The following is an overview of the competitive landscape in Portugal, Israel and the Dominican Republic:

Portugal

In Portugal, we have experienced pressure from our competitors to reduce monthly subscription fees. The competitive landscape has changed significantly as a result of the merger in 2013 of ZON Multimédia—Serviços de Telecomunicações e Multimédia, SGPS, S.A. (“ZON”), the largest cable operator, and Optimus SGPS, S.A. (“Optimus”), the third largest mobile operator, to create NOS SGPS, S.A. (“NOS”), an integrated telecommunications operator in Portugal. We expect to face competition from Cabovisão, which we disposed of in January 2016, under its new ownership. In broadband, we compete with Vodafone Portugal, which is expanding its FTTH footprint, as well as NOS whose high speed broadband coverage is greater than that of PT Portugal. In the fixed telephony market, PT Portugal has experienced, and may continue to experience, erosion of market share of both access lines and of outgoing domestic and international traffic as result of the trend toward the use of mobile services instead of fixed telephone services. Additionally, all mobile players have launched fixed telephony services based on their mobile networks, which are directly competing for the same customers. Competition is intensified by mobile operators NOS and Vodafone with large mobile operations but a limited (although growing) fixed-line network, particularly in light of their recently announced partnership relating to the reciprocal sharing of fiber and mobile towers across Portugal. The new network sharing agreement between NOS and Vodafone is expected to take effect from the beginning of 2018 and also contemplates the development and sharing of infrastructures at a national level. These new developments could have a material adverse effect on our business, financial condition and results of operations. Mobile operators can bypass PT Portugal’s international wireline network by interconnecting directly with fixed-line and mobile networks either in its domestic network or abroad. Competition is also forcing down the prices of fixed-line voice services for long distance and international calls, as operators have been offering unlimited voice communications for all national and several international fixed destinations. Lowering international call prices has caused a decline in PT Portugal’s revenues from international fixed-line voice services. We expect competition from operators with services based on VoIP to also place increasing price pressure on voice tariffs. In addition, in December 2016, ANACOM approved a decision on the fixed termination cost model and imposed a heavy reduction in such fees from €0.001114/min to €0.000644/min, further reducing them to €0.000635/min. effective from October 2017. The decrease in fixed-line voice traffic and lower prices resulting from competition have significantly affected PT Portugal’s overall revenues, and we expect these factors to continue to negatively affect revenues in the future.

Furthermore, in its final decision of August 2015, ANACOM approved a new decrease to mobile termination fees to €0.0083/min. Further reductions to €0.0081/min effective from July 2016 and €0.0075/min effective from July 2017 were imposed thereafter. At the retail level, our existing Portuguese mobile competitors, Vodafone and NOS, will continue to market their services aggressively, resulting in similarly priced offers for all major mobile players in the market.

Moreover, on September 1, 2016, ANACOM imposed a heavy decrease in the prices charged by PT Portugal for leasing out its Continent-Azores-Madeira (CAM) lines by 66% for traditional circuits and 73% for Ethernet circuits. In July 2017 ANACOM decided not to impose further reductions until October 2018.

Israel

In Israel, in the multi-channel television market, our main competitor is D.B.S. Satellite Services (1998) Ltd, a subsidiary of Bezeq, which provides satellite technology based multi-channel television services under the brand "YES." As of December 2014, Cellcom also began to offer broadcast services to subscribers and as of July 2017, Partner launched its broadcasting offer to subscribers. Other factors that have a material impact on competition in the market include the availability of free-to-air DTT channels and the increasing availability of video content and services that may be offered via the internet. In addition, we believe that the implementation of certain regulatory changes may have an impact on competition in the market, including the expansion in the number of free-to-air DTT channels, the 'narrow' television package and the increased scope of special broadcasting licenses pursuant to which we are required to broadcast television channels owned by special broadcasting license holders on our network under certain terms. Our high speed broadband internet infrastructure access service competes primarily with Bezeq, which provides high speed broadband internet access over DSL, holds the highest market share in broadband internet infrastructure access in Israel, and offers a range of products with different download speeds, data transfer limits and other value added services. Continued upgrades to the quality of Bezeq's DSL based broadband internet infrastructure access service to VDSL and potentially even faster DSL variants and the possibility of widespread FTTX installations which it has announced could have a negative impact on our competitive position in the broadband internet infrastructure market and may also require us to revise our marketing strategy and make potentially significant capital expenditures. Recent regulatory changes requiring Bezeq and HOT to fulfill certain service obligations with a view to create a market for broadband infrastructure access and fixed telephony services may also result in increased competition from other service providers such as ISPs and IPTV providers who utilize our cable networks to provide internet services. These regulatory changes may have a negative impact on our business, financial condition and results of operations. Competition has also increased following the creation of a public-private joint venture in June 2013 between the government owned Israeli Electric Corporation ("IEC") and a private company, which proposes to use the electric transmission and distribution network in Israel owned by IBC to provide wholesale products to telecommunication services providers via optical fiber, and thus compete with HOT and Bezeq in the wholesale market as well as providing such services directly to large business customers. To the best of our knowledge, the joint venture has begun to deploy its optical network in different cities in Israel. Competition in providing fixed-line telephony service is intense and is expected to increase as a result of the creation of the wholesale market with providers having introduced substantial price reductions over the past few years. Bezeq, our principal competitor in the Israeli market and the largest provider of fixed-line telephony services, has an extensive fixed-line telephone network throughout Israel, strong market knowledge, high brand recognition and substantial capital resources. Other competitors provide fixed-line telephony services over broadband (VoB), among them Cellcom and Partner.

In Israel our mobile service, HOT Mobile, competes with three principal mobile network operators, namely Cellcom, Partner and Pelephone, who between them are estimated to directly represent over 75% of the total market for mobile services in Israel as of June 30, 2017 by number of mobile customers. The three principal mobile operators in Israel benefit from strong brand recognition even though HOT Mobile has been leading the Israeli cellular market in terms of subscriber acquisitions since August 2015. This is a reflection of the increased brand recognition associated with the HOT Mobile brand resulting from our extensive marketing activities and distribution capabilities.

Competition in the provision of internet, data and voice products to business customers is intense, with Bezeq, several local telephony operators through VoB and several international telephony operators among our competitors. In addition to competitive activity, we continue to see challenges in this segment of the market as a result of price erosion in existing products and the need to invest in new product development to satisfy the evolving preferences of prospective customers.

Dominican Republic

In the Dominican Republic, our key competitors in the pay TV business are Claro, cable operator Aster and Wind Telecom. While the market remains relatively fragmented, significant consolidation opportunities exist, in particular between some of the smaller cable operators, and we therefore expect increased competition going forward. In the broadband internet and fixed-line telephony markets Tricom is the second largest provider next to Claro with a national market share of approximately 24% and 23%, respectively, according to management estimates, as of June 30, 2017. However, revenues and fixed-line telephony subscribers have seen declines in recent years, due to mobile substitution. These trends are in line with those witnessed in most Western European countries and are expected to continue in the future, with multi-play uptake only expected to mitigate this deterioration in part. Tricom and Claro are currently the only quad-play providers in the Dominican Republic. Bundled services are expected to become increasingly important and customers that have such services are less likely to switch to a different operator for all or part of the bundled services.

In the mobile market of the Dominican Republic, Altice Hispaniola's and Tricom's key competitor is Claro, the incumbent mobile operator. Further, a MVNO could successfully enter the mobile telecommunications market in the Dominican Republic, which could materially impact Altice Hispaniola's and Tricom's market shares and have corresponding effects on their revenues and results of operations. MVNOs and resellers could also enter the Dominican Republic mobile telecommunications market, following an international trend towards increasing diversification in the telecommunications markets.

We also have operations in the French Overseas Territories that face competition and competitive pressure risks similar to those described above.

The deployment of fiber or VDSL2 networks by our competitors may reduce, and ultimately eliminate, the speed and power gap between our cable network and the DSL networks of our main competitors.

Our competitors may deploy fiber and/or VDSL2 networks allowing for download speeds and bandwidths which may rival those achieved by our network. If our competitors deploy or significantly expand their fiber networks they may be able to compete with our pay TV and broadband internet offers at a level of quality and speed equal or superior to ours, potentially eliminating our current competitive advantage, increasing pressure on our prices and margins and leading us to incur significant capital expenditures to match their service offerings. The deployment of fiber and/or VDSL2 networks by competitors is also a risk for our B2B operations, particularly with respect to SMEs and SOHOs, for which our cable and fiber/DSL networks, as applicable, are also currently an advantage. While we have invested and improved our offerings in response to fiber/VDSL2 deployment, such deployment could have a material adverse effect on our business, financial condition and results of operations.

The current macroeconomic environment is highly volatile, and continuing instability in global markets may jeopardize our growth targets, have a material adverse effect on our business, financial condition and results of operations and significantly increase our cost of debt.

Our operations are subject to macroeconomic and political risks that are outside of our control. The current macroeconomic environment is highly volatile, and continuing instability in global markets, including instability related to sovereign debt issues, the risk of deflation and the stability of the Euro, has contributed to a challenging global economic environment. High levels of sovereign debt in the U.S. and certain European countries combined with weak growth and high unemployment could lead to fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and, potentially, disruptions in the credit and equity markets as well as other outcomes that might adversely impact our business and financial operations. In Europe, future developments are dependent upon a number of political and economic factors, including the effectiveness of measures by the EU Commission to address debt burdens of certain countries in Europe and the overall stability of the Eurozone.

With regard to currency instability issues, concerns exist in the Eurozone with respect to individual macro fundamentals on a country-by-country basis, as well as with respect to the overall stability of the European monetary union and the suitability of a single currency to appropriately deal with specific fiscal management and sovereign debt issues in individual Eurozone countries. Further, on June 23, 2016, the United Kingdom held a referendum in which voters approved, on an advisory basis, an exit from the European Union commonly referred to as "Brexit." Although the vote was non-binding, the referendum was passed into law on March 16, 2017 and the British government has commenced negotiations to determine the terms of the United Kingdom's withdrawal from the European Union. It is possible that other members of the European monetary union could hold similar referendums regarding their membership within the Eurozone in the future. The realization of these concerns could lead to the exit of one or more countries from the European monetary union and the re-introduction of individual currencies in these countries or, in more extreme circumstances, the possible dissolution of the Euro entirely, which could result in the redenomination of a portion or, in the extreme case, all of the Group's Euro-denominated assets, liabilities and cash flows to the new currency of the country in which they originated. This could result in a mismatch in the currencies of the Group's assets, liabilities and cash flows. Any such mismatch, together with the capital market disruption that would likely accompany any such redenomination event, could have a material adverse impact on the Group's liquidity and financial condition. Furthermore, any redenomination event would likely be accompanied by significant economic dislocation, particularly within the Eurozone countries, which in turn could have an adverse impact on demand for our products and, accordingly, on our revenue and cash flows. Moreover, any changes from Euro to non-Euro currencies in countries in which we operate would require us to modify our billing and other financial systems. No assurance can be given that any required modifications could be made within a timeframe that would allow us to timely bill our customers or prepare and file required financial reports. In light of the significant exposure that we have to the Euro through its Euro-denominated borrowings, derivative instruments, cash balances and cash flows, a redenomination event could have a material adverse impact on our business.

Furthermore, continued hostilities in the Middle East and North Africa could adversely affect the Israeli economy. Additionally, the economy of the Dominican Republic depends to a significant degree on global tourism and the health of the U.S. economy and remains vulnerable to external shocks (e.g. economic declines in other emerging market countries). Any decrease in visitors, downturns in the U.S. economy or other similar external shocks could have a material adverse effect on economic growth in the Dominican Republic. Environmental factors, such as disruptions due to natural disasters, have in the past and may in the future have an adverse effect on the economies of the jurisdictions in which we operate, including the Dominican Republic. Negative macroeconomic and political conditions could also adversely affect access to capital and increase the cost of capital. As a result of disruptions in the credit markets, many lenders may increase interest rates, enact tighter lending standards, require more restrictive terms (including higher collateral ratios for advances, shorter maturities and smaller loan amounts) or refuse to refinance existing debt at all or on terms similar to pre-crisis conditions. Changes in interest rates and exchange rates may also adversely affect the fair value of our assets and liabilities. If there is a negative impact on the fair values of our assets and liabilities, we could be required to record impairment charges.

Negative macroeconomic developments in the markets in which we operate, in particular increasing levels of unemployment, may have a direct negative impact on the spending patterns of retail consumers, both in terms of the products they subscribe for and usage levels. Because a substantial portion of our revenue is derived from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely that certain of our subscribers will downgrade or disconnect their services and (iii) more difficult to maintain ARPU at existing levels. In addition, we can provide no assurances that a deterioration of any of these economies will not lead to a higher number of non-paying customers or generally result in service disconnections. Similarly, a deterioration in economic conditions would be likely to adversely affect the demand for, and pricing of, our B2B and wholesale services as a result of businesses and governments reducing spending. Therefore, a weak economy and negative economic development in the markets in which we operate may jeopardize our growth targets and may have a material adverse effect on our business, financial condition and results of operations.

Disruptions in the credit and equity markets could increase the risk of default by the counterparties to our financial instruments, undrawn debt facilities and cash investments and may impact our future financial position.

Although we seek to manage the credit risks associated with our financial instruments, cash and cash equivalents and undrawn debt facilities, disruptions in credit and equity markets could increase the risk that our counterparties could default on their obligations to us. Were one or more of our counterparties to fail or otherwise be unable to meet its obligations to us, our cash flows, results of operations and financial condition could be adversely affected. It is not possible to predict how disruptions in the credit and equity markets and the associated difficult economic conditions could impact our future financial position. In this regard, (i) the financial failures of any of our counterparties could (a) reduce amounts available under committed credit facilities and (b) adversely impact our ability to access cash deposited with any failed financial institution and (ii) sustained or further tightening of the credit markets could adversely impact our ability to access debt financing on favorable terms, or at all.

Changes in financial accounting standards may cause unexpected revenue fluctuations and affect our reported results of operations.

The preparation of our consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered by our management to be reasonable under the circumstances and at the time. These estimates and assumptions form the basis of judgments about the carrying values of assets and liabilities that are not readily available from other sources. Areas requiring more complex judgments may shift over time based on changes business mix and industry practice which could affect our reported amounts of assets, liabilities, income and expenses. In addition, management's judgments, estimates and assumptions and the reported amounts of assets, liabilities, income and expenses may be affected by changes in accounting policy. In May 2014, the International Accounting Standards Board ("IASB") issued IFRS 15, which establishes a single comprehensive 5-step model to account for revenue arising from contracts with customers. IFRS 15 will supersede all current revenue recognition guidance when it becomes effective for annual periods on or after January 1, 2018. The Group is required to retrospectively apply IFRS 15 to all contracts that are not complete on the date of initial application and has the option to either (i) restate 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 or (ii) retain prior period figures as reported under the previous standards and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application. The Group has decided to adopt IFRS 15 based on the full retrospective approach. The Group anticipates that the application of IFRS 15 may have a material impact on the amounts reported and the disclosures made in its consolidated financial statements. In particular, the measurement and presentation of certain revenue items, such as revenue related to bundled mobile offerings and fixed services and equipment, may be affected, which could have a material impact on the Group's net income despite having no impact on cash flows from operations. For details regarding the Group's adoption of IFRS 15 and its impact on its revenue recognition, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Key Income Statement Items—Impact of IFRS 15 on Revenue Recognition*," Note 1.4.2 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 and Note 2.1.2 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

In January 2016, the IASB issued a new standard coming into effect on January 13, 2019, IFRS 16 "Leases," which will supersede the current standard (IAS 17) and its current interpretations. IFRS 16 specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a sufficiently low value. IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. The Group has the option to (i) apply IFRS 16 with full retrospective effect or (ii) recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 will have a significant impact on our consolidated statement of financial position due to the recognition of rights of use related to leased assets and corresponding lease liabilities. Moreover, we expect that our consolidated statement of profit or loss will be impacted as operating lease fees will no longer comprise a part of operating expenses, but instead will fall under depreciation and interest expenses. Our consolidated statement of cash flows will also be impacted given that payment for lease liabilities will be presented within financial activities. The effects of IFRS 16 have been analyzed as a part of a Group-wide project for implementing new standards. IFRS 16 has not yet been endorsed by the European Union.

For further details on new accounting standards that may have a significant impact on our consolidated financial statements, see Note 1.4 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 and Note 2.1 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

We may have exposure to greater than expected tax liabilities

Any change in local or international tax rules, for example prompted by the implementation of the OECD's recommendations on Base Erosion and Profits Shifting (a global initiative to improve the fairness and integrity of tax systems), or new challenges by tax authorities, may have an adverse effect on the Group's tax status and its financial results. Any changes may also affect the return on an investors' investment in the Group and result in changes in personal tax rates and tax relief.

Significant judgment is required in determining the Group's tax positions, including, amongst others, corporate income tax and value added tax (VAT). In the ordinary course of business, there are transactions where the ultimate tax determination is uncertain. Additionally, calculation of tax positions is based in part on interpretations of applicable tax laws in the jurisdictions in which the Group operates. Although the Group believes its tax estimates are reasonable, there is no assurance that the final determination of its tax position will not be materially different from what is reflected in its statement of income and related balance sheet accounts. Should additional taxes be assessed as a result of new legislation, tax litigation or an audit, if the tax treatment should change as a result of changes in tax laws, or if the Group were to change the locations in which it operates, there could be a material effect on its business, financial condition and results of operations.

Revenue from certain of our services is declining, and we may be unable to offset this decline.

We have experienced declines in the revenue generated from some of our geographic segments and operating activities and may continue to experience further declines which we may not be able to offset with the introduction of new services, depending on technological trends, customer consumption patterns and competitive behavior in the market. For example, PT Portugal's revenue decreased slightly from €1,146.9 million in the six months ended June 30, 2016 to €1,143.5 million in the six months ended June 30, 2017. We believe that the decrease resulted primarily from the decline in fixed B2C customers and the continued decrease in revenue from legacy fixed-based voice telephony services. Moreover, our Adjusted

EBITDA in Portugal decreased by 6.7%, from €555.6 million for the six months ended June 30, 2016 to €518.2 million for the six months ended June 30, 2017, due to a 6.5% increase in operating costs while revenue remained flat. PT Portugal accounted for 50.8% and 43.5% of the consolidated revenue of the Group and 46.9% and 45.4% of its Adjusted EBITDA in the year ended December 31, 2016 and the six months ended June 30, 2017, respectively.

While we anticipate that the trend of declining revenues and Adjusted EBITDA in certain geographic segments and operating activities may continue, we believe that such declines may be offset in the future by the anticipated benefits of our cost-saving initiatives and our accelerated investment in fixed-based and mobile infrastructure, which we believe will drive growth in our fixed-based and mobile activities going forward. However, there can be no assurance that the initiatives that we undertake to offset revenue and Adjusted EBITDA declines in certain activities will materialize. Our business, financial conditions and results of operations may be adversely affected if we are unable to introduce new, or enhance existing, products and services or implement cost-saving or revenue enhancing strategies.

We have a history of losses and may report losses in the future.

We reported historical net losses of €195.5 million, €401.2 million, and €242.8 million, for years ended December 31, 2014, 2015 and 2016, respectively. For the six months ended June 30, 2017, we reported a net loss of €32.9 million, compared to a net profit of €18.8 million for the six months ended June 30, 2016. We may incur losses in the future due to, among other things, interest expenses, depreciation and capital expenditure. While a portion of any future losses may consist of depreciation and amortization expenses, which do not directly impact our cash flow, future losses may adversely affect our business, financial condition and results of operations and may limit our ability to engage in equity or debt financings.

The political and military conditions in Israel may adversely affect our financial condition and results of operations.

Our operations in Israel and are affected by political and military conditions. Since the establishment of the State of Israel in 1948, a number of armed conflicts have taken place between Israel and its neighboring countries. Hostilities involving Israel, any interruption or curtailment of trade between Israel and its trading partners and political instability within Israel or its neighboring countries are likely to have an adverse effect on our business, financial condition and results of operations. In particular, in recent conflicts, missile attacks have occurred on civilian areas, which could cause substantial damage to our networks, affecting our overall network capacity and reducing our ability to continue serving our customers. In addition, in the event that recent political unrest and instability in the Middle East, including changes in some of the governments in the region, cause investor concern resulting in a reduction in the value of the New Israeli Shekel, our expenses in non-Shekel currencies may increase, which may result in a material adverse effect on our business, financial condition and results of operations.

During an emergency, including a major communications crisis in Israel's national communications network, a natural disaster, or a special security situation in Israel, control of our networks may be assumed by a lawfully authorized person in order to protect the security of the State of Israel or to ensure the provision of necessary services to the public. During such circumstances, the government also has the right to temporarily withdraw some of the mobile spectrum granted to us. Under the Equipment Registration and Mobilization to the Israel Defense Forces Law, 1987, the Israel Defense Forces may mobilize our engineering equipment for their use, compensating us for such use and any consequent damage. This may materially harm our ability to provide services to our subscribers in such emergency circumstances and have a negative impact on our revenue and results of operations.

Moreover, the Prime Minister of Israel may, under powers which the Communications Law (Telecommunication and Broadcasting), 5742—1982 (the "Communications Law") grants him for reasons of state security or public welfare, order us to provide services to the security forces to perform telecommunications activities and to set up telecommunications facilities required by the security forces to carry out their duties.

Some of our officers and employees are currently obligated to perform annual reserve duty. All reservists are subject to being called to active duty at any time under emergency circumstances. In addition, some of our employees may be forced to stay at home during emergency circumstances in their area. We cannot assess the full impact of these requirements on our workforce and business if such circumstances arise.

More generally, any armed conflicts, terrorist activities or political instability in the region would likely negatively affect business conditions and could harm our results of operations, including following the cessation of such conflicts, due to a potential decrease in the number of tourists visiting Israel. Beginning in 2010 and continuing to date, several countries in the region, in particular Syria, have been experiencing increased political instability and armed conflict, which have led to changes in the governments of some of these countries, the effects of which are currently difficult to assess. Further, tensions have increased recently as a result of the nuclear deal between Iran and the United States and following Russia's involvement in the Syrian war.

Terrorist attacks and threats as well as the escalation of military activity in response to such attacks or acts of war may negatively affect our business, financial condition and results of operations.

Our business is affected by general economic conditions, fluctuations in consumer confidence and spending and market liquidity which can decline as a result of numerous factors outside of our control, such as terrorist attacks and acts of war. In Israel, the ongoing hostilities with the Palestinians, future terrorist attacks, rumors or threats of war, actual conflicts in which Israel or its allies might be involved, or military or trade disruptions affecting us or our customers may adversely affect our operations.

Our growth prospects depend on continued demand for fixed-based and mobile products and services and increased demand for bundled and premium offerings.

The use of Internet, television and fixed-line telephony and mobile services in certain of the jurisdictions in which we operate has increased sharply in recent years. We have benefited from this growth in recent years and our growth and profitability depend, in part, on continued demand for these services in the coming years. We rely on our multi-play and premium television services in most of the jurisdictions in which we operate to attract new customers and to increase our revenue per customer by migrating existing customers to such services. Therefore, if demand for multi-play products and premium television services does not increase as expected, this could have a material adverse effect on our business, financial condition and results of operations.

Our business is capital-intensive and our capital expenditures may not generate a positive return or we may be unable or unwilling to make additional capital expenditures.

The fixed-based and mobile businesses in which we operate are capital-intensive. Significant capital expenditures are required to add customers to our networks, including expenditures relating to equipment and labor. Furthermore, new practices and the use of multiple applications may increase bandwidth requirements, which could lead to network saturation and force telecommunications operators to make additional investments to increase their infrastructure capacity. Moreover, we regularly invest in the content that we offer in order to provide our subscribers with a flexible and diverse range of programming options, including high-quality local content and exclusive premium content, in order to reduce churn and increase ARPU. We intend to continue to selectively invest in local and value-added premium content as well as sports broadcasting and distribution rights in the future in order to enrich our differentiated and convergent communication services from those of our competitors. Such investments are capital-intensive and no assurance can be given that our recent or future capital expenditures will decrease churn, increase ARPU, generate a positive return or that we will have adequate capital available to finance future upgrades or acquire additional content, programming or licenses. If we are unable to, or elect not to, pay for costs associated with adding new customers, expanding or upgrading our networks, or making our other planned or unplanned capital expenditures, our growth and competitive position may be materially adversely affected.

We are subject to increasing operating costs and inflation risks which may adversely affect our earnings.

While we generally attempt to increase our subscription rates to offset increases in operating costs, there is no assurance that we will be able to do so due to competitive and other factors. Therefore, operating costs may rise faster than associated revenue, resulting in a material negative impact on our cash flow and results of operations. We are also affected by inflationary increases in salaries, wages, benefits and other administrative costs which we may not be in a position to pass on to our customers, which in turn could have a material adverse effect on our business, financial condition and results of operations.

Our long-lived assets may become impaired in the future, which could cause a non-cash charge to our earnings.

The valuations of certain of our assets in connection with acquisitions have resulted in increases to the book value of long lived assets, including property, plant and equipment, and intangible assets. Amortizable long-lived assets must be reviewed for impairment whenever indicators of impairment exist. Non-amortizable long-lived assets are required to be reviewed for impairment on an annual basis or more frequently whenever indicators of impairment exist. Indicators of impairment could include, but are not limited to:

- an inability to perform at levels that were forecasted;
- a permanent decline in market capitalization;
- an implementation of restructuring plans;

- changes in industry trends; and/or
- unfavorable changes in our capital structure, cost of debt, interest rates or capital expenditure levels.

Situations such as these could result in an impairment that would require a material non-cash charge, which could have a material adverse effect on our business, financial condition and results of operations.

A significant amount of our book value consists of intangible assets that may not generate cash in the event of a voluntary or involuntary sale.

As of June 30, 2017, we reported approximately €13.79 billion of consolidated total assets, of which approximately €2.7 billion were intangible. Intangible assets primarily include customer relationships, trade names, franchises and patents, software and licenses and other amortizable intangibles. While we believe that the carrying values of our intangible assets are recoverable, you should not assume that we would receive any cash from the voluntary or involuntary sale of these intangible assets, particularly if we were not continuing as an operating business. In connection with our adoption of a global brand which more clearly communicates our global strategy as an innovator, disruptor and a provider of superior next generation services to our customers, we are harmonizing and changing existing brands in countries in which we operate to share a new global identity. As a result, we have reduced the remaining useful lives of certain trade names recognized as intangible assets to one year from the date of adoption. Amortization expense is calculated on an accelerated basis using estimates of the intangible asset during the in-use period. As of June 30, 2017, the acceleration in amortization expense was €18.5 million. We urge you to read carefully the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 and the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017 for information about these intangible assets.

Our business is subject to risks of earthquakes, hurricanes, fire, power outages, floods, and other catastrophic events that can be further intensified due to the developing threat of climate change.

Our networks and operations may be subject to interruptions by natural disasters, including, but not limited to hurricanes, fire, floods, earthquakes and other events beyond our control. As we operate in certain jurisdictions in which existing infrastructure and telecommunications equipment (such as cables and mobile towers) may not be able to withstand a major natural disaster and/or in which emergency response time may be significant, prolonged recovery time could be required to resume operations. Moreover, certain countries and territories in which we operate are exposed to the developing threat of climate change and they may be affected by the environmental impact thereof, such as rising sea and air temperatures, extreme weather conditions or food shortages which, in turn, could have an effect on the habitability of such countries and territories and the cost and feasibility of providing telecommunications services. We have experienced similar disruptions in the recent past in our businesses in the Dominican Republic, French Overseas Territories and Indian Ocean. Moreover, the economies of certain jurisdictions in which we operate, including the Dominican Republic, depend to a significant degree on global tourism, and environmental disruption has in the past and may in the future have an adverse effect on the number of tourists visiting affected areas. The effects of environmental disruption or other catastrophic events on our network infrastructure and equipment and on the economies of the jurisdictions in which we operate may have an adverse effect on our business, financial condition and results of operations.

Our business may be adversely affected by actual or perceived health risks and other environmental requirements relating to exposure to electromagnetic fields through telecommunications equipment.

Exposure to electromagnetic fields through telecommunications equipment, including mobile antennas, relay antennas and WiFi, has raised concerns regarding possible harmful side effects. If concern for such risks were to worsen, or if harmful effects were to be scientifically established, our business, financial condition and results of operations could be materially adversely affected. A number of studies have been conducted to examine the health effects of mobile phone use and network sites, and some of these studies have been construed as indicating that radiation from mobile phone use causes adverse health effects. The World Health Organization has classified the radiofrequency electromagnetic fields linked particularly with the use of cordless phones as “possibly carcinogenic to humans” but, to date, no adverse health effects have been established as being caused by mobile phone use.

Several lawsuits have been filed against mobile operators and other participants in the mobile industry alleging adverse health effects and other claims relating to radio frequency transmissions to and from sites, handsets and other mobile telecommunications devices, including lawsuits against HOT, which were settled during 2012 with no material expenses incurred in such settlements. The Israeli government has contemplated, and in Portugal the government has adopted, measures to regulate matters related to exposure to electromagnetic waves. These have not, thus far, had a material impact on our business but there can be no guarantee that any future measures adopted in a jurisdiction in which we operate will not have a material adverse impact on our business. The perception of increased health risks related to mobile network sites may also cause us increased difficulty in obtaining leases for new mobile network site locations or renewing leases for existing locations or otherwise in installing mobile telecommunication devices. If it is ever determined that health risks existed or that there was a deviation from radiation standards which would result in a health risk from sites, other mobile devices or handsets, this would have a material adverse effect on our business, financial condition and results of operations, including through exposure to potential liability, a reduction in subscribers and reduced usage per subscriber. Furthermore, we do not expect to be able to obtain insurance with respect to such liability.

If we are unable to obtain attractive programming on satisfactory terms for our pay TV services, the demand for these services could be reduced, thereby lowering revenue and profitability.

The success of our basic and premium pay TV services depends on access to an attractive selection of television programming from content providers. The ability to provide movies, sports and other popular programming, including VOD content, is a major factor that attracts subscribers to pay TV services, especially premium services. We rely on digital programming suppliers for a significant portion of our programming content and VOD services. We may not be able to obtain sufficient high quality programming from third party producers for our digital cable television services on satisfactory terms or at all in order to offer compelling digital cable television services. We also rely on certain of our competitors for the provision of certain content offerings. In addition, to the extent that we are unable to reach agreements with certain programmers on terms that we believe are reasonable, we may be forced, or determine for strategic or business reasons, to remove such programming channels from our line-up and may decide to replace them with other programming, which may not be available on acceptable terms or be as attractive to customers. There can be no assurance that our expiring programming contracts will be renewed on favorable or comparable terms or at all, or that the rights we negotiate will be adequate for us to execute our business strategy. Further, with respect to our operations in Israel, we cannot assure you that the local content we are required to develop in conjunction with our partner studios will continue to be successful. The inability to obtain high quality content, may also limit our ability to migrate customers from lower tier programming to higher tier programming, thereby inhibiting our ability to execute our business strategy. In addition, we are currently subject to “must carry” requirements in certain of the jurisdictions in which we operate that may consume channel capacity otherwise available for other services. Any or all of these factors could result in reduced demand for, and lower revenue and profitability from, our digital cable television services.

Programming and content-related costs are one of our largest categories of expenses. In recent years, the cost of programming in the cable and satellite video industries has increased significantly and is expected to continue to increase, particularly with respect to costs for sports programming and broadcast networks. We may not be able to pass these increased programming costs on to our subscribers due to the increasingly competitive environment that we operate in. If we are unable to pass these increased programming costs on to our subscribers, our business, financial condition and results of operations may be adversely affected. Moreover, programming costs are related directly to the number of subscribers to whom the programming is provided, which may affect our ability to negotiate lower per-subscriber programming costs and which could impact our operating margins. The expiration dates of our various programming contracts are staggered, which results in the expiration of a portion of our programming contracts throughout each year. We attempt to control our programming costs and, therefore, the cost of our video services to our customers, by negotiating favourable terms for the renewal of our affiliation agreements with programmers. Such negotiations have in the past and may in the future affect our carriage of particular programming services. To the extent we are unable to reach agreements with certain programmers on terms we believe are reasonable, we may be forced to, or determine for strategic reasons to, remove certain programming from our line-up and may decide to replace such programming with alternatives which may not be as attractive to consumers or available on acceptable terms. Such actions may inconvenience some of our subscribers and can lead to customer dissatisfaction and, in certain cases, the loss of customers, which may have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that our existing programming contracts will be renewed on favorable or comparable terms, or at all, or that the rights we negotiate will be adequate for us to execute our business strategy.

Some of our programming contracts require us to pay prices for the programming based on a guaranteed minimum number of subscribers, even if that number is larger than the number of actual subscribers, whereas some of our programming contracts are based on a flat fee irrespective of the popularity of the content purchased under such contract. As a result, if we misjudge anticipated demand for the programming or if the programming we acquire does not attract the number of viewers we anticipated, the profitability of our television services may be impaired. Furthermore, as we purchase a significant portion of our content from various content providers under relatively short term contracts, the prices we pay to purchase such content are subject to change and may increase significantly in the future, which could have a material adverse effect on our results of operations.

In addition, program providers and broadcasters may elect to distribute their programming through other distribution platforms, such as satellite platforms, digital terrestrial broadcasting or IPTV, or may enter into exclusive arrangements with other distributors.

We depend on hardware, software and other providers of outsourced services, who may discontinue their services or products, seek to charge us prices that are not competitive or choose not to renew contracts with us.

We have important relationships with several suppliers of hardware, software and related services that we use to operate our pay TV, broadband internet, fixed-line telephony, mobile and B2B businesses. In certain cases, we have made substantial investments in the equipment or software of a particular supplier, making it difficult for us to quickly change supply and maintenance relationships in the event that our initial supplier refuses to offer us favorable prices or ceases to produce equipment or provide the support that we require. For example, while we continue to promote a rapid take up of our premium multi-play services in several of our geographic segments using a single set-top box, we face potential risks in securing the required customer set-top box equipment to maintain this roll out as we currently rely on a single provider. Currently, we have a sufficient supply of these boxes available, but any future shortages may involve significant delays in seeking alternative supplies, may constrain our ability to meet customer demand and may result in increased customer churn. Further, in the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers have expired or are exceeded by those in our contracts with our subscribers, in individual cases, or if the suppliers are insolvent, in whole or in part. In addition, there can be no assurances that we will be able to obtain the hardware, software and services we need for the operation of our business in a timely manner, at competitive terms and in adequate amounts. In particular, in the case of an industry wide cyclical upturn or high demand for a particular product, our suppliers of software, hardware and other services may receive customer orders beyond the capacity of their operations, which could result in delivery delays, particularly where suppliers elect to prioritize other customer accounts. We have, from time to time, experienced extensions of lead times or limited supplies due to capacity constraints and other supply-related factors as well as quality control problems with service providers. We may also not be able to recover monies paid to such suppliers or obtain contractual damages to which we may be entitled (if any) in the event our suppliers fail to comply with their obligations in a timely manner.

We also outsource some of our support services, including parts of our subscriber services, information technology support, technical services, and maintenance operations. Should any of these arrangements be terminated by either contract party, this could result in delays or disruptions to our operations and could result in us incurring additional costs, including if the outsourcing counterparty increases pricing or if we are required to locate alternative service providers or in-source previously outsourced services.

Further, we are dependent on certain suppliers with respect to our mobile services in Israel who we may not be able to replace without incurring significant costs. With respect to our 3G/4G mobile operations, we have engaged Nokia Solutions and Networks ("NSN") as a turnkey contractor to plan and build the UMTS/LTE network core. A cessation or interruption in the supply of the products and/or services by NSN may harm our ability to provide our mobile services to our subscribers.

We are dependent on various third parties in order to provide commercially viable services in the jurisdictions in which we operate. For example, among other agreements, we rely on a network sharing agreement with Partner to hold, develop and operate an advanced shared mobile network in Israel and a fiber sharing agreement with Vodafone Portugal to deploy, share and manage fiber capacity in Portugal. We are generally dependent on access to sites and network infrastructure owned by third parties, including duct space and antennas used for our networks and facility space (colocation). In addition, our telephony services are reliant on our ability to interconnect with the telecommunications networks of other fixed-line, mobile and international operators globally. We have limited or no control over the quality and consistency of the services that are supplied to us by third parties. Any deterioration in the provision of such services may affect our business, financial condition and results of operations.

Our ability to renew our existing contracts with suppliers of products or services or enter into new contractual relationships with these or other suppliers upon the expiration of existing agreements, either on commercially attractive terms, or at all, depends on a range of commercial and operational factors and events which may be beyond our control. The occurrence of any of these risks or a significant disruption in our supply of equipment and services from key sourcing partners could create technical problems, damage our reputation, result in the loss of customer relationships and have a material adverse effect on our business, financial condition and results of operations.

Acquisitions and other strategic transactions present many risks, including the risk that we may not be able to integrate newly acquired operations into our business, which may prevent us from realizing

the strategic and financial goals contemplated at the time of any such transaction and thus adversely affect our business.

Historically, our business has grown, in part, through a significant number of selective acquisitions that enabled us to take advantage of existing networks, service offerings and management expertise. Since 2010, we have acquired HOT in Israel, PT Portugal in Portugal, Outremer and Mobius in the French Overseas Territories as well as Tricom and Altice Hispaniola in the Dominican Republic. We may continue to grow our business through acquisitions of broadband and mobile communications businesses, content companies and ancillary services that we believe will present opportunities to create value by generating strong cash flows and operational synergies.

Any acquisition, disposal or other strategic transaction we may undertake in the future could result in the incurrence of debt and contingent liabilities and an increase in interest expenses, amortization expenses related to goodwill and other intangible assets or in the use by us of available cash on hand to finance any such acquisitions. We may experience difficulties in integrating acquired operations into our business, incur higher than expected costs or fail to realize all of the anticipated benefits or synergies of these acquisitions, if any. Such transactions may also disrupt our relationships with current and new employees, customers and suppliers. In addition, our management may be distracted by such acquisitions and the integration of acquired businesses. Thus, if we consummate any further acquisitions or fail to integrate any previous acquisitions, there could be a material adverse effect on our business, financial condition and results of operations. There can be no assurance that we will be successful in completing business acquisitions or integrating previously acquired companies. In addition, our debt burden may increase if we borrow funds to finance any future transactions, which could have a negative impact on our cash flows and our ability to finance our overall operations. If we use available cash on hand to finance acquisitions pursuant to our acquisition strategy, our ability to make dividend payments may be limited or we may not be able to make such dividend payments at all.

Acquisitions or disposals of additional telecommunications companies may require the approval of governmental authorities (either domestically or, in the case of the EU, at the European Union level), which can block, impose conditions on, or delay the process which could result in a failure on our part to proceed with announced transactions on a timely basis or at all, thus hampering our opportunities for growth. In the event conditions are imposed and we fail to meet them in a timely manner, the relevant governmental authority may impose fines and, if in connection with a merger transaction, may require restorative measures, such as mandatory disposition of assets or divestiture of operations. For example, in connection with the PT Portugal Acquisition, we entered into a commitment with the European Commission to dispose of Cabovisão and ONI which was completed on January 20, 2016. Additionally, in connection with the PT Portugal Acquisition, the European Commission is conducting an ongoing investigation relating to Altice's alleged infringement of the obligation of prior notification of concentrations under Article 4(1) of the Merger Regulation and/or of the standstill obligation laid down in Article 7(1) of the Merger Regulation. The investigation proceedings do not affect the approval granted by the European Commission for our acquisition of PT Portugal. While Altice is the subject of the EC's investigation, the proceedings may have consequential implications for the Group. See "*Description of our Business—Legal Proceedings—Regulatory and Civil Proceedings—European Commission Investigations*."

Although we analyze and conduct due diligence on acquisition targets, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations and our inquiries may fail to uncover relevant information. There can be no assurance that our assessments or due diligence of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. Moreover, our plans to acquire additional businesses in the future are subject to the availability of suitable opportunities. Our competitors may also follow similar acquisition strategies and may have greater financial resources available for investments or may be willing to accept less favorable terms than we can accept, which may prevent us from acquiring businesses that we target to the benefit of our competitors.

The operating complexity of our business and the responsibilities of management have increased significantly as a result of the growth of our business through acquisitions, which may place significant strain on our managerial and operational resources. We may be unable to allocate sufficient managerial and operational resources to meet our needs as our business grows, and our current operational and financial systems and managerial controls and procedures may become inadequate.

Although we consider the operational and financial systems and managerial controls and procedures that we currently have in place to be adequate for our purposes, we recognize that the effectiveness of these systems, controls and procedures needs to be kept under regular review as our business grows. We will have to maintain close coordination among our logistical, technical, accounting, finance, marketing and sales personnel. Management of growth will also require, among other things, continued development of financial and management controls and information technology systems. The constant growth and increased international operations may strain our managerial resources which may require us to hire additional managerial resources. We may be unable to hire managers with the relevant expertise or the hiring process may require significant time and resources, all of which could result in a disruption in our management, growth, operational and financial systems, managerial controls and procedures and, accordingly, our business, financial condition and results of operations.

Pressure on customer service could adversely affect our business.

The volume of contracts handled by our customer service functions can vary considerably over time. The introduction of new product offerings can initially place significant pressure on our customer service personnel. Increased pressure on such functions is generally associated with decreased satisfaction of customers.

In the B2B and wholesale markets, customers require service to be extremely reliable and to be reestablished within short timeframes if there is any disruption. Penalties are often payable in the case of failure to meet expected service quality. In addition, product installation can be complex, requiring specialized knowledge and expensive equipment. Delays and service problems may result in both penalties and the potential loss of customers. In these segments, we rely on our experienced customer relations personnel to handle any customer issues or requests, and the loss of such personnel can result in the loss of customers.

We have in the past experienced significant levels of customer dissatisfaction as a result of operational difficulties. Improvements to customer service functions may be necessary to achieve desired growth levels and if we fail to manage such improvements effectively and achieve such growth, we may in the future experience customer service problems and damage to our reputation, contributing to increased churn and/or limiting or slowing our future growth.

Our brands are subject to reputational risks and we may not be successful in establishing a new brand identity for the products and services marketed by our operating companies.

The brands under which we sell our products and services, including *Meo*, HOT, Orange and Tricom, are well recognized brands in Portugal, Israel, the Dominican Republic and the French Overseas Territories, as applicable. We have developed the brands we use through extensive marketing campaigns, website promotions, customer referrals, and the use of a dedicated sales force and dealer networks. For example, Altice Hispaniola currently benefits from a Brand License Agreement which allows it to use the “Orange” brand for its current products and services in the Dominican Republic for a period of three to five years after the closing of the Altice Hispaniola Acquisition in 2014. The value of the “Orange” brand name has been recognized by Altice Hispaniola’s suppliers and customers. In October 2016, the Orange group notified us of its decision not to extend the Brand License Agreement beyond April 2017. We subsequently reached an agreement to continue to use the Orange brand in the Dominican Republic until December 2017, at which point we expect to have implemented the Altice Group’s global brand across all of our operations in the Dominican Republic, as further described below. See “*Description of Our Business—Material Contracts—Dominican Republic—Brand License Agreement with Orange*.”

We are currently implementing the adoption of a global brand which communicates more clearly our global strategy as an innovator, disruptor and a provider of superior next generation services to our customers. This includes harmonizing and changing existing brands in countries in which we operate to share a new global identity. We expect this new brand strategy will be implemented by amending trademark license agreements in place across the Group or establishing new agreements. The Altice name, brand and new logo will replace the current brands at each of our operating companies, with the exception of certain sub-brands in select areas, such as Next TV in Israel, Moche, Uzo and Sapo in Portugal, Teads and certain media news and advertising brands. The B2B brands will transition to Altice Business. It is expected that all commercial brands will have completed the transition process by the end of the second quarter of 2018. To this end, we will need to spend significant time, effort and resources to establish our new global brand in the marketplace for our products and services, in addition to our regular marketing and advertising expenses. We cannot guarantee that this effort will ultimately be successful. If our efforts to establish a new brand identity are unsuccessful, our business, financial condition and results of operations could be materially adversely affected.

Although we try to manage our brands, we cannot guarantee that our brands will not be damaged by circumstances that are outside our control or by third parties such as hackers, sponsorees, or interfaces with its clients, such as subcontractors’ employees or sales forces, with a resulting negative impact on our activities. In particular, our image is increasingly tied to LaBox, an innovative set-top box which we source from a third party supplier. A failure on our part to protect our image, reputation and the brands under which we market our products and services may have a material adverse effect on our business and results of operations.

We collect and process subscriber data as part of our daily business and the leakage of such data may violate laws and regulations which could result in fines, loss of reputation and subscriber churn and adversely affect our business.

We accumulate, store and use data in the ordinary course of our operations that is protected by data protection laws. Regulatory authorities in the jurisdictions in which we operate our businesses have the right to audit us and impose fines if they find we have not complied with applicable laws and adequately protected customer data. In the European Union, the European Parliament and the European Council adopted the regulation on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation, the "GDPR") on April 27, 2016. The GDPR will be directly applicable in all European Union member states on May 25, 2018, replacing Directive 95/46/EC and current national data protection legislation in member states, and is also expected to be implemented in the EEA countries with effect from the same date. The GDPR significantly changes the EU/EEA data protection landscape, including strengthening of individuals' rights, stricter requirements on companies processing personal data and stricter sanctions with substantial administrative fines. The GDPR also offers data subjects the option to let a privacy organization litigate on their behalf, including collecting the potential damages. Although we take precautions to protect subscriber data in accordance with the applicable privacy requirements in the jurisdictions in which we operate, we may fail to do so and certain subscriber data may be leaked or otherwise used inappropriately and the risk of possible attacks or breaches of the data processing systems remains, which could give rise to penalties and reputational damage. We work with independent and third party sales agents, service providers and call center agents, and although our contracts with these third parties generally restrict the use of subscriber data, we can provide no assurances that they will abide by the contractual terms or that the contracts will be found to be in compliance with data protection laws. Violation of data protection laws may result in fines, damage to reputation and increased subscriber churn and could have an adverse effect on our business, financial condition and results of operations. There can be no guarantee that our assessment of risk will be accurate or that provisions made will be sufficient.

Our reputation and business could be materially harmed as a result of, and we could be held liable, including criminally liable, for, data loss, data theft, unauthorized access or successful hacking.

Our operations depend on the secure and reliable performance of our information technology systems as the nature of our business involves the receipt and storage of information relating to our customers and employees. The techniques used to obtain unauthorized access, disable or degrade services or sabotage systems change frequently and often are not recognized until launched against a target. We may therefore be unable to anticipate these techniques or implement effective and efficient countermeasures in a timely manner. In addition, hardware, software or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security.

If unauthorized third parties manage to gain access to any of our information technology systems, or if such systems are brought down, unauthorized third parties may be able to misappropriate confidential information, cause interruptions in our operations, access our services without paying, damage our computers or otherwise damage our reputation and business. While we continue to invest in measures to protect our networks, any such unauthorized access to our cable television service could result in a loss of revenue, and any failure to respond to security breaches could result in consequences under the our agreements with content providers, all of which could have a material adverse effect on our business, financial condition and results of operations. Furthermore, as an electronic communications services provider, we may be held liable for the loss, release or inappropriate modification or storage conditions of customer or other data which are carried by our network or stored on our infrastructures. In such circumstances, we could be held liable or be subject to litigation, penalties (including the payment of damages and interest) or adverse publicity that could adversely affect our business, financial condition and results of operations.

Our employees may engage in misconduct or other improper activities, which could harm our business

Given the size and geographic spread of the Group, we are likely to be exposed to instances of employee fraud, including, but not limited to, payroll fraud, falsification of expense claims, thefts of cash, assets or intellectual property, false accounting and other misconduct. Individual employees may also act against our instructions and either inadvertently or deliberately violate applicable law, including competition laws and regulations, by engaging in prohibited activities such as price fixing or colluding with competitors regarding markets or clients, or our internal policies. In addition, because we delegate a number of operational responsibilities to our subsidiaries and our local managers retain autonomy regarding the management of our operations in their markets, we may face an increased likelihood of the risks described above occurring. We also subcontract, through ACS, ATS and certain other Group entities, certain of our maintenance, customer service, installation and other activities to third party suppliers acting on our behalf and instances of fraud perpetuated by employees of these suppliers might also expose us to claims and/or may have a detrimental impact on our brand and reputation.

We are exposed to, and currently engaged in, a variety of legal proceedings, including several existing and potential class action lawsuits in Israel and antitrust proceedings in Portugal.

In addition to a number of legal and administrative proceedings arising in the ordinary course of our business, we have been named as defendants in a number of civil proceedings related to our cable and mobile services, which may result in civil liabilities against us or our officers and directors. These include, amongst others, consumer claims (including class actions) regarding, for example, our tariff plans and billing methods and claims by competitors, which may result in significant monetary damages and civil penalties. The costs that may result from these lawsuits are only accrued when it is more likely than not that a liability, resulting from past events, will be incurred and the amount of that liability can be quantified or estimated within a reasonable range. The amount of the provisions recorded in the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 in respect of lawsuits amounted to €99.7 million in the aggregate, based on a case by case assessment of the risk level of each individual lawsuit, and events arising during the course of legal proceedings may require a reassessment of this risk. Our assessment of risk is based both on the advice of legal counsel and on our estimate of the probable settlement amounts that are expected to be incurred, if such a settlement would be agreed by both parties.

Our business may suffer if we cannot continue to license or enforce the intellectual property rights on which our business depends or if we are subject to claims of intellectual property infringement

We rely primarily on copyright, trademark and trade secret laws and licenses and other agreements with our employees, customers, suppliers and other parties to establish and maintain our intellectual property rights in content, technology and products and services used to conduct our businesses. However, our intellectual property rights or those of our licensors could be challenged or invalidated, we could have difficulty protecting or obtaining such rights or the rights may not be sufficient to permit us to take advantage of business opportunities, which could result in costly redesign efforts, discontinuance of certain product and service offerings or other competitive harm.

We have received, and may receive in the future, claims of infringement or misappropriation of other parties' proprietary rights, particularly creative rights with respect to broadcasted programs. In addition to claims relating to broadcasts on channels which we own, we may be subject to intellectual property infringement claims with respect to programs broadcast on the other channels, including foreign channels that we carry. These claims may require us to initiate or defend protracted and costly litigation, regardless of the merits of these claims. Successful challenges to our rights to intellectual property or claims of infringement of a third party's intellectual property could require us to enter into royalty or licensing agreements on unfavorable terms, incur substantial monetary liability or be temporarily or permanently prohibited from further use of the intellectual property in question. This could require us to change our business practices and limit our ability to provide our customers with the content that they expect. Even if we believe that the claims of intellectual property infringement are without merit, defending against the claims can be time consuming and costly and may divert management's attention and resources away from our business.

The operation of our conditional access systems is dependent on licensed technology and subject to illegal piracy risks.

We operate conditional access systems to transmit encrypted digital programs, including our digital pay TV packages and for billing our customers, which rely on the proper functioning of our conditional access systems. Even though we require our conditional access system providers to provide state of the art security for the conditional access systems, the security of our conditional access systems may be compromised by illegal piracy and other means. In addition, our set-top boxes require smart cards before subscribers can receive programming and our smart cards have been and may continue to be illegally duplicated, providing unlawful access to our television signals. While we work diligently to reduce the effect of piracy, there can be no assurance that we will be able to successfully eliminate the piracy we currently face. In addition, there can be no assurance that any new conditional access system security that we may put in place will not be circumvented. Encryption failures could result in lower revenue, higher costs and increased basic cable subscriber churn or may otherwise have a material adverse effect on our business, financial condition and results of operations.

If we fail to successfully introduce new technologies or services, or to respond to technological developments, our business and level of revenue may be adversely affected and we may not be able to recover the cost of investments that we have made.

Our business is characterized by rapid technological change and the introduction of new products and services. If any new or enhanced technologies, products or services that we introduce fail to achieve broad market acceptance or experience technical difficulties, our revenue growth, margins and cash flows may be adversely affected. As a result, we may not recover investments that we make in order to deploy these technologies and services. Enhanced fixed service infrastructure access and mobile services provided by competing operators may be more appealing to customers, and new technologies may enable our competitors to offer not only new services, but to also offer existing standard services at lower prices. We may not be able to fund the capital expenditures necessary to keep pace with technological developments. It is possible that alternative technologies that are more advanced than those we currently provide may be developed. We may not obtain the expected benefits of our investments if more advanced technology is adopted by the market. Even if we adopt new technologies in a timely manner as they are developed, the cost of such technology may exceed their benefits. Our inability to obtain the funding or other resources necessary to expand or further upgrade our systems and provide advanced services in a timely manner, or successfully anticipate the demands of the marketplace, could adversely affect our ability to attract and retain customers and generate revenue.

Furthermore, given the pace of at which we launch new offers into the market and the multitude of our bundled service offerings, we may experience vulnerability to revenue leakage as a result of the dynamic changes in networks, IT systems. Our revenue chain consists of a complex set of inter-related technologies and processes providing a seamless set of services to the end customer. Although we closely monitor the risks related to revenue loss and continuously improve controls in our revenue assurance processes in order to prevent and/or detect cases of revenue leakage, as the set of technologies and business processes grows bigger and more complex, the chance of failure increases in each connection of the revenue chain. Revenue leakage may have an impact on the Group's ability to bill customers correctly for a given service or to receive the correct payment, which may adversely affect our margins and profitability.

We anticipate that, over time, new products and services we may introduce will require upgraded or new customer premises equipment, which may constrain our ability to market and distribute such new products and services. For example, we do not expect that previously installed internet modems or set-top boxes will be able to support all the enhancements we may introduce to our broadband internet or pay TV services over time. A portion of our subscribers will therefore require some form of upgrade or potentially a replacement of their customer premises equipment. Implementing such upgrades may entail additional costs to us and could delay the introduction of enhanced services and therefore reduce our cash flow and profitability, particularly where customers rent such customer premise equipment from us.

In addition, we will need to expend significant capital expenditure to fulfill universal service obligations and to upgrade the parts of our networks that are xDSL. There can be no assurance that we will have sufficient capital to finance such upgrades or that such upgrades will generate a positive return.

We rely on interconnecting telecommunications providers and could be adversely affected if such providers fail to provide these services on a consistent basis and without disruption.

Our ability to provide commercially viable telephone services in the jurisdictions in which we operate depends upon our ability to interconnect with the telecommunications networks of fixed-line, mobile and international operators in such jurisdictions in order to complete calls between our subscribers and parties on a fixed-line or other mobile telephone network, as well as third parties abroad. Generally, fixed-line telephony, mobile and international operators in the jurisdictions in which we operate are obliged by law to provide interconnection to, and not to discriminate against, any other licensed telecommunications operator. We have no control over the quality and timing of the investment and maintenance activities that are necessary for these entities to provide us with interconnection to their respective telecommunications networks. In Israel, for instance, the implementation of number portability requires us to rely on other providers to a greater extent since our ability to implement number portability and to port numbers between operators is dependent on the manner of number portability implementation by interconnecting local operators.

The failure of these or other telecommunications providers to provide reliable interconnections to us on a consistent basis and under terms that are favorable to us could have an adverse effect on our business, financial condition and results of our operations.

In addition, interconnection agreements and interconnection rates are normally subject to regulation in the jurisdictions in which we operate. Reduced interconnection rates and other decisions by regulators may have a material impact on our revenues.

If we cannot obtain or maintain favorable roaming or network sharing arrangements for our mobile services, our services may be less attractive or less profitable.

In November 2013 we entered into a network sharing agreement with Partner pursuant to which HOT Mobile and Partner will own equal shares of a newly formed limited partnership (PHI Networks), which shall hold, develop and operate an advanced shared mobile network for both companies in Israel. Regulatory approval for the network sharing agreement was obtained on April 20, 2015 and such agreement remains valid until

December 31, 2028. The network sharing agreement provides for automatic renewals in five year increments after December 31, 2028 but may be terminated in the event of a material breach and certain other specific events. In August 2015, following the completion of the tender process related to the allocation of 1.8 GHz spectrum rights, the Israeli Ministry of Communications allocated HOT Mobile a frequency bandwidth of 2 x 5MHz in the 1.8 GHz spectrum, enabling HOT Mobile to provide 4G LTE services to its customers. Pursuant to its network sharing agreement with Partner, HOT Mobile has committed to share the investment costs associated with the upgrade of 4G network infrastructure with Partner. See "*Description of Our Business—Material Contracts—Network Sharing Agreement with Partner in Israel*."

We have entered into roaming contracts, which provide our customers with international 3G and 4G roaming services, across our geographic segments. These contracts are generally subject to rights of termination upon sufficient notice, in the event of a material breach or upon the commencement of liquidation or insolvency proceedings. In the event that we are unable to reach agreements with third parties or favorably renegotiate or renew our existing roaming, network sharing agreements or other agreements on terms we believe are reasonable, our fixed-based and mobile services may be adversely affected, which could have a material adverse effect on our business, financial condition and results of operations. There can be no assurance that our agreements will be renewed on favorable or comparable terms.

We rely on third parties for access to, and the operation of, certain parts of our network.

We are generally dependent on access to sites and land belonging to, and network infrastructure owned by, third parties, including for cable duct space and antennas used for our networks and facility space (colocation). In this respect, we have generally obtained leases, rights and licenses from network operators, including incumbent operators, governmental authorities and individuals. For example, in July 2014, we signed an agreement with Vodafone Portugal to deploy, swap of capacity and share fiber networks beginning in December 2014, for an initial term of 25 years. See "*Description of our Business—Material Contracts—General—Fiber Sharing Agreement with Vodafone Portugal*." Our ability to offer our services to customers depends on the performance of these third parties of their obligations under such leases, licenses and rights. If we are not able to renew our current lease agreements for these sites and/or enter into new lease agreements for suitable alternate sites, this could have a negative impact on the coverage of our network. If third parties refuse to or only partially fulfill their obligations under or terminate the licenses granted to us or prevent the required access to certain or all of such sites, it could prevent or delay the connection to sites or customers, limit the growth of our offerings and influence our ability to supply high quality services to our customers in a timely and cost effective manner. In addition, the costs of providing services is dependent on the pricing and technical terms under which we are given such access and any change in such terms may have a material adverse effect on our business, financial condition and results of operations. In many cases, we may not be able to find suitable alternatives at comparable cost or within a reasonable timeframe.

Failure in our technology or telecommunications systems could significantly disrupt our operations, which could reduce our customer base and result in lost revenue.

Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems as well as our customer service centers. The hardware supporting a large number of critical systems for our cable networks and mobile networks is housed in a relatively small number of locations. Our systems are vulnerable to damage from a variety of sources, including telecommunications failures, power loss, malicious human acts and natural disasters. Moreover, despite security measures, our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautions we have taken, unanticipated problems affecting our systems could cause failures in our information technology systems or disruption in the transmission of signals over our networks. Sustained or repeated system failures that interrupt our ability to provide services to our customers or otherwise meet our business obligations in a timely manner would adversely affect our reputation and result in a loss of customers and revenues.

If any part of our fixed-based or mobile networks, including our information technology systems, is subject to terrorism, acts of war, computer viruses, power losses, other catastrophes or unauthorized access, our operations and customer relations could be materially adversely affected. For example, although our cable networks are generally built in resilient rings to ensure the continuity of network availability in the event of any damage to its underground fibers, if any ring is cut twice in different locations, transmission signals will not be able to pass through, which could cause significant damage to our business. In the event of a power outage or other shortage, we do not have a back up or alternative supply source for all of our network components. The occurrence of any such event could cause interruptions in service or reduce capacity for customers, either of which could reduce our revenue or cause us to incur additional expenses. In addition, the occurrence of any such event may subject us to penalties and other sanctions imposed by regulators. Further, we may incur costs and revenue losses associated with the unauthorized use of our networks, including administrative and capital costs associated with the unpaid use of our networks as well as with detecting, monitoring and reducing the incidences of fraud. Fraud also impacts interconnect costs, capacity costs, administrative costs and payments to other carriers for unbillable fraudulent roaming charges.

Additionally, our businesses are also dependent on certain sophisticated critical systems, including our switches, billing systems and customer service systems, which could be damaged by any of the aforementioned risks. For example, if we experience problems in the operation of our billing systems, it may be difficult to resolve the issue in a timely and cost effective manner. In addition, the hardware that supports our switches, billing systems and customer service systems is housed in a relatively small number of locations and if damage were to occur to any of such locations, or if those systems develop other problems, it could have a material adverse effect on our business, financial condition and results of operations. Moreover, we may incur liabilities and reputational damages to the extent that any accident or security breach results in a loss of or damage to customers' data or applications, or inappropriate disclosure of confidential information. Additionally, we rely on hardware, software, technical services and customer support provided, in part, by third parties. We do not control the proper functioning of third party equipment, and to the extent hardware, software, technical services and customer support provided by third parties fails, our business operations may be adversely affected.

As the number of our customers and the services that we offer to our customers increases, the complexity of our product offerings and network architecture also increases, as does network congestion. A failure to manage the growth and complexity of our networks could lead to a degradation of service and network disruptions that could harm our reputation and result in a loss of subscribers.

We are not generally insured against war, terrorism (except to a limited extent under our general property insurance) and cyber risks and do not generally insure the coaxial portion of our network. Any catastrophe or other damage that affects any of our networks in the jurisdictions in which we operate could result in substantial uninsured losses. In addition, disaster recovery, security and service continuity protection measures that we have or may in the future undertake, and our monitoring of network performance, may be insufficient to prevent losses.

In addition, although so far no incidents have occurred in numbers that are statistically significant, our technical equipment has been and may continue to be subject to occasional malfunctioning due to technical shortcomings or imperfect interfaces with equipment in private homes, the networks of other operators or our own network or with other surrounding equipment. If such incidents occur, we may incur liabilities or reputational damage as a result thereof.

Our reputation and financial condition may be affected by product quality issues, in particular in connection with LaBox.

Many of our products and services, including LaBox, which we have rolled out in some of our geographic segments, are manufactured and maintained through complex and precise technological processes. These complex products may contain defects or experience failures when first introduced or when new versions or enhancements to existing products are released. We cannot guarantee that, despite testing procedures, errors will not be found in new products, including LaBox, after launch. Such errors could result in a loss of, or delay in, the market's acceptance of our products, increased costs associated with customer support, delay in revenue recognition or loss of revenues, write-downs of the inventory of defective products, replacement costs, or damage to our reputation with our customers and in the industry. Any such error could also require a software solution that would cure the defect but impede the performance of the product. In addition, any loss of confidence by customers in us may cause sales of our other products to drop significantly. Furthermore, we may have difficulty identifying customers whose products are defective. As a result, we could incur substantial costs to implement modifications and correct defects. Any of these problems could materially adversely affect our business, financial condition and results of operations.

Customer churn, or the threat of customer churn, may adversely affect our business.

Our ability to attract and retain subscribers to our fixed-based services or to increase profitability from existing subscribers will depend in large part on our ability to stimulate and increase subscriber usage, convince subscribers to switch from competitors' services to our services and our ability to minimize customer churn. Customer churn is a measure of the number of customers who stop subscribing for one or more of our products or services. Churn arises mainly as a result of competitive influences, introduction of new products and technologies, deterioration of personal financial circumstances, price increases and regulatory developments. In Israel, the regulatory framework prohibits, among other things, fixed-based service providers and mobile operators from charging exit fees, except in limited circumstances, to subscribers who wish to terminate their services and mobile operators are prohibited from selling locked handsets or linking the terms of sale of handsets to the terms of mobile services, including discounts and other benefits, which has increased churn rates for many fixed-based service providers and mobile operators. If we fail to effectively communicate the benefits of our networks through our marketing advertising efforts, we may not be able to attract new customers and our efforts to attract and retain customers may prove unsuccessful. In addition, any interruption of our services or the removal or unavailability of programming, which may not be under our control, could contribute to increased customer churn. Further our competitors may improve their ability to attract new customers, for example by offering new product bundles or product offerings at lower prices than us, which would make it difficult for us to retain our current subscribers, and the cost of retaining and acquiring new subscribers could increase. In addition, our B2B operations are also subject to tariff churn (i.e. an existing customer negotiating tariff decreases). Large corporate customers in particular are highly sophisticated and often aggressive in seeking to renegotiate the pricing of their contracts, which tends to result in margin pressure. Increased customer or tariff churn may have a material adverse effect on our business, financial condition and results of operations.

We have significant post-retirement benefit and healthcare obligations, the payment of which may have an adverse effect on its business and, therefore, our ability to service our debt obligations.

As of June 30, 2017, the projected benefits obligations of PT Portugal's post-retirement benefits, including pension supplements, healthcare benefits and salaries payable to pre-retired and suspended employees amounted to €25 million (€92 million for pension supplements, €341 million for healthcare benefits and €492 million mainly related to salaries payable to pre-retired and suspended employees). Projected benefit obligations, net of corresponding plan assets, amounted to €782 million as of June 30, 2017. Salaries payable to pre-retired and suspended employees are obligations under individual agreements with employees to pay employees a significant portion of their previous existing salary to refrain from working (or to work part-time) until retirement. In Portugal, there is no legislation on the establishment of funds to cover the healthcare obligations and the salaries for pre-retired and suspended employees, and PT Portugal is required to pay for these benefits only when the salaries are paid to pre-retired and suspended employees, or when healthcare expenses are incurred. Accordingly, there is no requirement to fund these benefits obligations at present. However, PT Portugal has nevertheless set up a fund managed by a subsidiary, PT Prestações—Mandatária de Aquisições e Gestão de Bens, S.A., to finance the such healthcare-related post-retirement liabilities. No similar fund has been established to pay salaries owed to pre-retired and suspended employees. The value of the obligations referred to above may also fluctuate, depending on demographic, financial, legal or regulatory factors that are beyond our control. For example, the legal retirement age was raised to 66 years in 2014 and to 66 years and two months in 2016 and may be raised further in the future. Further increases to the retirement age in Portugal would increase our obligations to pay salaries to suspended and pre-retired employees. The payment of these obligations by PT Portugal may have an adverse effect on its business and accordingly, our business, financial condition and results of operations. In addition, in Israel, employees are entitled to receive severance pay pursuant to law and we are required to maintain defined benefit plans in respect of such severance pay. For a discussion of certain significant defined benefit plans of the Group, see Note 13.2.1 of the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016.

We are exposed to local business risks in many different countries.

We operate our business in multiple jurisdictions, including Portugal, Israel, the Dominican Republic, the French Overseas Territories and Switzerland. In addition, we may expand into additional markets in the future by entering into acquisitions or other strategic transactions. Accordingly, our business is subject to risks resulting from differing legal, political, social and economic conditions, regulatory requirements and unforeseeable developments in a variety of jurisdictions, including in emerging markets (which may be more vulnerable to volatility as well as political and economic instability than developed markets). These risks include, among other things:

- differing economic cycles and adverse economic conditions;
- political instability (including expropriation and political violence or disturbance);
- the burden of complying with a wide variety of foreign laws and regulations;
- unexpected changes in the regulatory environment and/or governmental policies;
- varying tax regimes;
- fluctuations in currency exchange, interest rates and inflation (particularly in emerging markets, such as the Dominican Republic, which has historically experienced high rates of inflation);
- inability to collect payments or seek recourse under or comply with ambiguous or vague commercial or other laws;
- varying degrees of concentration among suppliers and customers;
- insufficient protection against violations of our intellectual property rights;

- foreign exchange controls and restrictions on repatriation of funds; and
- added complexity and risk of deficiency in the risk management and internal control processes;
- difficulties in attracting and retaining qualified management and employees, or further rationalizing our work force;
- significant oil price increases; and
- challenges caused by distance, language and cultural differences.

Our overall success as a business depends to a considerable extent on our ability to anticipate and effectively manage differing legal, political, social and economic conditions and regulatory requirements and unforeseeable developments. We may not continue to succeed in developing and implementing policies and strategies which will be effective in each location in which we do business or may do business in the future.

The liquidity and value of our interests in certain of our subsidiaries and our ability to take certain corporate actions may be adversely affected by shareholder agreements and other similar agreements to which we are a party.

Certain of our operations, including, for example, our operations in the French Overseas Territories, are conducted through subsidiaries in which third parties hold a minority equity interest or with respect to which we have provided third parties with rights to acquire minority equity interests in the future. Our equity interests in such subsidiaries are subject to shareholder agreements, partnership agreements and other instruments and agreements that contain provisions that affect the liquidity, and therefore the realizable value, of those interests. Most of these agreements subject the transfer of equity interests to consent rights, pre-emption rights or rights of first refusal of the other shareholders or partners. All of these provisions will restrict the ability to sell those equity interests and may adversely affect the prices at which those interests may be sold. In addition, the present or potential future shareholders in our subsidiaries have the ability to block certain transactions or decisions that we would otherwise undertake. Although the terms of our investments vary, our operations may be affected if disagreements develop with other equity participants in our subsidiaries. Failure to resolve such disputes could have an adverse effect on our business, financial condition and results of operations.

Risks Relating to Legislative and Regulatory Matters

We are subject to significant government regulation and supervision, which could require us to make additional expenditures or limit our revenues and otherwise adversely affect our business, and further regulatory changes could also adversely affect our business.

Our activities as a cable television, broadband internet infrastructure access provider, ISP, fixed-line and international long distance telephony and mobile operator are subject to regulation and supervision by various regulatory bodies, including local and national authorities in the jurisdictions in which we operate. Such regulation and supervision, as well as future changes in laws or regulations or in their interpretation or enforcement that affect us, our competitors or our industry, strongly influence how we operate our business. Complying with existing and future law and regulations may increase our operational and administrative expenses, restrict our ability or make it more difficult to implement price increases, affect our ability to introduce new services, force us to change our marketing and other business practices, and/or otherwise limit our revenues. In particular, our business could be materially and adversely affected by any changes in relevant laws or regulations (or in their interpretation) regarding, for example, licensing requirements, access and price regulation, interconnection arrangements or the imposition of universal service obligations, or any change in policy allowing more favorable conditions for other operators or increasing competition. There can be no assurance to you that the provision of our services will not be subject to greater regulation in the future. Furthermore, a failure to comply with the applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse consequences.

Although the regulations applicable to our businesses vary depending on jurisdiction, such regulations may include, amongst other things:

- in certain jurisdictions, price regulation for certain of the services we offer, exit fees and cancellation charges;
- rules governing the interconnection between different telephone networks and the interconnection rates that we can charge and that we pay;
- requirements that, under specified circumstances, a cable system carry certain broadcast stations or obtain consent to carry a broadcast station;
- rules for authorizations, licensing, acquisitions, renewals and transfers of licenses and franchises;

- requirements that we provide or contribute to the provision of certain universal services;
- rules and regulations relating to subscriber privacy and data protection;
- rules and regulations relating to our networks, including universal access obligations imposed on us, co-installation and co-location obligations (including our submarine cable landing stations), right of way and ownership considerations;
- rules governing the copyright royalties;
- requirements on portability; and
- other requirements covering a variety of operational areas such as equal employment opportunity, emergency alert systems, disability access, technical standards, environmental standards, city planning rules and customer service and consumer protection requirements.

The regulations applicable to our operations within the EU often derive from EU Directives. The various Directives require EU Member States to harmonize their laws on communications and cover such issues as access, user rights, privacy and competition. These Directives are reviewed by the EU from time to time and any changes to them could lead to substantial changes in the way in which our businesses in the relevant jurisdictions are regulated and to which we would have to adapt.

In Israel, we are also subject to, among other things, regulations requiring us to maintain structural separation between our cable television, broadband internet infrastructure access and fixed-line telephony, ISP and mobile subsidiaries, regulations restricting the number of channels we can own and specifying the minimum investment we are required to make in local content productions (with the requirement to increase from the current 8% of our annual television revenues from subscriber fees to 9% of our annual television revenues from subscriber fees in 2018) and requirements that we extend our cable television, broadband internet infrastructure access and fixed-line telephony services to areas of Israel even where it is not economically profitable to do so. The Israeli Ministry of Communications has taken active steps to increase competition in the fixed-line and mobile telecommunications industries, including providing licenses to MVNOs and eliminating termination fees that operators can charge, except in limited circumstances, and prohibiting the linkage of the price and terms of handsets to the services or benefits of the mobile contract. The Israeli Ministry of Communications has also introduced a policy for the establishment of a wholesale market for broadband internet infrastructure access pursuant to which certain limitations on structural separation and bundling of products may be reduced, but we would also be required to provide access to our network infrastructure to other service providers on a wholesale basis. Further, in November 2014 the Israeli Ministry of Communications has issued regulatory instructions, including the method of setting wholesale service rates and, in the case of Bezeq, the maximum rates that can be collected by Bezeq from other license holders who make use of its infrastructure for the years 2014 to 2018, in an attempt to create a wholesale market for broadband internet infrastructure access and fixed-line telephony services which would allow service providers (such as ISPs, VOB providers and IPTV providers) to provide services to their customers by using our cable network. In June 2017, following a hearing, the Ministry of Communications published the maximum tariffs for supplying wholesale services over HOT Telecom's network for the years 2017 and 2018. Should the wholesale market develop, certain requirements for structural separation and bundling of products that apply to Bezeq and us may be lifted, and at the same time, competition in the broadband internet infrastructure access market may increase significantly which could negatively affect our business, financial condition and results of operations. In addition, following a hearing published in 2014, the Ministry of Communications published a complementary hearing in August 2017 regarding the mechanism to examine retail offers made by HOT and Bezeq to new or existing subscribers, to avoid 'margin squeeze' practices but no decision was made in this respect. In October 2015, the Minister of Communications appointed an advisory committee to advise on the regulation of the broadcast market. In February 2016, the advisory committee published a report setting out its recommendations in relation to regulations that will apply to new and existing operators in the broadcasting area, regulations that will apply with respect to the commercial channels, the investments rates in local productions and other issues. On June 30, 2016, the Ministry of Communications published the committee's final report. In addition, in March 2016, the Cable & Satellite Broadcasting Council published a decision with respect to a new policy regarding setting tariffs and offerings of HOT. This policy may limit our ability to increase prices in existing plans.

In addition, we are subject to antitrust rules and regulations and are, from time to time, subject to review by authorities concerning whether we exhibit monopoly power in any of the market in which we operate. To the extent that we are deemed by relevant authorities to exhibit significant market power, we can be subject to various regulatory obligations adversely affecting our results of operations and profitability. Regulatory authorities may also require us to grant third parties access to our bandwidth, frequency capacity, facilities or services to distribute their own services or resell our services to end customers. Currently, we are considered to have significant market power in the following markets: Portugal, Israel and the Dominican Republic. No assurance can be given that we will not be identified as having significant market power in any relevant markets in the future and that we will not be subject to additional regulatory requirements.

The European Commission's "Connected Continent" legislation could adversely affect our businesses in the European Union

In September 2013, the European Commission presented its proposal for a single telecommunications market—the so called "Connected Continent" legislation—in order to stimulate the provision of cross-border European services by, among other things, addressing matters such as a single European authorization and convergence of regulatory remedies, a standard EU wholesale broadband access product, the harmonization of spectrum authorization procedures, net neutrality and transparency, international mobile roaming and international calls, and consumer protection.

In November 2015, the EU adopted Regulation (EU) 2015/2120, which provided for the phased reduction of roaming charges within the European Union and required the European Commission to submit a report to the European Parliament by June 2016, along with proposed legislative for regulation of the wholesale roaming market within the EU, with a view to eliminating the transitional roaming surcharges by June 2017. In February 2017, the proposal providing for wholesale caps and an end to retail mobile roaming charges in the European Union was endorsed. In May 2017, Regulation (EU) 2017/920 was adopted, abolishing retail roaming charges applicable to traffic between EU Member States as of June 15, 2017.

This legislation is expected to have an adverse effect on revenue generated from our operations in the European Union due to anticipated price decreases, higher operational costs and increased competition. All of these factors may adversely affect our business, financial condition and results of operations.

Burdensome regulation in an open market may put PT Portugal at a disadvantage to its competitors and could adversely affect its business

The Portuguese electronic communications sector is fully open to competition. However, many regulatory restrictions and obligations are still imposed on PT Portugal. On October 9, 2014, the European Commission adopted a new European Relevant Markets Recommendation that replaced the 2007 Recommendation and further reduced the number of relevant markets subject to ex-ante regulation. ANACOM has reanalyzed the retail and wholesale markets identifying which markets are
still relevant for regulatory intervention and which electronic communications operators and service providers have significant market power in those markets. The decisions relating to the conclusions of the analysis of markets 3a-3b/2014 (wholesale local and central access at a fixed location) and 4/2014 (wholesale high-quality access at a fixed location) were issued in March 2017 and June 2016, respectively. ANACOM decided not to impose regulatory obligations on PT Portugal's fiber network, concluding that they would not be proportional. According to its strategic plan, the revision of markets 1/2014 (FTR) and 2/2014 (MTR) will likely take place in the third quarter of 2018 and the second quarter of 2018, respectively. With respect to market 2/2007 (for fixed call origination under the previous recommendation), a final decision is expected by the end of 2017.

ANACOM has reanalyzed some of the markets defined under the European Relevant Market Recommendation and issued findings that PT Portugal had significant market power in certain markets, including the wholesale market for call termination on individual public telephone networks provided at a fixed location, the market for call termination on individual mobile networks, the market for wholesale local and central access at a fixed location and the market for wholesale high-quality access at a fixed location, in which ANACOM included leased lines trunk segments.

In certain cases, such as in markets 3 and 4, ANACOM has segmented the markets into "C" (competitive) and "NC" (non-competitive) segments and issued a finding that PT Portugal had significant market power in the non-competitive segments, imposing remedies to increase competition in those markets. With respect to market 3, the obligations in ANACOM's March 2017 decision extended only to the granting of unbundled access to copper loops, ducts and poles at the national level. However, ANACOM required that the duct and poles offers be made on an equivalence of inputs (EoI) basis.

We receive correspondence from ANACOM from time to time regarding compliance with such and other regulations. If we are found to be in breach of such regulations, the regulators may impose penalties, fines or additional obligations on us to rectify such breaches which may have an adverse effect on our business operations. Remedies imposed by ANACOM may also require PT Portugal to provide services in certain markets or geographic regions or to make investments that it would otherwise not choose to make. In addition, PT Portugal incurred, and may still have to incur, expenses to adapt its operations to changing regulatory requirements and to ensure regulatory compliance. The resources that may be required to fulfill our regulatory obligations in Portugal could adversely affect our ability to compete.

We can only operate our business for as long as we have licenses from the relevant authorities in the jurisdictions in which we operate.

We are required to hold licenses, franchises, permits and similar authorizations to own and operate our networks and to broadcast our signal to our customers. These authorizations generally require that we comply with applicable laws and regulations, meet certain solvency requirements and maintain minimum levels of service. Should we fail to comply with these, we may be subject to financial penalties from the relevant authorities and there may also be a risk that licenses could be partially or totally withdrawn. The imposition of fines and/or the withdrawal of licenses could have a material adverse effect on our results of operations and financial condition and prevent us from conducting our business. In addition, such authorizations are generally granted for fixed terms and must be periodically renewed. The procedure for obtaining or renewing these licenses can be long and costly and authorities often demand concessions or other commitments as a condition for renewal. In addition, these licenses may not be obtainable or renewable in a timely manner or at all. In some instances, such authorizations have not been renewed at expiration, and we have operated and are operating under either temporary operating agreements or without an authorization while negotiating renewal terms with the local franchising authorities. Should we not be able to obtain or renew the licenses needed to operate or develop our business in a timely fashion, our ability to realize our strategic objectives may be compromised. In certain cases our mobile licenses require us to comply with certain obligations (population coverage, sharing in certain areas, national roaming) and we may suffer adverse consequences if we are not able to comply with these obligations. In certain countries, we have provided significant bank guarantees to guarantee our performance under our licenses. If we are found to be in material breach of our licenses, the guarantees may be forfeited and our licenses may be revoked.

In the Dominican Republic, Altice Hispaniola was awarded a concession and is licensed to provide telecommunications services. Altice Hispaniola's concession was originally granted under a concession agreement with Indotel in 1996 and was due to expire on August 1, 2015. Altice Hispaniola presented a formal renewal request to Indotel on April 27, 2015. This concession was recently de facto renewed, as all of the criteria for renewal were met by Altice Hispaniola. In addition, Altice Hispaniola currently holds a number of frequency license certificates issued by Indotel. These licenses have also recently been de facto renewed, as all of the criteria for renewal were met by Altice Hispaniola. However, we make no assurances that our concession or licenses will continue to be renewed in the future. Furthermore, certain regulatory approvals, such as new build permits, may be required for Altice Hispaniola to operate antenna sites with other frequencies/frequency bands, in particular where the shift is made from a higher frequency band (e.g. 1800 MHz) to a lower frequency band (e.g. 900 MHz). To the extent that Altice Hispaniola seeks to operate antenna sites with other frequencies/frequency bands in the future, failure to obtain such regulatory approvals could have a negative impact on the coverage of its network. If Indotel does not continue to renew Altice Hispaniola's concession or frequency licenses or if Altice Hispaniola fails to obtain any regulatory approvals that are required, our business, financial condition and results of operations could be materially adversely affected.

Altice Hispaniola's activities may be affected by Indotel's decisions regarding the granting, amendment or renewal of frequency licenses.

Altice Hispaniola's activities as a mobile network operator in the Dominican Republic are subject to regulation and supervision by various Dominican authorities, in particular Indotel. Since 2010, Indotel has issued a series of resolutions in order to implement the National Frequency Allocation Plan ("PNAF"), the objective of which is to reorganize the radio spectrum in the Dominican Republic and make more bands available for operators to provide mobile services. Frequency migration is currently in progress and concerns Altice Hispaniola, among other operators. For example, Altice Hispaniola must migrate from its current 1800Mhz frequency to another frequency to be allocated to it in the 2110-2155Mhz band in order to comply with PNAF provisions, which pair the 1700Mhz frequency with the 2100Mhz frequency and is awaiting the requisite regulatory approvals for such migration. Spectrum entitlement rights relating to the migrated bands remain in dispute among various telecom operators. In addition, Indotel has not confirmed the final step in a frequency swap assigning the 1720-1730 MHZ and the 2120-2130 MHz ranges to Altice Hispaniola in exchange for other frequencies.

We may incur significant costs to comply with city planning laws.

We are subject to planning laws when we upgrade or expand our networks. In particular, our current installation of the UMTS/LTE network in Israel is subject to compliance with the National Zoning Plan 36 (TAMA 36) and the directives issued thereunder, which are aimed at reducing the danger of radiation and the damage to the environment. The cost of complying with TAMA 36 can be substantial and there is currently a regulatory process underway to amend TAMA 36 which would place substantial limitations and further increase the cost of erecting our UMTS/LTE network. In addition, the local loop of our networks is generally located aboveground. Local municipal governments generally have the authority to require us to move these network lines underground. Usually, we are able to coordinate with other utility suppliers to share the costs associated with moving lines underground but no assurance can be given that we will always be able to do so. Nevertheless, the costs of complying with municipal orders can be substantial and may not be subsidized by such municipal government, which may require us to incur significant costs in the future.

We have had difficulties obtaining some of the building and environmental permits required for the erection and operation of our mobile network sites in Israel. These difficulties could have an adverse effect on the coverage, quality and capacity of our mobile network.

Our ability to maintain and improve the extent, quality and capacity of our mobile network coverage in Israel depends in part on our ability to obtain appropriate sites and approvals to install our mobile network infrastructure, including mobile network sites. The erection and operation of most of these mobile network sites require building permits from local or regional planning and building authorities, as well as a number of additional permits from other governmental and regulatory authorities. In addition, as part of our UMTS/LTE network build-out, we are erecting additional mobile network sites and making modifications to our existing mobile network sites for which we may be required to obtain new consents and approvals.

For the reasons described in further detail below, we have had difficulties obtaining some of the building permits required for the erection and operation of our mobile network sites.

In addition, as we seek to improve the range and quality of our mobile telephony services, we need to further expand our mobile network, and difficulties in obtaining required permits may delay, increase costs or prevent us from achieving these goals in full. Our inability to resolve these issues in a timely manner could also prevent us from achieving or maintaining the mobile network coverage and quality requirements contained in our license.

Since June 2002, following the approval of TAMA 36, which regulates network site construction and operation, building permits for our mobile network sites (where required) have been issued in reliance on TAMA 36.

We have set up several hundred small communications devices, called wireless access devices, pursuant to a provision in the Planning and Construction Law, which exempts such devices from the need to obtain a building permit. A claim was raised that the exemption does not apply to mobile communications devices and the matter reached first instance courts a number of times, resulting in conflicting decisions. In May 2008, a district court ruling adopted the position that the exemption does not apply to wireless access devices. The mobile telephone operators filed a request to appeal this ruling to the Supreme Court. In May 2008, the Israeli Attorney General filed an opinion regarding this matter stating that the exemption applies to wireless radio access devices under certain conditions. Subsequently, two petitions were filed with the High Court of Justice in opposition to the Israeli Attorney General's opinion. The matter is still pending before the Supreme Court and the High Court of Justice.

In September 2010, adopting the position of the Israeli Attorney General, the Israeli Supreme Court issued an interim order prohibiting further construction of radio access devices for mobile networks in reliance on the exemption mentioned above. In September 2011, the Supreme Court permitted HOT Mobile and Golan Telecom to use the exemption in order to erect their new UMTS networks until December 31, 2013, provided, however, that no more than 40% of the facilities that the operator erects are within the jurisdiction of any municipality, an affidavit is submitted in advance to the municipality's engineer and the safety zone does not exceed four meters and does not deviate from the boundaries of the lot. On August 28, 2013, we submitted a formal request with the Israeli Supreme Court, requesting a renewal of the exemption. On September 30, 2013, we received a response from the Supreme Court stating that they had requested a formal reply from the state on this subject matter. On October 1, 2013, the Israeli Supreme Court passed a decree nisi in relation to the petition to which the State filed a response on December 17, 2013, requesting a perpetual injunction to prevent the erecting of access network devices until legislation was put in place by the Israeli Ministry of Interior and the Ministry of Communication to regulate this matter. In its response, the State further claimed that the exemption relating to the erecting of access network devices for HOT Mobile and Golan Telecom should only be valid until June 30, 2014. The Supreme Court has not passed judgment on this, however, and until a final decision has been passed by the Supreme Court HOT Mobile will be allowed to continue the deployment of its UMTS/LTE network. In March 2016, the Supreme Court permitted HOT Mobile and Partner to make several adjustments in to existing access devices in order to enable the companies to operate their joint network.

If a definitive court judgment holds that the exemption does not apply to mobile devices at all, or in case of disagreements with the municipalities where we have installed our devices or a regulatory authority regarding the interpretation of the Supreme Court's decision, we may be required to remove the existing devices and would not be able to install new devices on the basis of the exemption. As a result, our mobile network capacity and coverage would be negatively impacted, which could have an adverse effect on our revenue and results of operations.

The Israeli Ministry of Environmental Protection notified us of a new condition for all of our 3G/4G mobile network site operation permits, according to which we must install systems software (provided by the Israeli Ministry of Environmental Protection) that continuously monitors and reports the level of power created in real time from the operation of our 3G/4G mobile network sites (the "Monitoring System"). Since May 2012, we started erecting our new UMTS/LTE cell sites according to construction permits received in November 2011. We have also made practical examinations to all our new UMTS/LTE cell sites. All of the examinations showed that our new UMTS/LTE cell sites comply with the safety standard determined by the Israeli Ministry of Environmental Protection. As of August 2012, we began to apply requests for operation permits to our sites to the Commissioner. We also applied to the Commissioner for extended time to connect to the monitoring system. As of November 2012, we started receiving operation permits, which are subject to the demand to connect to the monitoring system no later than February 5, 2013. On February 4, 2013, we were notified by the Israeli Ministry of Environmental Protection that we have complied with all of its requirements for connecting to the monitoring system. Our mobile network has since been transferred to, and is currently the responsibility of, the JV Entity. See "*Description of Our Business—Material Contracts—Israel—Mobile Network Sharing Agreement with Partner in Israel*" for more information.

We are of the opinion that all of the antennas that we operate comply with the conditions of the safety permits that we were granted by the Israeli Ministry of Environmental Protection. In addition, if our antennas are found to not meet the conditions of the permits granted to us and the maximum permitted power, the Israeli Ministry of Environmental Protection may revoke existing permits, which would require us to dismantle existing mobile network sites. As a result, our network capacity and coverage would be negatively impacted, which could have an adverse effect on our revenue and results of operations.

We may be required to indemnify certain local planning and building committees in Israel with respect to claims against them.

In Israel, under the Planning and Building Law, 1965, local planning committees may be held liable for the depreciation of the value of nearby properties as a result of approving a building plan. Under the Non-Ionizing Radiation Law, 2006, the National Council for Planning and Building requires indemnification undertakings from mobile companies as a precondition for obtaining a building permit for new or existing mobile network sites. The National Council has decided that until the Plan is amended to reflect a different indemnification amount, mobile companies will be required to undertake to indemnify the committees in full against all losses resulting from claims against a committee for reductions in property values as a result of granting a permit to the mobile network site. On June 1, 2010, the National Council for Planning and Building approved the National Building Plan No. 36/A/1 version that incorporates all of the amendments to the Plan (the "Amended Plan"). The Amended Plan is subject to government approval in accordance with the Planning and Building Law.

As of June 30, 2017, we had approximately 346 indemnification letters outstanding to local planning and building committees although no claims have been filed against us under such letters. Calls upon our indemnification letters may have a material adverse effect on our financial condition and results of operations.

In 2007, the Israeli Ministry of Interior Affairs extended the limitation period within which depreciation claims may be brought under the Planning and Building Law from three years from approval of the building plan to the later of one year from receiving a building permit for a mobile network site under the Plan and six months from the construction of a mobile network site. The Israeli Ministry retains the general authority to extend such period further. This extension of the limitation period increases our potential exposure to depreciation claims.

Adverse decisions of tax authorities or changes in tax treaties, laws, rules or interpretations could have a material adverse effect on our business, financial condition, results of operations and cash flow.

The tax laws and regulations in the jurisdictions in which we operate may be subject to change and there may be changes in the content as well as in the interpretation and enforcement of tax law. As a result, we may face increases in taxes payable if tax rates increase, or if tax laws and regulations are modified by the competent authorities in an adverse manner.

In addition, the tax authorities in the jurisdictions in which we operate periodically examine our activities. We regularly assess the likelihood of such outcomes and have established tax allowances which represent management's best estimate of the potential assessments.

The resolution of any future tax matters could differ from the amount reserved, which could have a material adverse effect on our cash flows, business, financial condition and results of operations for any affected reporting period.

Portugal Telecom SGPS, S.A., the former parent of PT Portugal, is subject to an ongoing investigation by the Central Department of Penal Investigation and Action relating to purchase of commercial paper issued by Rio Forte Investments S.A.

There is an ongoing investigation by the Central Department of Penal Investigation and Action ("*Departamento Central de Investigação e Ação Penal*") involving Portugal Telecom SGPS, S.A., which is not a Group company, related to the purchase by PT International Finance BV and PT Portugal (subsidiaries of Portugal Telecom SGPS, S.A. at the date of the purchase) of certain commercial paper issued by Rio Forte Investments S.A. (the "Rio Forte Investigation"). In connection with this process, on January 6, 2015, investigators searched the Lisbon offices of Portugal Telecom SGPS, S.A. The Rio Forte Investigation concerns, among other things, suspicion of aggravated fraud ("*burla qualificada*"). According to the Portuguese media, in September 2017, part of the Rio Forte Investigation was joined to another investigation publicly known as "*Operação Marquês*," which involves, *inter alia*, a former Portuguese Prime Minister and two former directors of Portugal Telecom SGPS, S.A. Based on public statements by Portugal Telecom SGPS, S.A., they intend to cooperate fully with the authorities. As we did not control PT Portugal during the period to which the Rio Forte Investigation relates, we have very limited information with respect to the facts and circumstances surrounding the subject matter of the Rio Forte Investigation. In addition, because the Rio Forte Investigation is non-public, we do not know who is being investigated or if any PT Portugal employees are the subject of the Rio Forte Investigation. Oi S.A. has warranted in the PT Portugal Acquisition Agreement that, upon closing of the PT Portugal Acquisition, neither PT Portugal nor any of its subsidiaries would be bound by any ongoing obligation towards Portugal Telecom SGPS, S.A. in connection with the commercial paper of Rio Forte Investments S.A. In addition, the PT Portugal Acquisition Agreement contains certain undertakings regarding indemnity of PT Portugal by Oi S.A. for certain adverse consequences which may have been or may be incurred by PT Portugal as a result of the purchase, holding or transfer of the Rio Forte Investments S.A. commercial paper. We intend to assess any risk of liability under applicable bribery and corruption laws, understand if there has been any historic misconduct which involved PT Portugal and take any remedial measures we deem necessary. We cannot assure you that additional information will not come to light which may materially and adversely affect the value of our investment in PT Portugal or may expose any employees of PT Portugal to liability, sanctions or penalties by the authorities conducting the Rio Forte Investigation. If any such new information comes to light or if a member of management of PT Portugal is found liable and/or subjected to sanctions or penalties, this may have a material adverse effect on the operations of PT Portugal and on our business, financial condition and results of operations.

There are uncertainties about the legal framework under which we own and operate certain of our networks.

Our systems depend on extensive physical facilities (lines, network, headends, switches and radio stations) in which telecommunication equipment (mainly cables) is installed. Significant portions of those physical facilities occupy public rights of way and are subject to governmental regulations. Other portions occupy private property under express or implied easements or pursuant to leases, and many miles of the cable are attached to utility poles governed by pole attachment agreements or other commercial arrangements. No assurances can be given that we will be able to maintain and use our facilities in their current locations and at their current costs. Changes in governmental regulations or changes in these relationships could have a material adverse effect on our business and our results of operations.

Risks Relating to Our Employees and Management, Majority Principal Shareholder and Related Parties

Our relations with our employees could be affected by changes in the competitive landscape.

We operate in highly competitive and changing markets, which requires us to constantly adapt, anticipate and adopt new measures in order to preserve our competitiveness and efficiency. This leads to regular changes in our organizational structure and operations, which requires our employees to be flexible in responding to such changes. This process requires mobilization and motivation of teams with the Group's objectives. As a result, our business could be affected by deterioration in labor relations with our employees, staff representative bodies or unions. Our ability to maintain good relations with our employees, staff representative bodies and unions is crucial to the success of our various projects. Therefore, we must continuously consult with staff representatives in order to ensure the success of our current and future projects, which may delay the completion of certain projects. Furthermore, projects may be poorly received by employees and lead to a deterioration in labor relations, which could, in turn, lead to declines in productivity and possible labor disputes (e.g. strikes, disruptions), which could have a material adverse effect on our business, financial condition and results of operations.

In addition, planned decisions may not be well received by employees and may lead to a deterioration of the social climate, causing decreases in productivity and potential social conflicts (work interruptions, disruptions, etc.). Such situations could have a material adverse effect on the business, financial situation and operational results of the Group.

The loss of certain key executives and personnel, failure to apply the necessary managerial and operational resources to our growing business or failure to sustain a good working relationship with employee representatives, including workers' unions, could harm our business.

We depend on the continued contributions of our senior management and other key personnel and, in particular, the support of Patrick Drahi, the founder and controlling shareholder of Altice. There can be no assurance that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of the support of our founder and controlling shareholder (including the allocation of his time to any other business interests) or any of these key executives and employees could cause disruptions in our business operations, which could materially adversely affect our business, financial condition and results of operations. Any failure to apply the necessary managerial and operational resources to our growing business and any weaknesses in our operational and financial systems or managerial controls and procedures may impact our ability to produce reliable financial statements and may adversely affect our business, financial condition and results of operations.

In our business, we rely on sales forces and call center employees to interface with the major part of our customers. Their reliability is key, as is our relationship with employee representatives. Some of our employees currently belong to organized unions and works councils, and there can be no assurance that more employees will not form or join unions in the future. An increase in the number of our unionized employees could lead to an increased likelihood of strikes, work stoppages and other industrial actions. In addition, we also face the risk of strikes called by employees of our key suppliers of materials or services as well as our installation providers, which could result in interruptions in the performance of our services. Although we monitor our labor relations, we cannot predict the extent to which future labor disputes or disturbance could disrupt our operations, cause reputational or financial harm or make it more difficult to operate our businesses.

In 2014, negotiations with representative labor organizations led to the execution of fifteen collective agreements, signed by most organizations. In February 2016, collective agreements were signed by HOT with the workers union and the National workers Histadrut, for a 3 year period. Nevertheless, difficulties in finalizing these collective agreements cannot be excluded.

CAPITALIZATION

The following table presents, in each case, the cash and cash equivalents and debt capitalization as of June 30, 2017 of the Group (i) on a historical combined basis and (ii) on an as adjusted combined basis after giving effect to the Refinancing Transactions. The as adjusted amounts are estimates and may not accurately reflect the amounts outstanding upon completion of the Refinancing Transactions. As adjusted amounts may vary from the estimated amounts depending on several factors, including, among other things, changes in the exchange rate for dollars and euros. In addition, there can be no assurance that any or all of the Refinancing Transactions will occur.

This table should be read in conjunction with "*Description of Indebtedness*" and the financial statements and notes thereto included elsewhere in this Notice.

Unless otherwise stated, amounts are based on the exchange rate as of June 30, 2017 of \$1.1413 = €1.00.

	June 30, 2017	
	Actual	**As Adjusted**
	€ in millions	
Cash and cash equivalents(1)	(270.9)	(405.9)
Third-party debt:		
Third-party senior debt		
Existing HOT Unsecured Notes(2)	220.0	220.0
Green Datacenter Debt(3)	31.1	31.1
Finance leases	90.7	90.7
Other debt(4)	26.7	26.7
Existing Senior Secured Notes(5)	5,803.1	4,714.5
Existing Revolving Credit Facilities(6)	300.0	—
Existing Term Loans(7)	797.3	797.3
2017 October Term Loans(8)	—	1,088.6
Total third-party senior debt (excluding other liabilities)(9)	7,268.9	6,968.9
Existing Senior Notes(10)	937.8	937.8
Notes (11)	—	675.0
Total third-party debt (excluding other liabilities)(9)	8,206.7	8,581.7
Exchange rate effect of derivative instruments on senior debt(12)	28.2	28.2
Total third-party senior debt (excluding other liabilities and after currency impact of derivative instruments)	7,297.1	6,997.1
Exchange rate effect of derivative instruments on Existing Senior Notes and the Notes(12)	3.0	3.0
Total third-party debt (excluding other liabilities and after currency impact of derivative instruments)	8,237.9	8,612.9

(1) As adjusted amount reflects €135 million of cash on balance sheet from the Refinancing Transactions, which will be used to repay €135 million out of the €375.0 million drawn under the Existing Revolving Credit Facilities after June 30, 2017.

(2) The amount is based on the exchange rate as of June 30, 2017 of NIS 1.00 = €0.2511.

(3) Green Datacenter is designated as an unrestricted subsidiary under the terms governing the indebtedness of the Group. The amount is based on the exchange rate as of June 30, 2017 of CHF 1.00 = €0.9135.

(4) Other debt is comprised of external debt owed by newly-acquired operating companies, including (but not limited to) ACS Target and Teads.

(5) Actual amount reflects the aggregate principal amount of \$5,710.0 million and €800.0 million of Existing Senior Secured Notes outstanding and the as adjusted amount gives effect to the 2013 December Senior Secured Notes Redemption. See "*General Description of Our Business—The Refinancing Transactions—2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes*" for more information.

(6) Actual amount reflects the aggregate principal amount of €300.0 million of indebtedness drawn and outstanding under the Existing Revolving Credit Facilities as of June 30, 2017. As adjusted amount gives effect to the repayment of €300.0 million aggregate principal amount of indebtedness outstanding under the Existing Revolving Credit Facilities that was drawn as of June 30, 2017, but does not give effect to any subsequent borrowings or repayments under the Existing Revolving Credit Facilities (including in connection with the Media Capital Acquisition or the other Refinancing Transactions). The aggregate principal amount of indebtedness drawn after June 30, 2017 and outstanding under the Existing Revolving Credit Facilities as of the date hereof is €375 million out of which €135 million will be repaid with cash on balance sheet from the Refinancing Transactions. See "Use of Proceeds". The Company may draw on the Existing Revolving Credit Facilities to support our working capital purposes. The Existing Revolving Credit Facilities are made up of (i) the \$80 million 2012 Revolving Credit Facility, (ii) the €80 million 2013 Revolving Credit Facility, (iii) the €501 million 2014 Pari Passu Revolving Credit Facility and (iv) the €330 million 2015 Revolving Credit Facility.

The Company also has access to the 2017 Guarantee Facility allowing for requests for guarantees to be issued up to a maximum of €365 million. As of the date hereof, Altice Financing has made requests for guarantees of up to approximately €323 million in aggregate principal amount to be issued under the 2017 Guarantee Facility, which represents a contingent liability of the Group.

(7) Reflects the aggregate principal amount of \$910.0 million of outstanding borrowings under the 2015 Term Loan Agreement.

(8) Reflects the aggregate principal amount of €300.0 and $900.0 that is expected to be borrowed under the 2017 October Term Loans following the date hereof. See "*General Description of Our Business—The Refinancing Transactions—2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes*" for more information.

(9) Excludes certain other long term and short term liabilities, other than finance leases, of the Group, any intercompany loans among the Group and preferred equity certificates issued in connection with the Tricom Acquisition and any other preferred equity certificates issued to minority shareholders in our subsidiaries. Other long term and short term liabilities include, among other things, certain obligations incurred in connection with telecommunications licenses, trade payables, other payables, provision for lawsuits, accrued severance liability, and deferred tax liability.

(10) Reflects the aggregate principal amount of $785.0 million and €250.0 million of Existing Senior Notes outstanding.

(11) Reflects the Proposed Financing.

(12) As of June 30, 2017, the value of the derivatives relating to our existing senior debt consisted of a negative exchange rate effect of €28.0 million and the value of the derivatives relating to our Existing Senior Notes consisted of a negative exchange rate effect of €3.0 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF THE GROUP

The following discussion and analysis is intended to assist in providing an understanding of the Group's financial condition, changes in financial condition and results of operations and should be read together with the audited consolidated financial statements of Altice International as of and for the years ended December 31, 2015 and 2016 and the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017 (the "Historical Consolidated Financial Information"), including the accompanying notes, included elsewhere in this Notice. Some of the information in this discussion and analysis includes forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" and "Risk Factors" for a discussion of important factors to be evaluated in connection with an investment in the Notes.

Unless the context otherwise requires, when used in this section, the terms "we," "our," "Altice International," "Company," the "Group," and "us" refer to the business constituting the Group as of the date of this Notice even though we may not have owned such business for the entire duration of the periods presented.

Basis of Presentation

This discussion and analysis for each of the periods presented is based on the financial information derived from the Historical Consolidated Financial Information.

Geographic Segments

We discuss the results of operations for our business based on the following geographic segments: Portugal (which includes PT Portugal and its subsidiaries with effect from June 2, 2015 and Cabovisão until the completion of the Cabovisão Disposal on January 20, 2016), Israel (which includes HOT and HOT Mobile), the Dominican Republic (which includes Altice Hispaniola and Tricom) and Others (which includes our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (primarily through AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business).

Operational Activities

In 2017, Altice amended the presentation of its revenue derived from operational activities. With effect from January 1, 2017, the Group presents revenue by activity under 'Fixed B2C', 'Mobile B2C', 'B2B and Wholesale' and 'Others'. For comparative purposes, we have provided the same presentation for the six months ended June 30, 2017 and 2016 (the "Revised Presentation"). However, for the financial years ended December 31, 2015 and 2016, we have continued to present the discussion and analysis of the results of our operations for all periods in line with the historical segmentation of the business prior to January 1, 2017 (i.e. 'Fixed B2C', 'Fixed B2B', 'Mobile B2C', 'Mobile B2B', 'Wholesale' and 'Others').

Key Factors Affecting Our Results of Operations

Our operations and the operating metrics discussed below have been, and may continue to be, affected by certain key factors as well as certain historical events and actions. The key factors affecting the ordinary course of our business and our results of operations include, among others, network upgrades, competition, acquisitions and integration of acquired businesses, disposals, macro-economic and political risks in the areas where we operate, our pricing and cost structure, churn and the introduction of new products and services, including multi-play services. For further discussions of the factors affecting our results of operations, see "*Risk Factors.*"

Acquisitions and Integration of Businesses

Since our formation in 2008, we have from time to time made significant direct and indirect equity investments in, and divestments of, a number of cable and telecommunication businesses and ancillary service providers in various jurisdictions. Due to the significant nature of certain of these acquisitions, the comparability of our results of operations based on the Historical Consolidated Financial Information may be affected. Our revenues and Adjusted EBITDA increased from €3,492.8 million and €1,601.8 million in the year ended December 31, 2015 to €4,513.8 million and €2,138.4 million in the year ended December 31, 2016 and from €2,259.6 million and €1,077.9 million in the six months ended June 30, 2016 to €2,638.2 million and €1,142.6 million in the six months ended June 30, 2017, and were significantly impacted by such acquisitions and disposals. See "*—Discussion and Analysis of Our Results of Operations—Six Months Ended June 30,* *2017 compared to the Six Months Ended June 30, 2016—Significant Events Affecting Historical Results*” and “*—Discussion and Analysis of Our Results of Operations—Year Ended December 31, 2016 compared to the Year Ended December 31, 2015—Significant Events Affecting Historical Results*.” We plan to continue to selectively evaluate value-enhancing acquisition opportunities in the cable and telecommunications sector with the aim of generating strong cash flow and operational synergies.

In general, following any acquisition, our results of operations are impacted by the results of the newly acquired business, debt incurred to acquire the business and expenditures made to integrate the newly acquired business into the Group. When seeking to integrate and improve a newly acquired business, we look to several key areas: (i) maximizing customer experience and improving customer relationship management, notably by leveraging efficient IT platforms, focusing on digitalization and simplifying processes (ii) reviewing current products and prices and improving operational processes and cost structure to drive revenue and achieve satisfactory operating margins; (iii) reinvesting in content and networks, notably by implementing fixed-based and mobile network upgrades to bring the acquired business in line with our Group-wide standards; (iv) researching ways to create synergies and benefit from economies of scale, including with respect to customer equipment such as set-top boxes and outsourcing of certain services; (v) sharing knowledge and experience and implementing Group-wide best practices; and (vi) leveraging our ability to raise financing, including in the international capital markets. Many of these integration measures require expenditure by us. In the years ended December 31, 2015 and 2016 and in the six months ended June 30, 2016 and 2017, we incurred restructuring and other non-recurring costs of €101.5 million, €157.3 million, €35.1 million and €17.8 million, respectively, which primarily include costs with respect to renegotiations or termination of contractual arrangements, employee redundancies, fees paid to external counsel and other administrative expenses related to reorganization of existing or newly acquired businesses. In addition, we generally record goodwill in connection with such acquisitions. As of June 30, 2017, the goodwill recorded on our balance sheet amounted to €3,848.3 million. Goodwill is subject to impairment reviews in accordance with IFRS and any impairment charge on goodwill would have a negative impact on operating profit/net operating income. For the year ended December 31, 2016 and the six months ended June 30, 2017, we did not incur any impairment losses.

Network Upgrades

Our ability to provide new or enhanced fixed-based services, including HDTV and VoD television services, broadband internet network access at increasing speeds and fixed-line telephony services as well as UMTS, 3G and 4G mobile services to additional subscribers depends in part on our ability to upgrade our (i) cable and DSL networks by extending the fiber portion of our network, reducing the number of nodes per home passed and upgrading technical components of our network and (ii) mobile networks by building-out our UMTS-network and investing in LTE as well as maintaining agreements with third parties to share mobile networks. During 2015, 2016 and 2017, we have increased our fiber deployment and upgraded a substantial part of our cable networks. For example, as of June 30, 2017, our cable networks are, on a blended basis, 99.8% DOCSIS 3.0 enabled, which allows us to offer our customers high broadband internet access speeds and better HDTV services across our regions, excluding the Dominican Republic. We also implemented our fiber (FTTH) rollout strategy in Portugal pursuant to which we rolled out over 700,000 new fiber homes passed in 2016 and 500,000 since the beginning of the year, reaching 3.5 million homes as of June 30, 2017, which we believe leaves us well-positioned to reach our target of 5.3 million fiber homes passed by 2020. For our fixed-based services, we made investments of €450.1 million and €557.5 million for the years ended December 31, 2015 and 2016 and €256.5 million for the six months ended June 30, 2017 related to our cable network and construction. For our mobile services, we made investments of €94.7 million and €171.8 million for the years ended December 31, 2015 and 2016 and €53.7 million for the six months ended June 30, 2017. We continue to evaluate the need to upgrade our cable networks, for advancements in technologies such as DOCSIS 3.1 and for the deployment of additional fiber, and our mobile networks, for advancements in LTE technology, on an ongoing basis. For example, in August 2015, following the completion of the tender process related to the allocation of 1.8 GHz spectrum rights, the Israeli Ministry of Communications allocated HOT Mobile a frequency bandwidth of 2 x 5MHz in the 1.8 GHz spectrum, enabling HOT Mobile to provide 4G LTE services to its customers. Pursuant to its network sharing agreement with Partner, HOT has committed to share the investment costs associated with the upgrade of 4G network infrastructure with Partner. Our ability to provide LTE mobile services to complement our existing mobile services in Portugal, Israel and the French Overseas Territories will depend in part on our ability to upgrade our mobile network and rollout an LTE network in these countries. Such further investments would involve additional capital expenditure.

Competition

Our Cable/Fiber Customer Relationships, RGUs and ARPUs are impacted by the levels of competition that we experience in each of our operational regions and we continue to face significant competition in most of these regions from both fixed-line operators (including VoIP providers) as well as from mobile players. Although we saw an increase in our total cable/fiber RGUs by approximately 334,000 RGUs (or 8.9%) for the year ended

December 31, 2016 (excluding the effect of the Cabovisão Disposal and the Coditel Disposal), we face aggressive pricing in most of the geographies in which we operate and compete with sophisticated services which are often offered as part of multi-play product packages. For details regarding our key competitors, see "*Industry and Market Overview.*"

The fixed-based and mobile services industries typically exhibit churn as a result of high levels of competition, which could lead to increased costs and reduced revenue. Our churn levels may be affected by a variety of factors including changes in our or our competitors' pricing, our level of customer satisfaction, disconnection costs related to breaches of subscription contracts by customers and changes in regulation. Moreover, we have seen changes in traffic trends on our fixed network primarily as a result of consumer trends shifting to the use of mobile services as well as competition from other mobile service providers, fixed-line operators and, more recently, cable and VoIP providers. This trend has negatively affected both our B2C and wholesale revenues. With respect to our mobile services in Portugal, we face substantial competitive challenges as a result of the aggressive price competition between service providers in the market as well as the increasing popularity of flat-fee plans offered by our competitors. Our customers in Portugal also attribute less value to standalone mobile offerings, instead opting for bundled packages which include data and TV services. Competitive pricing has also affected mobile ARPU in the other jurisdictions in which we operate.

Our ability to increase or maintain the competitive prices for our fixed-based and mobile services, and therefore our ARPU, is also limited by regulatory factors in each of the regions in which we operate. In Portugal, we face regulatory challenges related to the reduction of mobile termination rates by ANACOM which have had, and are expected to continue to have, a significant impact on our interconnection revenues and consequently our overall revenue and cash flow. The EU's abolition of roaming charges applicable to traffic between EU member states in June 2017 may also negatively affect the revenue generated from our mobile offerings going forward. In Israel, the Israeli Ministry of Communications has in recent years taken certain measures to increase competition. It introduced a policy in 2014 to establish wholesale broadband internet infrastructure access, whereby we would be required to provide access to our network infrastructure to other service providers. In June 2017, following a hearing, the Israeli Ministry of Communication published a report with respect to maximum tariffs which it considers applicable for wholesale services provided over HOT Telecom's network for the years 2017 and 2018. Furthermore, steps taken by the Israeli Ministry of Communications to prohibit exit fees and set guidelines for both fixed-line and mobile service pricing could have a further negative impact on our churn rate and ARPU.

Multi-Play Strategy

Across the jurisdictions in which we operate, we have implemented a business strategy focused on the provision and expansion of multi-play product offerings, including triple- and quad-play bundles. Customers who elect to subscribe for our multi-play bundles rather than our individual services realize comparative cost savings on their monthly bill. We believe that the enhanced value proposition associated with our bundled services enables us to meet our customers' communication and entertainment requirements while concurrently both increasing customer loyalty and attracting new customers. As a result of our focus on providing subscribers with multi-play bundles, we have experienced an increase in the number of cable/fiber customer relationships subscribing to our multi-play services, with the number of multi-play subscribers increasing from approximately 930,000 as of December 31, 2015 to approximately 1.055 million as of December 31, 2016 and from approximately 984,000 in the six months ended June 30, 2016 to approximately 1.132 million in the six months ended June 30, 2017. This has driven growth in our cable/fiber ARPU. Our cable/fiber ARPU for the years ended December 31, 2015 and 2016 were €39.7 and €39.9 in Portugal, €53.8 and €54.8 in Israel and €36.9 and €37.0 in the Dominican Republic. Our cable/fiber ARPU for the three months ended June 30, 2016 and 2017 were €40.3 and €38.9 in Portugal, €54.4 and €58.6 in Israel and €36.0 and €37.4 in the Dominican Republic. We believe our bundled service offerings will be an important driver of our fixed-based services, partially offsetting the continued pressure on traditional fixed-based services.

Introduction of New Products and Services and Investment in Content

We have significantly expanded our presence and product and service offerings in the past. In Portugal, the launches of "M_4O," "M_4O Light" and "M_5O" in 2013 and 2014 have helped us increase our total cable/fiber RGUs to approximately 1.588 million as of June 30, 2017. HOT has been a leader in bringing fixed-based and mobile services to the Israeli market, having launched UMTS-based 3G mobile services in 2012 and 4G-LTE services in August 2015. The introduction of new products and services have impacted our result of operations in the periods presented by, among other things, opening new revenue streams (e.g. quad-play and our fiber rollout plan in Portugal, which involves extending our fiber network to 600,000 additional homes per year between 2015 and 2020) and, in certain cases, increasing operating expenses and capital expenditures (e.g. UMTS and LTE network build-out costs and roaming costs in Israel relating to our 3G and 4G mobile services). We continue to make available advanced customer equipment in Israel. Over the course of 2015 we launched “Mini FiberBox,” a unit that interacts with FiberBox, in Israel and “Smartbox,” an integrated set-top box and cable router, in the Dominican Republic.

In addition, we regularly review and invest in the content that we offer in order to provide our subscribers with a flexible and diverse range of programming options, including high-quality local content and exclusive premium content. In addition to developing and offering content through our content distribution divisions at HOT and AENS, we have acquired the exclusive rights to broadcast and distribute various premium sporting events, including the English Premier League, French Basketball League and English Rugby Premiership, in multiple territories. Moreover, in May 2017, we successfully acquired the exclusive rights to broadcast UEFA Champions League and UEFA Europa League fixtures in France. Sports events are broadcasted in France by the Altice France Group through channels packaged and distributed by AENS. In 2016, the Altice France Group and AENS entered into a distribution agreement regarding a package of sports and news channels. In June 2017, we entered into a multi-year partnership with Netflix to deliver Netflix’s range of critically acclaimed series, movies, documentaries, stand-up comedy and children’s programming to our customers in Portugal, Israel and the Dominican Republic. We intend to continue to selectively invest in local and value-added premium content as well as sports broadcasting and distribution rights in the future in order to enrich our differentiated and convergent communication services from those of our competitors. We believe that such efforts will reduce our customer churn and increase ARPU.

Pricing

We focus our product offerings on multi-play offers. Due to the highly competitive market in Portugal, we price our multi-play offers at competitive levels. In Israel, we believe that our ability to offer triple-play services provides us with a competitive price advantage. The cost of a multi-play subscription package generally depends on market conditions, our competitors’ pricing of similar offerings and the content and add-ons available on each platform. In general, the greater the optionality, content and usage time included in the offering, the higher the price of the multi-play package. In Portugal, a trend of steadily decreasing B2C call prices has emerged in recent years. This has had a negative effect on our B2C revenues. Our strategy to overcome this trend has been to aggressively market a variety of price plans to promote customer loyalty in a competitive market. As result, we have seen a decrease in our fixed and mobile telephony traffic revenues, and therefore ARPU, in particular for our price plans offering flat rate calls. Our ability to increase or maintain the prices for our fixed-based and mobile services, and therefore our ARPU, is also limited by regulatory factors in each of the regions in which we operate. In Portugal, for example, the imposition by ANACOM of price controls on interconnection charges as well as the continuous reduction of mobile termination rates have caused interconnection costs for fixed-line and mobile telephony to steadily decline, although this has been partially offset by the lower interconnection costs we incur. The prices of B2B contracts are negotiated individually with each customer. The B2B market for voice services is extremely price-sensitive and entails very low margins as voice services are highly commoditized, involving sophisticated customers and relatively short term contracts. The B2B market for data services is less price-sensitive, as data services require more customization and involve service level agreements. In both markets, price competition is strongest in the large corporate and public sector segments, whereas customer-adapted solutions are an important competitive focus in the medium and small business segments. We have tailored our targeted pricing strategy to account for these dynamics in Portugal.

Cost Structure

We generally work towards achieving satisfactory operating margins in our businesses and focus on revenue-enhancing measures once we have achieved such margins. We continuously work towards optimizing our cost base by implementing the Altice Way to improve our cost structure across the various regions in which we operate. We have implemented the Altice Way across our organization to streamline processes and service offerings and to improve productivity by centralizing our business functions, reorganizing our procurement process, eliminating duplicative management functions and overhead, terminating lower-return projects and non-essential consulting and third-party service agreements, and investing in our employee relations and our culture. We are implementing common technological platforms across our networks in order to gain economies of scale, notably with respect to billing systems, network improvements and customer premises equipment and are investing in sales, marketing and innovation, including brand-building, enhancing our sales channels and automating provisioning and installation processes. We have also achieved, and expect to continue to achieve, substantial reductions in our operating expenses as we implement uniform best practice operational processes across our organization. We have simplified the services we offer, insourced our historical suppliers in the area of technical services and call centers in order to better control quality and reduced costs through the negotiation of attractive interconnection rates and television content pricing. As a result, we have generally managed to achieve growth in the Adjusted EBITDA, profitability and operating cash flow of businesses that we have acquired. For example, following its acquisition in 2015, PT Portugal’s Adjusted EBITDA margin increased from 36.9% in 2014 to 47.1% in 2016 and, following its acquisition by Altice International in 2011, HOT’s Adjusted EBITDA margin increased to 45.1% in 2016 from 41.8% in 2011.

Likewise, following its acquisition by Altice International in April 2014, Altice Hispaniola's Adjusted EBITDA margin increased to 52.3% in 2016 compared to 46.7% in 2014.

We make expansion-related capital expenditure decisions by applying strict investment return and payback criteria. For the year ended December 31, 2015 and 2016, we incurred capital expenditure of €710.9 million and €1,457.6 million, respectively. We incurred capital expenditure of €553.6 million in the six months ended June 30, 2016 and €447.6 million in the six months ended June 30, 2017.

We have recently incurred significant capital expenditures related to the build-out of our LTE network in Portugal and our UMTS network in Israel. In Portugal, we have incurred, and will continue to incur, significant capital expenditure related to our goal of fiber coverage of 5.3 million homes by 2020. In Israel, we entered into a network sharing agreement with Partner in 2013 pursuant to which HOT Mobile and Partner each own equal shares of a newly formed limited partnership which aims to hold, develop and operate an advanced shared mobile network for both companies. This agreement enables HOT Mobile and Partner to share antennas and frequencies and facilitate optimum utilization of the spectrum. We expect that it will result in savings related to network and maintenance expenses and will optimize capital expenditures incurred in relation to the mandatory build-out of our UMTS network. In August 2015, following the completion of the tender process of the 1.8 GHz spectrum, the Israeli Ministry of Communication allocated HOT Mobile a frequency bandwidth of 2 x 5MHz in the 1.8 GHz spectrum. As a result, HOT Mobile launched the LTE service to its customers. After we entered into the network sharing agreement, we invested alongside Partner to maintain, operate and develop the advanced shared network. For further details on the network sharing agreement and the rights of use agreement, see "*Description of Our Business—Material Contracts—Mobile Network Sharing Agreement with Partner in Israel.*"

Macroeconomic and Political Developments

Our operations are subject to macroeconomic and political risks that are outside of our control. For example, high levels of sovereign debt in the U.S., certain European countries and countries in the Middle East, combined with weak growth and high unemployment, could lead to low consumer demand, fiscal reforms (including austerity measures), sovereign debt restructurings, currency instability, increased counterparty credit risk, high levels of volatility and, potentially, disruptions in the credit and equity markets, as well as other outcomes that might adversely impact our financial condition. For example, our results of operations in the periods under review have been affected by adverse economic conditions and austerity measures in Portugal which had a negative effect on consumer confidence. Moreover, in Israel, we are subject to the inherent risks associated with political and military conditions and the potential for armed conflicts with Israel's neighbors.

Debt Service Obligations

We have significant outstanding debt and debt services requirements and may incur additional debt in the future. As of June 30, 2017, we had a total third party debt (excluding certain other long term and short term liabilities, other than finance leases, of the Group, any intercompany loans among the Group and preferred equity certificates issued to certain minority shareholders of our subsidiaries) of €8,206.7 million. As of June 30, 2017, our drawings under the Existing Revolving Credit Facilities amounted to €300.0 million (which we expect to be repay in full using the proceeds of the Proposed Financing) and we had access to an additional €681.1 million in aggregate thereunder. Following June 30, 2017, we have drawn an additional €375.0 million under the Existing Revolving Credit Facilities. For further details on our indebtedness, see "*Description of Indebtedness*." Our significant level of debt could have important consequences, including, but not limited to, our ability to invest in new technologies, products and content as well as restricting us from exploiting other business opportunities or making acquisitions. It could also increase our vulnerability to, and reduce our flexibility to respond to, adverse general economic or industry conditions. Our inability to make additional investments and acquisitions could also affect our ability to compete with other operators in the jurisdictions in which we operate. See "*Risk Factors—Our substantial leverage could adversely affect our business, financial condition and results of operations and prevent us from fulfilling our debt obligations or the ability to raise additional capital to fund our operations.*"

Fluctuations in Currency Exchange Rates and Interest Rates

Our reporting currency is Euros but a significant portion of our revenue and expenses are currently earned or incurred in other currencies. In Israel, which accounted for approximately 21.2% and 20.0% of the total revenue of the Group, prior to eliminations, in the year ended December 31, 2016 and in the six months ended June 30, 2017, respectively, a substantial portion of our revenue is in NIS while a portion of our operational expenses and capital expenditures are incurred in other currencies, including the U.S. dollar. In the year ended December 31, 2016 and in the six months ended June 30, 2017, respectively, approximately 13% and 13% of our total operating expenses and approximately 19% and 29% of our total capital expenditures in Israel were incurred in currencies other than NIS. Our borrowings are denominated in NIS, euros and U.S. dollars but do not necessarily correspond to the portion of revenue we earn in such currencies. In the Dominican Republic, which accounted for approximately 15.6% and 13.6% of the total revenue of the Group in the year ended December 31, 2016 and in the six months ended June 30, 2017, respectively, a substantial portion of our revenue is in Dominican pesos while a portion of our operational expenses and capital expenditures are incurred in other currencies, including the U.S. dollar. In the year ended December 31, 2016 and in the six months ended June 30, 2017, respectively, approximately 36% and 38% of our total operating expenses and approximately 17% and 44% of our total capital expenditures in the Dominican Republic were incurred in currencies other than the Dominican peso. The exchange rate between U.S. dollars and NIS, the Euro and NIS and U.S. dollars and Dominican pesos has been volatile in the past and may continue to be so in the future. Although we attempt to mitigate currency risk through hedging, sharp changes in the exchange rate could have a material effect on our results of operations. We are also exposed to translation foreign currency exchange risk arising from the consolidation of the financial results of our operations in Israel the Dominican Republic. Further, as of June 30, 2017, we had approximately €1,034 million of outstanding indebtedness which bears interest at a floating rate and is therefore subject to interest rate risk. In addition, any indebtedness that we incur under the Existing Revolving Credit Facilities, the Existing Term Loans and the 2017 Guarantee Facility will bear interest at a floating rate.

Key Operating Measures

We use several key operating measures, including number of homes passed, Cable/Fiber Customer Relationships, RGUs, RGUs per Cable/Fiber Customer Relationship and ARPUs to track the financial and operating performance of our business. None of these terms are measures of financial performance under IFRS, nor have these measures been audited or reviewed by an auditor, consultant or expert. All of these measures are derived from our internal operating and financial systems. As defined by our management, these terms may not be directly comparable to similar terms used by competitors or other companies.

The tables below set forth our key operating measures by geographic segment as of for the six months ended June 30, 2016 and 2017 and as of for the years ended December 31, 2015 and 2016:

	As of and for the six months ended June 30, 2017 in thousands except percentages and as otherwise indicated				
	Portugal[6]	**Israel**[7]	**Dominican Republic**	**French Overseas Territories**	**Total**[8]
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]	**4,999**	**2,476**	**774**	**178**	**8,427**
Cable/Fiber Homes Passed	3,451	2,476	675	172	6,774
Cable/Fiber unique customers[2]	**542**	**1,010**	**173**	**59**	**1,784**
Cable/Fiber customer net adds	64	(7)	6	0	63
Multi-play customers	506	487	88	50	1,131
Multi-play penetration[3]	93 %	48 %	51 %	85 %	63 %
Total Cable/Fiber RGUs[4]	**1,588**	**2,168**	**405**	**160**	**4,321**
Pay TV	534	799	142	59	1,534
Pay TV net adds	63	(12)	2	0	53
Broadband	514	706	124	50	1,394
Broadband net adds	64	5	18	1	88
Telephony	539	662	138	50	1,389
Telephony net adds	65	(2)	17	1	81
RGUs per cable/fiber customer	2.9	2.1	2.3	2.7	2.4
Cable/Fiber ARPU (€)[5]	39.3	58.6	38.1	63.8	—
Total DSL/Other RGUs (Incl. DTH)	**2,214**	**—**	**249**	**81**	**2,544**
Broadband	585	—	71	24	680
Telephony	926	—	175	53	1,154
Pay TV	703	—	4	4	711
MOBILE B2C					
Total mobile subscribers[6]	**6,330**	**1,247**	**3,591**	**230**	**11,398**
Postpaid subscribers	2,769	1,120	816	175	4,880
Postpaid net adds	46	39	4	12	101
Prepaid subscribers	3,562	127	2,775	56	6,520

	As of and for the six months ended June 30, 2017 in thousands except percentages and as otherwise indicated				
	Portugal(6)	Israel(7)	Dominican Republic	French Overseas Territories	Total(8)
Mobile ARPU (€)	6.5	13	9	32.5	—

	As of and for the six months ended June 30, 2016 in thousands except percentages and as otherwise indicated				
	Portugal(6)	Israel(7)	Dominican Republic	French Overseas Territories	Total(8)
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed(1)	**4,887**	**2,426**	**689**	**178**	**8,180**
Cable/Fiber Homes Passed	2,588	2,426	590	171	5,775
Cable/Fiber unique customers(2)	**428**	**1,023**	**150**	**58**	**1,659**
Cable/Fiber customer net adds	24	(4)	7	3	30
Multi-play customers	392	487	58	47	984
Multi-play penetration(3)	92 %	48 %	39 %	81 %	59 %
Total Cable/Fiber RGUs(4)	**1,243**	**2,178**	**321**	**151**	**3,893**
Pay TV	421	819	132	58	1,430
Pay TV net adds	25	(5)	4	3	27
Broadband	399	698	87	47	1,231
Broadband net adds	28	4	19	4	55
Telephony	423	662	102	47	1,234
Telephony net adds	25	2	22	4	53
RGUs per cable/fiber customer	2.9	2.1	2.1	2.6	2.4
Cable/Fiber ARPU (€)(5)	40.6	54.2	36.4	62.8	—
Total DSL/Other RGUs (Incl. DTH)	**2,646**	**—**	**276**	**120**	**3,042**
Broadband	712	—	86	41	839
Telephony	1,109	—	190	72	1,371
Pay TV	825	—	—	7	832
MOBILE B2C					
Total mobile subscribers(6)	**6,126**	**1,090**	**3,907**	**217**	**11,340**
Postpaid subscribers	2,726	1,020	819	153	4,718
Postpaid net adds	49	53	16	5	123
Prepaid subscribers	3,400	70	3,088	64	6,622
Mobile ARPU (€)	6.9	11.7	9.1	31.4	—

	As of and for the year ended December 31, 2016 in thousands except percentages and as otherwise indicated				
	Portugal(6)	Israel(7)	Dominican Republic	French Overseas Territories	Total(8)
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed(1)	**4,985**	**2,454**	**740**	**178**	**8,357**
Cable/Fiber Homes Passed	2,955	2,454	640	171	6,220
Cable/Fiber unique customers(2)	**478**	**1,017**	**167**	**59**	**1,721**
Cable/Fiber customer net adds	74	(10)	24	4	92
Multi-play customers	443	489	74	49	1,055
Multi-play penetration(3)	93 %	48 %	44 %	83 %	67 %
Total Cable/Fiber RGUs(4)	**1,395**	**2,176**	**368**	**157**	**4,096**
Pay TV	471	811	140	59	1,481

	As of and for the year ended December 31, 2016 in thousands except percentages and as otherwise indicated				
	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
Pay TV net adds	75	(13)	12	4	78
Broadband	450	701	107	49	1,307
Broadband net adds	79	7	38	6	130
Telephony	474	664	121	49	1,308
Telephony net adds	75	4	41	6	126
RGUs per cable/fiber customer	2.9	2.1	2.2	2.7	10
Cable/Fiber ARPU (€)[5]	39.9	54.8	37.0	63.0	—
Total DSL/Other RGUs (Incl. DTH)	**2,449**	**—**	**259**	**92**	**2,800**
Broadband	654	—	77	29	760
Telephony	1,023	—	182	59	1,264
Pay TV	773	—	—	4	777
MOBILE B2C					
Total mobile subscribers[6]	**6,169**	**1,187**	**3,752**	**223**	**11,331**
Postpaid subscribers	2,722	1,081	811	162	4,776
Postpaid net adds	46	114	9	14	183
Prepaid subscribers	3,447	105	2,941	61	6,554
Mobile ARPU (€)	6.9	11.4	9.3	32.3	—

	As of and for the year ended December 31, 2015 in thousands except percentages and as otherwise indicated				
	Portugal[6]	Israel[7]	Dominican Republic	French Overseas Territories	Total[8]
CABLE/FIBER/OTHER SYSTEMS B2C					
Homes Passed[1]	**4,742**	**2,395**	**611**	**178**	**7,970**
Cable/Fiber Homes Passed	2,237	2,395	512	171	5,315
Cable/Fiber unique customers[2]	**404**	**1,027**	**143**	**55**	**1,629**
Cable/Fiber customer net adds	20	(37)	20	9	12
Multi-play customers	364	483	40	43	930
Multi-play penetration[3]	90 %	47 %	28 %	78 %	61 %
Total Cable/Fiber RGUs[4]	**1,166**	**2,178**	**277**	**141**	**3,762**
Pay TV	396	824	128	55	1,403
Pay TV net adds	22	(29)	10	9	19
Broadband	371	694	69	43	1,177
Broadband net adds	28	(19)	24	13	44
Telephony	399	660	81	43	1,183
Telephony net adds	23	(11)	33	13	50
RGUs per cable/fiber customer	2.9	2.1	1.9	2.6	10
Cable/Fiber ARPU (€)[5]	39.7	53.8	36.0	60.7	190
Total DSL/Other RGUs (Incl. DTH)	**2,763**	**—**	**300**	**138**	**3,201**
Broadband	741	—	93	52	886
Telephony	1,169	—	207	75	1,451
Pay TV	852	—	—	11	863
MOBILE B2C					
Total mobile subscribers[6]	**6,252**	**996**	**3,894**	**218**	**11,593**
Postpaid subscribers	2,676	967	803	148	4,826
Postpaid net adds	283	205	75	12	585
Prepaid subscribers	3,576	29	3,092	70	6,768

	As of and for the year ended December 31, 2015 in thousands except percentages and as otherwise indicated				
	Portugal(6)	Israel(7)	Dominican Republic	French Overseas Territories	Total(8)
Mobile ARPU (€)	7.0	11.3	9.9	31.1	60

(1) In Portugal, Homes Passed includes DSL homes enabled for IPTV outside of PT Portugal's fiber footprint. In the Dominican Republic, Homes Passed includes DSL homes outside of the fiber footprint. Homes Passed in Israel represent the total number of homes in the country.

(2) Cable/Fiber unique customers represents the number of individual end users who have subscribed for one or more of our cable/fiber-based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. The total number of Cable/Fiber unique customers does not include subscribers to either our mobile or ISP services.

(3) Cable/Fiber penetration rates for our pay television, broadband and telephony services are presented as a percentage of Cable/Fiber homes passed.

(4) RGUs, or Revenue Generating Units, relate to sources of revenue which may not always be the same as customer relationships. For example, one person may subscribe for two different services, thereby accounting for only one subscriber, but two RGUs. RGUs for pay television and broadband are counted on a per service basis and RGUs for telephony are counted on a per line basis.

(5) ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenue from subscribers. ARPU is calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue (such as hosting fees paid by channels) for the respective period by the average number of customer relationships for that period and further by the number of months in the period. The average number of customer relationships is calculated as the number of customer relationships on the first day in the respective period plus the number of customer relationships on the last day of the respective period, divided by two. For Israel and the Dominican Republic, ARPU has been calculated by using the following exchange rates: (i) for the six months ended June 30, 2017, €1 to ILS 3.952 and €1 to 52.083 DOP, (ii) for the six months ended June 30, 2016, €1 to ILS 4.309 and €1 to 51.733 DOP, (iii) for the year ended December 31, 2016, €1 to ILS 4.2488 and €1 to 50.8876 DOP and (iv) for the year ended December 31, 2015, €1 to ILS 4.3122 and €1 to 49.9712 DOP.

(6) Portugal represents operating measures of the PT Portugal Group (which we acquired on June 2, 2015). We disposed of our interests in the Cabovisão Group on January 20, 2016 pursuant to regulatory conditions attached to the PT Portugal Acquisition.

(7) Mobile subscribers is equal to the net number of lines or SIM cards that have been activated on our mobile networks. In Israel, the split between iDEN and UMTS networks (B2C only, including prepaid) services is as follows:

	As of December 31,		As of June 30,	
	2015	2016	2016	2017
	in thousands			
Mobile Subscribers				
iDEN	13	10	11	9
UMTS	983	1,177	1,079	1,238
Total	**996**	**1,187**	**1,090**	**1,247**

(8) Excludes the effects of Coditel Belgium and Coditel Luxembourg as a result of the Coditel Disposal, which we completed on June 19, 2017.

Key Income Statement Items

Revenue

Revenue consists of income generated from the delivery of fixed-based services to our B2C and B2B customers, mobile services to our B2C and B2B customers, wholesale and other services. Revenue is recognized at the fair value of the consideration received or receivable net of value added tax, returns, rebates and discounts and after eliminating intercompany sales within the Group. For the years ended December 31, 2015 and 2016, we have separately presented revenue generated from the following services for each of our segments:

Fixed-based B2C and B2B services: Revenue from fixed-based services consists of revenue from pay television services, including related services such as Video on Demand ("VoD"), broadband internet services, fixed-line telephony services and ISP services to our customers. This primarily includes (i) recurring subscription revenue for pay television services, broadband internet and fixed-line telephony (which are recognized in revenue on a straight-line basis over the subscription period), (ii) variable usage fees from VoD and fixed-line telephony calls (which are recognized in revenue when the service is rendered), (iii) installation fees (which are recognized in revenue when the service is rendered if consideration received is lower than the direct costs to acquire the contractual relationship) and (iv) interconnection revenue received for calls that terminate on our cable network.

Mobile B2C and B2B services: Revenue from mobile telephony services primarily consists of (i) recurring subscription revenue for our post-paid mobile services (which are recognized in revenue on a straight-line basis over the subscription period), (ii) revenue from purchases of our pre-paid mobile services (which are recognized in revenue when the service is rendered), (iii) variable usage fees for mobile telephony calls (which are recognized in revenue when the service is rendered), (iv) revenue from the sale of handsets (which are recognized on the date of transfer of ownership), and (v) interconnection revenue received for calls that terminate on our mobile network.

Wholesale: Revenue from wholesale services primarily consists of revenues derived from renting our network infrastructure services, including IRUs and bandwidth capacity on its network, to other telecommunications operators, including mobile virtual network operations ("MVNOs") as well as related maintenance services.

Others: Revenue from our other services primarily consists of revenue from other businesses, such as (i) datacenter activities, (ii) content production and distribution, (iii) advertising, (iv) customer services, (v) technical services, and (vi) other activities that are not related to our core fixed or mobile businesses.

Intersegment Eliminations: Intersegment costs, which primarily relate to services rendered by certain centralized Group functions (such content production and customer service) to the operational segments of the Group, are eliminated in consolidation.

For the six months ended June 30, 2017 and 2016, we have presented revenue generated as per the Revised Presentation. See "*Basis of Presentation*."

Impact of IFRS 15 on Revenue Recognition

In May 2014, the International Accounting Standards Board issued IFRS 15, which establishes a single comprehensive 5-step model to account for revenue arising from contracts with customers. IFRS 15 will supersede all current revenue recognition guidance when it becomes effective for annual periods on or after January 1, 2018. The Group is required to retrospectively apply IFRS 15 to all contracts that are not complete on the date of initial application and has the option to either (i) restate 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 or (ii) retain prior period figures as reported under the previous standards and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application. The Group has decided to adopt IFRS 15 based on the full retrospective approach.

The Group anticipates that the application of IFRS 15 may have a material impact on the amounts reported and the disclosures made in its consolidated financial statements. The assessment phase has now been completed and the implementation plan is in progress. The most significant anticipated effects of IFRS 15 on the Group's reporting are outlined below.

Mobile Activities: The most significant impact is expected in the Group's mobile activities (B2C and B2B transactions) as some arrangements include multiple elements that are bundled, such as a discounted handset sale coupled with a communication service component. In applying IFRS 15, the Group has identified such bundled items as separate performance obligations. Total revenue will be allocated to both elements based on their standalone selling price, leading to more revenue being allocated to the handset up-front, even though total revenue would not change in most cases over the life of the contract. Other IFRS 15 impacts include (i) the capitalization of commissions which will be broader than the current capitalization model, along with depreciation patterns which will require estimates relating to contract duration in some instances and (ii) the impact of early termination and early renewals as well as contract modifications. Further, B2B transactions will be affected by variable considerations such as bonuses and, in some instances, the identification of options for additional handsets at discounted prices.

Fixed Activities: In most cases, fixed services and equipment will not be considered as distinct performance obligations. Additional services will be examined separately. Connection fees, related costs and the capitalization of commissions will also be affected, including the determination of the depreciation period for capitalized assets based on the length of contractual periods and any additional periods related to anticipated contracts that the Group can specifically identify.

Wholesale Activities: As of the date hereof, no major impact has been identified except for the effect of any constraints on variable consideration.

Other Activities: No major impact has been identified so far on the Group's other revenue streams, such as content and media.

Purchasing and subcontracting services

Purchasing and subcontracting services consist of direct costs associated with the delivery of fixed-based services to our B2C and B2B customers, mobile services to our B2C and B2B customers, wholesale and other services. We present purchasing and subcontracting services paid for the procurement of the following services:

Fixed-based services: Purchasing and subcontracting services associated with fixed-based services consist of all direct costs related to the (i) procurement of non-exclusive television content, royalties and licenses to broadcast, (ii) transmission of data services and (iii) interconnection costs related to fixed-line telephony. In addition, it includes costs incurred in providing VoD or other interactive services to subscribers and accounting variations arising from changes in inventories of customer premises equipment (such as modems, set-top boxes and decoders).

Mobile services: Purchasing and subcontracting services associated with mobile services consist primarily of mobile interconnection fees, including roaming charges and accounting variations arising from the changes in inventories of mobile handsets.

Wholesale: Purchasing and subcontracting services associated with wholesale primarily consist of costs associated with delivering wholesale services to other operators.

Others: Other purchasing and subcontracting services consist of the (i) cost of renting space for datacenters (subject to certain exceptions), (ii) utility costs related to the operation of datacenters (such as power and water supply costs), (iii) in relation to the content activity of the Group, technical costs associated with the delivery of content, such as satellite rental costs, (iv) in our technical services business, the cost of raw materials used in the technical activities related to the construction and maintenance of the network, cables for customer connections, etc., and sub-contractor fees associated with the performance of basic field work and the supervision of such sub-contractors, and (v) direct costs related to our call center operations, such as service expenses, telecom consumption subscriptions and energy costs, in our customer services functions.

Intersegment Eliminations: Intersegment costs, which primarily relate to services rendered by certain centralized Group functions (such content production and customer service) to the operational segments of the Group, are eliminated in consolidation.

Other operating expenses

Other operating expenses mainly consist of the following subcategories:

Customer service costs: Customer service costs include all costs related to billing systems, bank commissions, external costs associated with operating call centers, allowances for bad customer debts and recovery costs associated therewith.

Technical and maintenance: Technical and maintenance costs include all costs related to infrastructure rental, equipment, equipment repair, costs of external subcontractors, maintenance of backbone equipment and datacenter equipment, maintenance and upkeep of the fixed-based and mobile networks, costs of utilities to run network equipment and those costs related to customer installations that are not capitalized (such as service visits, disconnection and reconnection costs).

Business taxes: Business taxes include all costs related to payroll and professional taxes or fees.

General and administrative expenses: General and administrative expenses consist of office rent and maintenance, professional and legal advice, recruitment and placement, welfare and other administrative expenses.

Other sales and marketing expenses: Other sales and marketing expenses consist of advertising and sales promotion expenses, office rent and maintenance, commissions for marketers, external sales and storage and other expenses related to sales and marketing efforts.

Staff costs and employee benefits

Staff costs and employee benefits are comprised of all costs related to wages and salaries, bonuses, social security, pension contributions and other outlays paid to Group employees.

Depreciation and amortization

Depreciation and amortization includes depreciation of tangible assets related to production, sales and administrative functions and the amortization of intangible assets.

Impairment losses

Impairment losses include the write-off of any goodwill or tangible and intangible assets that have been recognized on the acquisition of assets based upon a re-evaluation of the cash generating capacity of such assets compared to the initial valuation thereof.

Other expenses and income

Other expenses and income includes any one-off or non-recurring income or expenses incurred during the on-going financial year. This includes deal fees paid to external consultants for merger and acquisition activities, restructuring and other non-recurring costs related to those acquisitions or the business in general, any non-cash operating gains or losses realized on the disposal of tangible and intangible assets and management fees paid to related parties.

Interest relative to gross financial debt

Interest relative to gross financial debt includes interest expenses recognized on third party debt (excluding other long term liabilities, short term liabilities and other finance leases) incurred by the Group.

Other financial expenses

Other financial expenses include other financial expenses not related to the third party debt (excluding other long term liabilities and short term liabilities, other than finance leases) incurred by the Group. Such expenses mainly include interest costs of finance leases, variations in the fair value of non-hedged derivative instruments and the inefficient portion of hedged derivative instruments.

Financial income

Financial income consists of changes in the net fair value of the financial derivatives, gains from the disposal of financial assets, net exchange rate differences, and other financial income.

Net result on disposal of businesses

Net result on disposal of businesses includes the gain/loss recognized on the disposal of our subsidiaries. This line item is presented separately in the consolidated statement of income for the years ended December 31, 2015 and 2016 and for the six months ended June 30, 2016. For the six months ended June 30, 2017, the net result on disposal of businesses is booked under other expenses and income.

Share of profit of associates

Share of profit of associates consists of the net result arising from activities that are accounted for using the equity method in the consolidation perimeter of the Group.

Income tax expenses

Income tax expenses are comprised of current tax and deferred tax. Taxes on income are recognized in the income statement except when the underlying transaction is recognized in other comprehensive income, at which point the associated tax effect is also recognized under other comprehensive income or in equity.

Discussion and Analysis of Our Results of Operations

Six Months Ended June 30, 2017 compared to the Six Months Ended June 30, 2016

The below table sets forth our consolidated statement of income for the six months ended June 30, 2016 and 2017, in millions of Euros and as a percentage of revenues for the periods in question:

	Historical Consolidated Financial Information			
	2016[1]	2017	Amount	%[2]
	(€ in millions except percentages)			
Revenues	2,259.6	2,638.2	378.6	16.8
Purchasing and subcontracting costs	(493.8)	(706.7)	(212.9)	43.1
Other operating expenses	(442.1)	(467.8)	(25.7)	5.8
Staff costs and employee benefit expenses	(245.9)	(334.8)	(88.9)	36.2
Depreciation, amortization and impairment	(742.4)	(704.8)	37.6	5.1
Other expenses and income	(35.1)	(17.8)	17.3	49.3
Operating profit	300.3	406.3	106.0	35.3
Interest relative to gross financial debt	(360.7)	(440.8)	(80.1)	22.2
Other financial expenses	(20.7)	(16.5)	4.2	20.3
Financial income	71.9	70.9	(1.0)	1.4
Net result on extinguishment of financial liability	(88.0)	(39.0)	49.0	55.7
Finance costs, net	(397.5)	(425.4)	(27.9)	7.0
Net result on disposal of businesses	115.5	—	(115.5)	100.0

	Historical Consolidated Financial Information			
	2016[1]	2017	Amount	%[2]
	(€ in millions except percentages)			
Share of profit of associates	0.2	2.9	2.7	1350.0
Loss/Gain before income tax	18.5	(16.2)	(34.7)	187.6
Income tax (expenses)/income	0.3	(16.7)	(17.0)	5666.7
Loss/Gain for the period	18.8	(32.9)	(51.7)	275.0
Attributable to equity holders of the parent	28.6	(44.1)	(72.7)	254.2
Attributable to non-controlling interests	(9.8)	11.2	21.0	214.3

(1) Figures for the six months ended June 30, 2016 have been revised for the impact of the purchase price allocations of Group entities acquired during the 2015 and 2016 financial years. See Note 16 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

(2) Percentages are presented in absolute value.

Significant Events Affecting Historical Results

Our results of operations as of and for the six months ended June 30, 2017 and June 30, 2016 were significantly impacted by the following events:

- As part of the regulatory conditions relating to the PT Portugal Acquisition, Altice International completed the Cabovisão Disposal on January 20, 2016. The disposed assets in aggregate contributed €140.3 million to our revenues and €52.0 million to Adjusted EBITDA for the year ended December 31, 2015.
- On May 12, 2016, the Group disposed of its 49% minority stake in NextRadioTV, previously held through the joint venture Groupe News Participations ("GNP") with Alain Weill, to the Altice France Group. The Altice France Group's interest in NextRadioTV was acquired at a cost relative to the original purchase price paid by Altice International. GNP contributed €71.6 million to the Group's revenue and €13.3 million to Adjusted EBITDA for the year ended December 31, 2016.
- On November 25, 2016, the Group acquired a 51% stake in its supplier, Parilis S.A., an all-round technical services company offering, among others things, network deployment, upgrade and maintenance services. The Group retains an option to purchase the remaining 49% for two years post-closing at the initial price plus interest.
- On December 22, 2016, the Group acquired an 88.87% stake in another of its suppliers, Intelcia Group S.A. On January 30, 2017, it acquired the remaining 11.13%. Certain managers of Intelcia Group S.A. subsequently reinvested part of their proceeds in the business and currently hold a 35% stake in Altice Customer Services (the entity holding 100% of Intelcia Group S.A.). The Group has the option to purchase, and the managers have the option to sell, such 35% interest in case of termination of their offices or as of the sixth anniversary of the closing date, provided that such options may be exercised in part before such date (on 50% of their stake as of the fourth anniversary of the closing date and on the remaining 50% as of the fifth anniversary of the closing date).
- On December 30, 2016, Altice Luxembourg sold its participation in AMI, a Swiss company, to the Group. AMI provides management services to Group entities and other affiliates of the Group, including services related to the Altice Way. This transaction is considered to be a transaction under common control as and, as such, is not in the scope of IFRS 3 Business Combination. The assets and liabilities of AMI were transferred at their net book value.

In addition, the Group entered into the following transactions in the six months ended June 30, 2017:

- On February 24, 2017, PT OpCo acquired a 25% stake in the capital of SPORT TV for €12.3 million. SPORT TV is a sports broadcaster based in Portugal. SPORT TV's current shareholders are PT OpCo, NOS, Olivedesportos and Vodafone, each of which holds a 25% stake.
- On June 19, 2017, the Group completed the sale of Coditel Belgium and Coditel Luxembourg, its telecommunications businesses in Belgium and Luxembourg, to Telenet Group BVBA, a direct subsidiary of Telenet Group Holding N.V. The Group received €302.8 million in connection with the sale and recognized a loss after transactions costs of €0.9 million, as recorded in the other income and expenses line item of the consolidated statement of income in the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017. In aggregate, Coditel Belgium and Coditel Luxembourg contributed €37.3 million and €32.7 million to the Group's revenue and €24.6 million and €19.9 million (€18.7 million on a standalone basis after giving effect to €1.2 million in intercompany eliminations) to Adjusted EBITDA in the six months ended June 30, 2016 and 2017, respectively.

- On June 22, 2017, the Group completed the Teads Acquisition. The Group retains a 98.5% financial interest in Teads, with the remaining 1.5% attributable to the managers of Teads. Teads is a major online video advertising marketplace with an audience of more than 1.2 billion unique visitors. The acquisition valued Teads at an enterprise value of €285 million on a cash and debt-free basis. 75% of the acquisition purchase price was due on closing and an earn-out for the remaining 25% stake, payable in 2018, remains contingent on Teads' revenue performance in year ending December 31, 2017.

Revenue

For the six months ended June 30, 2017, we generated total revenues of €2,638.2 million, a 16.8% increase compared to €2,259.6 million for the six months ended June 30, 2016. This increase in revenues was mainly due to the acquisitions of ATS and ACS Target in late 2016.

Revenues for our fixed B2C services increased by 1.7%, from €786.0 million in the six months ended June 30, 2016 to €799.5 million in the six months ended June 30, 2017. This increase was driven by increased fixed B2C revenue in Israel, primarily driven by an increase in ARPU in euro terms. The increase was offset by an 11.9% decrease in fixed B2C revenue in our Others segment.

Our mobile B2C services revenue increased to €647.8 million for the six months ended June 30, 2017, a 5.3% increase compared to €615.3 million in the six months ended June 30, 2016. This increase was mainly due to strong performance in Israel, supported by strong mobile customer net adds (with 60,000 net adds between June 30, 2016 and June 30, 2017) and sustained ARPU growth in both local and euro terms.

Revenues from our B2B and wholesale services increased to €638.7 million for the six months ended June 30, 2017, a 1.8% increase compared to €627.4 million in the six months ended June 30, 2016. This increase was mainly due to an uptick in revenue from our Israeli and Dominican Republic segments, which increased 9.5% and 12.9%, respectively. In Israel, the increase is a result of an increase in foreign exchange rate as revenue on a constant currency rate was stable, whereas in the Dominican Republic, the increase is a result of strong revenue generation and acquisition momentum in our wholesale voice and B2B retail services.

Revenues from our other activities totaled €724.7 million for the six months ended June 30, 2017, a 212.5% increase as compared to €231.9 million for the six months ended June 30, 2016. The increase in revenues from other activities was primarily attributable due to the revenue contributions of Altice Technical Services, Altice Customer Services and AMI, which render certain centralized functions relating to content production, technical services and customer services to the operational segments of the Altice Group, to our Others segment in the six months ended June 30, 2017. In the six months ended June 30, 2017, revenues from other activities in our Others segment increased by 299.4% compared to the six months ended June 30, 2016.

The table below sets forth our revenue by lines of activity in the various geographical segments in which we operate for the six months ended June 30, 2017 and June 30, 2016, each on an aggregated basis:

	For the six months ended June 30,									
	2016					2017				
	Portugal	Israel	Dominican Republic	Others(1)	Total	Portugal	Israel	Dominican Republic	Others(1)	Total
	(€ in millions)									
Fixed - B2C	344.9	316.3	54.5	70.3	**786.0**	340.1	341.5	56.1	61.9	**799.5**
Mobile - B2C	282.8	85.7	206.5	40.3	**615.3**	284.9	116.2	203.8	42.9	**647.8**
B2B and Wholesale	461.1	64.0	79.0	23.3	**627.4**	456.4	70.1	89.2	23.1	**638.7**
Other	58.3	—	11.5	162.1	**231.9**	67.2	—	10.0	647.5	**724.7**
Intersegment eliminations(3)	(0.2)	—	(0.4)	(0.4)	**(1.0)**	(5.0)	(0.2)	(0.8)	(166.5)	**(172.5)**
Total	**1,146.9**	**466.0**	**351.1**	**295.6**	**2,259.6**	**1,143.5**	**527.5**	**358.3**	**608.9**	**2,638.2**

(1) Comprises of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

(2) Intersegment eliminations are limited to exchange of services and goods between the different operating segments of the Group.

Portugal: For the six months ended June 30, 2017, we generated revenue in Portugal of €1,143.5 million, a 0.3% decrease compared to €1,146.9 million for the six months ended June 30, 2016. Our fixed-based revenue decreased by 1.4%, our mobile revenue increased by 0.7%, our B2B and wholesale revenue decreased by 1% and our other revenue increased by 15.3%.

The slight decrease in our fixed B2C services revenue was mainly driven by the year on year decline in fixed B2C unique customers.

The slight increase in our mobile B2C revenue resulted from an increase in prepaid and postpaid net additions, which were driven by convergence and loyalty programs.

The decrease in our B2B and wholesale revenue was impacted by the continued decrease in revenue from legacy fixed-based voice telephony services, offset by continued wholesale growth, in particular with respect to increased revenue derived from ICT.

Israel: For the six months ended June 30, 2017, we generated revenue in Israel of €527.5 million, a 13.2% increase compared to €466.0 million for the six months ended June 30, 2016. Our fixed-based services revenue increased by 8%, our mobile services revenue increased by 35.6% and our B2B and wholesale revenue increased by 9.5%. On a constant currency basis, our revenues increased by 4.1%. Fixed-based revenue decreased by 0.7% on a constant currency basis, while mobile based revenue increased by 24.7%.

Despite seeing an increase in revenues due to the currency fluctuations, on a constant currency basis, our fixed-based revenues were relatively flat. The number of losses in our total cable cable/fiber unique customers was 7,000 for the six months ended June 30, 2017 compared to 4,000 for the six months ended June 30, 2016, while our cable/fiber ARPU was stable year over year.

The increase in mobile services revenue in the six months ended June 30, 2017 as compared to the six months ended June 30, 2016 was mainly due to an increase in postpaid customer net adds of 39,000 and year on year postpaid ARPU growth.

Dominican Republic: For the six months ended June 30, 2017, we generated revenue in the Dominican Republic of €358.3 million, a 2.1% increase compared to €351.1 million for the six months ended June 30, 2016. Our fixed-based services revenue increased by 2.9%, our mobile services revenue decreased by 1.3%, our B2B and wholesale revenue increased by 13% and our other revenue decreased by 13%. On a constant currency basis, our revenues increased by 2.2%. Fixed-based revenue increased by 2.9% on a constant currency basis, whilst mobile based revenue decreased by 1.3% on a constant currency basis.

The increase in our fixed-based services was mainly due to the continued growth in fiber net additions (6,000 net adds in the six months ended June 30, 2017) and fiber ARPU. The slight decrease in mobile service revenue primarily resulted from a marginal decline in our subscriber base. We generated 6,000 postpaid net adds in the six months ended June 30, 2017, but our customer base decreased from 819,000 postpaid customers for the six months ended June 30, 2016 to 816,000 postpaid customers for the six months ended June 30, 2017.

Others. Revenues for our others segment increased to €608.9 million for the six months ended June 30, 2017 as compared to €295.6 million for the six months ended June 30, 2016. The increase in revenues was mainly related to the acquisition of entities, such as Altice Technical Services and Altice Customer Services, which render certain centralized functions relating to content production, technical services and customer services to the operational segments of the Altice Group.

Intersegment Eliminations. Intersegment eliminations in the six months ended June 30, 2017 increased to €172.5 million compared to €1.0 million in the six months ended June 30, 2016. This was primarily due to the acquisition of entities consolidated under the others segment, such as Altice Technical Services, Altice Customer Services and AMI, that render certain centralized functions relating to content production, technical services and customer services to the operational segments of the Altice Group.

Adjusted EBITDA

For the six months ended June 30, 2017, our Adjusted EBITDA was €1,142.6 million, an increase of 6% compared to the six months ended June 30, 2016 (€1,077.9 million). This increase can be attributed to an 82% increase in Adjusted EBITDA generated by our Other segment and a 10.3% increase in Adjusted EBITDA generated by our operations in Israel, offset by a 6.7% decline in Portugal. Our purchasing and subcontracting costs increased by 43.1%, from €493.8 million in the six months ended June 30, 2016 to €706.7 million in the six months ended June 30, 2017. Our other operating expenses increased by 5.8% to €467.8 million in the six months ended June 30, 2017 from €442.1 million in the six months ended June 30, 2016. Staff costs and employee benefit expenses increased by 36.2%, from €245.9 million in the six months ended June 30, 2016 to €334.8 million in the six months ended June 30, 2017. The increase in expenses is primarily attributable to the inclusion of our technical services and customer services functions following the acquisitions of ATS and ACS Target in December 2016.

	For the six months ended June 30,											
	2016[(1)]						2017					
	Portugal	Israel	Dominican Republic	Others[(2)]	Intersegment Eliminations	Total	Portugal	Israel	Dominican Republic	Others[(2)]	Intersegment Eliminations	Total
	(in € millions)											
Revenue	**1,147.1**	**466.0**	**351.5**	**296.0**	**(1.0)**	**2,259.6**	**1,148.5**	**527.7**	**359.1**	**775.4**	**(172.5)**	**2,638.2**
Purchasing and subcontracting services costs	(239.2)	(108.8)	(68.4)	(72.9)	(4.4)	(493.8)	(294.1)	(137.3)	(79.4)	(279.2)	83.3	(706.7)
Other operating expenses	(205.3)	(108.6)	(83.5)	(51.5)	6.9	(442.1)	(195.0)	(119.0)	(78.3)	(135.1)	59.6	(467.8)
Staff costs and employee benefit expenses........	(147.1)	(33.2)	(15.2)	(49.0)	(1.4)	(245.9)	(141.2)	(33.9)	(14.8)	(151.6)	6.7	(334.8)
Total................................	555.6	215.3	184.4	122.6	—	1,077.9	518.2	237.6	186.6	209.4	(22.9)	1,129.0
Stock option expense.......	—	—	—	—	—	—	—	—	—	13.6	—	13.6
Adjusted EBITDA[(3)].........	**555.6**	**215.3**	**184.4**	**122.6**	**—**	**1,077.9**	**518.2**	**237.6**	**186.6**	**223.1**	**(22.9)**	**1,142.6**

(1) Figures for the six months ended June 30, 2016 have been revised for the impact of the purchase price allocations of Group entities acquired during the 2015 and 2016 financial years. See Note 16 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

(2) Comprises of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

(3) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial information as it provides them with a measure of our operating results which excludes certain items that we consider to be outside of our recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in our financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

Portugal. For the six months ended June 30, 2017, our Adjusted EBITDA in Portugal was €518.2 million, a decrease of 6.7% compared to €555.6 million for the six months ended June 30, 2016 as a result of an increase in operating costs while revenue remained flat. Operating costs increased by 6.5% to €630.3 million in the six months ended June 30, 2017 compared to €591.6 million in the six months ended June 30, 2016. The increase in operating costs was a consequence of an increase in purchasing and subcontracting services costs of 23%, from €239.2 million in 2016 to €294.1 million in 2017, owing mainly to (i) higher cost of handsets sold and the increased sales of mobile handsets, and (ii) higher programming costs relating to the football broadcasting rights acquired by PT Portugal in the end of 2015 as well as the agreement entered into with the other Portuguese telecom operators in July 2016 for the reciprocal sharing of the football-related broadcasting rights. This was offset by decreases in (i) other operating expenses of 5% (from €205.3 million in 2016 to €195.0 million in 2017) and (ii) staff costs and employee and benefit expenses of 4% (from €147.1 million in 2016 to €141.2 million in 2017).

Israel. For the six months ended June 30, 2017, our Adjusted EBITDA in Israel was €237.6 million, an increase of 10.4% compared to €215.3 million for the six months ended June 30, 2016. Adjusted EBITDA on a constant currency basis increased by 1.4% compared to the six months ended June 30, 2016 owing mainly to an increase in revenue in our mobile segments, partially offset by an increase in purchasing and subcontracting services costs. Purchasing and subcontracting services costs increased by 26.2% (an increase of 16.0% on a constant currency rate), from €108.8 million in 2016 to €137.3 million in 2017, which resulted from an increase of content expenses, mainly related to our sport channels, and an increase in the cost of sales of handsets in our mobile segment. In addition, other operating expenses increased by 9.6% (an increase of 1.5% on a constant currency rate), from €108.6 million in 2016 to €119.0 million in 2017, mainly as a result of an increase in prepaid and handset reseller commissions as well as increases in our provisions for bad debt. These increases were offset by a decrease in advertising costs.

Dominican Republic. For the six months ended June 30, 2017, our Adjusted EBITDA in the Dominican Republic was €186.6 million, an increase of 1.2% compared to €184.4 million for the six months ended June 30, 2016. Adjusted EBITDA on a constant currency basis also increased by 1.2% in the six months ended June 30, 2017.

Operating costs increased by 3.2% to €172.5 million in the six months ended June 30, 2017 compared to €167.1 million in the six months ended June 30, 2016. The increase in operating costs was a consequence of an increase in purchasing and subcontracting services costs of 16.0%, from €68.4 million in 2016 to €79.4 million in 2017, owing mainly to an increase in international voice wholesale costs linked to international voice wholesale revenue. This was offset by decreases in (i) other operating expenses of 6.2% (from €83.5 million in 2016 to €78.3 million in 2017) due to our streamlining of marketing and networking costs and (ii) staff costs and employee and benefit expenses of 2.6% (from €15.2 million in 2016 to €14.8 million in 2017) as a result of a restructuring program.

Others. For the six months ended June 30, 2017, our Adjusted EBITDA in Others was €223.1 million, an increase 82% from €122.6 million in the six months ended June 30, 2016. This increase can be attributed to the acquisition of entities consolidated under the others segment, such as Altice Technical Services, Altice Customer Services and AMI, that render certain centralized functions relating to technical services and customer services to the operational segments of the Altice Group. These acquisitions occurred after June 30, 2016 and therefore did not contribute to Adjusted EBITDA during that period.

Operating costs in our Others segment increased by 226.4% in aggregate, from €173.4 million in 2016 to €565.9 million in 2017. This is attributable to the inclusion of the technical services and customer services functions of ATS and ACS Target, respectively, which we acquired in December 2016.

Intersegment Eliminations. Intersegment eliminations in the six months ended June 30, 2017 increased to €22.9 million compared to nil in the six months ended June 30, 2016. This was primarily due to the acquisition of entities consolidated under the others segment, such as Altice Technical Services, Altice Customer Services and AMI, that render certain centralized functions relating to content production, technical services and customer services to the operational segments of the Altice Group.

Depreciation and Amortization and Impairment

For the six months ended June 30, 2017, depreciation and amortization totaled €704.8 million, a 5.1% decrease compared to €742.4 million for the six months ended June 30, 2016.

For the six months ended June 30, 2017, our impairment losses totaled €0 million compared to €1.1 million for the six months ended June 30, 2016.

Other expenses and income

For the six months ended June 30, 2017, our other expenses and income totaled €17.8 million, a 49.2% decrease compared to €35.1 million for the six months ended June 30, 2016. Other expenses and income in the six months ended June 30, 2017 was impacted by a decrease in restructuring costs and deal fees, including the discretionary fees paid to legal counsel, M&A counsel and other consultants, excluding financing costs, whose services the Group has employed to facilitate various transactions performed during the periods under review.

Interest relative to gross financial debt

For the six months ended June 30, 2017, our interest relative to gross financial debt totaled €440.8 million, a 22.2% increase compared to €360.7 million for the six months ended June 30, 2016. Interest relative to gross financial debt includes the variation in the mark to market of our derivative financial instruments, which was the main driver of the increase in this line item from the six months ended June 30, 2016.

Other financial expenses

For the six months ended June 30, 2017, our other financial expenses totaled €16.5 million, a 20.3% decrease compared to €20.7 million for the six months ended June 30, 2016.

Finance costs (net)

Net finance costs amounted to €425.4 million for the six months ended June 30, 2017, registering an increase of 7% compared to €397.5 million for the six months ended June 30, 2016.

Net result on disposal of businesses

For the six months ended June 30, 2017, we did not recognize any one-off gains on the disposal of businesses compared to €115.5 million for the six months ended June 30, 2016 relating to the Cabovisão Disposal, which was completed on January 20, 2016. As of and for the six months ended June 30, 2017, the net result on the disposal of businesses is booked under other expenses and income.

Share of profit of associates

For the six months ended June 30, 2017, our share of profit of associates totaled €2.9 million compared to €0.2 million in the six months ended June 30, 2016.

(Loss)/profit for the period

For the six months ended June 30, 2017, the Group recorded a net loss of €32.9 million, as compared to a net profit of €18.8 million for the six months ended June 30, 2016. The decrease in net profit was mainly attributable to the factors mentioned above.

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

The below table sets forth our consolidated statement of income for the year ended December 31, 2015 and 2016, in millions of Euros and as a percentage of revenues for the periods in question:

	Historical Consolidated Financial Information			
	2015	**2016**	**Amount**	**%[1]**
	(€ in millions except percentages)			
Revenues	3,492.8	4,513.8	1,021.0	29.2
Purchasing and subcontracting costs	(786.2)	(1,025.7)	(239.5)	30.5
Other operating expenses	(764.9)	(890.6)	(125.7)	16.4
Staff costs and employee benefit expenses	(339.9)	(459.0)	(119.1)	35
Depreciation, amortization and impairment	(1,221.5)	(1,471.5)	(250.0)	20.5
Other expenses and income	(101.5)	(157.3)	(55.8)	54.9
Operating profit	278.8	509.7	230.9	82.8
Interest relative to gross financial debt	(480.8)	(654.1)	(173.3)	36.0
Other financial expenses	(191.6)	(80.5)	111.1	58.0
Financal income	11.5	86.6	75.1	653.0
Net result on extinguishment of financial liabilities	—	(88.0)	(88.0)	—
Finance costs, net	(660.9)	(736.0)	(75.1)	11.4
Net result on disposal of businesses	27.5	112.6	85.1	309.5
Share of profit of associates	2.1	2.5	0.4	18.0
Loss before income tax	(352.5)	(111.2)	241.3	68.5
Income tax (expenses)/income	(48.7)	(131.6)	(82.9)	170.2
Loss for the period	(401.2)	(242.8)	158.4	39.5
Attributable to equity holders of the parent	(397.2)	(231.1)	166.1	41.8
Attributable to non-controlling interests	(4.0)	(11.7)	(7.7)	192.5

(1) Percentages are presented in absolute value.

Significant Events Affecting Historical Results

Our results of operations as of and for the year ended December 31, 2016 and December 31, 2015 were significantly impacted by the following event:

- On June 2, 2015, the Group acquired PT Portugal, a telecommunications services provider in the Portuguese market (the financial information of which is consolidated in the Historical Consolidated Financial Information with effect from June 2, 2015). As part of the regulatory conditions relating to the PT Portugal Acquisition, Altice International completed the Cabovisão Disposal on January 20, 2016.

The disposed assets in aggregate contributed €140.3 million to our revenues and €52.0 million to Adjusted EBITDA for the year ended December 31, 2015.

In addition, the Group entered into the following transactions in the year ended December 31, 2016:

- In compliance with the conditions imposed on the Altice France Group by the European Commission for the approval of the 2014 SFR Acquisition, the Group disposed of Outremer's mobile business based in Mayotte and La Réunion on July 31, 2015.
- On May 12, 2016, the Group disposed of its 49% minority stake in NextRadioTV, previously held through the joint venture Groupe News Participations ("GNP") with Alain Weill, to the Altice France Group. The Altice France Group's interest in NextRadioTV was acquired at a cost relative to the original purchase price paid by Altice International. GNP contributed €71.6 million to the Group's revenue and €13.3 million to Adjusted EBITDA for the year ended December 31, 2016.
- On November 25, 2016, the Group acquired a 51% stake in its supplier, Parilis S.A., an all-round technical services company offering, among others things, network deployment, upgrade and maintenance services. The Group retains an option to purchase the remaining 49% for two years post-closing at the initial price plus interest.
- On December 22, 2016, the Group acquired an 88.87% stake in another of its suppliers, Intelcia Group S.A. On January 30, 2017, it acquired the remaining 11.13%. Certain managers of Intelcia Group S.A. subsequently reinvested part of their proceeds in the business and currently hold a 35% stake in Altice Customer Services (the entity holding 100% of Intelcia Group S.A.). The Group has the option to purchase, and the managers have the option to sell, such 35% interest in case of termination of their offices or as of the sixth anniversary of the closing date, provided that such options may be exercised in part before such date (on 50% of their stake as of the fourth anniversary of the closing date and on the remaining 50% as of the fifth anniversary of the closing date).
- On December 30, 2016, Altice Luxembourg sold its participation in Altice Management International SA ("AMI"), a Swiss company, to the Group. AMI provides management services to Group entities and other affiliates of the Group, including services related to the Altice Way. This transaction is considered to be a transaction under common control as and, as such, is not in the scope of IFRS 3 Business Combination. The assets and liabilities of AMI were transferred at their net book value.

Revenue

For the year ended December 31, 2016, we generated total revenues of €4,513.8 million, a 29.2% increase compared to €3,492.8 million for the year ended December 31, 2015. This increase in revenues was mainly due to the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015.

Revenues for our fixed-based services increased by 17.5%, from €1,817.2 million in the year ended December 31, 2015 to €2,134.5 million in the year ended December 31, 2016. This increase was driven by the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015.

Our mobile services revenue increased by 27.7% to €1,588.4 million for the year ended December 31, 2016, from €1,243.5 million in the year ended December 31, 2015. This increase was mainly due to the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015, and was offset by the Cabovisão Disposal, which was completed on January 20, 2016.

Revenues from our wholesale services increased to €386.9 million for the year ended December 31, 2016, a 64.8% increase compared to €243.7 million in the year ended December 31, 2015. This increase was mainly due to the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015 and was offset by the Cabovisão Disposal, which was completed on January 20, 2016.

Revenues from our other activities totaled €439.1 million for the year ended December 31, 2016, a 130.4% increase as compared to €190.6 million for the year ended December 31, 2015. The increase in other revenues was mainly due to the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015 and was offset by the Cabovisão Disposal, which was completed on January 20, 2016. The contribution of €71.6 million to the Group's revenue by GNP in the year ended December 31, 2016 also served to increase our revenues from other activities.

The table below sets forth our revenue by lines of activity in the various geographical segments in which we operate for the years ended December 31, 2016 and December 31, 2015, each on an aggregated basis:

	For the year ended December 31,									
	2015					2016				
	Portugal	Israel	Dominican Republic	Others[(1)]	Total	Portugal	Israel	Dominican Republic	Others[(1)]	Total
	(€ in millions)									
Fixed - B2C	484.6	645.3	106.9	141.3	1,378.0	684.4	642.5	109.6	136.2	1,572.7
Fixed - B2B	299.7	72.9	37.8	28.8	439.2	419.5	75.6	39.3	27.4	561.8
Mobile – B2C	346.3	151.0	414.0	100.1	1,011.5	584.9	185.5	425.3	83.0	1,278.7
Mobile – B2B	122.5	54.0	50.7	4.8	232.0	202.5	51.9	50.6	4.7	309.7
Wholesale	170.5	—	62.7	10.6	243.7	303.8	—	70.8	12.4	386.9
Other	72.6	—	22.7	95.3	190.6	116.4	—	21.9	300.7	439.1
Total standalone	1,496.1	923.3	694.8	380.9	3,495.2	2,311.6	955.5	717.5	564.4	4,548.9
Intersegment eliminations[(2)]	(0.2)	—	—	(2.1)	(2.3)	(7.9)	—	(1.8)	(25.5)	(35.1)
Total	1,495.9	923.3	694.8	378.8	3,492.8	2,303.7	955.5	715.7	538.9	4,513.8

(1) Comprises of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group. Also includes the results of GNP from February 8, 2016 to May 13, 2016 (the date of its disposal to the Altice France Group).

(2) Intersegment eliminations are limited to exchange of services and goods between the different operating segments of the Group.

Portugal: For the year ended December 31, 2016, we generated revenue in Portugal of €2,303.7 million; a 54% increase compared to €1,495.9 million for the year ended December 31, 2015. Our fixed-based revenues increased by 40.7%, our mobile revenues increased by 68.0% and other revenue increased by 60.3%.

The increase in the revenues relating to our fixed-based services, mobile services, wholesale and other segments was mainly driven by the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015. This was offset by the Cabovisão Disposal, which was completed on January 20, 2016. For the period from January 1, 2015 to June 2, 2015 and prior to its acquisition by the Group, PT Portugal generated revenue of €983.4 million. While we experienced strong acceleration in fiber growth supported by our rapid network expansion (with approximately 74,000 net adds in 2016 compared to approximately 20,000 net adds in 2015), our revenue was affected by the slowdown in our B2C postpaid mobile subscriber base (with approximately 46,000 net adds in 2016 compared to approximately 283,000 net adds in 2015), which was due to the saturation of the quad-play market with no further prepaid to postpaid migrations.

Israel: For the year ended December 31, 2016, we generated revenue in Israel of €955.5 million, a 3.5% increase compared to €923.3 million for the year ended December 31, 2015. Our fixed-based services remained stable and our mobile services revenue increased by 15.8%. Fixed revenues remained largely flat in 2016 compared to 2015, driven by improvements in customer quality and the strengthening of our fixed offers. In our mobile business, HOT Mobile continued to perform well in terms of net adds, adding 217,000 new customers in 2016. 4G+ rollout in 2017 is expected to further boost this trend. On a constant currency basis, revenues increased by 1.9%. Fixed revenue decreased by 1.5% on a constant currency basis, while mobile revenue increased by 14.1%.

Dominican Republic: For the year ended December 31, 2016, we generated revenue in the Dominican Republic of €715.7 million, a 3% increase compared to €694.8 million for the year ended December 31, 2015. Our fixed-based services revenue increased by 2.9% and our mobile services revenue increased by 2.4%.

Our fixed line business in the Dominican Republic continued to show a positive growth trend (€148.9 million in 2016 compared to €144.7 million in 2015), driven by increased deployment of fiber homes passed (an increase of 128,000 in 2016). Mobile revenues increased despite a net subscriber loss of 11,000. This was mainly due to a strategy of acquiring higher value postpaid customers and increasing mobile broadband usage, which lead to an ARPU increase of 2.9% in the year ended December 31, 2016 compared to the year ended December 31, 2015. On a constant currency basis, the revenue grew by 4.4% in 2016 compared to 2015, with the fixed revenues registering an increase of 7.9%, while mobile services grew by 4.3%.

Others. Revenues for our others segment increased to €538.9 million for the year ended December 31, 2016 as compared to €378.8 million for the year ended December 31, 2015. The increase in revenues was mainly related to the contribution of €71.6 million to the Group's revenue by GNP in the year ended December 31, 2016.

Adjusted EBITDA

For the year ended December 31, 2016, our Adjusted EBITDA was €2,138.4 million, an increase of 33.5% compared to the year ended December 31, 2015 (€1,601.8 million). Our purchasing and subcontracting costs increased by 30.5%, from €786.2 million in 2015 to €1,025.7 million in 2016. Our other operating expenses increased by 16.4% to €890.6 million in 2016 from €764.9 million in 2015. In each case, these increases are impacted by the PT Portugal Acquisition and the €71.6 million contribution by GNP to the Group in the year ended December 31, 2016.

	For the year ended December 31,									
	2015					2016				
	Portugal	Israel	Dominican Republic	Others[(1)]	Total	Portugal	Israel	Dominican Republic	Others[(1)]	Total
	(in € millions)									
Revenue before inter-company eliminations ...	**1,496.1**	**923.3**	**694.8**	**380.9**	**3,495.2**	**2,311.6**	**955.5**	**717.5**	**564.4**	**4,548.9**
Intersegment eliminations	(0.2)	—	—	(2.1)	(2.3)	(7.9)	—	(1.8)	(25.5)	(35.1)
Revenue	**1,495.9**	**923.3**	**694.8**	**378.8**	**3,492.8**	**2,303.7**	**955.5**	**715.7**	**538.9**	**4,513.8**
Purchasing and subcontracting services costs..	(326.6)	(222.1)	(141.3)	(96.2)	(786.2)	(524.5)	(235.1)	(146.9)	(119.2)	(1,025.7)
Other operating expenses.........	(327.6)	(197.8)	(166.0)	(73.5)	(764.9)	(408.8)	(222.3)	(164.1)	(95.4)	(890.6)
Staff costs and employee benefit expenses.........	(201.2)	(73.7)	(27.1)	(38.0)	(339.9)	(282.2)	(66.9)	(30.0)	(80.0)	(459.0)
Adjusted EBITDA[(2)]	**640.5**	**429.7**	**360.4**	**171.1**	**1,601.8**	**1,088.1**	**431.2**	**374.9**	**244.4**	**2,138.4**

(1) Comprises of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group. Also includes the results of GNP from February 8, 2016 to May 13, 2016 (the date of its disposal to the Altice France Group).

(2) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial information as it provides them with a measure of our operating results which excludes certain items that we consider to be outside of our recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in our financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

Portugal. For the year ended December 31, 2016, our Adjusted EBITDA in Portugal was €1,088.1 million, an increase of 69.8% compared to €640.5 million for the year ended December 31, 2015. Operating costs increased by 42.1% to €1,215.6 million in 2016 compared to €855.4 million in 2015. The increases in Adjusted EBITDA and operating costs were a consequence of the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015. This was offset by the Cabovisão Disposal, which was completed on January 20, 2016. For the period from January 1, 2015 to June 2, 2015 and prior to its acquisition by the Group, PT Portugal generated Adjusted EBITDA of €373.3 million, comprising €983.4 million in revenue less purchasing and subcontracting services costs of €208.1 million, other operating expenses of €244.1 million and staff costs and employee benefit expenses of €157.9 million. Cabovisão contributed €140.3 million and €52.0 million to Adjusted EBITDA and operating costs in the year ended December 31, 2015, respectively. The increases in

Adjusted EBITDA and operating costs were also offset by operational efficiencies implemented in Portugal in 2016.

Israel. For the year ended December 31, 2016, our Adjusted EBITDA in Israel was €431.2 million, an increase of 0.3% compared to €429.7 million for the year ended December 31, 2015. Adjusted EBITDA on a constant currency basis decreased by 0.4% compared to 2015.

Operating costs in Israel increased 6.2%, from €493.5 million in 2015 to €524.3 million in 2016. Such increase was due to increases in purchasing and subcontracting costs of 5.9%, from €222.1 million in 2015 to €235.1 million in 2016, and increases of other operating expenses of 12.4%, from €197.8 million in 2015 to €222.3 million in 2016. The increases in operating costs are related to increases in (i) content expenses, primarily relating to sport channels, (ii) network maintenance costs, (iii) advertising costs and (iv) provisions for bad debt, which was offset by a decrease in customer and technical services expenses.

Dominican Republic. For the year ended December 31, 2016, our Adjusted EBITDA in the Dominican Republic was €374.9 million, an increase of 4% compared to €360.4 million for the year ended December 31, 2015 (5.4% on a constant currency basis). This increase can mainly be attributed to the continued implementation of the Group's best practices and increased synergies between the two businesses in the Dominican Republic.

Operating costs in the Dominican Republic increased 2%, from €334.3 million in 2015 to €340.9 million in 2016. Such increase was due to increases in purchasing and subcontracting costs of 4%, from €141.3 million in 2015 to €146.9 million in 2016, relating to increases in international voice wholesale costs (which are linked to international voice wholesale revenue) as well as staff costs and employee benefit expenses of 10.7%, from €27.1 million in 2015 to €30.0 million in 2016, resulting from salary increases and additional staffing for an internal CRM project. The increase in operating costs was offset by a decrease of 1.2% in other operating expenses, from €166.0 million in 2015 to €164.1 million in 2016, relating to realizations from cost saving efficiencies, mainly in general and administrative costs.

Others. For the year ended December 31, 2016, our Adjusted EBITDA in Others was €244.4 million, an increase of 42.9% from €171.1 million in the year ended December 31, 2015. This increase can be attributed to the €71.6 million contribution by GNP to the Group in the year ended December 31, 2016, the effects of the Outremer Mobile Disposal as well as an increase in staff costs and employee benefit expenses of 110.5%, from €38.0 million in 2015 to €80 million in 2016, primarily relating to the contribution by GNP.

Depreciation and Amortization and Impairment

For the year ended December 31, 2016, depreciation and amortization totaled €1,471.5 million, a 20.5% increase compared to €1,221.5 million for the year ended December 31, 2015. Depreciation and amortization in the year ended December 31, 2016 was primarily impacted by the PT Portugal Acquisition.

For the year ended December 31, 2016, our impairment losses were nil compared to €20.9 million for the year ended December 31, 2015 relating to the impairment of the ONLY brand in the French Overseas Territories.

Other expenses and income

For the year ended December 31, 2016, our other expenses and income totaled €157.3 million, a 55% increase compared to €101.5 million for the year ended December 31, 2015. Other expenses and income in the year ended December 31, 2016 was primarily impacted by an increase in restructuring costs related to provisions for employee redundancies and contract termination fees of €31.9 million at PT Portugal as well as an increase in management fees paid by various Group entities to Altice Luxembourg and certain of its subsidiaries as part of the implementation of the Altice Way. On December 30, 2016, Altice Luxembourg sold its participation in AMI, which provides management services to Group entities and other affiliates of the Group, including services related to the Altice Way, to the Group. The management fees in 2016 were partially offset by the reversal of provisions for management fees payable by Altice International to Altice Luxembourg in 2016, following the change in the way that management fees were charged. See Note 4.2.2.2 of the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016.

Interest relative to gross financial debt

For the year ended December 31, 2016, our interest relative to gross financial debt totaled €654.1 million, a 36% increase compared to €480.8 million for the year ended December 31, 2015. Interest relative to gross financial debt Interest relative to gross financial debt includes the variation in the mark to market of our derivative financial instruments, which was the main driver of the increase in this line item from the year ended December 31, 2015.

Other financial expenses

For the year ended December 31, 2016, our other financial expenses totaled €80.5 million, a 58% decrease compared to €191.6 million for the year ended December 31, 2015. The decrease in other financial expenses was mainly due to a net loss in foreign exchange transactions in 2015 (€59.9 million), compared to a gain of €50.2 million in 2016.

Finance costs (net)

Net finance costs amounted to €736.0 million for the year ended December 31, 2016, registering an increase of 11.4% compared to the year ended December 31, 2015 (€660.9 million). This increase was mainly related to the increase in interest costs noted above, partially offset by the reduction in other financial expenses.

Net result on disposal of businesses

For the year ended December 31, 2016, we recognized a one-off gain on the Cabovisão Disposal for an amount of €112.6 million compared to €27.5 million for the year ended December 31, 2015 recognized on the Outremer Mobile Disposal.

Share of profit of associates

For the year ended December 31, 2016, our share of profit of associates totaled €2.5 million compared to €2.1 million in the year ended December 31, 2015.

(Loss)/profit for the period

For the year ended December 31, 2016, the Group recorded a net loss of €242.8 million, as compared to a net loss of €401.2 million for the year ended December 31, 2015. This decrease in net loss was mainly attributable to the factors described above.

Liquidity and Capital Resources

Cash and Debt Profile

As of June 30, 2017, our consolidated cash and cash equivalents amounted to €236.8 million on an actual basis. Each of our operating subsidiaries maintains cash and cash equivalents to fund their day-to-day requirements.

Our most significant financial obligations are our debt obligations. As a result of the various acquisitions we have made since 2013 and the financing transactions that we entered into to fund such acquisitions, our financing profile has undergone a substantial change in this period. Our total third party debt (excluding certain other long term and short term liabilities, other than finance leases, of the Group, any intercompany loans among the Group and preferred equity certificates issued to certain minority shareholders of our subsidiaries) as of June 30, 2017 was €8,206.7 million, including drawings under the Existing Revolving Credit Facilities (which amounted to €300.0 million as of June 30, 2017 and which we expect to repay in full using the proceeds of the Proposed Financing) and finance leases (which amounted €90.7 million as of June 30, 2017) but excluding other long term and short term liabilities. As of the date hereof, we have drawn an additional €375 million under the Existing Revolving Credit Facilities and can borrow a further €306 million thereunder.

Our material indebtedness (excluding amounts drawn under our Existing Revolving Credit Facilities, finance leases and other long term and short term liabilities) and principal repayment obligations, giving effect to the Refinancing Transactions but without giving effect to any hedging transaction and excluding accrued interest and debt issuance costs, with respect to such indebtedness are set forth below. The terms of our debt instruments contain certain restrictions, including covenants that restrict our ability to incur additional debt. As a result, additional debt financing is only a potential source of liquidity if the incurrence of any new debt is permitted by the terms of our existing debt instruments. See "*Description of Indebtedness.*"

	Period ending December 31,			
	2017	2018	2019 or later	Total
	€ in millions			
Existing HOT Unsecured Notes[(1)]	16	204	0	220
2013 June Senior Notes	0	0	250	250
2013 December Senior Notes[(2)]	0	0	350	350
2015 Dollar Senior Secured Notes[(2)]	0	0	1,805	1,805
2015 Euro Senior Secured Notes	0	0	500	500
2015 Dollar Senior Notes[(2)]	0	0	337	337

	Period ending December 31,			
	2017	2018	2019 or later	Total
	€ in millions			
2016 Senior Secured Notes(2)	0	0	2,410	2,410
Green Datacenter Debt(3)	3	5	23	31
Existing Term Loans(2)	4	8	785	797
2017 October Term Loans(2)(4)	0	0	1,089	1,089
Notes	0	0	500	500
Total	23	217	8,049	8,289

(1) The amount is based on the exchange rate as of June 30, 2017 of €1 = NIS 3.9825.

(2) The amount is based on the exchange rates as of June 30, 2017 of €1 = $1.1413.

(3) The amount is based on the exchange rate as of June 30, 2017 of €1 = CHF 1.0946.

(4) Includes the aggregate principal amount of €300.0 and $900.0 that is expected to be borrowed under the 2017 October Term Loans following the date hereof. See "*General Description of Our Business—The Refinancing Transactions—2017 October Term Loans and Redemption of the 2013 December Senior Secured Notes*" for more information.

Sources of Liquidity

Our principal source of liquidity is expected to be the operating cash flows of our operating subsidiaries and, if required, borrowings under the Existing Revolving Credit Facilities. As of June 30, 2017, our drawings under the Existing Revolving Credit Facilities amounted to €300.0 million (which we expect to be repay in full using the proceeds of the Proposed Financing) and were able to draw an additional €681.1 million in aggregate thereunder. Following June 30, 2017, we have drawn an additional €375.0 million under the Existing Revolving Credit Facilities. We expect to use these sources of liquidity to fund operating expenses, working capital requirements, capital expenditures, debt service requirements and other liquidity requirements that may arise from time to time. The availability of borrowings under our Existing Revolving Credit Facilities is conditioned upon compliance with specified leverage ratios. Our ability to generate cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that our cash and cash equivalents, the cash provided from the operations of our operating subsidiaries and any available borrowings under the Existing Revolving Credit Facilities will be sufficient to fund our currently anticipated working capital needs, capital expenditures, and debt service requirements during the next 12 months, although no assurance can be given that this will be the case. However, as our debt matures in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities. No assurance can be given that we will be able to complete the Refinancing Transactions or otherwise extend our debt maturities. In this regard, it is not possible to predict how economic conditions, sovereign debt concerns and/or any adverse regulatory developments could impact the credit markets we access and accordingly, our future liquidity and financial position. In addition, sustained or increased competition, particularly in combination with adverse economic or regulatory developments, could have an unfavorable impact on our cash flows and liquidity. See "*Risk Factors—Risks Relating to Our Financial Profile.*"

While there are any drawings outstanding under the Existing Revolving Credit Facilities or the 2017 Guarantee Facility, we are required to maintain compliance with the leverage ratios specified therein. Such leverage ratios are tested at the end of each fiscal quarter. The Existing HOT Unsecured Notes contain certain financial covenants which require HOT to maintain compliance with a maximum consolidated leverage ratio of 6.0 (calculated on a net debt basis) and minimum equity of NIS 300 million. Further, HOT may only distribute dividends if its consolidated leverage ratio (calculated on a net debt basis) is 5.5 or less. Our ability to maintain compliance with our financial covenants is dependent primarily on our or the relevant operating subsidiaries' ability to maintain or increase EBITDA and to achieve adequate returns on our capital expenditures and acquisitions. In addition, our ability to obtain additional debt financing is limited by the incurrence leverage covenants contained in our various debt instruments. See "*Description of Indebtedness*." Further, if our EBITDA were to decline, we could be required to repay or limit borrowings under the Existing HOT Unsecured Notes in order to maintain compliance with applicable covenants. No assurance can be given that we would have sufficient sources of liquidity, or that any external funding would be available on favorable terms, or at all, to fund any such required repayment.

Altice International is a holding company with no direct source of operating income. It is therefore dependent on dividends, servicing of intercompany loans and other payments from its operating subsidiaries to meet its liquidity requirements.

Working Capital

As of June 30, 2017 we have a negative net working capital position of €147.5 million compared to a negative working capital position of €364.8 million as of June 30, 2016. 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 in the beginning of the following month, thus generating a negative working capital. Payables due the following month are generally covered by operating cash flow. We expect that our operating cash flows and, if required, available borrowings under the Existing Revolving Credit Facilities will be sufficient to meet our working capital requirements during the next 12 months.

Consolidated Cash Flow Statements

	Historical Consolidated Financial Information	
	For the six months ended June 30,	
	2016[1]	2017
	€ in millions	
Cash and cash equivalents at beginning of period	266.0	266.0
Net cash provided by operating activities	812.1	1,003.1
Net cash used in investing activities	(68.9)	(454.2)
Net cash provided by (used in) financing activities	(659.9)	(572.5)[2]
Effects of exchange rate changes on the balance of cash held in foreign currencies	1.1	(5.5)
Cash and cash equivalents linked to assets classified as held for sale at the end of the reporting	—	—
Cash and cash equivalents at end of period	350.4	236.9

(1) Figures for the six months ended June 30, 2016 have been revised for the impact of the purchase price allocations of Group entities acquired during the 2015 and 2016 financial years. See Note 16 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

(2) Includes cash received on vendor financing and securitization for an aggregate amount of €107.2 million.

Six Months Ended June 30, 2017 compared to the Six Months Ended June 30, 2016

For a summary of significant events impacting Altice International's cash flows for the six months ended June 30, 2017, see "*—Discussion and Analysis of Our Results of Operations—Six Months Ended June 30, 2017 compared to the Six Months Ended June 30, 2016—Significant Events Affecting Historical Results*."

Net cash provided by operating activities

Net cash provided by operating activities increased by 23.5% to €1,003.1 million for the six months ended June 30, 2017 compared to €812.1 million for the six months ended June 30, 2016. The increase in net cash provided by operations was mainly related to favorable changes in working capital.

Net cash used in investing activities

Net cash used in investing activities increased by 559.2% to €454.2 million for the six months ended June 30, 2017 compared to €68.9 million for the six months ended June 30, 2016. The increase in the six months ended June 30, 2017 can be attributed to the scale of the investments and divestments made by the Group. In 2015, the Group had net proceeds of €415.8 million once the sales and purchases of certain subsidiaries were aggregated, while in 2016 such proceeds amounted to €144.6 million.

Net cash provided by (used in) financing activities

Net cash used in financing activities decreased by 13.2% to €572.5 million for the six months ended June 30, 2017 compared to €659.9 million for the six months ended June 30, 2016. The decrease can primarily be attributed to the change in vendor financing arrangements, with a net increase of €77.8 million.

	Historical Consolidated Financial Information	
	For the year ended December 31,	
	2015	2016
	€ in millions	
Cash and cash equivalents at beginning of year	188.1	266.0
Net cash provided by operating activities	1,441.3	1,571.2
Net cash used in investing activities	(1,242.4)	(781.1)
Net cash provided by (used in) financing activities	(116.6)	(792.3)
Effects of exchange rate changes on the balance of cash held in foreign currencies	2.4	3.2
Cash and cash equivalents linked to assets classified as held for sale at the end of the reporting	(6.8)	(0.9)
Cash and cash equivalents at end of year	266.0	266.0

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

For a summary of significant events impacting Altice International's cash flows for the year ended December 31, 2016, see "*—Discussion and Analysis of Our Results of Operations—Year Ended December 31, 2016 compared to the Year Ended December 31, 2015—Significant Events Affecting Historical Results*."

Net cash provided by operating activities

Net cash provided by operating activities increased by 9% to €1,571.2 million for the year ended December 31, 2016 compared to €1,441.3 million for the year ended December 31, 2015. The increase in net cash provided by operations was mainly related to an increase in the Group's operating income.

Net cash used in investing activities

Net cash used in investing activities decreased by 37.1% to €781.1 million for the year ended December 31, 2016 compared to €1,242.4 million for the year ended December 31, 2015. The decrease in the year ended December 31, 2016 can be attributed to the cash proceeds from the Cabovisão Disposal and a reduction in purchases of financial assets, partially offset by an increase in purchases of fixed assets.

Net cash provided by (used in) financing activities

Net cash used in financing activities increased by 579.5% to €792.3 million for the year ended December 31, 2016 compared to €116.6 million for the year ended December 31, 2015. The increase can primarily be attributed to payments to Altice Luxembourg which did not occur in 2015 as well as an increase in interest paid over the period.

Capital Expenditures

We classify our capital expenditures in the following categories.

Fixed-based services (including wholesale): Includes capital expenditures related to (i) connection of customer premises and investment in hardware, such as set-top boxes, routers and other equipment, which is directly linked to RGU growth ("CPEs and installation related"); (ii) investment in improving or expanding our cable network, investments in the television and fixed-line platforms and investments in DOCSIS network capacity ("cable network and construction related") and (iii) other capital expenditures related to our cable/fiber based business. This also includes capital expenditures relating to datacenters, backbone network, connection fees of clients premises, rental equipment to customers and other B2B operations as well as content related capital expenditures relating to our subsidiaries that produce and distribute content. Capital expenditures relating to network and equipment that is common to the delivery of fixed-based or mobile services as well as in Others are reflected in cable capital expenditures or mobile capital expenditures as the case may be.

Mobile services: Includes capital expenditures related to improving or expanding our mobile networks and platforms and other investments relating to our mobile business.

Others: Includes capital expenditures relating to our content rights and other non-core fixed-based or mobile activities, such as capital expenditures relation to our datacenters and backbone network.

Six Months Ended June 30, 2017 compared to the Six Months Ended June 30, 2016

For the six months ended June 30, 2017, our total capital expenditures were €447.6 million (representing 17% of revenue), a 19.1% decrease compared to €553.6 million (representing 24.5% of revenue) for the six months ended June 30, 2016.

	Historical Segmented Basis For the six months ended June 30,										
	2016					2017					
	Portugal[1]	Israel	Dominican Republic	Others[2]	Total	Portugal	Israel	Dominican Republic	Others[2]	Eliminations	Total
	€ in millions										
Total accrued capital expenditures..............	**(217.2)**	**(174.4)**	**(59.2)**	**(102.8)**	**(553.6)**	**(227.9)**	**(131.2)**	**(54.5)**	**(61.8)**	**27.6**	**(447.6)**
Adjusted EBITDA[3]—total accrued capital expenditures..............	**338.4**	**40.9**	**125.2**	**19.7**	**524.3**	**290.3**	**106.4**	**132.1**	**161.3**	**4.8**	**694.9**

(1) Includes €44.0 million of capitalized exclusive content costs in Portugal for multi-year contracts.

(2) Comprises of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

(3) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial as it provides them with a measure of the operating results which excludes certain items we consider outside of our recurring operating activities or that are non cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in its financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

Portugal: For the six months ended June 30, 2017, PT Portugal's total capital expenditures were €227.9 million (representing 19.8% of revenue in Portugal), a 4.9% increase compared to €217.2 million for the six months ended June 30, 2016 (representing 18.9% of revenue in Portugal). For the six months ended June 30, 2017, our capital expenditures related to fixed-based services increased due to the heightened pace of our fiber rollout program and increased CPE's-related capital expenditures, while our capital expenditures related to mobile services increased as a result of our investment in single-RAN technology which started in the second half of 2016. For the six months ended June 30, 2017, our other capital expenditures decreased compared to the six months ended June 30, 2016, primarily reflecting the capital expenditure recorded in 2016 associated with the multi-year contract which we entered into in connection with our €44 million acquisition of the exclusive broadcasting rights of the 'Porto' television channel.

Israel: Capital expenditure in Israel decreased by 24.8%, from €174.4 million (representing 37.4% of our revenue in Israel) in the six months ended June 30, 2016 to €131.2 million (representing 24.7% of our revenue in Israel) in the six months ended June 30, 2017. For the six months ended June 30, 2017, capital expenditures related to fixed-based services decreased due to a decrease in network investment and local production investment, offset by an increase in CPEs investments. Our capital expenditures related to mobile services also decreased, mainly due to a decrease in our investments relating to our network sharing agreement with Partner.

Dominican Republic: For the six months ended June 30, 2017, our total capital expenditures were €54.5 million (representing 15.2% of our revenue in the Dominican Republic), a 7.9% decrease compared to €59.2 million for the six months ended June 30, 2016 (representing 16.8% of revenue in the Dominican Republic). Capital expenditure in the Dominican Republic was driven by our single-RAN project for network efficiency and 4G capacity as well as our fiber rollout to cover data growth. Our capital expenditures related to fixed-based services decreased in the six months ended June 30, 2017 compared to the six months ended June 30, 2016 due to an evolution in our network strategy, moving from our HFC rollout to a new DTH service, which requires a lower level of investment. For the six months ended June 30, 2017, our other capital expenditures increased, primarily due to purchases of equipment and services for single-RAN and our fiber rollout. In the six months ended June 30, 2017, we experienced growth in our customer base of 15% compared to the six month ended June 30, 2016, primarily as a result of an increase in the number of homes passed which has resulted from the expansion of our coverage areas and our continued rollout of advanced infrastructure.

Others: For the six months ended June 30, 2017, our total capital expenditures were €61.8 million (representing 8.0% of our revenue in Others), a 39.9% decrease compared to €102.8 million for the six months ended June 30, 2016 (representing 40.8% of revenue in Others).

Year Ended December 31, 2016 compared to the Year Ended December 31, 2015

For the year ended December 31, 2016, our total capital expenditures were €1,457.6 million (representing 32.3% of revenue), a 105% increase compared to €710.9 million for the year ended December 31, 2015 (representing 20.4% of revenue).

	Historical Segmented Basis For the year ended December 31,									
	2015					2016				
	Portugal	Israel	Dominican Republic	Others(1)	Total	Portugal	Israel	Dominican Republic	Others(1)	Total
	€ in millions									
Total accrued capital(2) expenditures	**(208.6)**	**(284.9)**	**(124.1)**	**(93.3)**	**(710.9)**	**(438.8)**	**(312.8)**	**(122.3)**	**(583.7)**	**(1,457.6)**
Adjusted EBITDA(3)—total accrued capital expenditures	**431.8**	**144.8**	**236.3**	**77.8**	**890.7**	**649.3**	**118.3**	**252.6**	**(339.3)**	**680.9**

(1) Comprises of our fixed-based and mobile services in Belgium and Luxembourg (until the completion of the Coditel Disposal on June 19, 2017) and the French Overseas Territories as well as our datacenter operations in Switzerland (Green and Green Datacenter), our content production and distribution businesses (including AENS), advertising, customer services, technical services and other activities that are not related to our core fixed-based or mobile business. Green Datacenter and Auberimmo are Unrestricted Subsidiaries under the terms governing the indebtedness of the Group.

(2) Total accrued capital expenditures reflects accrued capital expenditures after giving effect to intercompany eliminations. Adjusted EBITDA is presented here before giving effect to intercompany eliminations.

(3) Adjusted EBITDA is defined as operating profit before depreciation and amortization, impairment and losses, other operating and non-recurring items and other adjustments (equity based compensation expenses) in EBITDA. Adjusted EBITDA is unaudited and is not required by or presented in accordance with IFRS or any other generally accepted accounting standards. We believe that this measure is useful to readers of our financial as it provides them with a measure of the operating results which excludes certain items we consider outside of our recurring operating activities or that are non cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in its financial performance. Adjusted EBITDA should not be considered as a substitute measure for operating income and may not be comparable to similarly titled measures used by other companies.

Portugal: For the year ended December 31, 2016, PT Portugal's total capital expenditures were €438.8 million (representing 19% of revenue in Portugal), a 110.4% increase compared to €208.6 million for the year ended December 31, 2015 (representing 14% of revenue in Portugal). For the year ended December 31, 2016, capital expenditures related to fixed-based services increased year-on-year. This increase reflected the consolidation of PT Portugal for the entirety of the fiscal year ended December 31, 2016, as compared to approximately six months for the year ended December 31, 2015, as well as the fiber rollout program that we initiated at the end of 2015 and which was fully underway in 2016. Our capital expenditures related to mobile services also increased year-on-year, mainly due to investments in the modernization of PT's mobile network through the single-RAN technology, while our other capital expenditures increased primarily due to the capital expenditures associated with the multi-year contract entered into in connection with our €44 million acquisition of the exclusive broadcasting rights of the 'Porto' television channel. For the period from January 1, 2015 to June 2, 2015 and prior to its acquisition by the Group, PT Portugal's total capital expenditures were €146.9 million.

Israel: Capital expenditure in Israel increased by 9.8% in 2016 (€312.8 million in 2016 as compared to €284.9 million in 2015), mainly due to an increase in our mobile segment as a result of investments made in connection with our network sharing agreement with Partner. For the year ended December 31, 2016, our capital expenditures related to fixed-based services decreased, primarily due to a decrease in network investment and CPEs investments.

Dominican Republic: For the year ended December 31, 2016, our total capital expenditures were €122.3 million (representing 17.1% of our revenue in the Dominican Republic), a 1.5% decrease compared to €124.1 million for the year ended December 31, 2015 (representing 17.9% of revenue in the Dominican

Republic). Capital expenditure in the Dominican Republic was driven by our HFC rollout to cover new cities and investments to modernize our fixed network. For the year ended December 31, 2016, capital expenditures related to fixed-based services increased as a result of our continued HFC rollout and fixed network improvements. Our other capital expenditures also increased, which primarily reflects our strong focus on fixed services. In 2016, we experienced growth of 17% in our cable customer base. In order to support emerging trends in the use of mobile data and our growing mobile subscriber base, we rolled out a total of 84 3G sites and 134 4G sites in the Dominican Republic, extending our network to 11pp of 4G coverage at 55% and 2pp of 3G coverage at 90%.

Others: For the year ended December 31, 2016, our total capital expenditures were €583.7 million (representing 108.3% of our revenue in Others), a 525.6% increase compared to €93.3 million for the year ended December 31, 2015 (representing 24.6% of revenue in Others), which was primarily due to the acquisition of certain content rights during the third quarter of 2016 for a total of €437.3 million. These content rights included exclusive rights to broadcast certain sports (such as English Premier League Football, the French Basketball League and the English Rugby Premiership) in France and other territories for periods of between three and six years.

Contractual obligations

The following tables summarize the payments that we will be obligated to make under our material contractual commitments as of June 30, 2017. The information presented in the tables below reflects management's estimates of the contractual maturities of our obligations. These maturities may differ significantly from the actual maturity of these obligations.

Payments due by period

	Period ending December 31,			
	2017	**2018**	**2019 or later**	**Total**
	€ in millions			
Long term debt obligations	23.0	217.0	7,849.0	8,089.0
Finance leases(1)	26.6	18.8	54.4	99.9
Operating leases(1)	164.3	37.7	100.2	302.2
Total	**213.5**	**273.5**	**8,003.6**	**8,451.0**

(1) The payments that we are obligated to make pursuant to our finance leases and operating leases are presented as of December 31, 2016.

Unrecognized Contractual Commitments

We have other contractual obligations incurred in the ordinary course of business, including commitments relating to building or upgrading network infrastructure, purchase of set-top boxes, modems, mobile handsets and other end-user equipment and various maintenance and support contracts primarily relating to the maintenance and support of network infrastructure and equipment, purchase commitments for content, royalty payments to regulatory authorities and authors' rights to societies and commitments under interconnection contracts. See Note 26 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016.

	Period ending December 31, 2016				
	< one year	**Between one and two years**	**Between two and four years**	**Five years or more**	**Total**
	€ in millions				
Goods and service purchase commitments	330.7	193.0	424.8	637.8	**1,586.3**
Investment commitments	75.2	3.8	1.5	—	**80.5**
Guarantees given to suppliers/customers	4.9	0.4	2.5	64.8	**72.6**
Guarantees given to government agencies	18.4	0.0	24.7	58.2	**101.4**
Other commitments	—	—	—	—	**—**
Total	**429.3**	**197.2**	**453.5**	**760.8**	**1,840.9**

	< one year	Between one and two years	Between two and four years	Five years or more	Total
	Period ending December 31, 2015				
	€ in millions				
Goods and service purchase commitments	224.4	78.4	36.8	0.2	**339.8**
Investment commitments	334.0	173.0	232.6	550.5	**1,290.1**
Guarantees given to suppliers/customers	3.6	0.5	2.0	21.0	**27.1**
Guarantees given to government agencies	14.1	14.2	—	87.0	**115.3**
Other commitments	57.4	—	—	—	**57.4**
Total	**633.5**	**266.1**	**271.4**	**658.7**	**1,829.7**

On May 11, 2017, the Group announced that it had successfully acquired the exclusive rights to broadcast the UEFA Champions League and UEFA Europa League in France. The rights were acquired by Altice Picture and cover the period from August 2018 to May 2021. During the second quarter of 2017, the Group prepaid the first installment of €70.2 million for the UEFA Champions League and UEFA Europa League. In relation to these rights, the Group has executed a new €350 million bank guarantee, of which €316 million was drawn at June 30, 2017. The rights include exclusive broadcast coverage across free-TV, pay-TV, mobile, internet, over-the-top and digital terrestrial television coverage in France and non-exclusive rights in French in Luxembourg, Switzerland and Monaco.

Following the new and amended agreements, the total commitments of the Group increased by approximately €1 billion. See Note 11 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017

Other than as disclosed in this Notice and in the notes to the Historical Consolidated Financial Information, the Group did not enter into any significant contractual obligations and commercial commitments in the periods under review.

Defined Benefit and Defined Contribution Pension Plans

In addition, we have obligations under defined benefit and defined contribution pension plans. Our cash outflow relating to these obligations will vary depending on a number of factors. In the case of defined benefit plans, we recognize a liability regarding employee benefits in the statement of financial position of Altice International which represents the present value of the defined benefits liability less the fair value of the plan assets, and the past service costs. The liability in respect of defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions with regards to, among others, discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long term nature of these plans, such estimates are subject to uncertainty. Actuarial gains and losses are reflected in the statement of income and statement of other comprehensive income in the period in which they arise, as part of the salary costs. Deposits in a defined contribution plan in respect of severance pay or in respect of emoluments are recognized as an expense at the time of the deposit in the plan, in parallel to the receipt of the labor services from the employee and no additional provision is recognized in the financial statements. As of December 31, 2016, our total defined benefit plans liabilities were €871.0 million. See Note 13.2 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016.

Post-Balance Sheet Date Events

The following is an overview of key investments and disposals made by Altice International since June 30, 2017 which may have a significant impact on the Group's financial condition and results of operations.

On July 14, 2017, the Group entered into a definitive agreement to acquire a 94.7% stake in Media Capital, a leading Portuguese media group with positions in both TV and radio. Media Capital, which also owns Plural (one of the largest Portuguese content producers), reported revenues of €174.0 million and EBITDA of €41.5 million as of and for the year ended December 31, 2016. On September 19, 2017, ANACOM issued an opinion opposing the transaction in its current form. The opinion issued by ANACOM is not binding and the merger control proceedings carried out by Autoridade da Concorrência remain ongoing in accordance with the relevant terms of procedure. The mandatory takeover offer that we preliminarily announced over the share capital of Media Capital also remains ongoing, with registration and launching being subject to the approval of regulatory conditions set out in the preliminary announcement.

Related Party Transactions

Other than as disclosed in this Notice and in the notes to the Historical Consolidated Financial Information, the Group did not have any material transactions with related parties during the six months ended June 30, 2017 and the years ended December 31, 2016 and 2015. See "*Certain Relationships and Related Party Transactions*."

Off Balance Sheet Arrangements

We are not party to any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditure or capital resources, other than the contractual commitments relating to purchase of property plant, and equipment, operating leases and others described under "—*Contractual Obligations*" or as disclosed below or in the notes to the Historical Consolidated Financial Information included in this Notice.

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily as between the U.S. dollar, Euro, New Israeli Shekels and the Dominican peso, and use financial instruments to manage our exposure to interest rate and foreign exchange rate fluctuations.

Credit Risk

The Group does not have significant concentrations of credit risk. Credit risk may arise from the exposures of commitments under a number of financial instruments with one counterparty or as the result of commitments with a number of groups of debtors with similar economic characteristics, whose ability to meet their commitments could be similarly affected by economic or other changes.

The Group's income mainly derives from customers in Europe (Portugal and Switzerland), Israel, the Dominican Republic and the French Overseas Territories. The Group regularly monitors its customers' debts and provisions for doubtful debts are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt.

Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Board of Managers, which manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecasted and actual cash flows and by matching the maturity profiles of financial assets and liabilities. The Group has a strong track record of driving operating free cash flow generation and specializes in turning around struggling businesses and improving the cash generation of existing businesses. As all external debt is issued and managed centrally, the executive directors of the Group have a significant amount of control and visibility over the payments required to satisfy obligations under the different external debts.

Additionally, as of the date of this Notice, the Group has access to €306 million in aggregate in undrawn amounts under its Existing Revolving Credit Facilities to cover any liquidity needs not met by operating cash flow generation, having drawn €300.0 million thereunder as of June 30, 2017 (which we expect to be repay in full using the proceeds of the Proposed Financing) and an additional €375.0 million following June 30, 2017.

Interest Rate and Related Risk

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not our earnings or cash flows. Accordingly, interest rate risk and changes in fair market value should not have a significant effect on the fixed rate debt until we would be required to refinance such debt at maturity or, with respect to the HOT Unsecured Notes, pursuant to amortization obligations. As adjusted for the Proposed Financing, on a consolidated basis, our primary fixed rate debt obligations were in an amount equivalent to €6,498 million (including finance leases but excluding other financial liabilities) comprising of the Existing Senior Secured Notes, the Existing Senior Notes, the Existing HOT Unsecured Notes and the Notes, while our primary floating rate debt obligations (including the Existing Revolving Credit Facilities, the Existing Term Loans and the 2017 October Term Loans but excluding the 2017 Guarantee Facility) were in an amount equivalent to €1,822 million comprising of the Existing Term Loans and the debt of Green Datacenter. In addition, any borrowings we make under the Existing Revolving Credit Facilities, the Existing Term Loans and the 2017 Guarantee Facility will bear interest at a floating rate. In addition, a portion of our debt in an amount of €120 million (equivalent) based on the exchange rate as of June 30, 2017), comprising Series A of the Existing HOT Unsecured Notes, is linked to the Consumer Price Index in Israel and therefore actual amounts outstanding may vary from time to time and differ from the nominal amount outstanding.

Foreign Currency Risk

Our business is exposed to fluctuations in currency exchange rates. See Note 15.3.3 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016. The HOT Group's primary transactional currency is the New Israel Shekel. Altice Hispaniola's and Tricom's primary transactional currency is the Dominican peso. The primary transactional currency of Green is the Swiss Franc. The primary transactional currency of Altice International and its other operating subsidiaries is the Euro. We conduct, and will continue to conduct, transactions in currencies other than such primary transactional currencies, particularly the U.S. dollar. Our existing debt is primarily denominated in U.S. dollars, euros and New Israeli Shekels although the amounts incurred in euros and New Israeli Shekels do not necessarily match the amount we earn in the corresponding currency. We seek to manage such transactional foreign currency exposures though our hedging policy in accordance with our specific business needs.

As part of its financial risk management strategy, the Group has entered into certain hedging operations. These are split mainly into either fixed to fixed or floating to floating cross-currency and interest rate swaps that cover against foreign currency and interest rate risk, FX forwards that cover against foreign exchange risk only, or interest rate swaps covering interest rate risk only. For details regarding the Group's outstanding derivative instruments to secure foreign currency liabilities and to reduce foreign currency exposure, see Note 14 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 and Note 8.3 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

Critical Accounting Policies, Judgments and Estimates

For details regarding the Group's critical accounting policies, judgments and estimates, see Note 1 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 and Note 2 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

For details regarding the Group's adoption of IFRS 15 and its impact on its revenue recognition, see "*Key Income Statement Items—Impact of IFRS 15 on Revenue Recognition*," Note 1.4.2 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 and Note 2.1.2 to the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

INDUSTRY AND MARKET OVERVIEW

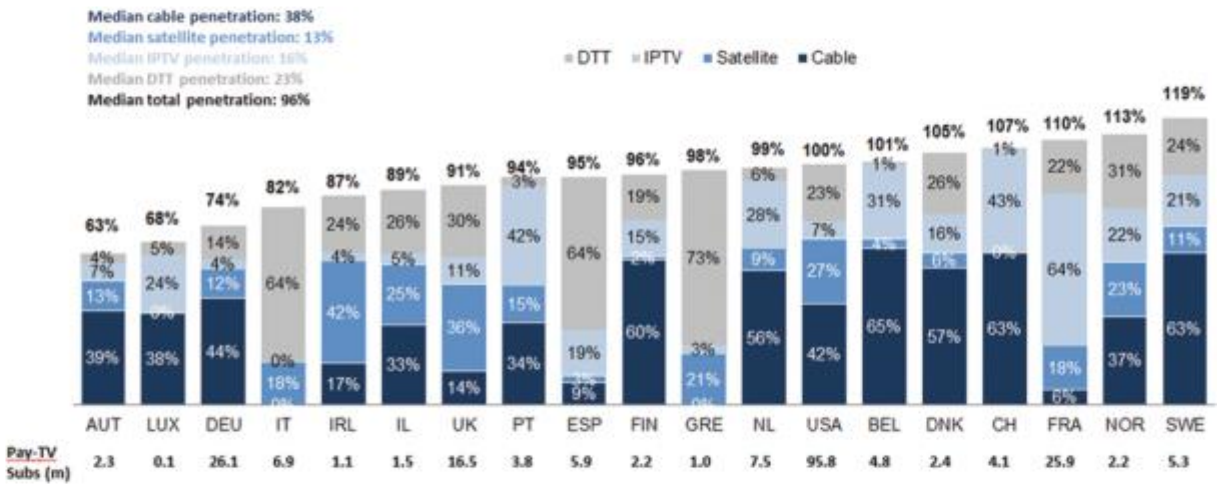
Introduction

We primarily provide cable and fiber-based services comprising high-quality pay television, high-speed broadband internet, fixed-line and mobile telephony to residential customers, and, in certain countries, mobile and fixed-line enterprise telecom services to corporate and government customers. Across geographies, we benefit from an attractive competitive environment given the superiority of the services we can provide through our cable and fiber networks, in which we have significantly invested, as well as our advanced mobile networks. This has enabled us to (1) develop strong positions in multiple play segments as selling various services as part of bundles has become a growing trend in the markets in which we operate and (2) grow our market share in mobile telephony across our markets (Portugal, Israel, Dominican Republic and other geographies).

Pay Television

Cable is the leading platform to distribute pay television in Western Europe and the United States, with a few exceptions, for example in Italy where cable has not been introduced. Technologies that compete with cable include satellite, Internet Protocol television ("IPTV"), "over the top" ("OTT") television and digital terrestrial television ("DTT"). We believe that cable has certain advantages over these technologies, notably in terms of availability of interactive features, image quality and number of channels. Cable is only matched in quality by IPTV and OTT television when these technologies are delivered over fiber-to-the-home ("FTTH") networks. FTTH networks benefit from substantial bandwidth capabilities that are able to cope with the simultaneous provision of high-speed broadband and high-definition television services.

2016 Pay-TV Platforms—Western Europe and the US



Source: Ampere

Satellite operators distribute digital signals nationally via satellite directly to television viewers. To receive programming distributed via satellite, viewers require a satellite dish, a satellite receiver and a set top box. Pay television services provided via satellite typically require the viewers to use a conditional access smart card. Satellite distribution has certain competitive advantages over cable television services, including a broader range of programs available to a wider geographic area. However, given the lack of an integrated return path, satellite struggles to deliver easy to handle interactive television services, including video on demand ("VoD") services, to subscribers who do not have a broadband internet connection. We believe that satellite has the following additional competitive disadvantages compared to cable: (i) higher up front cost of procuring and installing a satellite dish needed to receive programming, as compared to the "plug and play" convenience of cable television; (ii) absence of an ongoing maintenance service, which cable network operators can offer to their subscribers; (iii) satellite providers of "free to air" satellite services typically do not have strong relationships with the viewers using their service as they do not receive subscription or other fees from them; and (iv) vulnerability of satellite reception to external interference, such as adverse weather conditions.

DTT based pay television packages benefit from the wide coverage of the terrestrial platform but suffer from the structurally limited number of channels available on DTT and the lack of interactive features that can be provided through cable services. Consequently, the success of pay DTT has been limited, even in geographies where free DTT is the primary television platform.

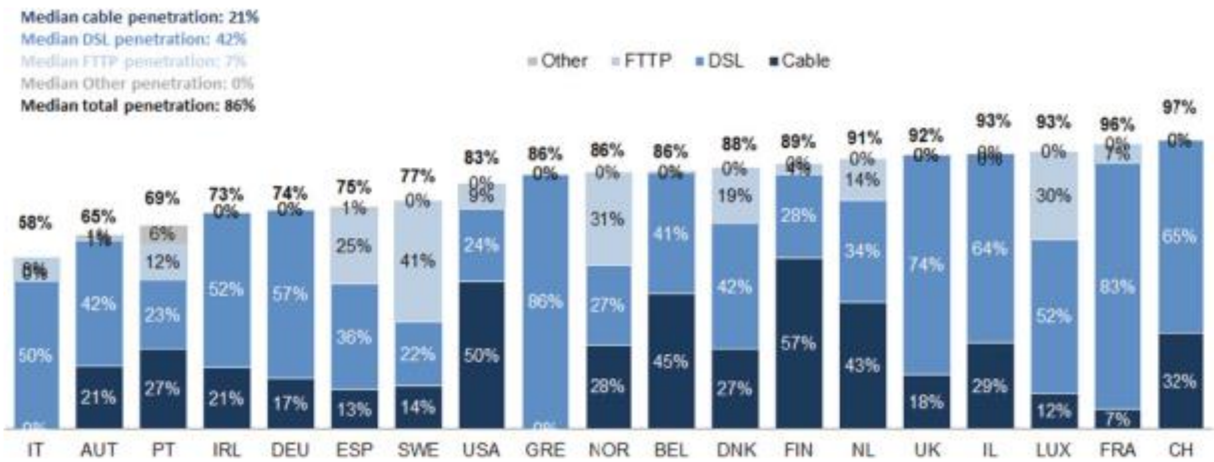
IPTV and OTT television are highly attractive ways of providing television content except when they rely on digital subscriber line (“DSL”) networks. IPTV and OTT television that rely on DSL networks present a number of disadvantages compared to cable. For example, adding television services over a DSL network strains the network and decreases the amount of capacity available for other service offerings, particularly bandwidth intensive broadband internet. Under currently available technology, we believe that DSL based triple-play providers will have difficulty providing the same level of services that can be provided over fiber networks (in particular, for HDTV, viewing of TV and VoD on multiple screens or TV and VoD simultaneous viewing and recording) without having to make significant investments in extending fiber closer to the subscriber’s home. When such investments in fiber are made, notably through FTTH networks, IPTV and OTT television are able to offer high quality television to viewers.

Compared to DTH services provided via cable and FTTH networks are characterized by easy to use technology, the efficient installation of customer equipment and the reliability of a protected signal delivered directly to the home. Given the trend towards offering bundled media and telecommunications services, the market share of pay television distribution is expected to benefit from cable and fiber’s ability to deliver triple-play services with high bandwidth, high-speed and bi-directional capacity. Compared to standalone DTH, namely without a broadband internet connection, the number of advantages of bi-directional capabilities of digital cable television are substantial for both the users and the cable operator. Digital cable subscribers can order VoD products and use interactive television while the cable operator is able to track usage patterns and enable their customers, the television channels, to target advertising to customers more efficiently.

Broadband Internet

The main broadband internet access technologies are DSL and cable, with DSL being the leading platform in a number of countries for historical reasons, since internet access was initially provided on telephony copper lines; however is now increasingly provided on FTTH networks. We believe that the increasing demand for very-high-speed broadband internet to cope with advanced applications, such as multi-screen and multimedia, that require higher bandwidth and greater download speeds offer a sizable growth opportunity for cable- and fiber-based technologies in the near term. Furthermore, we believe that we are well positioned to benefit from the expected continued growth of the demand for very high speed internet, given that cable networks enable us to offer download speeds of at least 100 Mbps to a majority of homes passed in our footprint and our cable and fiber-based networks will be able to handle the increased demand with limited additional upgrades. In contrast, many DSL based operators in some of the geographies where we operate would need to make substantial investments in fiber to meet customer needs; however it is possible, in some coverage areas, to upgrade DSL networks to fiber for a limited cost.

2016 Fixed Broadband Platforms—Western Europe and the US



Source: Ampere

The existing DSL infrastructure offers consumers significantly lower speeds compared to cable maximum speeds of up to approximately 300Mbps on US DOCSIS 3.0, 360 Mbps on Euro DOCSIS 3.0 and up to 1 Gbps on FTTH networks. For most users, the actual speed provided by DSL is lower than the advertised maximum speed as the speed is dependent on the distance between end-users’ premises and DSL hubs. Furthermore, the maximum download speed of DSL networks has to be shared between broadband internet and competing simultaneous users of the line, such as IPTV. According to the “Quality of Broadband Services in the EU” report by the European Commission (published in October 2014), cable and FTTx services achieved 86.5% and 83.1% of advertised download speeds, respectively, while DSL based services achieved only 63.3% of advertised download speed.

A substantial challenge facing the expansion of FTTH or FTTB is that introducing such technology is capital and time intensive and requires significant digging and rewiring, with the exception of certain areas and buildings where upgrades can be performed at a limited cost.

Unlike DSL, cable networks are able to deliver consistent speeds irrespective of the distance to the customer. We are currently able to offer download speeds of at least 100 Mbps to a majority of homes passed in most of our footprint.

The DOCSIS 3.1 standard, which is being developed by CableLabs, is a new DOCSIS specification enabling higher spectral efficiency support of up to 10 Gbps downstream and 1 Gbps upstream speeds. DOCSIS 3.1 is expected to work on existing hybrid fiber coaxial ("HFC") plant and be backwardly compatible with previous DOCSIS standards. This double backward compatibility will allow a smooth migration strategy and no plant changes required to deploy DOCSIS 3.1 equipment. Furthermore, limited investment will be needed to further maximize the capacity in the future.

Very-high-bit-rate digital subscriber line 2 ("VDSL2") is the latest and most advanced technology for DSL broadband internet wireline communications. It was originally designed to support the wide deployment of triple-play services such as voice, video, data, HDTV and interactive gaming and was intended to enable operators and carriers to gradually, flexibly, and cost efficiently upgrade existing xDSL infrastructure. VDSL2 allows the transmission of asymmetric and symmetric aggregate data rates of up to 200 Mbps downstream and upstream on twisted pairs using a bandwidth up to 30 MHz and further, allows for significantly lower signal deterioration caused by the distance between the cabinet and the customer's premises when compared to older DSL technologies. VDSL2 enabled networks could theoretically allow for up to 100 Mbps at 0.4 kilometers, 40 to 50 Mbps at 0.7 kilometers and approximately 30 Mbps at 1 kilometer.

Fixed-line Telephony

Traditional switched voice lines have been declining steadily in recent years as they are replaced by voice over Internet Protocol ("VoIP") lines. More generally, fixed-line telephony has become a commodity product that is now bundled into multiple play packages. Accordingly, fixed-line services have become dependent on the quality of the broadband internet offering and rate pricing for fixed-line telephony is now the market standard. Despite these changes, the decline in use of fixed-line telephony has been slow as most households still maintain a fixed-line at home.

Mobile Telephony and Mobile Broadband Internet

Consumption of mobile telephony and data services has continued to rise globally, driven by a growing penetration and a wider availability of smart phones. Mobile data traffic is forecasted to grow at an average rate of 47% between 2016 and 2021 according to third party sources, mainly driven by the development of smartphone devices supporting multiple wireless technologies. As mobile internet usage is mainly in the vicinity of home or office, we believe that operators' success in the mobile telephony services business will largely rely on their ability to access a high capacity backbone with compelling mobile tower backhaul offload solutions and a strong integration of their mobile telephony offers with residential broadband based offload capabilities to cope with increasing data consumption.

Despite this general trend, each mobile telephony market has a different structure and dynamic, depending on a variety of factors including, among other factors, the number of mobile network operators versus mobile virtual network operators, penetration of post-paid versus pre-paid subscription, regulation, available spectrum, and commercial strategies of operators such as handset subsidies. The success of mobile operators in the various markets is largely dependent on the overall environment and its competitive advantage. As such, we have decided to implement a versatile mobile strategy that takes advantage of the fixed mobile convergence. As part of this strategy, we own and operate a mobile network in Israel and we expect to benefit from synergies with our scalable cable networks in Israel.

Fixed-line Enterprise Telecom Services

We provide business-to-business ("B2B") telecom services, including voice and data to Enterprise customers, in a number of our geographies. We are increasingly migrating our Enterprise customers from voice-only products to integrated systems involving data connectivity, information and communications technology ("ICT") applications and cloud-based solutions. We believe our network infrastructure and pooled experience across the Altice Group give us a competitive advantage in this segment.

1. Portugal

Macroeconomic Overview

Portugal is our largest operating market. According to the IMF, Portugal has a population of approximately 10.3 million as of December 2016. It is a developed market economy with a GDP per capita in 2016 of $19,832, as compared to $41,902 for Germany, $40,096 for the UK and $38,128 for France. In 2016, Portugal's economy expanded by 1.4% according to the IMF. This compares to GDP growth of 1.8% for Germany, 1.8% for the UK and 1.2% for France during the same period. According to the IMF, Portugal's GDP is expected to grow at 1.7% in 2017 and at 1.5% in 2018. This is in line with other developed European economies such as Germany, which is forecast to grow 1.6% and 1.5%, the UK, which is expected to grow 2.0% and 1.5% and France, which is expected to grow 1.4% and 1.7%, respectively over the same periods, according to IMF.

Similarly, Portuguese unemployment has significantly improved, having declined from 17.5% in March 2013 to 8.8% as of June 2017 (Source: Instituto Nacional de Estatistica). This compares with unemployment rates as of December 2016 of 4.2% in Germany (Source: IMF), 10.0% in France (Source: IMF), and 4.9% in the UK (Source: IMF).

The improved macroeconomic conditions have had a positive impact on consumer confidence, which has increased from 99.74 in January 2014 to 102.47 in August 2017 (based on an index of 100) according to OECD.

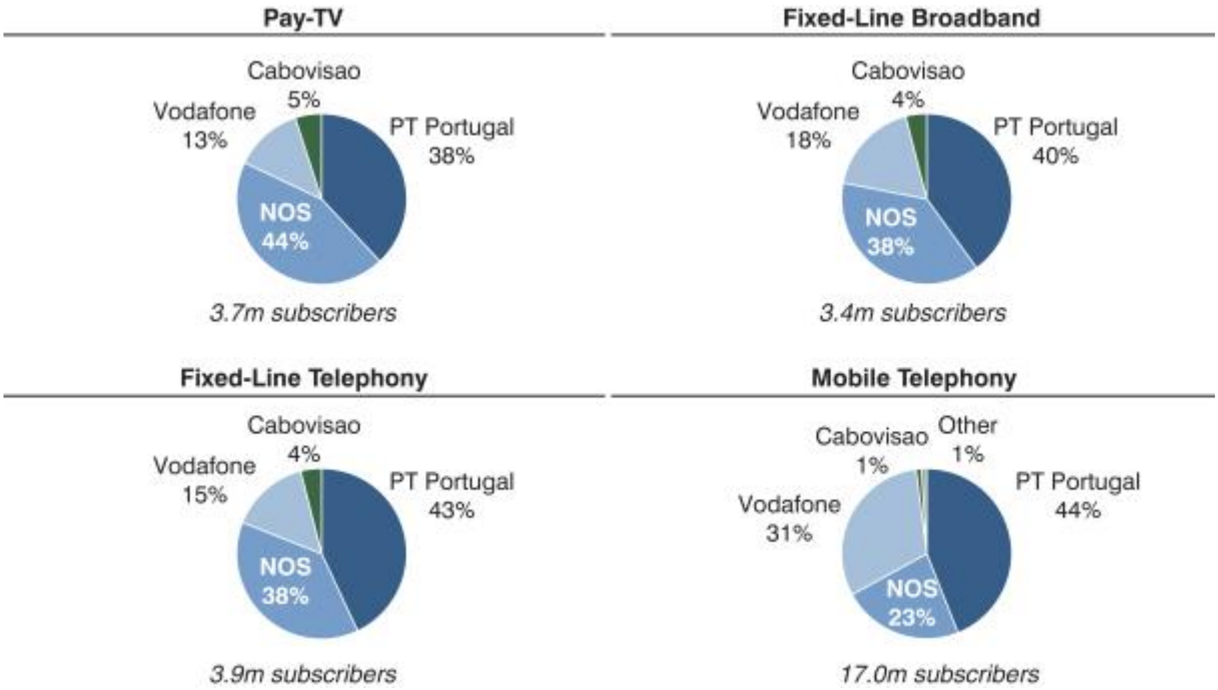
Reduced Unemployment

Source: Instituto Nacional de Estatistica

Competitive Overview

Below is an overview of PT Portugal's main competitors in Portugal:

Market Shares by Subscribers in Portugal (Q1 2017)



Source: ANACOM.

1.1 Pay Television

According to ANACOM, as of March 31, 2017, there were approximately 3.7 million pay television subscribers in Portugal, with a penetration rate (as a percentage of households) of 90.6%, comparable with the most advanced EU peers. The penetration rate is expected to reach 98% by 2018 (Source: Ampere). Pay television penetration has been rising over the past three years driven by the high demand for a broad range of pay television channels and the relative weakness of free terrestrial television, which only transmits five channels. Pay television has historically been primarily provided over the cable platform, which has a higher roll out rate than many Western European countries with DTH a complementary platform in rural areas, and more recently, IPTV in areas where fiber is present. Most of the pay television market is divided between two players: NOS (formerly known as ZON Optimus), the largest player by number of subscribers, and PT Portugal. Vodafone is a third service provider, but it has a limited coverage in rural areas. Based on ANACOM research, excluding other small providers, as of March 31, 2017, NOS, PT, Vodafone and Cabovisão had approximately 44%, 38%, 13% and 5% of market share nationwide, respectively. In recent years, PT Portugal has been maintaining market share due to the provision of local and original content as well as innovative features (e.g. multi-screen and non-linear content). PT Portugal has primarily offered low-priced IPTV, predominately in fiber areas and to a lesser extent on its DSL network; however, it also has a DTH offering for rural areas where its DSL network suffers from technological limitations. PT Portugal's IPTV offering, sold primarily as part of triple-play packages, has historically not taken customers away from cable. However, it has driven an increase in pay television penetration. Pay television ARPU is expected to increase at 0.7% from 2017 to 2021, according to Ampere.

The Pay-TV market generated revenues of €1.8 billion in 2016 according to Anacom.

1.2 Broadband internet

Introduction

According to Anacom, as of March 31, 2017, there were approximately 3.4 million broadband internet subscribers, with a penetration rate (as a percentage of households) of 69.2%. There are a number of operators providing broadband internet services to residential customers in Portugal. PT Portugal is ranked as the top player in this market. According to Anacom, NOS had a market share of 38% as of March 31, 2017. The Portuguese broadband market has strong growth prospects given penetration upside potential. Growth is also expected to be driven by upgrading to higher speed offerings, based on a cable or fiber network infrastructure. According to Ampere, the number of B2C subscribers to internet accesses is estimated to grow at 2.9% per annum (2016 to 2021) and ARPUs at 4.4% (2016 to 2021), both metrics being in line with the Western European average.

In 2016, the B2C internet access market generated revenues of €1.7 billion according to Anacom.

Network Infrastructure

The quality of the network infrastructure underpinning the broadband internet access product is an important asset for operators. We own our HFC networks that are 99% DOCSIS 3.00 enabled as of June 30, 2017, and, in Portugal, we own one of the largest FTTH networks, which pass 3.5 million homes as of June 30, 2017. We are also implementing our fiber rollout strategy in Portugal, pursuant to which we aim to extend our fiber coverage to reach 5.3 million homes by 2020.

1.3 Fixed-line Telephony

According to ANACOM, as of March 31, 2017, there were approximately 3.9 million fixed-line subscribers in Portugal, with a penetration rate (as a percentage of households) of 84.0%, which compares to an average of 94.8% in Western Europe (Source: Ampere). At the same time, PT Portugal's number of subscribers remains stable due to an increase in multiple-play penetration. PT and NOS are the leading players with market shares of 43% and 38%, respectively, as of March 31, 2017.

According to Ampere, the fixed-telephony market generated revenues of €0.5 billion in 2016.

1.4 Mobile Telephony and Data

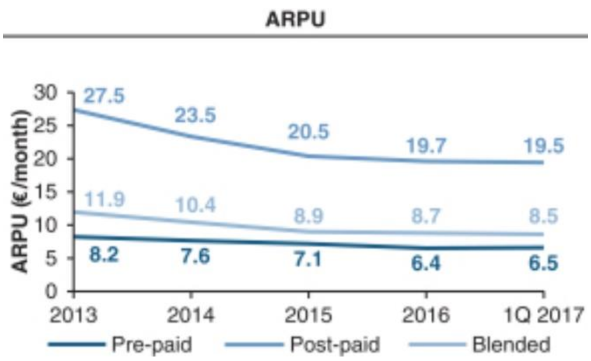
Introduction

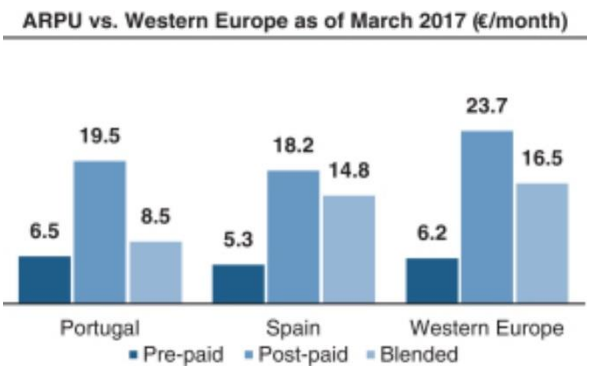
According to Anacom, the Portuguese mobile market had 17.0 million mobile subscribers, representing a penetration level of 164% as of March 31, 2017. As of March 31, 2017, in Portugal, 3G and 4G represented 64% of the subscriptions (Source: GlobalComms).

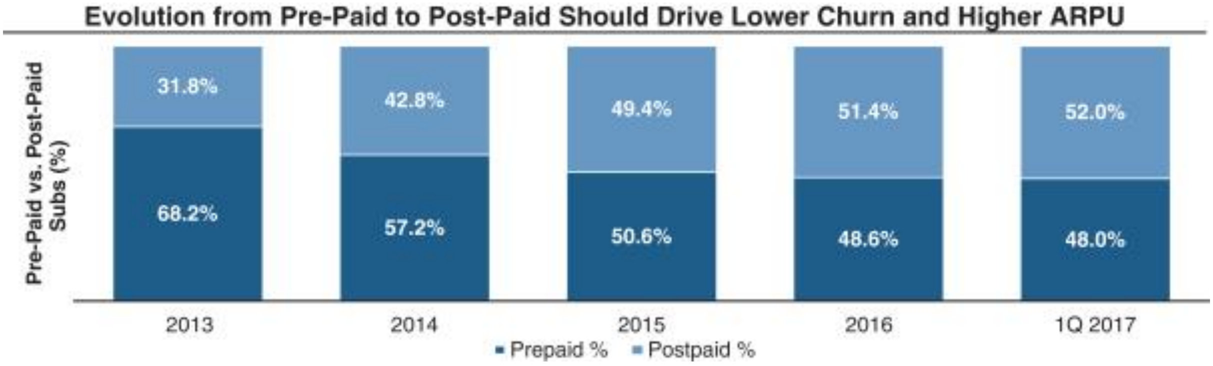
PT Portugal is strongly positioned as the market leader with 44% market share, significantly ahead of Vodafone with a market share of 31%, followed by NOS with a market share of 23%, as of March 31, 2017. The introduction of PT Portugal's quad-play offer M_4O in January 2013 has helped accelerate market convergence. All three players introduced 4G at the beginning of 2012.

The market has low mobile termination rates ("MTRs") by European standards. As of January 2017, MTRs in Portugal were at €0.81 eurocents/minute as compared to €1.27 in January 2014. The smartphone penetration stood at 71.5% as of March 2017. Furthermore, Portugal still has a high share of pre-paid with 48% of total subscribers (as at March 2017), as compared to 36% for the Western European average. Since pre-paid subscribers typically have a lower ARPU as compared to post-paid subscribers (as depicted in the chart below), overall blended ARPU in the Portuguese mobile market is among the lowest in Europe at €8.5 per month versus Western European average ARPU of €16.5 per month. Migration from pre-paid to post-paid customers, a trend which is already established based on the post-paid share of subscribers of 52.0% (as of March 31, 2017) as compared to 31.8% as of December 31, 2013.

In 2016, the mobile market generated revenues of €2.3 billion.







Source: ANACOM, WCIS

1.5 Bundling

As a consequence of consumer preferences and the parallel consolidation of fixed and mobile players, Portugal's telecommunications market has been transitioning towards convergence relatively faster than other European markets, with an increasing number of residential and B2B customers taking triple-play and quadruple-play services from the same operator (such as the M_4O offer of PT). From an operator perspective, offering bundled services from a single point of contact helps increase ARPU, improve customer loyalty and reduce churn. This trend favors integrated players with state-of-the art network and IT platforms that are able to offer innovative bundled offerings to customers.

1.6 Enterprise

We own the largest B2B telecom providers in Portugal. Our main competitor in these markets is NOS, a newcomer to the B2B telecom market with an opportunistic strategy leveraging fixed and mobile networks, Vodafone, a mobile telecommunications company, and AR Telecom.

Optimus has historically been one of the most aggressive competitors regarding pricing and through its merger with ZON has gained access to an enhanced backbone, last mile access and an enhanced ability to address both large and smaller companies. Vodafone and AR Telecom have adopted different strategies to realize B2B opportunities, but have both had limited success to date due to lack of knowledge of fixed networks and lack of credibility in the corporate market.

There is a general trend in the Enterprise segment to migrate customers away from voice services to higher margin data services and, increasingly, integrated solutions including ICT and outsourcing. PT Portugal will capture value from the trend to more data-intensive integrated solutions and to provide converged fixed mobile solutions leveraging our integrated HFC, fiber and 3G and 4G mobile networks. We benefit from a large sales force with strong distribution capabilities in the banking and public administrations sectors and broad supplier relationships, which enrich the range of our services.

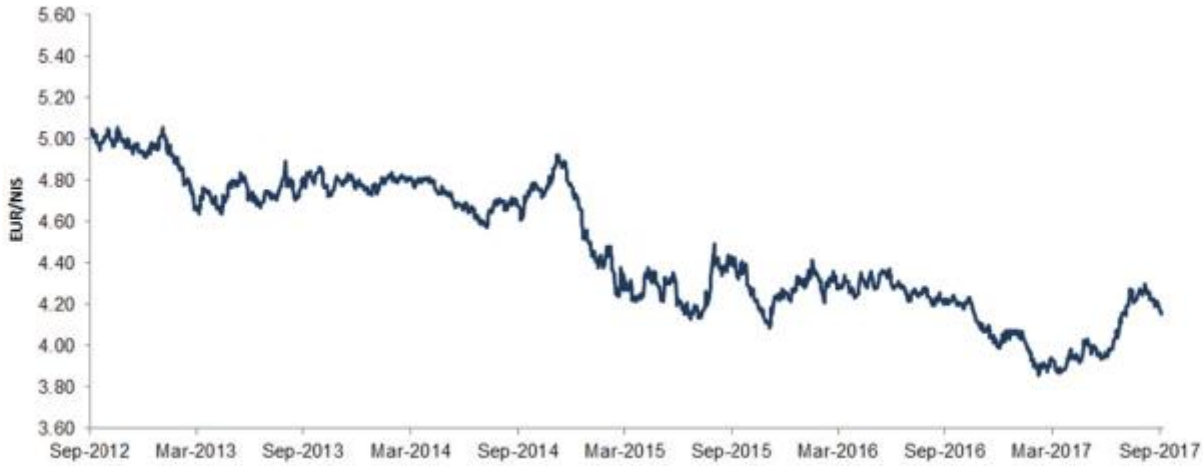
2. Israel

Macroeconomic Overview

We operate a significant portion of our business in Israel, which has a population of approximately 8.5 million as of December 31, 2016, according to the IMF, and approximately 2.5 million households, as of December 31, 2016, according to the Central Bureau of Statistics. According to the IMF, between 2013 and 2016, the population of Israel grew at an average rate of 2.0% per annum and is expected to continue to grow at an average rate of 1.7% per annum from 2016 to 2021, thus providing a natural floor to expansion in the number of inhabitants and households, the target market for our fixed-based and mobile services.

Israel has a developed market economy. In 2010, Israel joined the Organization for Economic Co-operation and Development ("OECD") and in 2016 had a GDP per capita of $37,262, compared to other European countries such as $41,902 for Germany, $38,128 for France and $40,096 for the UK, according to the IMF. Since 1991, Israeli real GDP has grown at a rate of 4.3%, according to IMF. This compares favorably as against the average real GDP growth rate in other European countries such as 1.3% for Germany, 1.5% for France and 2.1% for UK, and 2.5% for the U.S. in the same period. During this period, Israel faced a decline in real GDP in only one year, in 2002. Since the beginning of the global economic slowdown in 2007, the Israeli economy has witnessed a high level of resilience: Israeli real GDP has grown at an average rate of 3.5%. Israel maintains a sovereign A+, A+ and A1 rating from S&P, Fitch and Moody's, respectively. Israel's real GDP is expected to grow at an average rate of 3.0% per annum from 2016 to 2021 versus an average of 1.4% for Germany, 1.8% for the UK and 1.7% for France according to the IMF. Israel also enjoys high levels of literacy, life expectancy and disposable income as attested by the fact that the country was ranked 19th on the Human Development Index ("HDI") in 2015, ahead of countries such as Belgium, France and Austria. Israel's economy is diversified and competitive in an international arena with a significant level of exports focused around high technology equipment, cut diamonds and agricultural products. Israel usually posts sizable trade deficits, as it imports crude oil, grains, raw materials, and military equipment, predominately offset by tourism and other service exports, as well as significant foreign investment inflows, which contribute to the balance of payments, and a relatively stable currency.

Evolution of the EUR/NIS Exchange Rate over the last 5 Years



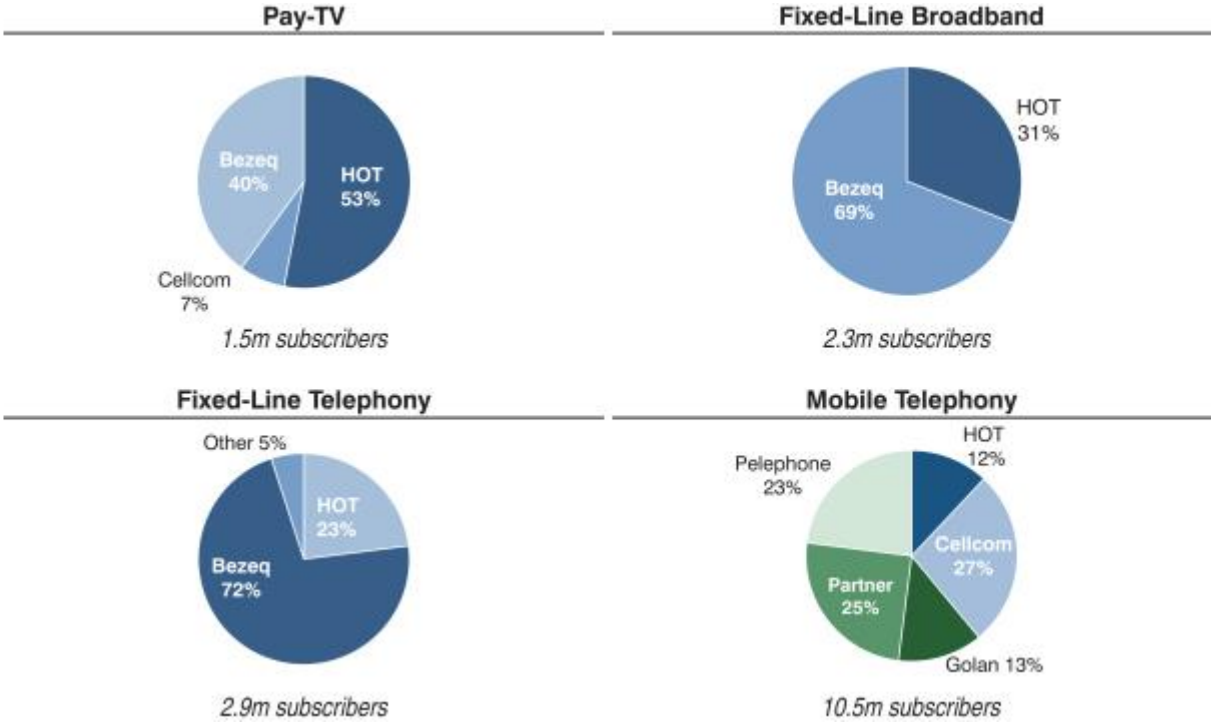
Source: FactSet as at September 26, 2017

The Israeli media and telecommunications markets have, over the past several years, slowly been converging as customers were inclined to subscribe to their media and telecommunications services from a single provider. Israel currently has relatively high estimated penetration rates for pay television, broadband internet infrastructure access and mobile telephony of 87.2%, 92.7% and 128.5% as of 2016, according to Ampere and WCIS. This environment fosters a market for packaged offerings or "multiple-play," whereby television, broadband internet infrastructure access and fixed-line telephony services are bundled into integrated offerings referred to as "dual play" or "double-play" (two services provided together), or "triple-play" (three services provided together). When mobile telephony subscriptions are added to "triple-play" packages, these are known as "quad-play" or "quadruple-play" packages, but currently such packages are prohibited by law in Israel under certain operators' licenses, including ours.

HOT offers triple-play packages including pay television, broadband internet infrastructure across and fixed line telephony in Israel to 48% of its Cable/Fiber unique customers subscribing to its triple-play offerings, as of December 31, 2015. We believe that offering bundled services allows media and telecommunication service providers to meet customers' communication and entertainment requirements increases customer loyalty and attract new customers as the value proposition of the offering is enhanced.

Competitive Overview

Cable-based Services Market Shares by Subscribers in Israel (2016)



Source: Ampere, GlobalComms, WCIS

2.1. Pay Television

Introduction

Israel's primary television platforms are dominated by pay television with relatively limited penetration of free platforms such as terrestrial television or free DTH. As a result of the free-to-air platforms being relatively unattractive (given their access to only six channels offered by DTT) and limited local content for free DTH, Israel's pay television market currently has an estimated penetration level of approximately 87% compared to 110%, 74% and 95% in France, Germany and Portugal, respectively, according to Ampere (estimated for the year ending December 31, 2016). The Israeli pay television market has been stable by the number of subscribers since 2009 at approximately 1.5 million subscribers. Similar to Western European markets, television consumer behavior in Israel is currently focused on digital, innovative, HDTV and interactive television services such as VoD and "start over."

Most Israeli households subscribe to pay television packages via cable or satellite, mostly digital, provided by HOT and YES, an associate of Bezeq, respectively. The established pay television operators face competition from free television (including DTT) and alternative ways of accessing television channels (such as "over the top" ("OTT") television). The competitive advantage of pay television via cable or DTH (reliability, image quality, diversified international and local language content and the ability to offer advanced interactive services among others) and the loyalty of the existing customer base lead to the pay television industry having relatively stable subscription revenues when compared to other countries where competition from other platforms is more prevalent. As of December 31, 2016, the Israeli pay television market had 1.5 million subscribers, 53% of which accessing through cable (HOT), 40% through satellite (Bezeq) and 7% through IPTV (Cellcom).

Cable

HOT is the sole cable operator in Israel with a network covering nearly all Israeli homes (a unique situation in OECD countries) and generates revenues principally from subscription fees paid by customers for the services provided. HOT co-develops and co-owns a number of popular shows, movies and series. It offers a number of proprietary channels as part of its packages giving them a competitive advantage.

Satellite

Satellite television is the main alternative to cable television in Israel. Television viewers can receive free to air or paid satellite television, which is offered by YES. The ARPU generated by satellite television customers has historically expanded at a slower pace than cable ARPU, with forecasts showing a stable satellite ARPU, while cable ARPU is expected to expand, according to Ampere, based upon on the digitalization and the emergence of a broader offering of channels and additional services. Satellite and Cable ARPUs are expected to grow at 1.0% and 1.2% CAGR respectively from 2017 to 2021, according to the estimates of Ampere.

DTT

DTT is an alternative way of receiving television services and watching certain television channels. Current penetration rates of DTT are low due to several reasons: (i) DTT currently offers access to fewer channels than cable channels only; (ii) there is no access to premium or thematic content, such as sports, movies or children's programming; (iii) DTT has no interactive functionalities such as VoD or "start over"; (iv) DTT has limited capacity to transfer significant number of channels simultaneously; and (v) the quality of its transmission can be affected by weather. The expanded service will use three multiplexes up from the current one. However, we believe that cable television will maintain its advantage over DTT as the increase in the number of channels does not fundamentally address some of the key customer requirements such as interactivity and ability to choose individualized content packages, and DTT channels have struggled to be successful without the revenue generated by customer subscription charges.

Other Emerging Technologies

We face a growing but limited competition from other technologies in Israel when compared to the European markets. Players, such as websites and online aggregators of content that deliver broadcasts OTT of existing broadband internet networks may become significant competitors in the future.

The full extent to which these alternative technologies will compete effectively with our cable television system is not yet known; however we believe that the international IPTV market will have difficulty impacting the Israeli multichannel TV market due to various reasons, including: (i) the availability of certain local language content available through cable or satellite only; (ii) the quality of the signal on certain DSL enabled connections located far from exchanges; (iii) the inability to access HDTV content on most DSL connections during peak times; and (iv) the ability of cable operators to bundle pay television with other fixed-line products.

2.2. Broadband internet

Introduction

Israel is a mid-sized broadband internet market based on penetration compared to the large Western European or North American peer countries, with approximately 2.0 million broadband internet subscriptions (residential and business) as of December 31, 2013, and 2.3 million as of December 31, 2016. The current broadband internet penetration rate in Israel (being the number of broadband internet subscriptions per 100 households in Israel) is 91%, according to third party estimates as of December 31, 2016, compared to 85% as of December 31, 2010. This compares to 74% in Germany, 99% in Portugal and 95% in the UK, according to third party sources (estimated for the year ending December 31, 2016).

Broadband internet in Israel is uniquely structured as households wishing to subscribe to broadband internet are required to purchase an internet access service from a licensed internet Service Provider ("ISP") and a broadband internet infrastructure access service from HOT or Bezeq, the only telecommunication operators which own a nationwide physical fixed-line infrastructure.

Broadband Internet Infrastructure Access

Currently HOT and Bezeq are the only fixed-infrastructure owners nationwide. HOT uses cable, while Bezeq is currently building out a fiber network to replace its DSL network. Growth in the Israel broadband internet infrastructure access market has been driven by (i) the number of subscribers to broadband internet infrastructure access increasing steadily from 2.1 million in 2014 to 2.3 million as of December 31, 2016, and (ii) a significant growth in broadband internet ARPUs.

Bezeq is the leading broadband internet infrastructure access provider in Israel, with 1.6 million subscriptions as of December 31, 2016, including business and residential customers. Including business customers, Bezeq represents approximately 69% of the total broadband internet infrastructure access market by total number of subscribers as of December 31, 2016 (Source: Ampere), which has remained relatively stable over the last three years.

On August 29, 2012, Bezeq announced it had decided to broaden the deployment of the optical fibers so that they will arrive as close as possible to the customers through Fiber-to-the-Home (FTTH) or Fiber-to-the-

Building (FTTB), to form the basis for the future supply of advanced communication services and with greater bandwidth than currently provided. As of December 31, 2016, Bezeq had already deployed FTTx to 1,500,000 households and businesses in Israel.

As of December 31, 2016, we had a market share of 31% of the broadband internet infrastructure market.

What differentiates us from Bezeq is our ability to offer the highest speeds in Israel on a large scale, allowing our customers to connect several devices (such as computers, tablets and smartphones (via Wi Fi connection)) simultaneously without impairing the quality of television signals or the speed and quality of the internet connections.

The telecom market in Israel has recently been opened to more competition through wholesale access, offered at a regulated price. The new regulation allows internet service providers to lease infrastructure from Bezeq at a government controlled price, and offer a complete range of services including fixed voice, broadband internet and television.

The wholesale market has gained strong traction since launch in the first quarter of 2015. As of December 31, 2016, Bezeq provided wholesale services to 414 thousand active lines.

2.3. Fixed-line Telephony

As of December 31, 2016, there were approximately 2.9 million fixed-line telephony lines in Israel. Subscribers to fixed-line telephony services include households and enterprises. The number of lines has been declining slowly since 2011, which is in line with most Western European countries where fixed-line penetration of households has declined on the back of an increase in number of individuals who use mobile phones only. Bezeq, the incumbent fixed-line telephony service provider in Israel, is the largest provider of fixed-line telephony services, with 2.1 million fixed telephony lines or approximately 72% market share as of December 31, 2016. In line with Western European trends, the incumbent Bezeq saw a decline in its market share over the past years. In addition to Bezeq and HOT, who are by far the largest operators, fixed-line telephony can also be purchased from VOBs who cumulatively hold approximately 5% of the market share. HOT had approximately 23% of the fixed-line telephony market share as of December 31, 2016.

Fixed-Line Telephony Subscribers and Market Share Among Top Two Israeli Players Since 2011

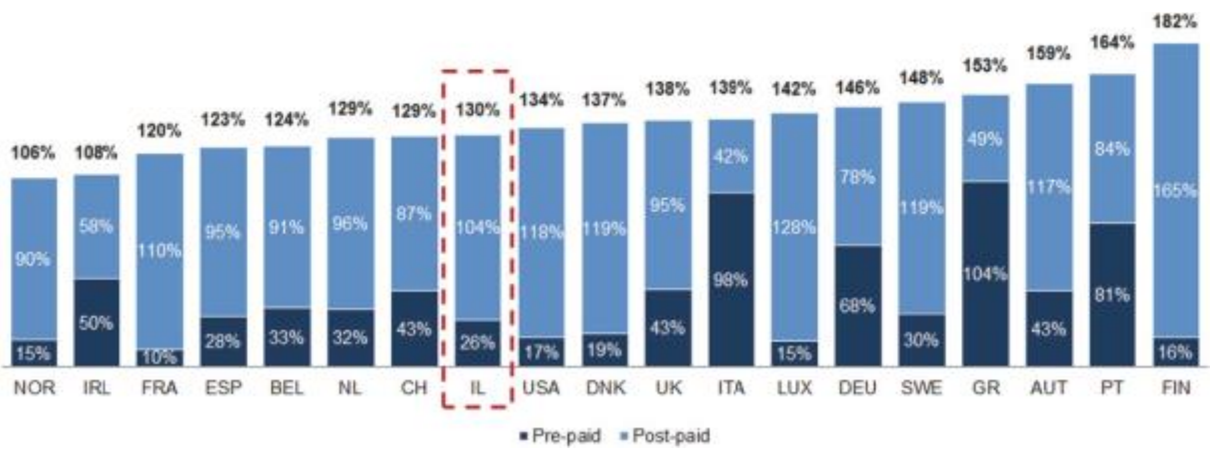
Source: GlobalComm

The market for residential telephony in Israel faces pressure from alternative carriers, declining mobile termination and interconnection rates, as well as alternative access technologies such as Voice over Internet Protocol (VoIP) (e.g. Skype). In recent years, fixed-line telephony services have been largely a commodity and uptake has become increasingly dependent on a quality broadband internet offering by the same provider. Fixed-line telephony is increasingly included in bundles, which benefit HOT because of its ability to provide attractive bundles offerings. Fixed-line telephony has experienced some price erosion over the past few years, partly driven by a reduction in termination fees and pressure from to bundle discount, and resulted in the decline in Bezeq and HOT's fixed-line telephony ARPUs.

2.4. Mobile Telephony

There were approximately 10.5 million mobile telephony customers in Israel (excluding MVNOs) as of December 31, 2016. Penetration was estimated to be 130% as of March 31, 2017 (Source: WCIS), broadly in line with countries such as the Netherlands and Denmark. Approximately 80% of the customers were "post-paid" (purchased subscriptions rather than pre-paid cards fixed number of minutes of use), according to third party sources as of December 31, 2016.

Israeli Cellular Telephony Penetration vs. Western European and US (March 2017)



Source: WCIS

There are five licensed Mobile Network Operators ("MNOs") which offer mobile telephony services to the public and several players who operate MVNOs, although MVNOs currently have insignificant market share of the mobile telephony market. Market shares of the top three mobile operators, Cellcom, Partner Communications and Pelephone (Bezeq), have been relatively stable over the past years at approximately 25% each. New entrants, HOT Mobile (previously MIRS) and Golan Telecom, were granted UMTS licenses in 2011 with services launched in the second quarter of 2012 through a combination of proprietary networks and national roaming agreements with existing operators. As of December 31, 2016, HOT Mobile had approximately 1.2 million mobile subscribers, corresponding to a market share of approximately 12% compared to 4% as of December 31, 2011. As of June 30, 2017, the combined ARPU for mobile telephony subscribers of all mobile operators in Israel declined to $16.5 per month from $31.5 per month in March 2011, primarily driven by a new mobile termination fee regulation in September 2010 which reduced mobile termination rates from NIS 0.251 to NIS 0.0687 per minute from the beginning of 2011, and ultimately to NIS 0.0555 per minute from January 1, 2014.

The Israeli mobile communications market is more competitive than some of the markets in Western Europe, notably given the recent legislation, enacted in April 2012, preventing operators from charging exit fees, except in limited circumstances. As a result, the Israeli mobile market now offers fewer barriers to entry for the new mobile license owners HOT Mobile and Golan Telecom.

The Israeli market features lower ARPUs than in most of the other developed markets, which makes mobile telecom services more attractive to consumers.

Mobile Broadband Internet

As of March 31, 2017, there were 5.9 million active 3G mobile subscribers and 2.5 million active 4G mobile subscribers in the Israeli market, according to GlobalComms. Mobile operators' network capability can be further enhanced by Long Term Evolution ("LTE") network roll out, although the Ministry of Communications has not yet tendered for the frequencies necessary for LTE based services, which would enable higher speeds for mobile broadband internet. Mobile broadband internet operators, however currently only offer speeds and capacities that are significantly lower than those offered by cable and DSL operators. As a result, we believe that, in the medium term, HFC cable will be the only broadband internet infrastructure access alternative to DSL with an extensive coverage and high bandwidth for the foreseeable future.

3. Dominican Republic

Industry Overview

The Dominican Republic is the third largest economy in the Caribbean and Central America after Cuba and Puerto Rico, with a GDP of $72.2 billion according to the IMF in 2016, and the third largest country in terms of population after Haiti and Cuba, with a population of 10.1 million according to the IMF. According to the IMF and La Oficina Nacional de Estadistica, 32% of the population was living in the Dominican Republic's two main cities, Santo Domingo and Santiago, in 2010. According to the IMF, between 2012 and 2016, the GDP of the Dominican Republic grew at an average rate of 6.5%. The economy is predominantly based on services, in particular tourism. Its GDP per capita, however, is lower than other countries in the region, including Trinidad & Tobago, Panama and Costa Rica, and GDP is expected to grow at 5.1% per annum in average between 2016 and 2021 according to the IMF. In addition, the Dominican Republic enjoys a strong commercial relationship with the United States, its largest export and import partner. These factors are expected to continue help drive personal consumption and usage of telecommunications products and services.

The Dominican Republic telecommunications markets is dominated by Claro, the incumbent owned by the Mexican telecom operator America Movil, and its main challengers, Tricom and Orange, in the fixed and mobile markets, respectively. All three operators own and operate multiple fixed and mobile technologies running in parallel to ensure maximum coverage and reliability to their customers. Other players in the Dominican Republic telecommunications market are relatively small, with less advanced networks and more limited coverage. These include Wind Telecom, a wireless operator, Viva, a mobile operator and Aster, a cable operator.

In the broadband internet and fixed line telephony markets, Tricom is the second largest provider next to the incumbent Claro, our main competitor, with national market shares of approximately 24% and 23%, respectively, as of June 30, 2017, according to GlobalComms. In the mobile market, Altice Hispaniola's and Tricom's key competitor is Claro.

Mobile Telephony

The mobile market is the largest telecom market in the Dominican Republic. Compared to other Western European markets, the Dominican Republic is characterized by a young population with lower purchasing power. According to third party sources, the mobile penetration rate in the Dominican Republic is approximately 85% (as estimated for in June 2017), lower than mobile penetration rates in Brazil, Argentina or Chile. Claro enjoys a 55% market share as of June 30, 2017, followed by Orange (39%), Tricom (2%) and Viva (3%). Due to lack of space in the spectrum currently assigned to Altice Hispaniola and Claro, 4G deployment has been slower than initially expected as the two leading mobile operators are currently unable to offer nationwide 4G mobile offers.

Telecom concession attributions are decided by the regulator based on certain administrative criteria and the renewal of these concessions generate no meaningful incremental fees. Frequency licenses attribution and renewal processes typically occur concomitantly with the telecom concession processes. New frequencies are tendered with several parties typically bidding and the new license attributed to the highest bidder while renewal of frequency licenses gives rise to no incremental fees for telecom operators. The regulator does not typically impose MTR reductions and favors such bilateral agreements between operators. The law provides for the possibility of MVNOs. From a telecom infrastructure standpoint, the regulator favors passive and active sharing with bilateral negotiation being the preferred route.

Pay Television, Broadband and Fixed-Line Telephony

According to third party reports, the Dominican Republic has an estimated 26.9% broadband penetration rate for June 30, 2017 and 45.3% fixed voice line penetration rate for June 30, 2017 according to GlobalComms. These penetration rates are typically lower than those measured in a number of Latin American countries and evidence significant potential for growth in the Dominican Republic according to third party reports. Mobile will play an increasingly important role, with only a third of broadband uptake expected to be attributable to fixed broadband, according to Analysys Mason. In addition, fixed-line telephony is expected to continue to decline going forward, in particular due to ongoing substitution of fixed-line by mobile services, in line with trends seen in other developed economies.

The pay television market in the Dominican Republic is highly fragmented with over 6 pay television operators, although only a limited number operate a two way network, and a handful of other players have a subscriber base exceeding 10,000. Claro and Tricom together represent approximately 70% market share (51% and 19% market share respectively), as of August 2017, delivering services over IPTV and DTH and cable respectively. Other smaller players include Wind through its MMDS technology (9%), as of the same period.

Broadband internet access is typically delivered by a mix of fixed-line infrastructure and mobile access, with the use of mobile broadband being primarily driven by the availability of fixed-line infrastructure in a given location.

The broadband and fixed telephony markets are relatively concentrated, with Claro and Tricom together accounting for the large majority of the broadband market and of the fixed telephony market). Claro delivers broadband services through its xDSL and FTTx networks, while Tricom uses its xDSL and cable infrastructure. Both Claro and Tricom offer fixed-line telephony services using VoiP and PSTN. Other smaller players have a limited presence, with Wind Telecom taking an 8.7% market share in the broadband market through its wireless technology, according to TeleGeography, as of June 2017.

4. French Overseas Territories

The French Overseas Territories markets are characterized by a young population (approximately 35% of the population is under the age of 20 in the French Overseas Territories, in comparison to 24% in mainland France, according to the United Nations database as of June 2013), price sensitivity and a strong demand for access technologies. Furthermore, infrastructure improvements are supported by subsidies from mainland. Importantly, mobile telephony licenses have so far been granted for free to the various operators and the upcoming grants of 4G licenses are expected to be no different.

However, the young population and high price sensitivity results in lower mobile ARPUs and higher churn than for operators in continental Europe. The main players in the mobile telephony market include Orange, OMT, Digicel (only in Caribbean area) and SRR (only in Indian Ocean area).

DSL is by far the dominant technology in fixed, with limited announced plans for technology upgrades. The main players are Orange and OMT (and SRR to some extent in the Indian Ocean area), although there are a significant number of local DSL players, most of which offer unbundled local loop DSL services while renting Orange last mile on a wholesale basis. Presence of cable is so far limited but is growing rapidly in Martinique and Guadeloupe where Le Cable, the only cable operator with a network covering approximately half of the households, is rapidly upgrading its network to DOCSIS 3.0.

Demand for pay television is strong in the French Overseas Territories, with penetration rates at approximately 67%, according to ARCEP. The market is dominated by satellite TV, with Canal Plus and Parabole Réunion among the strongest players, and cable, with Le Cable. We believe growing demand for bandwidth and triple-play packages is likely to increase demand for alternative access technologies with the ability to provide interactive services such as VoD.

As in mainland France and Western Europe, multiple play and convergence have increasingly become important. However, triple-play penetration lags behind that of more developed economies.

DESCRIPTION OF OUR BUSINESS

Overview of our Business

General

We are a multinational broadband and mobile communications, content and media group operating in Portugal, Israel, the Dominican Republic, the French Overseas Territories and Switzerland. We deliver broadband, pay television, fixed and mobile telephony services, proprietary content and advertising services to residential and business customers. In the geographies in which we operate, we are either the largest or the second largest cable/fiber pay television operator and broadband internet services provider, and a leading provider of multi-play services in our service areas. We offer bundled triple-play services, and in certain markets, quad-play services and focus our marketing on our multi-play offerings. Our service portfolio in each of the regions in which we operate is set forth below under "—*Products and Services*."

We are driven at all levels by our distinctive "Altice Way"—our founder-inspired owner-operator culture and strategy of operational efficiency, innovation and value creation. In developing and implementing our strategy, we are focused on the following principles, which are part of the Altice Way:

- ***Simplify and optimize our organization*** through streamlining business processes, centralizing functions and eliminating non-essential operating expenses and service arrangements;
- ***Reinvest in infrastructure and content***, including upgrading our HFC network and building out a FTTH network to strengthen our infrastructure capabilities and competitiveness;
- ***Invest in sales, marketing and innovation***, including brand-building, enhancing our sales channels and automating provisioning and installation processes;
- ***Enhance the customer experience*** by offering a technologically advanced customer platform combined with superior connectivity and service across the customer lifecycle; and
- ***Drive revenue and cash flow growth*** through cross-selling, market share gains, new product launches and improvements in our operating and capital efficiency.

We believe the Altice Way, which has been successfully implemented across Altice Group, sets us apart from other industry peers and gives us a competitive edge over our competitors.

Significant Investments and Dispositions

We have expanded internationally through a number of price-disciplined acquisitions of telecommunications businesses. Set forth below is a list of the significant investments we have made in the businesses that currently constitute the Group:

- In 2008, we acquired Le Cable Martinique and Le Cable Guadeloupe, established cable providers that have been operating in the French Overseas Territories of Martinique and Guadeloupe since 1994.
- In December 2009, we acquired substantially all of the equity interests in Green, a Swiss provider of business-to-business ("B2B") solutions. In 2010, we acquired substantially all of the equity interests in Green Datacenter. In October 2016, we acquired the rest of the equity interests in Green and Green Datacenter. Green Datacenter is an Unrestricted Subsidiary under our material existing indebtedness.
- In May 2010, we acquired MIRS Communications Ltd. ("MIRS"), an Israeli company providing iDEN-based mobile services. In July 2009, we began acquiring equity interests in HOT and its subsidiaries, the sole cable operator in Israel, and in March 2011 acquired a controlling interest. In November 2011, HOT acquired MIRS from us and renamed the company HOT Mobile Ltd. In December 2012, we completed the take-private transaction of HOT whereby we acquired substantially all of the equity interests in HOT that we did not previously own (the "**Take-Private Transaction**").
- In 2012, we purchased a 17% stake in Wananchi, a cable telecommunications provider with operations in Kenya, Tanzania and Uganda. On October 2, 2014, we invested an additional $10.8 million into Wananchi through Altice Africa as part of a fully convertible subordinated notes issuance by Wananchi. Altice Africa pledged to fund up to $40 million in three tranches. If fully converted, the new tranches, when fully funded, will give Altice Africa an approximate 21% shareholding in Wananchi.
- In July 2013, we expanded our presence in the French Overseas Territories by acquiring Outremer, a leading mobile services provider and xDSL provider of telecommunications services. On July 31, 2015, we completed the sale of the mobile assets of Outremer, as further described below.
- In October 2013, we acquired Ma Chaîne Sport S.A.S. ("Ma Chaîne Sport") and SportV S.A. ("SportV," later rebranded as Altice Entertainment News & Sport, or "AENS"), both producers of sports-related content.

- On January 15, 2014, we completed, through our subsidiary Altice Blue Two, the acquisition of the Mobius Group, a telecommunications operator in the French Overseas Territory of La Réunion which provides internet access to professional clients under the "Mobius Technology" brand and double-play and triple-play services based on xDSL technology to residential ("B2C") customers under the "IZI" brand.
- On March 12, 2014 and April 9, 2014, we completed, through our subsidiary Altice Caribbean, the acquisition of Dominican telecommunications providers Tricom and Altice Hispaniola.
- On June 2, 2015, we acquired all of the outstanding equity interests in PT Portugal, Portugal's incumbent telecoms provider, through which we currently offer telecom services in Portugal.
- On November 25, 2016, we completed the acquisition of 51% of the share capital of our former supplier, Parilis S.A. ("Altice Technical Services" or "ATS"), an all-around technical services company offering, among other things, network deployment, upgrade and maintenance services. We have the option to purchase the remaining 49% within two years from the closing date of the acquisition at the initial purchase price plus interest. Total consideration transferred to the vendors amounted to €158.1 million (excluding purchase price adjustments) on a cash-free and debt-free basis.
- On December 22, 2016, we completed the acquisition of 88.87% of the share capital of our former supplier, Intelcia Group S.A., a French language-focused operator in the sector of customer relationship management outsourcing. The remaining 11.13% stake was acquired on January 30, 2017. Certain managers in Altice Customer Services ("ACS") subsequently reinvested part of their proceeds to acquire a 35% stake in ACS, the entity holding 100% of Intelcia Group S.A. We have the option to purchase, and the managers have the option to sell, such 35% interest in the event of termination of their offices or as of the sixth anniversary of the closing date of the acquisition, provided that such options be exercised partly before that date (50% of their stake on the fourth anniversary of the closing date and the remaining 50% on the fifth anniversary of the closing date). Total consideration transferred to the vendors amounted to €27.7 million (excluding purchase price adjustments) on a cash-free and debt-free basis.
- On December 30, 2016, we acquired from our parent company, Altice Luxembourg S.A., its participation in Altice Management International SA ("AMI"), a company based in Switzerland, which provides management services to group entities including services related to the Altice Way. The assets and liabilities of AMI were transferred at their net book value.
- On February 24, 2017, PT OpCo 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 OpCo, NOS, Olivedesportos and Vodafone, each of which with a 25% stake.
- On June 22, 2017, the Group completed the Teads Acquisition. The Group retains a 98.5% financial interest in Teads, with the remaining 1.5% attributable to the managers of Teads. Teads is a major online video advertising marketplace with an audience of more than 1.2 billion unique visitors. The acquisition valued Teads at an enterprise value of up to €285 million on a cash-free and debt-free basis. The acquisition purchase price was €302.3 million, subject to Teads achieving certain revenue targets in 2017, and was due 75% at closing, with the remaining 25% earn-out subject to Teads obtaining defined revenue performance in 2017, and if so, becoming payable in 2018. Management determined that there was a high probability that the earnout would be met, therefore in determining the initial goodwill, the purchase price included 100% of the deferred acquisition price.

From time to time we may dispose of our interests in certain businesses within the Group. Set forth below is a list of the significant dispositions we have recently made:

- On July 31, 2015, we concluded the Outremer Mobile Disposal for an enterprise value of €81.3 million (post-price adjustments). The disposal comprised part of the conditions imposed by the European Commission on the Group as part of the approval of the 2014 SFR Acquisition.
- On January 20, 2016, we completed the sale of Cabovisão and its subsidiaries, including the ONI Group. The disposal comprised part of the regulatory conditions imposed by the European Commission on the Group as part of the approval of the PT Portugal Acquisition. Total consideration received for the disposal amounted to €137.7 million (including purchase price adjustments), of which €63.9 million was for the shares of Cabovisão and its subsidiaries.
- On May 12, 2016, we disposed of our 49% minority stake in NextRadioTV, held through Altice Content Luxembourg as a co-investor in the joint venture Groupe News Participations ("GNP")) with Alain Weill. GNP is 51% owned by Alain Weill and the Altice France Group is now the owner of the remaining 49%. The Altice France Group's interest in NextRadioTV was acquired at cost relative to the original price paid by Altice International.

- On June 19, 2017, we completed the sale of Coditel Belgium and Coditel Luxembourg to Telenet Group BVBA on a cash-free and debt-free basis (the "**Coditel Disposal**"). Total consideration received for the disposal amounted to €302.8 million.

Our acquisition strategy has allowed us to target cable, FTTH or mobile operators with what we believe to be high-quality networks in markets we find attractive from an economic, competitive and regulatory standpoint and create value at the acquired businesses by implementing operational improvements and leveraging economies of scale, as well as pursuing in-market consolidation and attractive diversification with B2B, DSL and mobile add-on opportunities. Furthermore, our acquisition strategy has enabled us to organically grow the businesses we acquire while we continue to focus on cost optimization and increasing economies of scale and operational synergies as our Group develops. Moreover, as part of our strategy, we also focus on the convergence of telecoms, media, content and advertising to offer more value to our customers.

Products and Services

Through our various Group companies we provide cable and fiber-based fixed services and mobile telephony services in all of the geographies in which we operate. In addition, we offer a variety of wholesale and other services across our footprint, including advertising services. We also invest in specific content to complement and enrich the services we provide.

We offer a variety of services over our fixed line and mobile infrastructure, including, but not limited to, pay TV, broadband internet access, fixed-line telephony and mobile telephony to our B2C customers, and, to a lesser extent and depending on the geography, telecom services to our B2B customers. In certain geographies we also provide wholesale services. We track the performance of our business by geography and further analyze our revenues by segment, which, with effect from January 1, 2017, include "fixed B2C," "mobile B2C," "B2B and wholesale" and "others." See "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Basis of Presentation—Operational Activities*" for a discussion of our revised presentation of our operational activities.

Our fixed-based services (high-quality pay TV, broadband internet and fixed line telephony) are provided over our cable- and fiber-based network infrastructure which are either DOCSIS 3.0, DOCSIS 2.0 or DSL FTTH enabled, offering download speeds of between 30 Mbps and 1 Gbps depending on geography. For example, as of June 30, 2017, we had total pay TV Revenue Generating Units ("RGUs") of 2.2 million, total broadband RGUs of 2.1 million and total fixed-line telephony RGUs of 2.5 million. Furthermore, as of June 30, 2017, our cable services passed 6.8 million cable/fiber homes, with 1.8 million cable/fiber unique customers and total cable/fiber RGUs of 4.3 million. To a lesser extent, we offer xDSL/DSL/DTH services, with 2.5 million total xDSL/DSL/DTH RGUs as of June 30, 2017. We also offer mobile-based services in the geographies in which we operate, through 2G, 3G and 4G Long-Term-Evolution ("4G-LTE") technology, and we had 11.4 million mobile B2C customers (of which 4.9 million were post-paid customers) as of June 30, 2017.

We are also focused on delivering high quality content offerings to complement our fixed and mobile services, including proprietary content and exclusive content. For more information regarding our content offerings, see "*—Other Services—Content*" below.

In all geographies in which we operate, we are focused on the convergence of fixed and mobile services by cross-selling and up-selling our offerings to further increase our multi-play penetration. Our cable, fiber and mobile technologies enable us to offer premium digital services, attractive interactive features (such as our "*Meo Go!*" offering in Portugal) and high-quality content. We have leveraged our network advantage to drive our multi-play strategy and offer an attractive combination of content, speed and functionality. We offer our B2C customers bundled double- and triple-play services comprising pay a combination of TV, broadband internet access and fixed-line telephony services at what we believe are attractive prices. We believe the demand for our multi-play packages is primarily driven by the inherent quality of the various products included in them, which we believe are among the best available in the markets in which we operate. Although we believe our products offer the best value for money and cost-savings for customers when purchased as part of multi-play packages, we typically also offer most of these services on a stand-alone basis in most of our geographies.

We use a variety of brands, trade names and trademarks to market our services, and, in each case, several associated trademarks. For more information regarding our branding strategy, see "*—Marketing and Sales*" and "*—Intellectual Property*" below.

The table below sets forth the services we offer in the key geographies in which we operate:

Geographic Area	**Portugal**	**Israel**	**Dominican Republic**	**French Overseas Territories**[(1),(2)]	**Other**[(4)]
Countries of Operation	Portugal	Israel	Dominican Republic	French Overseas Territories	Various
Bundling Strategy	4P and 5P	3P + Mobile	4P	4P	N/A
Mobile Services Offered	■ 2G, 3G, 4G-LTE, 4G-LTE+ ■ B2B services ■ Wholesale services	■ UMTS 2G, 3G, 4G-LTE ■ B2B iDEN mobile services	■ 2G, 3G, 4G-LTE ■ B2B Services	■ UMTS 2G, 3G, 4G-LTE[(3)] ■ B2B Services	N/A
Fixed (Very High Speed Fixed/FTTH/ xDSL) Services Offered	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services ■ Wholesale services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ Infrastructure access ■ ISP ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services	■ B2B services
Content[(5)]	■ Television content	■ Television content ■ Local Israeli content	■ Television content	■ Television content	■ Centralized purchasing, production and distribution of television content

(1) We provide our cable based services in the French Overseas Territories under the SFR brand licensed from the Altice France Group.

(2) We provide pay TV, fixed-line telephony and internet access services over our unbundled xDSL network in certain parts of the French Overseas Territories under the SFR brand.

(3) In connection with the 2014 SFR Acquisition, we disposed of mobile network assets in La Réunion and Mayotte on July 31, 2015.

(4) Includes business and datacenter operations in Switzerland (Green and Green Datacenter) and datacenter operations in France and Portugal, as well as centralized content purchasing, production and distribution, advertising, technical service and customer service businesses such as ACS, ATS and Teads.

(5) We purchase, produce and broadcast a diverse range of content and offer such content as part of our pay TV packages in several of our geographies, primarily through AENS. We expect to continue to expand our content offering through the acquisition of a 25% stake in SPORT TV in Portugal and our rights to broadcast and distribute various premium sports events, including the English Premier League, the French Basketball League, the English Rugby Premiership and, most recently, the UEFA Champions League and the UEFA Europa League, as further described under "*—Overview of our Business—Significant Investments and Dispositions*" above and "*—Material Contracts*" below, as applicable. Sports events are broadcasted in France by the Altice France Group through channels packaged and distributed by AENS. Additionally, our recently-announced global partnership with Netflix will allow us to make Netflix's content available to our customers in France, Portugal, Israel and the Dominican Republic.

In 2016, inspired by the principles of efficiency and value creation of the Altice Way, we implemented the Altice Labs initiative which aims to leverage our engineering talents and centralize and streamline innovative technological solutions development for the entire Group. Under the initiative, our development team across all of the jurisdictions in which we operate (i) create products and technology to facilitate the build-out of our fixed and mobile network, (ii) develop systems to improve customer experience and handle disturbances and outages with speed and precision allowing for a near uninterrupted usage of our services and (iii) create user friendly and high quality customer interfaces and products, including new generation set-top boxes, portals and IoT. Altice Labs was first based in Portugal and now has presence in Israel and will continue its expansion in the Dominican Republic. The Altice Labs teams work closely across geographies under the roadmap and leadership provided by the Group, and share technologies and products to enhance the services we provide in each of the jurisdictions in which we operate. To promote further innovation, we also take part of various forums and groups throughout Europe and have a strong relationship with other service providers in order to enhance the infrastructure products and services we offer.

Fixed Services

B2C

We offer a variety of fixed B2C services, primarily as part of multi-play packages, with available offerings depending on the bandwidth capacity of our cable networks in a particular geography (which consist primarily of hybrid fiber coaxial ("HFC") cable infrastructure).

Pay TV

Across our geographies, we offer digital television services which include basic and premium programming, and, in most markets, incremental product and service offerings such as enhanced pay-per-view programming, spanning from VoD to near-VoD ("NVoD"), digital video recorders ("DVR"), HD television ("HDTV") services and, in some cases, exclusive content. Our cable networks enable us to offer interactive digital services to most of our customers. Our pay TV offerings include content and channels purchased from a variety of local and foreign producers and we continue to focus on broadcasting high-quality content over all of our cable networks. To ensure we cater to local demand for content, we tailor both our basic and additional channel offerings to each country of operation according to culture, demographics, programming preferences and local regulation. We had 2.2 million pay TV RGUs across our geographies (representing 27% penetration of our total homes passed) as of June 30, 2017.

Portugal

In Portugal, our television strategy is based on a multiplatform concept that aims to provide consistent content and user experiences across television, personal computers ("PCs") and mobile phones. "*Meo*" is our TV brand across the various platforms, primarily at home (through IPTV and satellite), mobile telephones (through *Meo Go! Mobile*) or PCs (through *Meo Go!*). *Meo* provides access to a comprehensive content offering, with more than 200 TV and radio channels and thousands of VoD titles. We offer tiered packages of channels, as well as on-demand availability that can be subscribed for, in real time, directly through the TV set. *Meo* also provides access to advanced features, such as digital recording and pause live-TV. The set-top boxes in the *Meo* service are all HD-compliant, using MPEG4. We were the first operator in Portugal to introduce HDTV and a 4K experience in pay TV. As of June 30, 2017, *Meo* had 1.2 million customers.

Our quad-play offer of converged fixed-mobile services by *Meo* includes TV, broadband, fixed telephone and mobile telephone services under the brand "*M_4O*." *Meo* designed this product after studying trends in the Portuguese market which revealed increasing consumer preference for quad-play services all reflected on the same invoice, a desire to include the entire family in a single plan and the importance of high-quality connectivity to the internet. The entry-level *M_4O* currently offers 200 channels (including TV and radio channels), 100 Mbps broadband speed, unlimited national calls and 1,000 minutes to 50 international destinations, as well as one to four mobile SIM cards, including free of charge calls (2,000 minutes), text messages (2,000 SMS) to all wireline and wireless networks and 500 MB of mobile data, using our 3G and 4G networks. There are three additional *M_4O* offers, with higher fixed internet speeds and mobile internet allowances. The high end offer is the recently launched "*M_4O Giga*," with 1Gbps broadband speed, 5GB of mobile data and 20GB in apps. There is also the "*M_5O Giga*" plan, a multi-play offering which, in addition to increased mobile data allowances, also includes up to 30GB of mobile broadband. *Meo* was the first operator to launch Giga offers, supported on the most advanced router on the Portuguese market, providing 10x faster WiFi. The launch of increasingly competitive and innovative convergent offers enabled us to reach a household penetration of 3.8 million total RGUs as of June 30, 2017, of which 1.2 million are pay TV RGUs.

Meo's content offering includes thousands of VoD titles and a variety of interactive offerings based on anchor programs. For example, we offer interactive applications which focus on news, sports and music, other interactive portals such as our children's portal which provides access to combined VoD, music, games and educational content tailored to children audiences, as well as "red button" interactive applications (whereby viewers press a button on their remote controls to receive additional interactive services) often linked to popular TV programs. In January 2013, *Meo* also launched *Gravaç ões Automáticas*, a recording feature that allows customers to record programs and access those recordings up to seven days after the programs were broadcast. We have also developed other innovative smart home solutions, such as *Meo Smart Home*, a home security service very easy to self-install that can be controlled in real time via smartphone, tablet or TV. We have also recently acquired broadcasting rights for new sports programming in Portugal. See "*—Material Contracts—Portugal—Contracts with football clubs*" for more information. We expect to further expand our content offering in Portugal through the acquisition of a 25% stake in SPORT TV, a sports broadcaster based in Portugal, as further described under "*—Overview of our Business—Significant Investments and Dispositions*" above. Additionally, our recently-announced global partnership with Netflix will allow us to make Netflix's content available to our customers in Portugal and certain of our other geographies.

Israel

We are the largest provider of pay TV services in Israel based on number of subscribers. We offer primarily digital television services in Israel under the "HOT" brand. Our standard digital television package consists of 95 base television channels and certain radio channels and gives customers the option to purchase extra content packages which give access to additional channels. We believe our standard offering includes more channels than that offered by our competitor and we offer a range of Israeli and international sports, current affairs, entertainment, music, film, documentaries, children, and adult channels, as well as channels in Arabic and Russian to address demand from the culturally diverse population of Israel. Our standard package includes the HOT suite of channels and others such as Eurosport, Fox News, MSNBC, BBC Entertainment, MTV MUSIC and Zee TV as well as all the "must carry" channels that we are required to carry on our network under existing regulation. We regularly update our standard digital television package to reflect changes in viewer interest. Our higher-end packages include all six of our extra content packages as standard and include premium channels, depending on the subscription. We also offer up to 26 television channels in HD.

In addition to a high-quality and diversified linear television offering, we offer our customers a variety of advanced services featuring interactivity. These are available to customers whether or not they also purchase our broadband internet services. In all of our digital television packages we provide customers with a replay service for certain television channels, enabling a viewer who misses the start of a program to replay it while the broadcast is in progress ("start over"), as well as "start next" service, enabling the viewer to start watching the next show prior to its scheduled broadcast. Our digital television offering also includes an extensive VoD library containing approximately 33,500 titles as of June 30, 2017. In addition, we offer access to additional content libraries not included in our standard VoD service on either a pay-per-view or monthly subscription basis.

As a result of an order issued by the Israeli Ministry of Communications, since February 23, 2014, we and local satellite company "Yes" are required to offer a fixed-price, narrow-base package at a price not to exceed NIS 120 (approximately €28) per month. Our current offering pursuant to this order provides subscribers access to more than 20 basic channels.

Having previously offered analog services during 2015, we phased out this service which will allow us to free up bandwidth over our network enabling us to further expand our digital services.

We bolster our Israeli pay TV service offering by significant investments in procurement and co-development of original local content which we undertake in partnership with local production partners and broadcast on our proprietary suite of channels. We package such original and purchased content into a range of television channels that we own and broadcast under the "HOT" brand to our television customers. The HOT suite of channels includes HOT 3, where we broadcast our co-developed local content, HOT Family, seven movie channels, the Israeli Entertainment Channel, sports channels and more than 10 children's channels, which we believe are highly popular in Israel, and run shows with top television ratings such as Zaguri Empire, Very Important Person, Asfur, The Arbitrator, Foolish, Golestar and Connected. We also purchase rights to broadcast popular foreign channels over our network. We believe the quality of content we provide over our network generally, and the HOT television channels in particular, has been a critical factor in attracting new customers, maintaining our existing customers and minimizing churn. Under existing regulations, we are subject to certain ownership restrictions that limit the number of television channels we are permitted to own. In addition, we are required by regulation to invest a minimum of 8% of our annual pay TV revenues from subscriber fees in the production of original local content. We have been, and are, in compliance with these regulatory requirements in all material respects. In accordance with the Israeli regulator's decision of November 2015, the investment rate in local productions will be 9% as of 2017. The implementation of this decision was delayed in a later decision dated December 2016, in order to enable the legislator to amend the law and regulate the broadcasting market in general and to review the implication of this regulation on the operators.

As of June 30, 2017, we had 799,000 pay TV RGUs in Israel, representing approximately 37% of our total cable/fiber RGUs in Israel.

Dominican Republic

We offer pay TV services through our HFC cable, xDSL and GPON networks in the Dominican Republic. Under the "Tricom" brand we offer over 300 channels through a choice of three different plans. Of those channels, 90 are available in HD, which we believe represents one of the most extensive HD offering available in the Dominican Republic as of June 30, 2017. We serve approximately 141,000 pay TV subscribers in the Dominican Republic as of June 30, 2017.

Others

We offer analog and digital pay TV services in the French Overseas Territories under the "SFR" brand. Outside of our cable footprint in the French Overseas Territories, we also offer our broadband internet subscribers IPTV services via an unbundled xDSL network.

Broadband Internet Access and Fixed-Line Telephony

We provide broadband internet access and fixed-line telephony services across our cable (and in certain areas xDSL) footprint, with a majority of homes passed benefitting from download speeds of at least 100 Mbps. In the short-to-medium term, we expect that the portions of our networks that are DOCSIS 3.0-enabled can offer download speeds of up to 400 Mbps with limited network and customer premises equipment upgrades given the existing technological capability of our networks. This technological capability can be realized with relatively low levels of capital expenditure and will enable us to better meet the needs of our residential and corporate customers who demand higher download speeds. As of June 30, 2017, we provided broadband internet to 2.1 million B2C customers across our geographies, representing 25% penetration of our total homes passed.

Our fixed-line telephony services are based on either PacketCable or VoIP technologies. We offer a wide range of telephony packages and our triple-play offers tend to include flat-rate telephony packages with a significant number of minutes of use included in the price. We provide national and international connectivity to our customers either through our own interconnection capabilities or through our partners. We tend to phase out stand-alone telephony packages as our strategy is to offer fixed-line telephony as an add-on product in our multi-play packages.

Portugal

We had approximately 2.6 million fixed retail accesses in service for both broadband and fixed-line telephone as of June 30, 2017, excluding external supplementary lines, direct extensions and active multiple numbers.

At the end of 2014, we extended our fiber network in Portugal by approximately 450,000 homes pursuant to our fiber sharing agreement with Vodafone (which is further described below under "*Material Contracts—Portugal—Fiber Sharing Agreement with Vodafone Portugal*"). We also implemented our fiber rollout strategy in Portugal, reaching 3.5 million homes as of June 30, 2017 and approximately 4 million homes by September 2017, which we believe leaves us well-positioned to reach our target of 5.3 million fiber homes passed by 2020. Our network is a strategic investment to improve our competitiveness among B2C customers, where we can offer distinctive pay TV and bundled offers. In Portugal, we have also tested NG-PON2 technology, which we believe will significantly increase the bandwidth and robustness of our network in the coming years. We are currently preparing for a rollout of NG-PON2 technology.

Over the last decade, total traffic on our fixed line network has decreased, primarily because consumers have increasingly used mobile services instead of fixed line services and due to the migration of dial-up internet users to Asymmetric Digital Subscriber Lines ("ADSL"). The number of active mobile SIM cards exceeds the number of fixed line main lines in Portugal. We have responded to this trend by encouraging the use of our fixed line network for bundled services, including triple-play packages that include fixed-line telephone services, broadband internet access and pay TV services.

Additionally, we are required to provide carrier selection to our customers for all kinds of traffic. Carrier selection has been an additional factor that has contributed to the reduction in traffic on our network.

Israel

Internet service in Israel is structured into two segregated elements comprised of infrastructure or network access services and internet service provider ("ISP") services. Infrastructure access service relates to access to the physical network infrastructure within Israel that is required to connect the customer's device to the infrastructure access provider's operator. This service is provided exclusively by us and Bezeq, the only telecommunication operators in Israel that own a national fixed-line network infrastructure. ISP services, which can be provided by any licensed provider, consist of providing access to the customer from the infrastructure provider's operator, through its own operator, to the local and global internet network. ISPs generally also provide certain value-added services such as data protection services, security solutions, e-mail services and system administration services. A customer wishing to subscribe to internet services in Israel effectively needs to purchase each of these services and may choose to subscribe to the broadband internet infrastructure access facilities of us or Bezeq while using a separate ISP provider. Under the terms of our ISP license, we are required to provide ISP services to any customer, including to customers of other broadband internet infrastructure access providers, on equal terms. From February 2015, Bezeq and HOT are required to provide wholesale services to service providers, which enable them to offer a full internet service to their end-users (infrastructure and ISP services). In June 2017, the Israeli Ministry of Communications set the maximum tariffs for the provision of wholesale services over HOT's network.

We offer ultra-fast broadband internet infrastructure access services to our B2C customers under our "HOT" brand over our DOCSIS 3.0-enabled cable network which can theoretically support download speeds of up to 500 Mbps with new customer premises equipment and certain limited modifications to network equipment, which will allow us to easily upgrade our services in the future. Currently we offer our customers download speeds ranging from 30 Mbps to 200 Mbps at competitive prices and our customers can choose from our single, double and triple-play packages which include broadband internet infrastructure access services along with our television and fixed-line telephony services. As of June 30, 2017, we had approximately 706,000 cable/fiber RGUs in our broadband internet infrastructure access service in Israel, representing approximately 33% of our total cable/fiber RGUs in Israel. We provide ISP services under the "HOTnet" brand. Unlike our competitors who generally offer ISP services at prices that increase depending on access speeds, we offer our ISP services at a competitive monthly flat-rate irrespective of access speeds, which we believe make our ISP offerings very attractive. We are currently only permitted to provide ISP services on a stand-alone basis and as part of a package with mobile services and not as a part of our other multi-play packages.

Fixed-line telephony in Israel is segregated into two separate services comprised of domestic fixed-line telephony services and international long-distance services, each of which requires a separate license. We are currently licensed to provide both. Our domestic license is valid until 2023 and our international license is valid until 2032, and both may be extended for additional ten-year periods subject to the approval of the Israeli Ministry of Communications.

We provide fixed-line telephony services using PacketCable technology on our secure cable network by offering individual lines to our B2C customers under our "HOT" brand, either on a stand-alone basis or as part of our multi-play packages. Our services include several ancillary value-added features for end users such as caller identity, call waiting and call waiting with caller identity, follow me (a call forwarding service enabling the user to be reached at any of several phone numbers), conference calling, last call return, blocking of calls with no caller identity, blocking of caller identity for outgoing calls and voicemail services. As of June 30, 2017, we had 662,000 cable/fiber RGUs in our fixed-line telephony service in Israel, representing approximately 31% of our total cable/fiber RGUs in Israel.

Dominican Republic

In the Dominican Republic we offer consumers broadband internet access and fixed-line telephony services through the Altice Hispaniola and Tricom brands. As of June 30, 2017, we had 193,716 broadband internet subscribers (including xDSL and cable) and 311,766 fixed-line telephony subscribers (including DSL, VoIP, fiber and WLL) in the Dominican Republic.

Tricom provides internet access primarily through its xDSL network and it has launched mobile broadband internet services leveraging on its 4G-LTE services. Tricom offers both prepaid and post-paid fixed-line telephony plans, which include unlimited calls within its network. While Tricom continues to utilize its xDSL network to provide fixed-line telephony services, it also offers VoIP to homes passed by its cable network. Tricom also leverages its wireless network to transmit fixed-line voice services.

Tricom further enhances its business in the Dominican Republic by offering Tricom services through dedicated sales booths operated in a number of Altice Hispaniola stores. This allows Tricom to sell its products to the Altice Hispaniola customer base. As of June 30, 2017, we operated 29 Tricom sales booths in Altice Hispaniola stores and 480 sales booths in other dealer stores.

Others

In Martinique and Guadeloupe, we offer broadband internet services and international long-distance fixed-line telephony features over both our cable and xDSL networks. In French Guiana, Mayotte and La Réunion, we only provide broadband internet access services and local, national and international long-distance fixed-line telephony features over our xDSL network.

B2B

Portugal

Our B2B services in Portugal comprise: (i) network and voice services, which include fixed voice services, fixed and mobile convergence services, broadband data, Ethernet services, digital leased lines and VSAT services, business high band fiber-based internet, VPN accesses and applications, and global services for multinational customers; (ii) IT services, which include data center services (such as housing and hosting), cloud-based solutions (primarily public and private virtual servers, remote backup and storage, hosted e-mail and web hosting), security managed services based on a Security Operations Center, business continuity services and disaster recovery, IT infrastructure outsourcing and IT and security consultancy; and (iii) business solutions and applications, which include unified communications, IP Centrex and voice servers, digital signage—Corporate TV, messaging and interaction solutions, business video communications and telepresence solutions, machine-to-machine managed connectivity and vertical end-to-end solutions, business process outsourcing ("BPO"), vertical solutions for special business market customer categories (health care, the public sector), including through our *Office-box* product, special bundling services for small and medium-size enterprises using our *Global Connect Pack* product, and outsourcing.

We provide these services to our B2B customers using a three-tiered approach: (i) *Residential*+ customers, which mainly include SOHOs, with an offering based on the convergence of voice, broadband, TV and mobile services through our MxO offer, (ii) *Connected*+ customers, served mainly with multi-employee connectivity services, including mobility solutions for traveling employees, and simple software solutions and (iii) *Integrated*+ customers, served with a full range of telecommunications and technological services, such as unified communications, outsourcing of information and communications technology ("ICT") services, application integration, machine-to-machine and specific IT/IS solutions, BPO and IT consultancy.

The provision of services to our corporate customers is guided by the following strategic objectives: (i) maximize value from traditional telecommunications services by upselling additional services, including fixed-mobile convergence on FTTH, VPN, LAN management and video services, (ii) IT transformation accelerated by cloud computing, where we aim to build upon partnerships with key suppliers to enable business process transformation and cost reductions to our corporate customers, with a special focus on "system on a chip" based security solutions, (iii) use specialization to achieve gains from scale, including by focusing on outsourcing and BPO to improve productivity and (iv) introduce a business consulting approach in order to extend the services provided to corporations to video, multiscreen and other convergent services.

PT Portugal Group also provides an integrated ICT service and IT/IS outsourcing capabilities and BPO services.

Israel

We provide fixed and mobile telephony services and a range of advanced telecommunications solutions to our B2B customers in Israel. Other than our iDEN-based mobile services which we market under the "MIRS" brand, we market all of our B2B services in Israel under the "HOT" brand. Our fixed-line telephony services include offering individual lines to businesses as well as primary rate interface ("PRI") trunks (consisting of up to 30 voice lines per trunk) to our B2B customers. We also provide business numbering services allowing for toll-free calls from anywhere in Israel to 1-800 numbers and a split billing calling service to businesses (1-700). Our portfolio of advanced telecommunications services include data and video transmission and VPN services aimed at B2B customers and other telecommunication providers using synchronous digital hierarchy Synchronous Digital Hierarchy ("SDH") technology or IP technology. Among the solutions we offer are network services for transferring data from point to point, transferring data between computers and between different communications networks, communications network connection to the internet and remote business access services.

Dominican Republic

We provide significant B2B telecommunication services in the Dominican Republic. Altice Hispaniola offers fixed broadband internet packages in the B2B segment, including both pre-paid and post-paid packages, as well as digital services, including in-house platform agnostic applications development, fixed-voice services via SIP trunking (VoIP) and other data offerings such as cloud services, mobile-to-mobile connection services, premium non-voice services, post-paid, enhanced data security and telepresence. Tricom also engages in significant activity in the B2B segment in which it mainly offers fixed-line services, but is also present in the broadband, data, pay TV and wireless segments. As of June 30, 2017, we had 576 business customer lines subscribed to fixed-line services offered by Altice Hispaniola (approximately all of which are SMEs and large companies), and 275,704 business customer lines subscribed to fixed-line services offered by Tricom (of which approximately 70% are SMEs and large companies). Such customers can also benefit from our other value-added services.

Altice Hispaniola has been opportunistically deploying fiber to support the 4G-LTE roll-out in the Dominican Republic and to be in a position to offer fixed services to targeted B2B clients. Altice Hispaniola has also focused on IP multimedia ("IMS") projects to support fixed-line services (GSM technology-based fixed offers, e.g. GSM deskphone) and new multimedia services, including fixed-line voice services for B2B customers, Rich Communication Services, voice-over-LTE and other collaborative multimedia. Altice Hispaniola is currently in the process of moving from a mobile-centric offering to a full-service provider with various enhancements being made to its network.

Others

In Switzerland, we are one of the leading providers of information and communications technology services aimed at B2B customers. Our portfolio of service offerings includes broadband internet access, hosting, cloud services, multimedia, datacenter operations and data backup solutions. We conduct our B2B business in Switzerland under the "green.ch" brand, with the exception of our datacenter services which we also provide under the "Green Datacenter" brand.

Wholesale Services

Across our geographies we offer some wholesale services, including interconnection services to other operators and leased line services, each as further described below. In Portugal, our wholesale services also include wholesale cable-based and xDSL-based services to other telecommunications operators who resell such services under their own brands, including: (i) provision of carrier pre-selection and number portability; (ii) provision of ADSL (including "naked" DSL) on a wholesale basis to other ISPs; (iii) provision of unbundled access (including shared access) to metallic loops and sub-loops to provide broadband and voice services to other telecommunications operators in Portugal; (iv) provision of wholesale line rental to other telecommunications service providers in Portugal; (v) provision of co-location services and access to ducts, submarine cable landing stations, poles and associated facilities to other telecommunications operators in Portugal; (vi) transmission of television and radio signals for major broadcast television companies in Portugal; (vii) narrowband internet access origination services, which we provide to ISPs; (viii) international carrier services (transport, transit and/or termination) for international switched traffic; and (ix) other services provided to telecommunications services providers and operators, such as IP international connectivity. In

Israel, the Ministry of Communications policy which came into force in February 2015 required Bezeq and HOT to provide wholesale services to service providers that do not own a national fixed-line infrastructure, enabling them to offer their subscribers bundles that include internet infrastructure and ISP services in the same package.

Providing interconnection services means allowing third parties to connect their networks to our network and vice versa. The service providers who purchase interconnection services include fixed and mobile network operators, voice and data communications service providers, ISPs, value-added service providers and service providers whose international calls are terminated on or carried by our network. We have interconnection rates primarily for call termination, call origination, transits and international interconnection, which are typically regulated.

We lease lines to other telecommunications providers for fixed, mobile and data communications services, including our competitors. Leased line services involve making a permanent point-to-point connection with dedicated and transparent capacity between two geographically separate points. We offer both national terminating segments and trunk segments at the wholesale level. We also lease international circuits to national and international operators to allow them to complete their circuits (often circuits that pass through Portugal before linking to other countries), and we sell segments of international circuits to international operators.

Mobile Services

We own and operate mobile infrastructure in each of our geographies. The pre-paid subscriptions market represented 57% of our B2C mobile customer base as of June 30, 2017, while the post-paid subscriptions market represented 43% of our B2C mobile customer base as of June 30, 2017. Depending on geography and network technology deployed, we offer 2G, 3G and/or 4G-LTE services on a variety of plans, from "no frills" offers with no commitment or handset, to premium mobile telephony offers with varying voice and data limits, if any, at attractive prices. In some of our markets we provide wireless broadband plans through nomadic broadband internet, giving customers access to our very-high-speed mobile networks.

B2C

We offered mobile services to 11.4 million B2C customers across our geographies as of June 30, 2017. In Israel, due to current regulations, we offer our mobile services only on a stand-alone basis and in a bundle with ISP services and not as part of a multi-play cable offering.

Portugal

In Portugal, in our B2C customer segment, we offer a range of mobile products and services including: (i) a variety of voice and data tariff plans, both prepaid and post-paid, designed to integrate unlimited voice and data plans targeted at high-value post-paid customers and, in the prepaid market, to discourage migration to low-value tariff plans by offering additional voice and data services; (ii) a portfolio of approximately 50 smartphones, including exclusive handsets, with the capability to use an array of value-added and convergent services (mobile TV, music on demand, navigation app, social network aggregator, cloud storage, etc.); and (iii) mobile broadband offers of up to 150 Mbps speed, using 4G technology and offering free access to our national WiFi network. We also offer prepaid and discount products which remain popular. As of June 30, 2017, approximately 56% of our subscribers were using prepaid mobile products in Portugal.

Our 4G offering currently allows (i) speeds of between 50 Mbps and 150 Mbps; (ii) access to live TV channels through *Meo Go!*, a service that allows access to live TV channels on PCs, tablets and smartphones, complementary broadband coverage through ADSL/DTH, enabling customers to access our high speed mobile broadband network in areas outside of our FTTH footprint; (iii) multi-play customers to access a catalog of millions of music tracks through our multi-platform music streaming service, *Meo Music*; (iv) *Multi-SIM*, for sharing of traffic among various devices, including PCs, through wireless dongles, tablets and smartphones and (v) *Meo Drive*, a navigation app available in iOS and Android marketplaces. Our 4G service is available to 93.2% of the Portuguese population as of June 30, 2017.

Following the launch of the *M_4O* quad-play offering, *Meo* repositioned its voice and data tariff plans as a result of which we now offer four unlimited voice and tiered data bundles in the post-paid category, at different price points ranging from €13.99 to €59.99 per month: (i) the *unlimited S,* offering 500 MB of mobile internet, unlimited voice/SMS plus 250 minutes or SMS on all other networks; (ii) the *unlimited M,* offering 1 GB of mobile internet plus unlimited voice and SMS and 500 minutes or SMS on all other networks; (iii) the *unlimited L,* offering 3 GB of mobile internet plus unlimited voice and SMS on all networks; and (iv) the *unlimited XL*, offers 30 GB of mobile internet plus unlimited voice and SMS. All of these plans include unlimited WiFi access and *Meo Music*, which otherwise costs an additional fee.

In the prepaid market, *Meo* extended its daily and weekly tariff plans offering a range of tariff plans from "zero obligations" (daily plans without inclusive data) to frequent user plans (billed weekly with 500 minutes and

SMS), in which the customer can choose add-on data services for a fee, to address consumers who opt not to enter into post-paid loyalty contracts. *Meo* also extended the *Moche* offering targeted at customers below the age of 25. The *Moche* tariff plans include 500 minutes and SMS and enables the customer to choose data allowances, which range from additional fees of €2.25 per week for 500MB to €3.99 per week for 5GB, and include traffic to 13 different apps, including WhatsApp, Facebook and Instagram.

Meo's tariff structure was established in response to price movements in the market and is aimed at maintaining *Meo*'s competitive position in the market. We believe that mobile services in Portugal are priced lower than the European average and are among the lowest in Europe. Fixed-to-mobile and mobile-to-mobile interconnection charges are regulated by ANACOM and have a significant impact on our business. Since 2005, when ANACOM declared all mobile operators to have significant market power in call termination in mobile networks market, ANACOM has accordingly imposed price controls on interconnection rates for the termination of calls on mobile networks. Since the imposition of price controls, interconnection rates have been reduced steadily. ANACOM has issued successive decisions that have reduced mobile termination rates over time. In March 2012, ANACOM issued a decision reducing mobile termination rates progressively to €0.0127/min by December 2012. In August 2015, ANACOM issued a further decision approving an additional reduction to €0.0083/min. ANACOM further reduced the mobile termination rates to €0.0081/min. as of July 2016 and €0.0075/min. as of July 2017. Further reductions estimated at €0.0067/min. in July 2018 and €0.0062/min. in July 2019 are anticipated. Moreover, on December 21, 2016, ANACOM issued a decision reducing the fixed termination rate from €0.001114/min. to €0.000644/min. as of January 4, 2017, and mandated a further reduction to €0.000635 effective from October 2017. These reductions have had, and are expected to continue to have, a significant impact on our interconnection revenues and consequently our cash flows and earnings.

Israel

We provide mobile services in Israel to B2C customers under the "HOT Mobile" brand mainly on our UMTS and LTE network. Due to current regulations, we currently offer our mobile services either on a stand-alone basis or in a bundle with ISP services.

We currently offer to B2C subscribers unlimited local calls, text messaging and internet access for what we believe to be an attractive and competitive monthly fixed price as well as free international calls to selected destinations for an additional fee. These prices are subject to changes, predominantly driven by the competitive nature of the Israeli telecommunications market. We also offer users pay-as-you-use packages which charge customers on a per-unit-used basis. Since the launch of our UMTS-based 3G mobile services in May 2012 and the launch of our UMTS prepaid services in April 2015, we added approximately (net) 1.2 million UMTS and LTE RGUs in the B2C market as of June 30, 2017. In addition, we have 9,000 RGUs iDEN in the B2C market as of June 30, 2017.

Dominican Republic

In the Dominican Republic, Altice Hispaniola currently offers B2C mobile services under its "Orange" brand, offering a variety of pay-as-you-go and monthly-rate plans through its 2G, 3G and 4G-LTE networks. We believe Altice Hispaniola's strong footprint in areas with low mobile penetration makes it well-positioned to capture future growth. As of June 30, 2017, Altice Hispaniola had 3,126,274 of total mobile subscribers of which 2,571,838 subscribe through pre-paid plans and 554,436 subscribe through post-paid plans.

To service the Dominican Republic's significant tourist traffic, Altice Hispaniola also provides users of foreign mobile connections with international roaming services. Altice Hispaniola has entered into roaming agreements with various international telecom service providers for voice, internet, data, pre-paid, roaming hub and 3G services. Currently, Altice Hispaniola has agreements in place with leading international telecom companies from over 143 countries. Altice Hispaniola also attracts international incoming traffic through its long-distance business, providing international call termination to other local operators. Altice Hispaniola also offers a range of wireless broadband internet services through nomadic broadband internet (through dongles and WiFi devices) and Flybox, its customer premises equipment, as well as capacity-based plans and voice and data bundles on 3G and 4G-LTE. As of June 30, 2017, 249,278 B2C customers took up broadband services through post-paid capacity-based plans.

Tricom provides mobile telephony services through its wireless network. Tricom's mobile offering includes 3G as well as 4G-LTE plans (depending on the handset) and mobile customers who subscribe to one of Tricom's triple-play offers benefit from a free 4G-enabled smartphone under the current service plan. As of June 30, 2017, Tricom had 218,242 (including broadband internet services) mobile subscribers.

Others

We currently provide 2G and 3G mobile services relying on HSDPA 13 Mbps Single Carrier technology in the French Overseas Territories. In October 2016, ARCEP awarded us with licenses to provide 4G services in La Réunion and Mayotte.

B2B

In addition to offering mobile services to our B2C customers, we offer focused B2B services to large, SME and very small enterprise business customers in Portugal, Israel and the Dominican Republic. Our B2B mobile products often include professional telephony services (such as business directory services, fleet management customer areas, usage alerts and financial management solutions) with devices chosen to respond to the needs of professionals and 24-hour on-site exchange service. As of June 30, 2017, in our largest geographic segment (Portugal), we offered mobile services to 1.5 million B2B customers.

Portugal

We offer B2B network and voice services, which include fixed and mobile voice convergence services through PT OpCo. We provide B2B mobile services to our B2B customers using a three-tiered approach: (i) *Residential*+ customers, which mainly include SOHOs, with an offering based on the convergence of voice, broadband, TV and mobile services through our MxO offer; (ii) *Connected*+ customers, served mainly with multi-employee connectivity services, including mobility solutions for traveling employees, and simple software solutions; and (iii) *Integrated*+ customers, served with a full range of telecommunications and technological services, such as unified communications, outsourcing of ICT services, application integration, M2M and specific IT/IS solutions, BPO and IT consultancy. The provision of mobile services to our corporate customers is guided by the objectives of maximizing value from traditional telecommunications services by upselling additional services, including fixed and mobile convergence on FTTH, VPN, LAN management and video services and capturing mobile data growth through 4G-based solutions and new machine-to-machine projects.

Israel

We provide mobile services in Israel targeted primarily at business subscribers both under the "MIRS" brand on our iDEN network and under the "Hot Mobile" brand on our UMTS and LTE network. We continue to experience a decrease in the number of iDEN customers in future periods together with the increase of B2B UMTS and LTE customers.

Dominican Republic

Altice Hispaniola has a significant presence in the B2B market, offering services to 412,587 customer lines with over 45% taking up plans aimed at SOHOs as of June 30, 2017. Altice Hispaniola also offers plans to over 2,300 SMEs and large companies as of June 30, 2017. Altice Hispaniola is growing its post-paid and business offerings and continues to roll-out new products and services. Altice Hispaniola has continued to expand its offerings to include data packages for pre-paid, new post-paid tariffs including unlimited data and launched value-added services. Altice Hispaniola has also expanded its B2B services with features such as mobile-to-mobile connection services, enhanced data security and telepresence.

For information on enhancements being made to Altice Hispaniola's network to support its B2B offerings, please see "*—Fixed Services—B2B—Dominican Republic*."

Other Services

We also offer a number of other services, depending on geography, such as bulk services to housing associations and multiple dwelling unit managers, cloud storage, such as on-demand IaaS services, computer security services and storage and backup solutions. In various jurisdictions in which we operate, we also generate revenues from selling advertising time to national, regional and local customers.

Content

We are focused on delivering high quality content offerings to complement our fixed and mobile services, including proprietary content and exclusive content. For example, on June 12, 2017 we announced a multi-year partnership with Netflix which will allow Altice customers to watch Netflix's content with eligible devices in France, Portugal, Israel and the Dominican Republic. Additionally, we intend to further develop and offer proprietary content through our "HOT 3" channel (in Israel), and through AENS, we purchase, produce and broadcast a diverse range of content including live broadcasts of sports events and other sports-, health- and wellbeing-related programs. We offer the channels distributed by AENS as part of our pay TV packages in several of our geographies and also distribute them to third party service providers, including our affiliate

Altice France Group. In addition, we have acquired the rights to broadcast and distribute various premium sports events, including rights in France and Monaco for the English Premier League, French National Basketball games, ski world championship events, Rugby Premier League fixtures, French Athletics Federation events, World Series of Boxing events, F. C. Porto matches in the Portuguese Premier League and, most recently, the exclusive football broadcasting rights in France to UEFA Champions League and UEFA Europa League for seasons 2018 through 2021. See "*—Material Contracts—Portugal—Contracts with football clubs*," "*—Material Contracts—Others—English Premier League broadcasting rights*" and "*—Material Contracts—Others—UEFA Champions League and UEFA Europa League broadcasting rights*" for more information. Sports events are broadcasted in France by the Altice France Group through channels packaged and distributed by AENS. We continue to broaden our media presence with the recent acquisition of a 25% stake in SPORT TV, and we intend to continue to selectively invest in more value-added premium content in the future in order to differentiate our telecoms bundles.

Customer Premises Equipment

In our fixed B2C business we believe advanced customer premises equipment is playing an increasingly crucial role as it enhances customer experience by facilitating access to a wide range of user-friendly features, offers a reliable channel for selling add-on and on-demand services, allows for multi-screen television viewing and broadband internet usage by multiple parties and, when set-top boxes and modems are combined in one box, allows cable operators to significantly reduce customer service expenses. Accordingly, we have continued to roll out "LaBox," our most advanced set top box, in Portugal (as "One Box") and Israel (as "FiberBox" and, from 2015, "Mini FiberBox," a unit that interfaces with FiberBox enabling further advanced features). LaBox is an innovative integrated set-top box and cable router which was developed by Altice Labs and is offered to customers subscribed to our premium multi-play packages. It can deliver very-high-speed internet, digital television services with a capacity of up to 300 channels and fixed-line telephony with two telephone lines, has four tuners to allow subscribers to record two television programs simultaneously while watching another (as well as watching different channels in different rooms), has high definition ("HD") and 3D capability and also includes an 802.11n WiFi router, a removable 160 GB PVR or optional 500 GB PVR which allows it to hold over 125 hours of HD or approximately 190 hours of standard definition ("SD") programming. Additional features include an optional Blu-Ray DVD player, access to social networking features such as Facebook and Twitter on television and a VoD price comparison engine and intelligent content search. Smartphones and tablets can act as "remote controls" for LaBox, allowing users to navigate the interface with their personal handheld device as well as to switch on and off the recording of television programs remotely through the application "TV Mobile."

Marketing and Sales

Our marketing divisions use a combination of individual and segmented promotions and general brand marketing to attract and retain subscribers. We market our B2B services to institutional customers and businesses such as large corporates, governmental and administrative agencies, small- and medium-sized businesses, nursing homes, hospitals and hotels. Our primary marketing channels are media advertising including commercial television, telemarketing, e-marketing, door-to-door marketing, billboards, newspaper advertising and targeted mail solicitation. We continuously evaluate our marketing channels to allocate our resources most efficiently.

Our marketing strategy is based on increasing the penetration of multi-play services within our subscriber base, increasing distribution of television-based value-added services and ensuring a high level of customer satisfaction in order to maintain a low churn rate. We highlight our multi-play offerings in our marketing efforts and focus on transitioning our analog and digital video-only customers to multi-play packages. We believe that customers who subscribe for more than one service from us are significantly more loyal to us. Our marketing and sales efforts are always geared towards demonstrating the high-quality and speed of our networks. In November 2015, we announced an exceptional partnership with Cristiano Ronaldo, four-time World Footballer of the Year and the current captain of the Portuguese national team, whereby he agreed to act as a brand ambassador across the markets in which we operate. Our partnership with Cristiano Ronaldo is illustrative of our ambition for success and our desire for excellence across our brands.

We use a broad range of distribution channels to sell our products and services throughout our operations, including retail outlets owned and run by the Group, retail outlets owned and run by third parties, dedicated sales booths, counters and other types of shops, door-to-door sales agents, inbound and outbound telesales and, in certain countries, our websites.

In Portugal, we market our B2C services through approximately 1,600 points of sale as of June 30, 2017, which include our own stores (using our own sales force), shops in large retailers and through separate dealers, which represent approximately 5%, 22% and 72% of the total points of sale, respectively, as of June 30, 2017. In addition, we also market our B2C services through door-to-door sales. In Israel, our sales distribution channels include dedicated sales booths, which are owned by the Group and some of which are operated by external dealers (the "HOT Booths"). Some of these sales booths also have service centers and other dealer outlets. We also use telemarketing and operate a door-to-door sales team, and in the ultra orthodox sector, we market our mobile services through an external distributor. In the Dominican Republic, Altice Hispaniola maintains a distribution network comprising more than 509 shops (direct and indirect) and 70,000 top-up points of sale, while Tricom owns a network of 86 stores throughout the Dominican Republic, in each case as of June 30, 2017. Although still a minor channel, online sales are expected to grow as traffic on Tricom's website has been experiencing strong growth.

We use a variety of brands, trade names and trademarks to market our services, including "*Meo*" and "*M$_4$O*" in Portugal, "HOT" in Israel, "Orange" and "Tricom" in the Dominican Republic and, in each case, several associated trademarks. However, we are currently implementing the adoption of a global brand which communicates more clearly our global strategy as an innovator, disruptor and a provider of superior next generation services to our customers. This includes harmonizing and changing existing brands in countries in which we operate to share a new global identity. We expect this new brand strategy will be implemented by amending trademark license agreements in place across the Group or establishing new agreements. The Altice name, brand and new logo will replace the current brands at each of our operating companies, with the exception of certain sub-brands in select areas, such as Next TV in Israel, Moche, Uzo and Sapo in Portugal, Teads and certain media news brands. The B2B brands will transition to Altice Business. It is expected that all commercial brands will have completed the transition process by the end of the second quarter of 2018.

We have been investing in digital marketing to accommodate for the consumption trends associated with new media, which include a greater emphasis on mobile services, social media and digital video, and have leveraged our digital profiling and segmentation capabilities in order to streamline our approach to new customer acquisitions.

Customer Contracts and Billing

We typically enter into standard-form contracts with our B2C customers. We review the standard rates for our services on an on-going basis. In certain of our geographies, in addition to the monthly fees we charge, customers generally pay an installation fee upon connecting or re-connecting to our cable network. The terms and conditions of our contracts, including duration, termination rights, the ability to charge early exit fees, and the ability to increase prices during the life of the contract, differ across our operations primarily due to the different regulatory regimes our business is subject to in each of the jurisdictions in which we operate. Contracts with our B2B customers are standard form contracts or bespoke, negotiated contracts, depending on the nature of the service.

We monitor payments and the debt collection process internally. We perform credit evaluation of our B2C and B2B subscribers and undertake a wide range of bad debt management activities to control our bad debt levels, including direct collections executed by our employees, direct collections executed in co-operation with third party collection agencies and pursuing legal remedies in certain cases.

Customer Service

We seek to provide our customers with the best connectivity and service experience available. This customer-centric approach drives our decision-making processes and is another key component of the Altice Way. We aim to increase customer satisfaction and decrease churn with high product quality and dedicated service offered through locally and internationally operated service centers and personnel. We have vertically integrated one of our main historical customer care suppliers, ACS, as well as one of our main historical suppliers in the area of the network deployment, ATS, in order to have more end-to-end control over processes and to optimize our operational risks and costs. The integration of ACS and ATS will enhance our expertise in these areas and ensure further quality of service improvements to our customers. See "—*Overview of our Business—Significant Investments and Dispositions*" above for more information regarding our investment in each of ACS and ATS.

The customer service function for our fixed and mobile services is carried out by call centers located in Yakum, Beer Shera, Haifa, Nazareth and Migdal Ha'omek, Israel (servicing our Israeli customers), Casablanca, Differdange, Lisbon, Coimbra Porto, Beja and Castelo Branco (key call centers servicing our customers in Portugal) and Mauritius (servicing our customers in the French Overseas Territories). Our customer care centers function as an integrated system and utilize software programs that provide increased efficiencies and limited wait-times for customers requiring support. Our field technicians and schedulers utilize the same software programs for customers requiring in-person support. In most of the countries in which we operate, we provide service to our customers 24 hours a day, seven days a week, and we have systems that allow our customer care centers to be accessed and managed remotely in the event that systems functionality is temporarily lost, which provides our customers access to customer service with limited disruption. We also utilize our customer portal to enable our customers to view and pay their bills online, obtain useful information and perform various equipment troubleshooting procedures. Our customers may also obtain support through our on-line chat, e-mail functionality and social media websites, including Twitter and Facebook.

Visits to customers' premises are performed by a mix of in-house and outsourced technicians. In geographies where we offer B2B services, our institutional and business subscribers are served by dedicated business service and technical centers.

We have also launched and partially implemented initiatives aimed at improving our customers' experience. These initiatives include enhanced Customer Relationship Management ("CRM") systems, which allow us to better manage new subscribers, identify customers at risk of churning, handle complex customer issues, offer special retention offers to potential churners and repayment plans to insolvent customers.

Network

Portugal—Fixed

In Portugal, the PT Portugal Group owns one of the largest FTTH networks by penetration in Europe reaching 3.5 million homes as of June 30, 2017, including approximately 450,000 homes reached as a result of the sharing agreement with Vodafone Portugal. See "*Material Contracts—Altice International Group—Interconnection Agreements.*" We are generally able to offer download speeds of at least 100 Mbps and have recently started to offer 200 Mbps, 400 Mbps and 1 Gbps to a vast majority of homes passed in our footprint with limited network and customer premises equipment upgrades across a substantial portion of our network. We are focused on increasing our investment in FTTH and in 2015 we announced a fiber rollout for 600,000 homes per year until the end of 2020. In 2016 we rolled out approximately 700,000 new FTTH homes passed, reaching 3.5 million FTTH homes passed as of June 30, 2017 and approximately 4 million FTTH homes passed by August 2017. We believe that we are on track to reach our target of 5.3 million FTTH homes passed by 2020. PT Portugal provides B2B and B2C services over the largest IP/Multiprotocol Label Switching ("IP/MPLS") backbone in Portugal, with almost 200 points of presence and a total capacity of more than 120 Tbps (equivalent interfaces) and high-speed 10/100 Gbps interfaces. Our fiber backbone supports transmission services directly over fiber cables or using Dense Wavelength Division Multiplexing ("DWDM") technology with a total capacity of more than 39 Tbps (equivalent ports) and high speed 10/100 Gbps interfaces, SDH technology or IP/MPLS technology.

We own an IP/MPLS International Backbone colocated with the key Internet exchange points, namely in Miami, Washington, Madrid, London (2 sites), Amsterdam and Frankfurt, with a total capacity of more than 6 Tbps (equivalent interfaces), with direct peering to more than 650 ISPs worldwide and direct transmission to three tier 1 and one leading transit provider. We have equity interests in eight international submarine cable consortiums, six of which have landing points in Portugal (Sesimbra and Carcavelos), and own a total of approximately 170,000 km of domestic cables with a transport capacity of 965 Gbps between the Portuguese mainland and the islands of Azores and Madeira. This data transmission network provides high capacity, flexibility and security and can progressively incorporate current data infrastructures at lower costs than alternative networks. We also provide high-speed internet access through ADSL and Ethernet.

In 2008, pursuant to the European Commission's proposal to cease analogue transmissions in all member states by 2012, ANACOM launched a public tender to grant the rights of use of frequencies allocated to the transmission of digital terrestrial television, or DTT, signals. Following a public tender launched by ANACOM in 2008, our subsidiary PTC (now PT OpCo) was granted the frequency usage rights for DTT associated with the transmission of the signal for free-to-air television programs, the so-called "Multiplex A" or "Mux A." This right allows us to have national geographic extension and is valid until December 2023. There is a coverage obligation associated to the right of frequency use, namely 87.2% of national territory covered by terrestrial platform (Mux A) and 12.8% by complementary means (satellite). On October 1, 2015, ANACOM published a decision related to the coverage obligations above, specifically on the evaluation methodology and technical parameters to be measured, which may result in PT OpCo bearing additional costs and undertaking additional investments. Moreover, in May 2013, ANACOM decided that the single frequency network, due to changes in spectrum international planning (700 MHz band), will evolve to a Multi Frequency Network ("MFN") topology. Migration is to be concluded by 2020 and may also result in additional costs.

We launched DTT (using DVB-T, or terrestrial signals) in 2009, initially covering 29 municipalities and over 40% of the population. By the end of 2011 we achieved 100% coverage of the Portuguese population (using approximately 90% DVB-T and 10% DVB-H (satellite signals)). The analogue television network switch-off in Portugal occurred on April 26, 2012.

DTT only encompasses broadcasting of free-to-air television programs, while our *Meo* offering comprises both free-to-air television programs, as well as pay TV channels provided over FTTH, ADSL and DTH technologies.

Portugal—Mobile

We provide mobile telephone services using Global System for Mobile Communication ("GSM"), Universal Mobile Telecommunications System ("UMTS"), and LTE technologies (2G, 3G and 4G, respectively). Within our GSM offering, we provide services in the 900 MHz and 1800 MHz band spectrums. Following a multiband auction for LTE technology spectrum, ANACOM formally allocated to us rights to the 2 × 10 MHz in the 800 MHz band, 2 × 14 MHz in the 1800 MHz band and 2 × 20 MHz in the 2.6 GHz band, each for 15 years. These rights are reflected in a license that includes and supersedes our previous GSM and UMTS licenses and which imposes certain requirements on us, including MVNO, national roaming and coverage obligations with respect to our 800 MHz spectrum. The backhaul for our 3G and 4G networks is provided through IP technology and the backhaul for our 2G is provided over SDH. Overall, approximately 95% of the sites are served by fiber optic as of June 30, 2017, and 3.5% of sites are using Microwave solutions. Our 2G, 3G and 4G networks cover approximately 98%, 95% and 93% of the population, respectively, as of June 30, 2017. Currently, our mobile network supports the following radio capacities: 2G/GSM: EDGE (240 Kbps); 3G/UMTS: HSPA+ Carrier Aggregation (42 Mbps); and 4G/LTE: Carrier Aggregation (300 Mbps).

Through roaming agreements, our subscribers can make and receive mobile calls throughout Europe and in many other countries around the world. As of December 2016, we had entered into roaming agreements with over 620 operators in more than 200 countries.

Israel—Fixed

We provide our fixed services through our extensive fully-owned cable network which passes most of Israel's 2.4 million households and which we believe is one of most technologically advanced networks in the EMEA region. The fiber-rich characteristic of our network, which is fully DOCSIS 3.0-enabled, generally gives it inherent capacity, speed (of up to 200 Mbps to B2C customers and 500 Mbps which is currently available to B2B customers in certain areas) and quality advantages as compared to copper-based xDSL networks. Our cable network allows the provision of fiber optic transmission services using DWDM technology, SDH technology or IP technology. We completed the migration process of switching telephony customers to a new telephony environment based on Genband (Class 4) and Broadsoft (Class 5) switches with advanced Session Initiation Protocol ("SIP") switch which is used to create and control communication sessions over an IP network. We are currently upgrading our cable network to advanced technologies, including by way of segmentation or by deploying fibers closer to the subscribers' homes, in order to allow for expansion of the transmission capacity on the network. Part of our cable network runs through ducts and poles owned by Bezeq and we are party to certain continuing arrangements with Bezeq relating to their installation and maintenance.

Israel—Mobile

HOT Mobile historically provided mobile services using an iDEN-based mobile network infrastructure providing nationwide coverage.

The roll-out of our 4G mobile services has enabled us to compete effectively in the mobile services market as we are able to provide up-to-date services to customers, including faster data transmission services (up to 150 Mbps) with a higher data rate. Our customers also have the option of using a wide range of devices compatible with our network, including Android based and Apple branded handsets. Currently, we are able to expand the range of value-added services we offer to include a wide variety of applications and content requiring higher data bandwidth and more advanced devices. Our Israeli fixed business, which we run under the "HOT" brand, has allowed our mobile business to benefit from certain synergies including in respect of retail distribution and brand awareness.

Our GSM/UMTS/LTE network is operated and maintained by the JV Entity and is the most advanced nationwide network in Israel. When we originally launched our mobile services in Israel in May 2012, we had relied on Pelephone's network to provide in-country roaming services to our customers in areas not covered by our UMTS network. On July 2, 2014 the Israeli Ministry of Communications initiated a tender process for 4G-LTE frequencies comprising a total of eight frequency bands in the area of 1,800 MHz to enable delivery of mobile services using LTE technology. The process was concluded on August 9, 2015, when two frequency bands at the width of 5 MHz in the 1.8 GHz were allocated to HOT Mobile. As a result, HOT Mobile launched the LTE service to its customers.

The Network Sharing Agreement with Partner was approved by the Israeli Antitrust Authority and the Israeli Ministry of Communications on April 20, 2015 and is valid until December 31, 2028, and provides for automatic renewals in five year increments after December 31, 2028. For further details, please see "—*Material Contracts—Mobile Network Sharing Agreement with Partner in Israel.*" HOT Mobile also has a number of roaming contracts with cellular companies outside of Israel that provide our 3G and LTE customers with international roaming capabilities. For further details, please see "—*Material Contracts—Agreements relating to mobile roaming services.*"

Dominican Republic – Fixed

Tricom provides its fixed services through its HFC cable, xDSL and GPON networks. As of June 30, 2017, Tricom had upgraded 87% of its HFC cable network to bi-directional capability, with a substantial majority of homes passed on 750 MHz or 1,000 MHz. Up to a maximum of 750 homes are served by each optical node in Tricom's network. Tricom is continuing the expansion of its cable network into key, underpenetrated cities where proprietary fiber optic is already present, offering significant growth potential. As of June 30, 2017, we delivered fixed services to 774,000 homes in the Dominican Republic, served by optical nodes with a maximum of 150 homes passed in major cities in the Dominican Republic including Santo Domingo, Santiago and San Pedro de Macoris. Altice Hispaniola is currently in the process of moving from a mobile-centric offering to a full-service provider with various enhancements being made to its network.

Dominican Republic – Mobile

We offer Altice Hispaniola's mobile services through our 2G GSM/GPRS, 3G UMTS/HSPA and 4G-LTE mobile access network comprising approximately 1,328 antenna sites with approximately 1,654 2G GSM/GPRS base stations (BTS), approximately 1,209 3G UMTS/HSPA base stations (node-B) and 633 4G-LTE mobile base stations as of June 30, 2017. Altice Hispaniola has nationwide coverage through its high quality 2G network (96.4% population coverage) which is fully EDGE capable and achieved 90.4% population coverage through its 3G network (offering download speeds of up to 42 Mbps).

Tricom provides mobile telephony services through its wireless network and has 25 MHz of spectrum in the 850 MHz frequency, allowing it to offer its customers 3G mobile services (covering 66% of the Dominican Republic population), and 30 MHz of spectrum in the 1,900 MHz frequency, allowing it to offer 4G-LTE mobile services (covering 30% of the Dominican Republic population). Tricom has an additional 30 MHz of spectrum in the 3,500 MHz frequency where it offers some WiMAX coverage (East coast). Tricom's 4G and 3G services are capable of supporting mobile download speeds of up to 70 Mbps and 3 Mbps, respectively.

Once the Altice Hispaniola and Tricom merger receives the required regulatory approval, we intend to migrate Altice Hispaniola's 4G-LTE services onto the spectrum in the 1,900 MHz frequency licensed to Tricom since the conclusion of the 4G-LTE public frequency auction in May 2014. Pursuant to this, Altice Hispaniola has filed a technical pilot application with the relevant regulatory body which, if approved, would allow Altice Hispaniola and Tricom to work on the technical logistics of the proposed 4G-LTE migration ahead of their merger. Authorization of the merger has recently been made conditional upon the return of 30 MHz owned by Tricom in the 1900 MHz spectrum. We are currently challenging this conditionality before Indotel.

Others

In the French Overseas Territories, our acquisition of Outremer enriched our asset base with fixed-line xDSL networks over which we provide internet, fixed-line telephony and IP television services which are available to most households in the region. In Guadeloupe, Martinique and La Réunion, our fixed-line xDSL network is supplemented by WiMAX capability enabling the delivery of last-mile wireless broadband internet access. We also own a HFC cable network in Martinique and Guadeloupe.

Suppliers

While, historically, purchasing activities were carried out at a local level, we have recently begun to globalize and streamline our procurement processes by combining our aggregate purchasing power to leverage the combined scale of the Altice Group and negotiate more favorable pricing and other commercial terms from suppliers. In connection with this centralization process, we are currently in the process of establishing a global purchasing subsidiary. We believe that this will allow us to realize significant cost savings going forward. However, while we progress the globalization of our procurement functions, our businesses continue to purchase certain products and services under locally negotiated contracts, for example, due to the need for geography-specific products and services.

We have relationships with a number of suppliers across our geographies that provide us with hardware, software and various other products and services necessary to operate our businesses. We use a limited number of subcontractors to maintain our network, operate our call centers and supply, install and maintain installed consumer and on-site business and public sector terminals, with Group employees performing only a small portion of installations. Certain services can be self-installed by our customers, but most still require a professional installer. Our agreements with third-party providers generally require subcontractors to maintain certain quality levels and use trained personnel, and we monitor the efficiency and quality of these services on a regular basis.

Customer Premises Equipment

We purchase set-top boxes and other customer premises equipment from a number of suppliers. For example, in Portugal, we obtain telephones and equipment for our voice, broadband and pay TV services from suppliers such as Alcatel-Lucent, Novabase and Motorola. In Israel, Genband and BroadSoft provide us with equipment and services relating to telephony switches and Technicolor and Sagemcom provide us with modems and set-top boxes including, in respect of Sagemcom, the FiberBox (“LaBox”) and the HOT Box (as further described below). In the French Overseas Territories, we procure our xDSL modems and set-top boxes from Pace (formerly known as Bewan) and Sagemcom, while we purchase our cable modems and set-top boxes from the Altice France Group which sources from Netgear and Technicolor.

We currently deploy our set-top box LaBox in Portugal, Israel and the Dominican Republic. We purchase LaBox set-top boxes from a single supplier for use across our operations.

In March 2011 in Israel, HOT entered into an agreement with Sagemcom Broadband SAS for the development and purchase of the “HOT Box,” a product which combines the functionality of an internet modem, telephony modem and wireless router. In return for a fixed amount per set top box, Sagemcom develops the product and grants licenses to us to use the product software as well as provide a warranty and maintenance services. The agreement is for a term of four years and is automatically renewed for successive periods of one year unless notice of termination is given by either party. As of the date hereof, the agreement remains in place. We are also party to agreements with Sagemcom for the purchase of set-top boxes in Portugal and the Dominican Republic. Sagemcom was acquired by funds managed by Carlyle on August 17, 2011.

Network Connectivity and Mobile Operations

We have entered into a number of interconnection agreements with fixed-line and mobile telephony operators in the geographies in which we operate. In certain countries, such as Israel, we have also entered into agreements providing for domestic roaming services and other roaming agreements with foreign mobile operators. We may also look to third-party suppliers for network infrastructure solutions and the provision of mobile handsets.

In Portugal, we use systems and networks in partnership with Nokia Solutions and Networks Portugal, Alcatel-Lucent, Ericsson, Huawei, Cisco Systems, Nortel Networks, Critical Software, Microsoft and SAP, among others, and have agreements with a number of manufacturers that sell mobile handsets, including Nokia, Samsung, ZTE, Huawei, Apple, Sony, LG and RIM. In Israel, Bezeq provides us with design, installation and maintenance services relating to certain parts of our cable network which pass through ducts and poles that they own. The main suppliers for our iDEN-based mobile operations are Motorola Solutions which owns the rights to the iDEN technology and is the primary manufacturer of infrastructure equipment for iDEN technology, and Motorola Mobility, which assigned its distribution rights to Hi-P (Singapore) Technology Pte. Ltd which manufactures and distributes end-user equipment for iDEN technology. Please see “*Material Contracts—Israel—Agreements relating to mobile roaming services* and “*Material Contracts—Israel—Mobile Network Sharing Agreement with Partner in Israel*” for more information. In the French Overseas Territories, we pay interconnection fees and purchase capacities to France Telecom/Orange and Digicel for both our fixed and mobile activities. We also purchased our network infrastructure and 2G/3G base stations from Alcatel and our 4G base stations are sourced from Huawei. We source our handsets from Samsung and Alcatel.

Content

We obtain television content, including premium channels, from a number of national and international suppliers, and purchase rights to broadcast channels on our network and content for our TV services. In Israel, we contract with suppliers for the purchase of television programming content that we package and broadcast under the HOT suite. We also purchase rights to broadcast content for our VoD service. See “—*Other Services—Content*” above for additional information regarding our recent investments in, and partnerships with, new content suppliers.

Several different relationships govern the content that we provide to our cable television subscribers. The terms and conditions of our contracts governing the payments and content providers of copyright fees to broadcasters vary by jurisdiction. We also enter into transportation and distribution agreements with commercial broadcasters. Through transportation contracts, we agree to carry a commercial broadcaster’s signal across our fiber backbone to our head-end stations, where the signal is subsequently delivered to our subscribers. Broadcasters who transmit their signal to us by satellite can elect to deliver their signal directly to our head-end stations and, as a result, do not need to enter into a transportation agreement with us. We also enter into distribution arrangements with all of the commercial broadcasters whose channels we carry on our networks, pursuant to which we agree to carry the broadcaster’s signal from the head-end station to our cable television subscribers. A variety of compensation arrangements have been made in respect of the contracts we enter into with the commercial broadcasters. In some situations, we do not charge the broadcasters any fee for transmitting their signal to our subscribers. Instead, the broadcasters benefit from increased advertising revenue they receive from reaching our basic cable television subscribers and we benefit by providing our subscribers added content. In certain situations, we pay broadcasters for the channels they transmit over our network. In other instances, we have entered into revenue-sharing arrangements or subscriber-based fixed fees. In addition to these arrangements, we have also entered into contracts with certain broadcasters pursuant to which we currently pay a fee in order to have the right to broadcast their signal on any digital cable television service that we may offer in the future.

We pay copyright and carriage fees to the foreign, national and thematic broadcasters carried on our cable television networks. In general, these fees are paid in part to copyright collection agencies and to broadcasters based on a combination of per program fees and the number of subscribers to our cable service. We also typically pay royalties based on our subscribers' usage of on-demand content.

Material Contracts

The agreements described below are of material importance to our Group. The summary of each agreement set forth below is an overview of certain material terms of such agreement as in effect as of the date hereof.

General

Interconnection agreements

Interconnection is the means by which users of one telephony network are able to communicate with users of another telephony network and, as the case may be, through a third telephony network. For a subscriber located on one telephony network to complete a telephone call to an end-user served by another telephony network, the subscriber's network service provider must interconnect either to the end-user's network, or to the network that transfers the call to the end-user's network. Typically, the network transferring the call and the end-user's network charge the subscriber's service provider a fee to transfer or to terminate the communication. Interconnection fees are typically regulated by the telecommunications regulator in each of the countries in which we operate. Regulators also commonly impose on all participants in the fixed-line telephony and mobile telephony markets an obligation to negotiate in good faith interconnection agreements with every requesting operator who is seeking to provide a publicly available electronic communication service. Generally, the cost of interconnection fees that we pay is taken into account in the price we charge our subscribers.

We have entered into various domestic and international reciprocal interconnection agreements for our fixed-line telephony, mobile operations and ILD services with other providers of electronic communications services. Our interconnection agreements generally have terms that continue for the duration of the parties' licenses to pursue telecommunication activities and may be terminated in the event of a material breach or the commencement of liquidation or insolvency proceedings.

Agreements relating to mobile roaming services

Currently, we receive roaming services around the world from various network operators. Our roaming agreements enable our mobile customers to access other mobile networks while abroad. Although the particular terms depend on the country in which roaming services are accessed, the agreements regulate billing and accounting, settlement procedures, customer care, technical aspects of the roaming agreement, security and connectivity. The agreements may be terminated in the event of a material breach or the commencement of liquidation or insolvency proceedings, among other things.

Portugal

Agreements governing the reciprocal sharing of broadcasting rights with Portuguese competitors

In July 2016, PT Portugal reached an agreement with certain other Portuguese telecom operators, such as NOS Comunicações, NOS Audiovisuais, Vodafone Portugal and Cabovisão (currently Nowo), for the reciprocal sharing of broadcasting rights of football-related content for a period of eight years, with the cost of such broadcasting rights split among all operators based on their market share. Accordingly, PT Portugal will pay its competitors a portion of the distribution and broadcasting rights based on PT Portugal's market share, and is entitled to recharge other operators the cost of its own exclusive broadcasting rights based on the market share of such operators.

Distribution agreement with SPORT TV

In July 2016, PT OpCo entered into a distribution agreement with the Portuguese sports premium channel SPORT TV for a two-season period, pursuant to which PT Portugal is committed to pay a non-contingent fixed price plus an additional variable fee component based on the number of subscribers and penetration rate. PT OpCo's subsequent acquisition of a 25% stake in SPORT TV as described under "*Description of Our Business—Overview of our Business—Significant Investments and Dispositions*" has not affected the parties' respective rights and obligations under this agreement.

Contracts with football clubs

At the end of 2015 and in the beginning of 2016, PT Portugal entered into contracts with several first and second division football clubs in Portugal, including F.C. Porto, Vitoria F.C., Rio Ave F.C., Boavista F.C. and three second division clubs. Under these contracts, we (i) acquired the exclusive broadcasting rights for the home games of these clubs for up to ten football seasons for certain clubs, (ii) acquired the broadcasting rights of "Porto Canal" (F.C. Porto's own TV Channel) for a period of twelve and a half years from January 2016 onwards and (iii) we entered into sponsorship agreements for periods of up to ten football seasons. The total value of these contracts amounts to €620 million (excluding VAT). The amounts payable under these contracts may change depending on the rank of the teams at the end of the season, particularly in case of promotion or relegation. Key agreements include:

- The agreements entered into with F.C. Porto, F.C. Porto-Futebol SAD and FCP Media, under which we (i) acquired the broadcasting rights of the games of these clubs for ten seasons (2018/2019 to 2027/2028), (ii) acquired the broadcasting rights of the Porto Canal for a period of twelve and a half years (January 2016 to June 2028) and (iii) obtained sponsorship rights for seven and a half seasons (January 2016 to June 2023).
- The agreement entered into with Vitoria Sport Clube-Futebol SAD under which we (i) acquired the broadcasting rights of the games of these clubs for ten seasons (2018/2019 to 2027/2028) and (ii) obtained sponsorship rights for ten seasons (2018/2019 to 2027/2028).
- The agreement entered into with Rio Ave Futebol Clube-Futebol SDUQ, Lda, under which we (i) acquired broadcasting rights for the games of this club for ten seasons (2018/2019 to 2027/2028) and (ii) obtained sponsorship rights for twelve and a half seasons, beginning on January 1, 2016.
- The agreement entered into with Boavista F.C.-Futebol SAD, under which we acquired broadcasting rights for the games of this club for ten seasons (2016/2017 to 2025/2026).
- The agreements entered into with three second division clubs, under which we (i) acquired broadcast rights of the games of these clubs for three seasons (2016/2017 to 2018/2019) and (ii) obtained sponsorship rights for three seasons (2016/2017 to 2018/2019).

Fiber Sharing Agreement with Vodafone Portugal

In July 2014, we signed an agreement with Vodafone Portugal to deploy, swap of capacity and share fiber networks beginning in December 2014, for an initial term of 25 years. The initial term is automatically renewed for four year increments unless a party provides written objection to a renewal two years in advance of the termination date. The agreement includes sharing of dark fiber in approximately 900,000 homes, where each party grants to the other party an exclusive Indefeasible Right of Use ("IRU") for certain PON network cells it owns (totaling approximately 450,000 homes each). Since the model is based on a swap of capacity through IRUs, the title to the PON network cells remains with the granting party, which allows both parties to maintain full autonomy and flexibility in designing retail offers, including the provision of RF (analogue) TV signal, and will ensure confidentiality of customer information. As a result of this agreement, we have extended our FTTH network in Portugal by approximately 450,000 homes as of June 30, 2017.

During the first ten years of the agreement, there is an undertaking of partnership between the parties for the construction of new PON network cells. A party must notify the other party if it wishes to build new PON network cells in any geographical area which does not correspond to the PON network cells already covered by the agreement. If the other party is also willing to build new PON network cells, both parties must then commit to the construction of new PON network cells in partnership with each other. This undertaking from each party does not apply after the first ten years of the agreement, nor when a party decides to build PON network cells in partnership with another operator (provided that such PON network cells are not covered by the agreement).

Additionally, each party may transfer the entirety (but not part) of its PON network cells covered by the agreement to a third-party purchaser, provided that such purchaser also assumes the obligations of the selling party under the agreement. The non-selling party has a pre-emption right where the third party purchaser is a retail operator in the broadband market, which is not in the same "economic group" as the seller. If the selling-party does not comply with the conditions to transfer and the pre-emption right, it will be subject to a penalty. In the event of a material and/or continuous default of one party, the other party may unilaterally terminate the agreement by exercising a call option.

Israel

Agreement with the State of Israel relating to ownership of our cable network

In July 2001, our predecessor companies entered into an agreement with the State of Israel pursuant to which they agreed to waive all claims against the State of Israel arising out of the grant of a satellite broadcast license to D.B.S. Satellite Services (1998) Ltd, an associate of Bezeq which provides satellite technology based multi channel television services under the "YES" brand. In exchange, the State of Israel agreed to waive all of its claims and rights concerning the cable infrastructure, such that our predecessor companies would hold all rights and title to the cable infrastructure in their respective concession areas and have the right to operate the cable network even after the end of the concession periods. The agreement, which was transferred to our Group as part of the Israeli cable consolidation process, sets out a payment mechanism based on revenues deriving from the use of the cable infrastructure pursuant to which we were required to make annual payments to the State of Israel until January 1, 2015. As of 2015, we are no longer obligated to pay such annual payments. In addition, we are required to pay certain amounts to the State of Israel, as provided in the agreement, in the event we sell any of our cable network assets or operations carried out via the cable infrastructure or in the event we issue securities through a public offering, investment or similar transaction. For the year ended December 31, 2014, we incurred expenses related to the agreement with the State of Israel of NIS 58 million, and since 2015, we are no longer required to pay annual charges to the State of Israel. We have provided a second ranking floating charge over all of the assets of HOT to the State of Israel to secure our payment obligations under the agreement.

Provision of certain bank guarantees to the State of Israel relating to performance of certain license terms

In relation to the addition of frequencies to our mobile license enabling us to provide UMTS-based 3G services, we were required to pay to the State of Israel a total license fee of NIS 705 million, out of which we paid NIS 10 million at the time of receiving the license. For the remaining NIS 695 million, we were required to provide the State of Israel with a bank guarantee. On November 21, 2013, the Israeli Ministry of Communications notified HOT Mobile that the license fees shall be decreased to NIS 10 million (which has already been paid) and the bank guarantee shall be decreased from the amount of NIS 695 million to an amount of NIS 80 million. As a result of the successful LTE tender, the bank guarantee was replaced with a new bank guarantee of NIS 80 million so that it would cover HOT Mobile's commitment to the Ministry of Communications regarding the license. We have also provided bank guarantees to the State of Israel for an amount of approximately NIS 27 million and $8.4 million as surety for the compliance with the terms of our broadcasting licenses and fixed-line licenses, respectively.

Agreements with Bezeq relating to installation and maintenance of portions of our cable network

In the 1990s, certain of our predecessor companies entered into agreements with Bezeq for the purpose of planning, installing and maintaining the cable networks pursuant to which they intended to provide cable television services. The cable networks and the related agreements with Bezeq were transferred to our Group as part of the cable consolidation process. The agreements are valid until we have valid broadcasting licenses.

Under the terms of the agreements, Bezeq is required to maintain the portion of our cable network that passes through its ducts on an on-going basis and is also responsible for repairing breakdowns in the network. The scope of the agreements extends to the possibility of expanding the cable network to additional sites, connecting new homes and connecting new neighborhoods. Bezeq is permitted to terminate the agreements if we breach the agreements and have not cured such breach within six months of written notice from Bezeq. The agreements set forth a payment mechanism pursuant to which we pay Bezeq an annual amount representing capital expenditure and maintenance costs based on the length of the cable network passing through its ducts as well as one-time payments in respect of certain services provided by Bezeq. Capital expenditure costs are staggered over a 12-year period and the amounts payable to Bezeq are accordingly reduced by approximately 65% after 12 years of the delivery of each segment of the cable network. We incurred total costs of NIS 49 million, NIS 48 million, NIS 50 million and NIS 25 million in 2014, 2015, 2016 and for the six months ended June 30, 2017, respectively, for services provided by Bezeq under these agreements.

Agreement with Nokia Solutions and Networks relating to installation of the UMTS/LTE network

In June 2011 we entered into an agreement with Nokia Solutions and Networks ("NSN") for the establishment of the new UMTS network infrastructure pursuant to which we provide 3G mobile services to our customers. Under the terms of the agreement, NSN has agreed to plan and erect the new network infrastructure on a turnkey basis. NSN has also agreed to provide maintenance with respect to our mobile network.

In the first stage, completed in 2012, NSN satisfied its requirement to complete the network with coverage extending to 20% of the Israeli population according to our mobile license requirements. During 2013 and

2014, several amendments were made to the agreement with NSN postponing payments due under the agreement in return for an obligation which was issued in favor of NSN and guaranteed by HOT. In this framework of agreements HOT Mobile also confirmed receipt of a final installment of key parts in relation to the aforementioned project.

In July 2014, an agreement was signed between HOT Mobile and NSN for the provision of equipment, hardware and software. In addition, HOT Mobile acquired the construction and integration services of the LTE core network for purposes of providing domestic roaming services and for adapting its network pursuant to the requirements of the Network Sharing Agreement with Partner. In July 2016, an amendment was made to the agreement regarding purchase of additional equipment and software as well as maintenance services for the core of the network for the years 2016 and 2017.

Mobile Network Sharing Agreement with Partner in Israel

On November 8, 2013, HOT Mobile entered into a network sharing agreement (the “Network Sharing Agreement”) with Partner pursuant to which HOT Mobile and Partner will own equal shares of a newly formed limited partnership (“JV Entity”) that will hold, develop and operate an advanced shared mobile network for both companies. Each party is required to maintain and operate its own core network and independently provide mobile communication services, including marketing and sales of such services, to its respective customer base.

On April 20, 2015, the Israeli Antitrust Authority and the Israeli Ministry of Communications provided regulatory approval for the Network Sharing Agreement subject to certain conditions including, among others, the prevention of the transmission of business information and technology (which does not require joint activity), and conditions relating to the management of the JV Entity. The decision further stipulated that each party shall be entitled at all times, and at its sole discretion, to call a third party for provision of mobile communication services which are used in the core network of such party, and that the JV Entity will not be a party to the agreement and shall not be entitled to payments made thereunder. However, from May 22, 2021 the Commissioner may revoke such regulatory approval if the Commissioner finds the partnership, its existence or its actions harm competition.

On August 9, 2015 the JV Entity received its license to render Radio Cellular Infrastructure services for a period of 10 years.

The Network Sharing Agreement, among other things, regulates the management and development of the shared network and the management and governance of the JV Entity (including a mechanism for appointing directors, the approval of business plans and certain decisions that require the approval of both parties). As consideration, HOT Mobile was required to pay Partner an initial amount and, thereafter, each party bears half of the capital expenditures required to establish and upgrade the shared network. The shared network operational expenditures are allocated in accordance with a prescribed mechanism based on, *inter alia*, the traffic volume usage of each party. HOT has provided a guarantee with respect to HOT Mobile’s obligations under the Network Sharing Agreement and the Group may be required to provide an additional guarantee or a bank guarantee to Partner in the event that the Group’s corporate rating is downgraded below a specified level.

The Network Sharing Agreement with Partner is valid until December 31, 2028 and provides for automatic renewals in five-year increments after December 31, 2028. However, at any time after the eighth anniversary of the effective date of the Network Sharing Agreement, either party may terminate the agreement by providing 24 months’ prior notice. The Network Sharing Agreement may also be terminated by a non-defaulting party upon certain specified events, including a material breach, failure of a party to meet its funding obligations, termination of a party’s license by the Israeli Ministry of Communications and the occurrence of certain insolvency events. The Network Sharing Agreement also provides for an exit plan upon termination.

HOT Minority Shareholder Agreements

In October 2010, Cool Holding entered into separate agreements with Yedioth Communications Ltd. (“Yedioth”) and companies from the Fishman Group (collectively, “Fishman” and, together with Yedioth, the “HOT Minority Shareholders”), pursuant to which (i) Cool Holding acquired 4,565,493 shares of HOT from Fishman in March 2011 and 10,012,003 shares of HOT from Yedioth in November 2011 and (ii) Cool Holding agreed that, until the date that is three years from each such acquisition date, Cool Holding would not take any action which would cause HOT to become a private company or for its shares to be delisted from the Tel Aviv Stock Exchange without receiving the consent of each HOT Minority Shareholder (the “Take-Private Consent Right”).

On November 5, 2012, in connection with the Take-Private Transaction, Cool Holding entered into separate agreements (each, a “HOT Minority Shareholder Agreement”) with the HOT Minority Shareholders, pursuant to which (i) Cool Holding agreed to acquire directly or through one of its subsidiaries from each of the HOT Minority Shareholders all of their respective shares in HOT, representing approximately 11% of the outstanding shares of HOT (the "HOT Minority Shareholder Shares"), in consideration for a payment of NIS 41 per share, (ii) each of the HOT Minority Shareholders agreed to waive its Take-Private Consent Right, and (iii) as additional consideration for the waiver of the Take-Private Consent Right, Cool Holding granted each HOT Minority Shareholder the right to purchase the HOT Minority Shareholder Shares from Cool Holding or one of its subsidiaries (the "HOT Minority Shareholder Call Options") at a price per share equal to NIS 48 (the "Call Consideration") during the 24-month period commencing on the first anniversary of the Take-Private Transaction. The Take-Private Transaction was completed on December 27, 2012.

The HOT Minority Shareholder Agreements contain anti-dilution rights and consent rights with respect to changes in business prior to the exercise of the HOT Minority Shareholder Call Option and certain minority shareholder rights which become applicable if the HOT Minority Shareholder Call Options are exercised after the Take-Private Transaction, including tag-along rights with respect to any sale of HOT shares by Cool Holding, pre-emptive rights with respect to issuance of HOT shares, restrictions on HOT's ability to effect transactions outside of the ordinary course of business (including a transaction resulting in the sale by HOT of a material asset), restrictions on entering into transactions with any shareholder, director or officer of HOT or any affiliate thereof (subject to certain exceptions), restrictions on the incurrence of any material indebtedness and the right to require HOT to re-register and list its shares on the Tel Aviv Stock Exchange (subject to certain exceptions). In addition, Cool Holding has certain drag-along rights with respect to the shares sold to the HOT Minority Shareholders upon the exercise of the HOT Minority Shareholder Call Options.

The validity of the HOT Minority Shareholder Call Options was extended until December 27, 2016 by Cool Yedioth and the Fishman Group, without any additional consideration. All other terms in the HOT Minority Shareholder Call Options remained the same and no changes were made thereto. On November 24, 2016, Cool notified HOT that it had reached an agreement with Yediot, pursuant to which the option granted to Yediot by the controlling shareholder would be cancelled in return for payment of a sum equal to the value of the option, as determined by an independent valuator who will select a mechanism agreed upon by the parties. On December 18, 2016, Cool notified HOT that it had reached an agreement with the Fishman Group, according to which the option granted the Fishman Group by the controlling shareholder would be cancelled, in return for payment of a sum equal to the value of the option, as determined by an independent valuator, based on mutually agreed criteria.

Dominican Republic

Tricom Acquisition Shareholders' Agreement

Pursuant to certain agreements (the "Tricom Purchase Agreements") dated October 31, 2013, between Altice Caribbean and Hispaniola Telecom Holdings, Ltd. (the "Tricom Sellers"), a company controlled by Amzak Capital Management and Inversiones Bahía, on March 12, 2014, Altice Caribbean, through one of its subsidiaries, purchased all of the outstanding equity interests in each of Tricom S.A. and Global Interlinks Ltd. (together, "Tricom") from the Tricom Sellers (the "Tricom Acquisition"). The aggregate purchase price payable by Altice Caribbean for the Tricom Acquisition was $405 million. The Tricom Sellers agreed to reinvest approximately $20 million of proceeds of the Tricom Acquisition in Altice Bahamas through the subscription of Class B Shares representing 2.8% of the outstanding shares of Altice Bahamas. Furthermore, the Tricom Sellers entered into a shareholders' agreement with Altice Caribbean which, among other things, included certain restrictions on the transfer of Class B Shares, as well as put and call options on all of the Class B Shares held by the Tricom Sellers, exercisable three, four and five years after the execution of the shareholders' agreement.

Brand License Agreement with Orange

In respect of our use of the "Orange" brand in the Dominican Republic, in November 2013 (in connection with the Altice Hispaniola Acquisition) we entered into a brand license agreement (the "Brand License Agreement") with Orange Brand Services Limited. Under the terms of the agreement, we have a license to use the Orange brand in the Dominican Republic for the current activities of Altice Hispaniola for three to five years effective from the completion of the Altice Hispaniola Acquisition. Royalties under the Brand License Agreement are paid to Orange S.A. on a quarterly basis. The Brand License Agreement may be terminated by either party in certain circumstances, including if we or Orange Brand Services Limited commit a material breach of the agreement, if we do not satisfy certain minimum investment requirements in the Orange brand, if we undergo certain change of control events or if a competitor purchases shares in us.

We may negotiate the extension of the Brand License Agreement with Orange Brand Services Limited to allow for the inclusion of new services to be provided by Altice Hispaniola (which are currently outside the scope of the Brand License Agreement) in the Dominican Republic.

In October 2016, the Orange group notified us of its decision not to extend the Brand License Agreement beyond April 2017. We subsequently reached an agreement pursuant to which we were permitted to continue using the Orange brand in the Dominican Republic until December 31, 2017 under the existing Brand License Agreement, at which point we expect to have implemented the Altice Group's global brand across all of our operations in the Dominican Republic.

Others

Outremer Shareholders' Arrangements

On July 5, 2013, Altice International, through its wholly owned subsidiary Altice Caribbean consummated the Outremer Transactions. In connection with the Outremer Transactions certain members of Outremer's management at the time (the "Outremer Minority Shareholders") received certain equity interests in Altice Blue Two. On January 15, 2014, Altice Blue Two completed the Mobius Acquisition, in connection with which certain members of Mobius' management (the "Mobius Managers") received certain equity interests in Altice S.A. Pursuant to contribution agreements dated January 30, 2014, (i) the Mobius Managers have contributed to Altice S.A. vendors' notes held against Altice Blue Two, against ordinary shares of Altice S.A., and (ii) in March 2014, the Outremer Minority Shareholders contributed to Altice S.A. shares held in Altice Blue Two (other than ratchet shares described below) against ordinary shares in Altice S.A. (the "Managers' Roll Over"). The contribution agreements also contemplated a 2014 financial-performance-based earnout payable to the Outremer Minority Shareholders by way of an additional issue of ordinary shares of the Altice S.A. in early 2015, up to a value of €10 million. As a result of the above, Altice S.A. issued approximately 2,111,909 new ordinary shares subscribed by the Outremer Minority Shareholders and the Mobius Managers, leading to a dilution of then Altice S.A. shareholders by approximately 1.0%.

In addition, on March 11, 2014, Altice S.A., the Outremer Minority Shareholders and the Mobius Managers entered into agreements pursuant to which (i) the Outremer Minority Shareholders transferred ratchet shares tracking the performance of Altice Blue Two to Altice Caribbean, in exchange for warrants issued by Altice Caribbean and tracking the performance of Altice Caribbean and its subsidiaries (together with the underlying shares, the "Altice Caribbean Warrants"), (ii) Altice Caribbean Warrants were awarded to the Mobius Managers, and (iii) existing shareholders' arrangements at the level of Altice Blue Two were replaced by shareholders arrangements at the level of Altice S.A., Altice Caribbean and Altice Blue Two (the "New Outremer Shareholders' Arrangements").

At the level of Altice Caribbean, the New Outremer Shareholders' Arrangements provided certain limitations on Altice Holding's rights as a majority shareholder of Altice Caribbean, including specific veto and consent rights in favor of the Outremer Minority Shareholders and the Mobius Managers (collectively referred to below as the "ABT Managers"). The New Outremer Shareholders' Arrangements also contain certain restrictions to the transfer of Altice Caribbean's shares (including the Altice Caribbean Warrants). The New Outremer Shareholders' Arrangements also provide that all investments of the Altice Group in an area covering the Caribbean, the Indian Ocean and Mauritius shall be completed through Altice Caribbean (or one of its subsidiaries). Further, the New Outremer Shareholders' Arrangements contain put and call arrangements exercisable on the Altice Caribbean Warrants in 2018, at a price determined in order to allow the ABT Managers (subject to certain bad leaver situations) to capture a fraction of the potential value-added to the investment of the Altice Group in Altice Caribbean since July 2013 or, with respect to the Mobius Managers, since March 2014.

At the level of Altice Blue Two, the New Outremer Shareholders' Arrangements provide certain limitations on Altice Caribbean's rights as a majority shareholder, including specific veto and consent rights in favor of the ABT Managers.

Pursuant to the cross-border merger between Altice and Altice S.A., the Outremer Minority Shareholders were allocated shares in Altice and shareholders' arrangements (governing pre-emption rights, voting orientation and general and procedural rules, among other things) were subsequently put into place.

English Premier League broadcasting rights

In 2016 we acquired exclusive content rights to broadcast the English Premier League, the world's most widely broadcast football championship, in France and Monaco. The contract will run for three years (covering three seasons). The expected cost of the contract was capitalised in 2016 for a total amount of €413.8 million and will be amortised over its useful life (€70.2 million was amortised up to December 31 2016). Refer to Note 4.1.4.1. to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016 for further information.

UEFA Champions League and UEFA Europa League broadcasting rights

On May 11, 2017, we acquired the exclusive rights to broadcast the UEFA Champions League and UEFA Europa League in France. The rights were acquired by Altice Picture S.à r.l. and cover the period from August 2018 to May 2021. During the second quarter of 2017, we prepaid the first installment of €70.2 million. In relation to these rights, we have executed a new €350 million bank guarantee, of which €316 million was drawn at June 30, 2017. The rights include exclusive broadcast coverage across free-TV, pay-TV, mobile, internet, over-the-top and digital terrestrial television coverage in France and non-exclusive rights in French in Luxembourg, Switzerland and Monaco.

Coditel SPA

In connection with the Coditel Disposal, we entered into a sale and purchase agreement (the "Coditel SPA") with the purchaser of Coditel Belgium and Coditel Luxembourg, Telenet Group BVBA (the "Coditel Purchaser"), which includes customary provisions relating to purchase price adjustment, representation and warranties, covenants and indemnities. In September 2017, the Coditel Purchaser notified the Group of a request for a reduction in the purchase price pursuant to the relevant provisions of the Coditel SPA, including the alleged breach of certain representations and warranties and covenants. The Group is currently evaluating the claims.

Seasonality

Although our businesses are not subject to significant seasonal effects, revenue from our pay TV, broadband internet access and fixed-line telephony operations tend to be slightly higher in the fourth quarter of the year and slightly lower in the third quarter of the year. As such, a major failure in the information systems or any part of the production and logistics chain during the year-end period could have a significant adverse effect on revenues due to the concentration of sales during this period. In Portugal, promotional campaigns at the time of the Easter and Mother's Day holidays also tend to increase our revenues in the second quarter and our revenues from our operations tend to be lower during the third quarter when the Portuguese summer holidays occur.

Intellectual Property

We use a variety of trade names and trademarks in our business, including "*Meo*" and "*M_4O*" in Portugal, "HOT" in Israel, "Orange" and "Tricom" in the Dominican Republic, "SFR" and "ONLY" in the French Overseas Territories, "Altice Labs," Altice Customer Services," "Altice Technical Services" and "Teads" and, in each case, several associated trademarks. In addition, we are currently implementing the adoption of a global brand, which includes harmonizing and changing existing local brands. We expect to implement this new brand strategy by amending trademark license agreements in place across the Group or establishing new agreements. We expect to complete the transition process of all commercial brands by the end of the second quarter of 2018. We own all of the trademarks we use except for the Orange and SFR brands. All of our trademarks are protected in the jurisdictions in which we operate. We also rely on our access to the proprietary technology of Altice Labs. We do not possess any material patents, nor do we believe that patents play a material role in our business.

We license some of the television programming content for our pay TV offering from third-party providers. We own the copyright that subsists in the content developed or co-developed by us.

Employees

The following tables show our employees by country of employment.

	As of June 30, 2017	As of December 31, 2016	As of December 31, 2015	As of December 31, 2014
Portugal[(1)]	9,347	9,525	10,078	10,935
Israel	1,554	1,670	1,913	2,334
Dominican Republic	1,978	1,992	2,035	2,131
Others[(2)]	14,240	12,045	1,096	1,151
Total	**27,119**	**25,232**	**15,122**	**16,234**

(1) Excludes employees of the Cabovisão Group and the Oni Group following the Cabovisão Disposal.

(2) "Other" includes employees in our operations in Belgium and Luxembourg until the completion of the Coditel Disposal on June 19, 2017, Switzerland, the French Overseas Territories and ACS and ATS, each from their respective dates of acquisition by the Group, but excludes employees of Coditel Belgium and Coditel Luxembourg following the Coditel Disposal.

Certain of our subsidiaries also use contract and temporary employees for various projects, which are not included in the above number.

Labor Relations

We are subject to various labor laws in each of the jurisdictions in which we operate which typically govern the length of the workday, minimum wages for employees, procedures for hiring and dismissing employees, determination of severance pay, annual leave, sick days, advance notice of termination of employment, equal opportunity and anti-discrimination laws and other conditions of employment. Further, we are generally required to provide severance pay upon the retirement, death or dismissal of an employee. We are also required to make national insurance payments on behalf of our employees to the government in each of the jurisdictions in which we operate.

Some of our employees in certain countries in which we operate belong to organized unions and works councils. In certain jurisdictions our operating companies are also subject to collective bargaining agreements with trade unions (for example, Portugal and Israel). In certain jurisdictions we have, in the past, faced several strikes by personnel as a result of headcount optimization or changes in our workforce. Some of these strikes disrupted our business and attracted adverse publicity.

In Israel, since July 2014, HOT recognizes the New General Histadrut of Workers as an organization representing the workers of HOT and HOT Telecom. On February 10, 2016, HOT signed collective agreements with the workers union and the New General Histadrut of Workers for a three year period, pursuant to which, among other things: (i) salary additions of up to 16% on average during the period of the agreement, including one-time increased additions of up to 10% for persons having a monthly salary less than NIS 9000 and who have been employed for more than three years in the company; (ii) a variety of miscellaneous benefits, such as protection against dismissal and giving preference to internal workers for promotions and appointments to managerial positions; and (iii) support for workers and their families, such as additional salaries to finance childcare, summer camps and health insurance. Subsequently, on October 31, 2016 a new collective agreement was signed between Hot Mobile, the Hot Mobile workers' committee and the New Workers' Histadrut, as the representative organization for Hot Mobile, the key points of which are as follows: (i) the agreement became effective on October 31, 2016 and has a three-year term; (ii) the employees (as defined in the agreement) shall be entitled to salary additions averaging up to 1.5% in the first two years of the agreement, with the salary increase in the third year of the agreement being negotiable; and (iii) the employees shall receive a variety of benefits, including: (a) increased employee welfare budgets and signing bonuses; (b) employment security, such as arranging for a termination protection mechanism and arranging for placement while giving preference to internal workers; and (c) employee support, such as salary increases to finance summer schools, health insurance and an increased holiday bonus.

We consider our relations with our employees to be satisfactory.

Employee Benefit Plans

Depending on the laws and practices in force in the countries in which we operate, we have obligations in terms of employee benefits. For more information regarding our employee benefit obligations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations of the Group—Contractual Obligations—Defined Benefit and Defined Contribution Pension Plans*" and the audited consolidated financial statements of Altice International included elsewhere in this Notice.

In Portugal, we are liable for certain post-retirement benefits, including pension supplements, healthcare benefits and remuneration of employees under suspension and pre-retirement agreements (which remuneration is paid on a monthly basis until such suspended/pre-retired employees reach the statutory retirement age). Under several defined benefit plans, PT OpCo is responsible for paying pension supplements to a group of employees. In order to finance these pension supplement obligations, PT OpCo incorporated various funds which are supervised by the Portuguese Insurance and Pension Funds Supervisory Authority and are not fully capitalized. Additionally, under a defined benefit plan, PT OpCo is responsible for paying health care expenses to a group of employees (covering 21,805 beneficiaries as of December 31, 2016, approximately 23% of which are still in service) and their relatives (covering 8,009 beneficiaries as of December 31, 2016). In 2004, PT Portugal established PT Prestações—Mandatária de Aquisições e Gestão de Bens, S.A., an autonomous fund to finance these obligations, which is managed by a subsidiary of PT Portugal. These obligations are not subject to any legal funding requirements and the autonomous fund is not supervised by the Portuguese Insurance and Pension Funds Supervisory Authority.

In Israel, our employee benefit plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans. We have defined contribution plans under which we pay regular contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. In addition, we have a defined benefit plan in respect of severance pay pursuant to the Severance Pay Law, 5723-1963. According to the law, employees are entitled to receive severance pay upon dismissal or retirement. In respect of our severance pay obligations to certain employees, we make current deposits in pension funds and insurance companies. Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies and are not available to the Group's own creditors and cannot be returned directly to the Group.

Properties

We lease and own certain properties for our corporate offices, sales offices, broadcast centers, communication rooms, customer service centers, sales stores, mobile network sites, hubs, switches and head-end sites. Our registered office is located at 5, rue Eugène Ruppert, L-2453 Luxembourg. The corporate offices with respect to our Portuguese operations are located in Lisbon, Portugal, our Israeli operations in Yakum (near Tel Aviv), our Dominican Republic operations in Santo Domingo and our French Overseas Territories operations in Paris.

In each of the jurisdictions in which we operate we own or lease a mixture of real estate assets, including "office" sites made up of customer service centers or offices, "mixed" sites made up of both offices and technical sites, "technical" sites and premises for the hosting of telecommunications equipment and IT servers and "commercial" premises and sites of brick-and-mortar stores. Our principal network assets consist of cable operating plant and equipment, including signal receiving, encoding and decoding devices, headend facilities, fiber optic transport networks, coaxial and distribution systems and equipment at or near customers' homes or places of business for each of our networks. We also own data centers in a number of countries in which we operate.

We believe that our properties meet our present needs and are generally well-maintained and suitable for their intended use. We believe that we generally have sufficient space to conduct our operations but maintain flexibility to move certain operations to alternative premises.

Environmental Matters

We are subject to a variety of laws and regulations relating to land use, environmental protection and health and safety in connection with our ownership of real property and other operations, including laws regulating non-ionic radiations emitted as a result of our mobile services. While we could incur costs, such as clean-up costs, fines and third party claims for property damage or personal injury, as a result of violations of or liabilities under such laws or regulations, we believe we substantially comply with the applicable requirements of such laws and regulations and follow standardized procedures to manage environmental risks. Given our activities and our current property, plant and equipment, we believe that there are no environmental factors likely to have a significant impact on the use of our current property, plant and equipment, other than as disclosed in "*Risk Factors—Risks Relating to Our Business, Technology and Competition—Our business may be adversely affected by actual or perceived health risks and other environmental requirements relating to exposure to electromagnetic fields through telecommunications equipment*."

Furthermore, we are also careful to offer our subscribers ecologically responsible products and services in order to reduce their energy consumption. Due to its versatility and multifunctionality, the LaBox represents a significant advance in this respect, since it combines several functions (Blu-Ray TM reader, TV-HD decoder and removable hard drive) into one device.

Insurance

We maintain a property insurance policy with wide coverage based on "extended fire" wording to cover our property on a new replacement basis. In certain of our geographies, including Israel, we also maintain a business interruption policy based upon the same perils. The property coverage is supported by coverage for electronic equipment. We maintain various liability insurance policies including general liability, comprehensive third-party liability, products liability and professional liability, multimedia liability and employer's liability insurance policies. In addition to these policies we maintain motor vehicle insurance policies, heavy equipment policy, open policy for contract works to cover maintenance and development works and few other small policies. We have directors' and officers' liability insurance policies that cover all members of our Group executive management and the members of the majority of our local management boards. We do not insure against certain operational risks for which insurance is unavailable or which can only be insured at what we believe to be on unreasonable terms.

In our view, the sum insured, the limits of liability, the deductibles and scope of cover in our policies are satisfactory and suitable for companies acting in the telecommunications sector (subject to the wording of the policies, conditions and exclusions). However, we cannot guarantee that no losses will be incurred or that no claims will be filed against us which go beyond the type and scope of the existing insurance coverage. With respect to the majority of our businesses, we do not insure against war and terrorism risks, but we believe we are covered in Israel by the Property Tax and Compensation Fund Law 1961.

Legal Proceedings

We are involved in a number of legal and administrative proceedings arising in the ordinary course of our business. The legal proceedings initiated against us include, amongst others, the following categories of claims: claims by or on behalf of customers on various grounds such as alleged misrepresentation or breach of service or license terms or breach of telecommunication, broadcasting, consumer or health and safety regulations, intellectual property claims primarily relating to alleged copyright infringement brought by copyright collection societies, claims by suppliers and other telecommunications providers, claims by employees and claims by the regulatory bodies whose jurisdiction we are subject to in the countries in which we operate. In Israel, a majority of legal proceedings against us are suits seeking certification as class action suits. The Israeli Class Action Law that was enacted in 2006 significantly expanded the grounds for certification of class action suits as well as the persons entitled to submit a class action suit as a result of which the number of such proceedings against us has increased significantly and may continue to increase in the future.

We proactively manage our litigation risks by assessing disputes where we believe the claimant may have merit and attempting to settle such disputes on favorable terms, including in the case of suits seeking certification as class action suits at a stage prior to such certification, and contesting others where we believe the claim does not have merit. We record a provision when there is a sufficient probability that a dispute will result in a loss for the Group and the amount of such a loss can be reasonably estimated. Other than as discussed below, as of the date hereof, we are not aware of any administrative, judicial or arbitral proceedings (including any pending or threatened proceedings) that are likely to have, or have had, over the course of the last twelve months a material adverse effect on our financial condition or results of operations. The outcome of legal proceedings, however, can be extremely difficult to predict with certainty, and we can offer no assurances in this regard.

Based on the opinion of its internal and external legal counsel, the Group recorded provisions amounting to €55.7 million as of June 30, 2017 for those claims and legal actions to cover its probable future cash outflows.

Portugal

As at June 30, 2017, there were several claims, legal actions and tax contingencies against PT Portugal Group for which the risk of loss is considered probable. Material litigation involving the PT Portugal Group is further described below.

Tax proceedings

We estimate that the cumulative balance of probable tax contingencies arising from tax audits conducted by Portuguese tax authorities on various companies within the PT Portugal Group amounted to €28.7 million as of December 31, 2016.

In addition, PT OpCo received Value Added Tax (“VAT”) assessments for 2012, 2013 and 2014 related to VAT which tax authorities allege are applicable to indemnities billed to post-paid customers as result of the breach of loyalty contracts by postpaid customers. PT OpCo believes that VAT is not applicable to such indemnities because these do not aim to reward the company for services rendered or goods sold but instead serve to compensate the company for losses suffered as a result of post-paid customers’ breach of the loyalty period under such contracts. We do not assess the risk of these VAT contingencies as probable but instead as possible. Total tax contingencies for which the company assessed the corresponding risk as possible amounted to €49.1 million as of December 31, 2016, relating mainly to the above mentioned VAT tax contingencies between 2012 and 2016.

In addition, we have received certain tax assessments from the tax authorities questioning the deductibility of certain interest expenses incurred between 2004 and 2010 for income tax purposes (€217.4 million as of December 31, 2016). We strongly disagree with these assessments and believe, based on the opinion of our tax advisors, that there are solid arguments to oppose the position of the tax authorities. We do not consider the losses related to these tax contingencies to be probable.

Regulatory and Civil Proceedings

Optimus—Interconnection agreement

In 2001, Optimus—Comunicações S.A. (“Optimus,” now “NOS”) brought an action against Telecomunicações Móveis Nacionais (“TMN”) relating to prices charged by TMN for mobile interconnection services. TMN transferred the receivables from NOS to PTC (PT Portugal’s fixed operation at the time, now PT OpCo) and subsequently PT OpCo offset those receivables with payables due to NOS. NOS argued for the annulment of the offset amount and claimed the amount of payables originally due to NOS plus accrued interest. In August 2015, the court decided that the transfer of the interconnection receivables from TMN to PT OpCo, and consequently the offset of such receivables, was invalid. The Court therefore ruled against PT OpCo, ordering the payment of approximately €35 million in payables and interest. PT OpCo appealed to the Court of Appeal in October 2015. In September 2016, PT OpCo was notified of the decision from the Court of Appeal which confirmed the initial ruling against PT OpCo, as a result of which PT OpCo decided to appeal to the Supreme Court. On March 13, 2017, PT OpCo was notified of the Supreme Court's decision of dismissal of its appeal, following which it has appealed to the Constitutional Court, which has not yet issued a decision. Under the PT Portugal Acquisition Agreement, Altice Portugal is entitled to receive from Oi S.A. any amount ultimately paid by PT OpCo as a result of this proceeding, including other contingencies which existed prior to the PT Portugal Acquisition.

ANACOM litigation

PT OpCo is subject to several outstanding proceedings filed by ANACOM, although PT OpCo has not yet received formal notifications for some of these proceedings. The proceedings include matters such as the violation of rules relating to portability, DTT, the non-compliance of obligations under the universal service obligations (fixed voice and public phones) and restricting the access to phone numbers starting at 760. Historically, PT OpCo paid amounts significantly lower than the administrative fines set by ANACOM in final decisions. The initial value of the proceedings is normally set at the maximum applicable amount of the administrative fine until the final decision is formally issued.

We are regularly involved in regulatory inquiries and investigations involving our operations, including by ANACOM, regarding our compliance with applicable laws and regulations. See "*Risk Factors—Risks Relating to Legislative and Regulatory Matters—We are subject to significant government regulation and supervision, which could require us to make additional expenditures or limit our revenues and otherwise adversely affect our business, and further regulatory changes could also adversely affect our business—Portugal*" and "*Risk Factors—Risks Relating to Legislative and Regulatory Matters—We can only operate our business for so long as we have licenses from the relevant authorities in the jurisdictions in which we operate*."

As of June 30, 2017, we had ongoing administrative proceedings initiated by ANACOM in an aggregate amount of approximately €40 million (though the maximum possible fine for an individual proceeding is capped at €5 million). We believe that most of the complaints that have resulted in such investigations should be dismissed due to the nature of the alleged abuses. However, if we are found to be in violation of applicable laws and regulations in these or other regulatory inquiries and investigations, we could become subject to penalties, fines, damages or other sanctions.

Zon TV Cabo Portugal—Violation of portability rules

In 2011, NOS (known as Zon TV Cabo Portugal at the time of the proceeding) initiated legal proceedings against PT OpCo, claiming that the latter had not complied with the rules applicable to the portability of fixed numbers. NOS is seeking €22 million in damages corresponding to profits allegedly lost due to unreasonable rejections by PT OpCo and the delay in providing the portability of numbers. An expert appointed by each party as well as a third party expert evaluated this matter and presented a final report to the court. As of the date of this Notice, experts appointed by the court have not yet completed their analysis and evaluation of the contents of the report.

Municipal taxes and rights-of-way

Pursuant to a statute enacted on August 1, 1997, as an operator of a basic telecommunications network, we were exempt from municipal taxes and rights-of-way and other fees with respect to our network in connection with our obligations under the concession. The Portuguese government has advised us in the past that this statute confirmed the tax exemption under our concession and that it will continue to take the necessary actions in order for us to maintain the economic benefits contemplated by the concession.

Law 5/2004, dated February 10, 2004, established a new rights-of-way regime in Portugal whereby each municipality may establish a fee, up to a maximum of 0.25% of each wireline services bill, to be paid by the customers of those wireline operators whose network infrastructures are located in each such municipality. Meanwhile, Decree-Law 123/2009, dated May 21, 2009, clarified that no other tax should be levied by the municipalities in addition to the tax established by Law 5/2004. This interpretation was confirmed by the Supreme Administrative Court of Portugal in several legal actions.

Some municipalities however, continue to hold the position that Law 5/2004 does not expressly revoke other taxes that the municipalities wish to establish because Law 5/2004 is not applicable to public municipalities. Currently, there are legal actions with some municipalities regarding this matter and some of the municipalities have initiated enforcement proceedings against us to demand the payment of those taxes.

Disposal of PrimeSys

In 2005, Portugal Telecom Brasil ("PT Brasil"), a subsidiary of PT Portugal, disposed of its 100% stake in PrimeSys Soluções Empresariais, S.A. to Embratel. Pursuant to such disposition, PT Brasil agreed to indemnity Embratel for any future tax contingencies up to R$103 million, corresponding to 30% of the sale price. In December 2008, PT Brasil was notified that PrimeSys had been fined a total amount of R$288 million relating to VAT issues between 2004 and 2008. PT Brasil's liability is limited to the lesser of (i) amounts due prior to the disposition of PT Brasil's stake in PrimeSys in 2005 and (ii) R$103 million. This matter is currently ongoing.

European Commission investigations

PT Portugal Acquisition

After having approved PT Portugal Acquisition on April 20, 2015, the EC initiated an investigation into infringement by Altice 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. While Altice is the subject of the EC's investigation, the proceedings may have consequential implications for the Group.

The EC issued a statement of objections on May 18, 2017 alleging that Altice breached the EU Merger Regulation by implementing the PT Portugal Acquisition before notification or approval by the EC as required under applicable law. On August 18, 2017, Altice submitted a full response to the statement of objections in which it contested all of the objections and requested that a hearing take place. The sending of a statement of objections does not prejudge the final outcome of the investigation. The hearing took place in Brussels on September 21, 2017 and the proceedings remain ongoing.

The investigation proceedings do not affect the approval granted by the EC for the PT Portugal Acquisition.

Potential claims

PTC is subject to a potential compensation claim brought by Estradas de Portugal relating to PTC's use of a technical road channel between 2007 and 2014. As of the date of this Notice, no formal legal proceedings have been initiated with regards to these claims.

Israel

Certain class action suits in Israel

From time to time, HOT and its subsidiaries are involved in class action litigation relating to claims arising out of its operations in the ordinary course of business. As of the date hereof, material pending class action suits filed against HOT and its subsidiaries included:

(i) in February 2011, a suit seeking NIS 666 million was filed for alleged breaches of certain subscribers' agreements and misleading subscribers when increasing the prices of services;

(ii) in November 2013, a suit in excess of NIS 250 for each member of the class action was filed for alleged harassment of customers in breach of Israeli laws by HOT sales representatives as a result of the volume of calls placed, as well as invasion of privacy and breach of good faith at pre-contract stages;

(iii) on December 12, 2013, a suit for NIS 100 million was filed alleging that HOT offers various benefits selectively to its customers contrary to its broadcasting license;

(iv) on June 28, 2015, a claim for damages in the amount of approximately NIS 19 million, and a motion to approve it as class action, was filed against HOT Mobile in the Central District Court. The plaintiff claims that HOT Mobile unlawfully continues to charge subscribers that were disconnected from the company for push-to-talk ("Walkie-Talkie") services. On December 25, 2016, the parties filed a request to approve a settlement agreement;

(v) on December 2, 2015, we received notice of a class action suit based on the claim that HOT unlawfully charges for VOD content library by automatically extending purchases on a monthly basis;

(vi) in August 2016, we received notice of a suit and a motion to approve a class action filed at the Beersheba District Court. The applicants claim that we are unlawfully billing customers for content ordered over VOD while violating our alleged obligation to allow customers to block the ordering of paid content in the VOD service. The estimated damages are NIS 338 million.

(vii) in September 2016, we received notice of a lawsuit and a motion to approve a class action filed at the Central District Court. According to the applicants, we have not upheld our alleged obligations to (i) establish, maintain and operate a public, nation-wide telecommunications network, and (ii) use the network to provide telecommunications services and multi-channel television services to public subscribers throughout the country, and specifically in Arab communities. The applicant estimates the sum of non-monetary damage caused to each of the class members at NIS 500, and the monetary damage due to price differences between HOT's prices and those of its competitors at (i) NIS 267 per year per class member consuming internet services; (ii) NIS 837 per year per class member consuming internet and telephone services; and (iii) NIS 877 per year per class member consuming internet, telephone and television services.

(viii) in March 2017, we received notice of a claim and a motion to approve a class action that was filed against Charlton Ltd., the Sports Channel, Yes and HOT at the Tel-Aviv District Court. According to the plaintiffs, certain of the sports channels broadcasted by us include commercials in violation of the relevant regulation. The estimated damages are NIS 100 million.

(ix) in May 2017, we received notice of a claim and a motion to approve a class action that was filed against HOT Net at the District Court in Jerusalem. According to the plaintiff, due to a technical failure in HOT Net's ISP services, its subscribers experienced disruption in sending and receiving email messages for a period exceeding seven days. The plaintiff estimates damages in the amount of NIS 80 million.

(x) in August 2017, we received notice of a claim and a motion to approve a class action that was filed against HOT Mobile at the Central District Court. According to the plaintiff, we unlawfully charge our subscribers for SIM cards at the end of their subscription. The estimated amount of the claim is NIS 99 million.

Historically, such class action litigation brought against us has either been dismissed or settled for an amount significant lower than the damages claim. We do not believe any of these matters individually, or in the aggregate, will have a material adverse effect on our financial position or results of operation.

Dominican Republic

Tax proceedings

On October 26, 2016, we reached an agreement with the Dominican Republic Tax Authorities related to the level of deductibility of the financial interests related to financial liabilities. The agreement covers fiscal years 2014 to 2016 and sets the deductibility ratio for each of Tricom S.A and Altice Hispaniola S.A. As of December 31, 2016, €41.6 million was recorded in the consolidated financial statements to reflect the impact of the transaction. See Note 20.4.1 to the audited consolidated financial statements of Altice International as of and for the year ended December 31, 2016.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Relationships with our controlling shareholder

Datacenter Services

In the year ended December 31, 2016, the Group incurred expenses relating to an agreement for the exclusive use of datacenters located in Switzerland owned by a company that is controlled by the ultimate controlling shareholder of the Group.

Relationships with minority interests

Teads Put Agreement

In connection with the Teads Acquisition, the Group entered into put agreements with the managers of Teads relating to the 1.5% minority stake that such investors currently hold in Teads. The put option was recorded at its fair value. Under the put option, the managers have an irrevocable option to sell all and only all of the shares, up to four years after the acquisition date (i.e. June 22, 2021).

Altice Customer Services Put Agreement

In connection with the ACS Acquisition, certain managers of Altice Customer Services reinvested part of their proceeds in the business and currently hold a 35% stake in Altice Customer Services (the entity holding 100% of Intelcia Group S.A.). The Group has the option to purchase, and the managers have the option to sell, such 35% interest in case of the termination of their offices or as of the sixth anniversary of the closing date, provided that such options may be exercised in part before such date (on 50% of their stake as of the fourth anniversary of the closing date and on the remaining 50% as of the fifth anniversary of the closing date). As of December 31, 2016 and June 30, 2017, the put option was recorded at its fair value.

Altice Technical Services Call Agreement

In connection with the ATS Acquisition, Altice International acquired 51% of Parilis S.A. and entered into an agreement whereby it could acquire the remaining 49% stake. The option may be exercised within 2 years following the acquisition date at a price relative to the acquisition cost. As of June 30, 2017, the call option was recorded at its fair value.

Relationships with Altice Luxembourg

Cash advances and loans outstanding

In the six months ended June 30, 2017, the Group made payments to Altice Luxembourg amounting to €234.5 million. These payments primarily related to interest payments on certain indebtedness of Altice Luxembourg.

As at June 30, 2017, certain intercompany loans due to the Group from Altice Luxembourg remain outstanding.

Management fees

In the year ended December 31, 2016, the Group paid Altice Luxembourg management fees for services relating to the implementation of the Altice Way, our founder-inspired owner-operator culture and strategy of operational efficiency, innovation and long-term value creation for stockholders. On December 30, 2016, Altice Luxembourg sold its participation in AMI, the provider of such services to Altice Group entities and affiliates, to the Group. Accordingly, as of January 1, 2017, the Group has become the recipient of management fees paid by other Altice Group members. See "—*Relationships with the Altice USA Groups*."

Mandatory Convertible Notes

Altice Luxembourg is the sole subscriber of the €2,055 million aggregate principal amount of mandatory convertible notes ("MCNs") issued by the Group. The MCNs are compound financial instruments that contain both a liability and an equity component. The non-current portion of the liability amounted to €140.0 million as of June 30, 2017.

Relationships with the Altice USA Groups

PT Portugal

Altice USA pays certain call termination fees for the use of the Group's networks in Portugal and the Dominican Republic for calls made by their subscribers to other subscribers, both within and outside of the Altice Group's networks.

In addition, the Altice USA Groups purchase inventory from Altice Labs, a subsidiary of Altice Portugal, such as items required for FTTH projects that the Altice USA Groups are currently rolling out in the United States.

Management Fees

On December 30, 2016, Altice Luxembourg sold its participation in AMI, the provider of services relating to the Altice Way to Altice Group entities and affiliates, to the Group. Accordingly, from January 1, 2017, the Group has become the recipient of certain fixed management fees paid by Altice USA, which are reflected in the unaudited condensed interim consolidated financial statements of Altice International as of and for the six months ended June 30, 2017.

Relationships with the Altice France Group

NextRadioTV

On May 12, 2016, the Group disposed of its 49% minority stake in NextRadioTV, previously held through the joint venture Groupe News Participations ("GNP") with Alain Weill, to the Altice France Group. The Altice France Group's interest in NextRadioTV was acquired at a cost relative to the original purchase price paid by Altice International. GNP contributed €71.6 million to the Group's revenue and €13.3 million to Adjusted EBITDA for the year ended December 31, 2016.

Content Distribution Agreements

Certain content is broadcasted in France by the Altice France Group through channels that are packaged and distributed by AENS, a member of the Group. In 2016, the Altice France Group and AENS entered into a distribution agreement regarding a package of sport and news channels. In the past year several large contracts have been negotiated. During the year ended December 31, 2016, the Group secured exclusive content rights to broadcast certain sports, such as English Premier League Football, French Basketball League and English Rugby Premiership fixtures, and in May 2017, the Group acquired the exclusive rights to broadcast the UEFA Champions League and UEFA Europa League in France. The UEFA rights include exclusive broadcast coverage across free-TV, pay-TV, mobile, internet, over-the-top and digital terrestrial television coverage in France and non-exclusive rights in French in Luxembourg, Switzerland and Monaco. We currently have an agreement with the Altice France Group pursuant to which the Altice France Group will pay the Group for the use of its UEFA broadcasting rights. All of these transactions are entered into on an arms-length basis. Revenues relating to the sale of sports channels amounted to €63.3 million and €165.7 million in the year ended December 31, 2016 and in the six months ended June 30, 2017, respectively.

Altice Customer Services

The Altice France Group outsources certain of its call center operations to ACS. These transactions are entered into on an arms-length basis.

Altice Technical Services

ATS provides services and equipment to the Altice France Group relating to the deployment, maintenance and modernization of its telecommunications networks. These transactions are entered into on an arms-length basis.

Altice Management International

AMI acts as the global provider of call center and telemarketing services to the Altice France Group with the help of subcontractors selected by AMI based on their competency and reactivity. These services improve the efficiency of the services provided by the Altice France Group for the benefit of its customers and are provided at price points that are lower relative to prior arrangements between the Altice France Group and multiple external suppliers that previously delivered such services.

PT Portugal

PT Portugal provides the Altice France Group with certain mobile services, such as roaming and call termination services, and equipment, such as GPON technology, which enables the end user to consolidate multiple services onto a single fiber transport network, reducing costs and infrastructure while increasing bandwidth.

French Overseas Territories – Service Agreements

The French Overseas Territories have service agreements with the Altice France Group, pursuant to which the Altice France Group provides certain services, including signal transportation services between France and the West Indies, digital television distribution, Internet and telephony services, to certain of the Group's subsidiaries in the French Overseas Territories. As part of the agreements, the Altice France Group granted the Group a non-exclusive license to use the "Numericable" brand to market products and services in the French Overseas Territories, the Caribbean and the Indian Ocean. In addition, Outremer and the Altice France Group entered into a specific brand licensing agreement for the use of the "SFR" trademark, for which Outremer pays a revenue-based fee to the Altice France Group.

Call termination fees

Group entities pay call termination fees on the Altice France Group's networks for calls made by their subscribers to subscribers of the Altice France Group's networks, and the Group receives call termination fees from the Altice France Group for calls made by Altice France Group's subscribers to their subscribers. The Altice France Group also provides software licenses and user interaction platform services to most of these operators. All of these services are provided on market terms.

DESCRIPTION OF INDEBTEDNESS

The following contains a summary of the terms of the 2013 June Senior Notes, the 2013 December Senior Secured Notes, the 2013 December Senior Notes, the 2015 Senior Secured Notes, the 2015 Senior Notes, the 2016 Senior Secured Notes, the Existing Term Loans, the 2012 Revolving Credit Facility, the 2013 Revolving Credit Facility, the 2014 Pari Passu Revolving Credit Facility, the 2015 Revolving Credit Facility, the 2017 Guarantee Facility, the Existing HOT Unsecured Notes and the Intercreditor Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the underlying documents. The following summary is, unless indicated otherwise, presented as of the date hereof. Some of the terms used herein are defined in the underlying agreements and instruments governing such debt and not all such definitions have been included herein.

The 2013 June Senior Notes

On June 14, 2013, the Company issued €250 million aggregate principal amount of its 9% senior notes due 2023 (the “2013 June Senior Notes”).

The 2013 June Senior Notes mature on June 15, 2023. Interest on the 2013 June Senior Notes is payable semi-annually in cash in arrears on each January 15 and July 15, commencing January 15, 2014.

The 2013 June Senior Notes are general obligations of the Company and (i) rank *pari passu* in right of payment with any existing or future indebtedness of the Company that is not subordinated in right of payment to the 2013 June Senior Notes, (ii) rank senior in right of payment to any future indebtedness of the Company that is expressly subordinated in right of payment to the 2013 June Senior Notes, and (iii) are effectively subordinated to any future indebtedness of the Company that is secured by property or assets that do not secure the 2013 June Senior Notes, to the extent of the value of the property and assets securing such indebtedness.

The 2013 June Senior Notes are guaranteed on a senior subordinated basis by the Guarantors and Altice Bahamas. Each such guarantee is a general obligation of the applicable Guarantor and (i) is subordinated in right of payment with any existing and future Indebtedness of the applicable Guarantor that is not subordinated in right of payment to such Guarantor’s guarantee; (ii) ranks pari passu in right of payment to all existing and future senior subordinated indebtedness of the applicable Guarantor; (iii) ranks senior in right of payment to all existing and future indebtedness of the applicable Guarantor that is expressly subordinated in right of payment to such Guarantor’s guarantee; (iv) is effectively subordinated to any existing and future Indebtedness of the applicable Guarantor that is secured by property or assets that do not secure such Guarantor’s guarantee, to the extent of the value of the property and assets securing such indebtedness; and (v) is structurally subordinated to the indebtedness and other obligations of any subsidiary of such Guarantor that does not guarantee the 2013 June Senior Notes. The guarantees of the 2013 June Senior Notes are subject to release under certain circumstances.

The 2013 June Senior Notes are secured by the Collateral.

Prior to June 15, 2018, the Company may redeem all or a portion of the 2013 June Senior Notes at a price equal to 100% of the principal amount plus a “make-whole” premium. The Company may redeem some or all of the 2013 June Senior Notes at any time on or after June 15, 2018, at a redemption price equal to their principal amount plus a premium, accrued and unpaid interest and additional amounts, if any. In addition, prior to June 15, 2016, the Company may redeem up to 40% of the aggregate principal amount of the 2013 June Senior Notes with the proceeds of certain equity offerings at a redemption price equal to 109.000% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 60% of the original aggregate principal amount of the 2013 June Senior Notes remains outstanding after the redemption and the redemption occurs within 180 days after the closing of such equity offering. Further, the Company may redeem all of the 2013 June Senior Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If Altice International and its restricted subsidiaries sell certain of their assets or if the Company or Altice International experience specific kinds of changes in control, or if certain minority shareholder options are exercised with respect to the shares of HOT, the Company may be required to make an offer to repurchase the 2013 June Senior Notes at specified redemption prices.

The indenture governing the 2013 June Senior Notes, among other things, limits the ability of the Company, the ability of certain other Group entities and the ability of the Restricted Subsidiaries (as defined therein) to (i) incur or guarantee additional indebtedness, (subject to an incurrence based consolidated leverage ratio test), (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. These covenants are subject to a number of important exceptions and qualifications. The indenture governing the 2013 June Senior Notes permits the incurrence of indebtedness by the Company so long as the consolidated leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0. Subject to compliance with the same consolidated leverage ratio (pro forma for such transaction) and so long as there is no default or event of default outstanding, the indenture governing the 2013 June Senior Notes permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on October 1, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period. The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, the indenture governing the 2013 June Senior Notes permits unlimited restricted payments so long as the consolidated leverage ratio (pro forma for such transaction) is not greater than 2.75 to 1.0.

The indenture governing the 2013 June Senior Notes provides for certain events of default, including, amongst others, defaults under other debt instruments which (i) is caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period provided, or (ii) results in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €25 million or more.

The indenture governing the 2013 June Senior Notes, the 2013 June Senior Notes and the guarantees thereof are governed by the laws of the State of New York.

The 2013 December Notes

On December 12, 2013, Altice Financing issued $900 million aggregate principal amount of its 6 ½% senior secured notes due 2022 (the "2013 December Dollar Senior Secured Notes") and €300 million aggregate principal amount of its 6 ½% senior secured notes due 2022 (the "2013 December Euro Senior Secured Notes" and, together with the 2013 December Dollar Senior Secured Notes, the "2013 December Senior Secured Notes"), and the Company issued $400 million aggregate principal amount of its 8 ⅛% senior notes due 2024 (the "2013 December Senior Notes" and, together with the 2013 December Senior Secured Notes, the "2013 December Notes").

The 2013 December Senior Secured Notes

The 2013 December Senior Secured Notes mature on January 15, 2022. Interest on the 2013 December Senior Secured Notes is payable semi-annually in cash in arrears on each July 15 and January 15, commencing July 15, 2014.

The 2013 December Senior Secured Notes are general obligations of Altice Financing and (i) rank *pari passu* in right of payment with any existing or future indebtedness of Altice Financing that is not subordinated in right of payment to the 2013 December Senior Secured Notes, (ii) rank senior in right of payment to any existing or future indebtedness of Altice Financing that is expressly subordinated in right of payment to the 2013 December Senior Secured Notes, and (iii) are effectively subordinated to any existing or future indebtedness of Altice Financing that is secured by property or assets that do not secure the 2013 December Senior Secured Notes, to the extent of the value of the property and assets securing such indebtedness.

The 2013 December Senior Secured Notes are guaranteed on a senior secured basis by the Senior Secured Guarantors. Each such guarantee is a general obligation of the applicable Senior Secured Guarantor and (i) ranks *pari passu* in right of payment with any existing and future indebtedness of the applicable Senior Secured Guarantor that is not subordinated in right of payment to such Senior Secured Guarantor's guarantee; (ii) ranks senior in right of payment to all existing and future indebtedness of the applicable Senior Secured Guarantor that is expressly subordinated in right of payment to such Senior Secured Guarantor's guarantee; (iii) is effectively subordinated to any existing and future indebtedness of the applicable Senior Secured Guarantor that is secured by property or assets that do not secure such Senior Secured Guarantor's guarantee, to the extent of the value of the property and assets securing such indebtedness; and (iv) is structurally subordinated to the indebtedness and other obligations of any subsidiary of such Senior Secured Guarantor that does not guarantee the 2013 December Senior Secured Notes. The guarantees of the 2013 December Senior Secured Notes are subject to release under certain circumstances.

The 2013 December Senior Secured Notes are secured by the Senior Secured Collateral.

Altice Financing may redeem some or all of the 2013 December Senior Secured Notes at any time on or after December 15, 2016, at a redemption price equal to their principal amount plus a premium, accrued and unpaid interest and additional amounts, if any. Further, Altice Financing may redeem all of the 2013 December Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If Altice International and its respective subsidiaries sell certain of their assets, or if Altice Financing or Altice International experience specific kinds of changes in control, or if certain minority shareholder options are exercised with respect to the shares of HOT, Altice Financing may be required to make an offer to repurchase the 2013 December Senior Secured Notes at specified redemption prices.

The indenture governing the 2013 December Senior Secured Notes among other things, limits the ability of Altice Financing and the ability of the other subsidiaries of Altice International (other than the Company) to (i) incur or guarantee additional indebtedness (subject to an incurrence-based consolidated leverage ratio test), (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. These covenants are subject to a number of important exceptions and qualifications. The indenture governing the 2013 December Senior Secured Notes permits the incurrence of senior secured indebtedness by Altice Financing so long as the consolidated senior secured leverage ratio (pro forma for such transaction) is not greater than 3.0 to 1.0. Subject to compliance with the same consolidated senior secured leverage ratio and a consolidated senior leverage ratio of no greater than 4.0 to 1.0 (pro forma for such transaction) and so long as there is no default or event of default outstanding, the indenture governing the 2013 December Senior Secured Notes permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on October 1, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period. The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, unlimited restricted payments under the terms of the indenture governing the 2013 December Senior Secured Notes are permitted so long as the consolidated leverage ratio (pro forma for such transaction) is not greater than 3.0 to 1.0.

The indenture governing the 2013 December Senior Secured Notes provides for certain customary events of default, including, amongst others, defaults under other debt instruments which (i) is caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to expiration of any applicable grace period, or (ii) results in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €25 million or more.

The indenture governing the 2013 December Senior Secured Notes, the 2013 December Senior Secured Notes and the guarantees thereof are governed by the laws of the State of New York.

The 2013 December Senior Secured Notes are expected to be redeemed in full using all or a portion of the proceeds of the 2017 October Term Loans.

The 2013 December Senior Notes

The 2013 December Senior Notes mature on June 15, 2024. Interest on the 2013 December Senior Notes is payable semi-annually in cash in arrears on each January 15 and July 15, commencing January 15, 2014.

The 2013 December Senior Notes are general obligations of the Company and (i) rank *pari passu* in right of payment with any existing or future indebtedness of the Company that is not subordinated in right of payment to the 2013 December Senior Notes, (ii) rank senior in right of payment to any future indebtedness of the Company that is expressly subordinated in right of payment to the 2013 December Senior Notes, and (iii) are effectively subordinated to any existing or future indebtedness of the applicable Guarantor, including any existing or future indebtedness of the Company that is secured by property or assets that do not secure the 2013 December Senior Notes, to the extent of the value of the property and assets securing such indebtedness.

The 2013 December Senior Notes are guaranteed on a senior subordinated basis by the Guarantors and Altice Bahamas. Each such guarantee is a general obligation of the applicable Guarantor and (i) is subordinated in right of payment with any existing and future indebtedness of the applicable Guarantor that is not subordinated in right of payment to such Guarantor's guarantee; (ii) ranks pari passu in right of payment to all existing and future senior subordinated indebtedness of the applicable Guarantor; (iii) ranks senior in right of payment to all existing and future indebtedness of the applicable Guarantor that is expressly subordinated in right of payment to such Guarantor's guarantee; (iv) is effectively subordinated to any existing and future indebtedness of the applicable Guarantor that is secured by property or assets that do not secure such Guarantor's guarantee, to the extent of the value of the property and assets securing such indebtedness; and (v) is structurally subordinated to the indebtedness and other obligations of any subsidiary of such Guarantor that does not guarantee the 2013 December Senior Notes. The guarantees of the 2013 December Senior

Notes are subject to release under certain circumstances. The 2013 December Senior Notes are secured by the Collateral.

Prior to December 15, 2018, the Company may redeem all or a portion of the 2013 December Senior Notes at a price equal to 100% of the principal amount plus a make-whole premium. The Company may redeem some or all of the 2013 December Senior Notes at any time on or after December 15, 2018, at a redemption price equal to their principal amount plus a premium, accrued and unpaid interest and additional amounts, if any. In addition, prior to December 15, 2016, the Company may redeem up to 40% of the aggregate principal amount of the 2013 December Senior Notes with the proceeds of certain equity offerings at a redemption price equal to 108.125% of their principal amount, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 60% of the original aggregate principal amount of the 2013 December Senior Notes remains outstanding after the redemption and the redemption occurs within 180 days after the closing of such equity offering. Further, the Company may redeem all of the 2013 December Senior Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If Altice International and its restricted subsidiaries sell certain of their assets or if the Company or Altice International experience specific kinds of changes in control, or if certain minority shareholder options are exercised with respect to the shares of HOT, the Company may be required to make an offer to repurchase the 2013 December Senior Notes at specified redemption prices.

The indenture governing the 2013 December Senior Notes, among other things, limits the ability of Altice International and its subsidiaries to (i) incur or guarantee additional indebtedness (subject to an incurrence based consolidated leverage ratio test), (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. These covenants are subject to a number of important exceptions and qualifications. The indenture governing the 2013 December Senior Notes permits the incurrence of indebtedness by the Company so long as the consolidated leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0. Subject to compliance with the same consolidated leverage ratio (pro forma for such transaction) and so long as there is no default or event of default outstanding, the indenture governing the 2013 December Senior Notes permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on October 1, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period. The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, unlimited restricted payments under the terms of the 2013 December Senior Notes are permitted so long as the consolidated leverage ratio (pro forma for such transaction) is not greater than 3.0 to 1.0.

The indenture governing the 2013 December Senior Notes provides for certain events of default, including, amongst others, defaults under other debt instruments which (i) is caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period, or (ii) results in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €25 million or more.

The indenture governing the 2013 December Senior Notes, the 2013 December Senior Notes and guarantees thereof are governed by the laws of the State of New York.

The 2015 Notes

On February 4, 2015, Altice Financing issued $2,060 million aggregate principal amount of its $6^{5}/_{8}$% senior secured notes due 2023 (the “2015 Dollar Senior Secured Notes”) and €500 million aggregate principal amount of its $5^{1}/_{4}$% senior secured notes due 2023 (the “2015 Euro Senior Secured Notes” and, together with the 2015 Dollar Senior Secured Notes, the “2015 Senior Secured Notes”), and the Company issued $385 million aggregate principal amount of its $7^{5}/_{8}$% senior notes due 2025 (the “2015 Senior Notes” and, together with the 2015 Senior Secured Notes, the “2015 Notes”).

The 2015 Senior Secured Notes

The 2015 Senior Secured Notes mature on February 15, 2023. Interest on the 2015 Senior Secured Notes is payable semi-annually in cash in arrears on each April 1 and October 1, commencing October 1, 2015.

The 2015 Senior Secured Notes are general obligations of Altice Financing and (i) rank pari passu in right of payment with any existing or future indebtedness of Altice Financing that is not subordinated in right of payment to the 2015 Senior Secured Notes, (ii) rank senior in right of payment to any existing or future indebtedness of Altice Financing that is expressly subordinated in right of payment to the 2015 Senior Secured Notes, and (iii) are effectively subordinated to any existing or future indebtedness of Altice Financing that is secured by property or assets that do not secure the 2015 Senior Secured Notes, to the extent of the value of the property and assets securing such indebtedness.

The 2015 Senior Secured Notes are guaranteed on a senior secured basis by the Senior Secured Guarantors. Each such guarantee is a general obligation of the applicable Senior Secured Guarantor and (i) ranks *pari passu* in right of payment with any existing and future indebtedness of the applicable Senior Secured Guarantor that is not subordinated in right of payment to such Senior Secured Guarantor's guarantee; (ii) ranks senior in right of payment to all existing and future indebtedness of the applicable Senior Secured Guarantor that is expressly subordinated in right of payment to such Senior Secured Guarantor's guarantee; (iii) is effectively subordinated to any existing and future indebtedness of the applicable Senior Secured Guarantor, including any existing or future indebtedness of the Company that is secured by property or assets that do not secure such Senior Secured Guarantor's guarantee, to the extent of the value of the property and assets securing such indebtedness; and (iv) is structurally subordinated to the indebtedness and other obligations of any subsidiary of such Senior Secured Guarantor that does not guarantee the 2015 Senior Secured Notes. The guarantees of the 2015 Senior Secured Notes are subject to release under certain circumstances.

The 2015 Senior Secured Notes are secured by the Senior Secured Collateral.

Prior to February 15, 2018, Altice Financing may redeem all or a portion of the 2015 Senior Secured Notes at a price equal to 100% of the principal amount plus a make-whole premium. Altice Financing may redeem some or all of the 2015 Senior Secured Notes at any time on or after February 15, 2018, at a redemption price equal to their principal amount plus a premium, accrued and unpaid interest and additional amounts, if any. In addition, prior to February 15, 2018, Altice Financing may redeem up to 40% of the aggregate principal amount of the 2015 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price equal to 106.625% of the principal amount of the 2015 Dollar Senior Secured Notes and 105.250% of the principal amount of the 2015 Euro Senior Secured Notes, plus, in each case, accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 60% of the original aggregate principal amount of each series of the 2015 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 180 days after the closing of such equity offering. Further, Altice Financing may redeem all of the 2015 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If Altice International and its restricted subsidiaries sell certain of their assets or if Altice Financing or Altice International experience specific kinds of changes in control, or if certain minority shareholder options are exercised with respect to the shares of HOT, Altice Financing may be required to make an offer to repurchase the 2015 Senior Secured Notes at specified redemption prices.

The indenture governing the 2015 Senior Secured Notes, among other things, limits the ability of Altice International and its subsidiaries to (i) incur or guarantee additional indebtedness (subject to an incurrence based consolidated leverage ratio test), (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. These covenants are subject to a number of important exceptions and qualifications. The indenture governing the 2015 Senior Secured Notes permits the incurrence of indebtedness by Altice Financing so long as the consolidated net senior secured leverage ratio (pro forma for such transaction) is not greater than 3.0 to 1.0. Subject to the consolidated net leverage ratio not exceeding 4.0 to 1.0 (pro forma for such transaction) and so long as there is no default or event of default outstanding, the indenture governing the 2015 Senior Secured Notes permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on the first day of the first full fiscal quarter commencing prior to December 12, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period. The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, the indenture governing the 2015 Senior Secured Notes permits unlimited restricted payments so long as the consolidated net leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0.

The indenture governing the 2015 Senior Secured Notes provides for certain events of default, including, amongst others, defaults under other debt instruments which (i) is caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period, or (ii) results in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €25 million or more.

The indenture governing the 2015 Senior Secured Notes, the 2015 Senior Secured Notes and the guarantees thereof are governed by the laws of the State of New York.

The 2015 Senior Notes

The 2015 Senior Notes mature on February 15, 2025. Interest on the 2015 Senior Notes is payable semi-annually in cash in arrears on each April 1 and October 1, commencing October 1, 2015.

The 2015 Senior Notes are general obligations of the Company and (i) rank *pari passu* in right of payment with any existing or future indebtedness of the Company that is not subordinated in right of payment to the 2015 Senior Notes, (ii) rank senior in right of payment to any future indebtedness of the Company that is expressly subordinated in right of payment to the 2015 Senior Notes, and (iii) are effectively subordinated to any existing or future indebtedness of the Company that is secured by property or assets that do not secure the 2015 Senior Notes, to the extent of the value of the property and assets securing such indebtedness.

The 2015 Senior Notes are guaranteed on a senior subordinated basis by the Guarantors and Altice Bahamas. Each such guarantee is a general obligation of the applicable Guarantor and (i) is subordinated in right of payment with any existing and future Indebtedness of the applicable Guarantor that is not subordinated in right of payment to such Guarantor’s guarantee; (ii) ranks pari passu in right of payment to all existing and future senior subordinated indebtedness of the applicable Guarantor; (iii) ranks senior in right of payment to all existing and future indebtedness of the applicable Guarantor that is expressly subordinated in right of payment to such Guarantor’s guarantee; (iv) is effectively subordinated to any existing and future Indebtedness of the applicable Guarantor that is secured by property or assets that do not secure such Guarantor’s guarantee, to the extent of the value of the property and assets securing such indebtedness; and (v) is structurally subordinated to the indebtedness and other obligations of any subsidiary of such Guarantor that does not guarantee the 2015 Senior Notes. The guarantees of the 2015 Senior Notes are subject to release under certain circumstances. The 2015 Senior Notes are secured by the Collateral.

Prior to February 15, 2020, the Company may redeem all or a portion of the 2015 Senior Notes at a price equal to 100% of the principal amount plus a make-whole premium. The Company may redeem some or all of the 2015 Senior Notes at any time on or after February 15, 2020, at a redemption price equal to their principal amount plus a premium, accrued and unpaid interest and additional amounts, if any. In addition, prior to February 15, 2018, the Company may redeem up to 40% of the aggregate principal amount of the 2015 Senior Notes with the proceeds of certain equity offerings at a redemption price equal to 107.625% of the principal amount of the Senior Notes, plus accrued and unpaid interest and additional amounts, if any, to the redemption date, provided that at least 60% of the original aggregate principal amount of the 2015 Senior Notes remains outstanding after the redemption and the redemption occurs within 180 days after the closing of such equity offering. Further, the Company may redeem all of the 2015 Senior Notes at a price equal to their principal amount plus accrued and unpaid interest and any additional amount. If Altice International and its restricted subsidiaries sell certain of their assets or if the Company or Altice International experience specific kinds of changes in control, the Company may be required to make an offer to repurchase the 2015 Senior Notes at specified redemption prices.

The indenture governing the 2015 Senior Notes, among other things, limits the ability of Altice International and its subsidiaries to (i) incur or guarantee additional indebtedness (subject to an incurrence based consolidated leverage ratio test), (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. These covenants are subject to a number of important exceptions and qualifications. The indenture governing the 2015 Senior Notes permits the incurrence of indebtedness by the Company so long as the consolidated net leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0. Subject to compliance with the same consolidated leverage ratio (pro forma for such transaction) and so long as there is no default or event of default outstanding, the indenture governing the 2015 Senior Notes permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on the first day of the first full fiscal quarter commencing prior to December 12, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period. The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, unlimited restricted payments under the terms of the 2015 Senior Notes are permitted so long as the consolidated net leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0.

The indenture governing the 2015 Senior Notes provides for certain events of default, including, amongst others, defaults under other debt instruments which (i) is caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period, or

(ii) results in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €25 million or more.

The indenture governing the 2015 Senior Notes, the 2015 Senior Notes and the guarantees thereof are governed by the laws of the State of New York.

The 2016 Senior Secured Notes

On May 3, 2016, Altice Financing issued $2,750 million aggregate principal amount of its 7$^1/_2$% senior secured notes due 2026 (the "2016 Senior Secured Notes").

The 2016 Senior Secured Notes mature on May 15, 2026. Interest on the 2016 Senior Secured Notes is payable semi-annually in cash in arrears on each January 15 and July 15, commencing January 15, 2017.

The 2016 Senior Secured Notes are guaranteed on a senior secured basis by the Senior Secured Guarantors. Each such guarantee is a general obligation of the applicable Senior Secured Guarantor and (i) ranks *pari passu* in right of payment with any existing and future indebtedness of the applicable Senior Secured Guarantor that is not subordinated in right of payment to such Senior Secured Guarantor's guarantee; (ii) ranks senior in right of payment to all existing and future indebtedness of the applicable Senior Secured Guarantor that is expressly subordinated in right of payment to such Senior Secured Guarantor's guarantee; (iii) is effectively subordinated to any existing and future indebtedness of the applicable Senior Secured Guarantor, including any existing or future indebtedness of the Company that is secured by property or assets that do not secure such Senior Secured Guarantor's guarantee, to the extent of the value of the property and assets securing such indebtedness; and (iv) is structurally subordinated to the indebtedness and other obligations of any subsidiary of such Senior Secured Guarantor that does not guarantee the 2016 Senior Secured Notes. The guarantees of the 2016 Senior Secured Notes are subject to release under certain circumstances.

The 2016 Senior Secured Notes are secured by the Senior Secured Collateral.

Prior to May 15, 2021, Altice Financing may redeem all or a portion of the 2016 Senior Secured Notes at a price equal to 100% of the principal amount plus a make-whole premium. Altice Financing may redeem some or all of the 2016 Senior Secured Notes at any time on or after May 15, 2021, at a redemption price equal to the principal amount thereof plus a premium, accrued and unpaid interest and additional amounts, if any. In addition, prior to May 15, 2019, Altice Financing may redeem up to 40% of the aggregate principal amount of the 2016 Senior Secured Notes with the proceeds of certain equity offerings at a redemption price equal to 107.500 % of the principal amount thereof plus accrued and unpaid interest and additional amounts, if any, to, but not including, the redemption date, provided that at least 60% of the original aggregate principal amount of the 2016 Senior Secured Notes remains outstanding after the redemption and the redemption occurs within 180 days after the closing of such equity offering. Further, Altice Financing may redeem all of the 2016 Senior Secured Notes at a price equal to their principal amount plus accrued and unpaid interest and additional amounts, if any, upon the occurrence of certain changes in tax law. If Altice International and its restricted subsidiaries sell certain of their assets or if Altice Financing or Altice International experience specific kinds of changes in control, Altice Financing may be required to make an offer to repurchase the 2016 Senior Secured Notes at specified redemption prices.

The indenture governing the 2016 Senior Secured Notes, among other things, limits the ability of Altice Financing and the ability of other subsidiaries of Altice International (other than the Company) to (i) incur or guarantee additional indebtedness (subject to an incurrence-based consolidated leverage ratio test), (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations. These covenants are subject to a number of important exceptions and qualifications. The indenture governing the 2016 Senior Secured Notes permits the incurrence of senior secured indebtedness by Altice Financing so long as the consolidated net senior secured leverage ratio (pro forma for such transaction) is not greater than 3.0 to 1.0. Subject to the consolidated net leverage ratio not exceeding 4.0 to 1.0 (pro forma for such transaction) and so long as there is no default or event of default outstanding, the indenture governing the 2016 Senior Secured Notes permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on the first day of the first full fiscal quarter commencing prior to December 12, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period (although compliance with such consolidated net leverage ratio is not required to make a restricted investment). The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, the indenture governing the 2016 Senior Notes permits unlimited restricted payments so long as the consolidated net leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0.

The indenture governing the 2016 Senior Secured Notes provides for certain events of default, including, amongst others, defaults under other debt instruments which (i) is caused by the failure to pay principal of, or interest or premium, if any, on indebtedness at its stated maturity prior to the expiration of the applicable grace period, or (ii) results in the acceleration of such indebtedness prior to its maturity, and, in each case, the principal amount of such indebtedness (together with the principal amount of any other such indebtedness under which there has been a payment default or the maturity of which has been accelerated) aggregates €25 million or more.

The indenture governing the 2016 Senior Secured Notes, the 2016 Senior Secured Notes and the guarantees thereof are governed by the laws of the State of New York.

The Existing Term Loans

Overview

On January 30, 2015, Altice Financing, together with certain guarantors, entered into a senior secured term loan credit facility, as amended from time to time (the "2015 Term Loan Agreement"), and borrowed Euro and U.S. dollar term loans in an aggregate principal amount equivalent to €841 million (the "Initial 2015 Term Loan"). On July 14, 2015, Altice Financing entered into an incremental loan assumption agreement under the 2015 Term Loan Agreement, and borrowed €450 million under an incremental facility (the "2015 Incremental Loans"). On June 21, 2016, Altice Financing entered into a refinancing amendment under the 2015 Term Loan Agreement, and borrowed €447.75 million under a refinancing facility that refinanced in full the 2015 Incremental Loans (the "2016 Refinancing Loans"). The Initial 2015 Term Loan was refinanced in full with the proceeds from the issuance of the 2016 Senior Secured Notes.

On April 18, 2017, Altice Financing entered into a refinancing amendment and incremental loan assumption agreement under the 2015 Term Loan Agreement, and borrowed $485 million under a refinancing facility that refinanced in full the 2016 Refinancing Loans and $425 million under an incremental facility (collectively, the "2017 April Term Loans").

The following table shows all tranches of outstanding Existing Term Loans under the 2015 Term Loan Agreement:

	Borrower	Final Maturity	Facility Amount	Outstanding Amount
			(in millions)	
2017 April Term Loans	Altice Financing	July 15, 2025	$ 910	$ 907.725

Interest Rate and Fees

Borrowings under the 2015 Term Loan Agreement bear interest at a rate per annum equal to the applicable margin plus (i) in the case of in the case of U.S. dollar denominated loans, at our option, either (a) a base rate determined by reference to the highest of (1) the U.S. Federal Funds Effective Rate as published by the Federal Reserve Bank of New York plus 0.50%, (2) the prime rate determined from time to time by the administrative agent under the 2015 Term Loan Agreement as the prime rate, (3) the LIBO rate determined by reference to the costs of funds for U.S. dollar deposits for an interest period of one month adjusted for certain additional costs, plus 1.00% and (4) a "floor" or (b) a LIBOR rate equal to the greater of (A) a rate determined by reference to the costs of funds for U.S. dollar deposits for the interest period relevant to such borrowing adjusted for certain additional costs, and (B) a "floor," and (ii) in the case of Euro- denominated loans, the greater of (A) a EURIBOR rate determined by reference to the costs of funds for Euro deposits for the interest period relevant to such borrowing adjusted for certain additional costs, and (B) a "floor."

The applicable margin with respect to the 2017 April Term Loans is 2.75% per annum, the "floor" for the LIBO rate is 0.00% per annum, and the "floor" for the base rate is 1.00%.

Mandatory Prepayments

The 2015 Term Loan Agreement requires us to prepay outstanding term loans, subject to certain exceptions, with (i) 100% of the net cash proceeds of certain asset sales, subject to thereunder reinvestment rights and certain other exceptions; and (ii) 50% of our annual excess cash flow if the annual excess cash exceeds €15 million, which percentage will be reduced to 0% if our Consolidated Net Leverage Ratio is less than 4.5 to 1.0.

Voluntary Prepayments

Any outstanding Term Loans may be voluntarily prepaid at any time subject to customary “breakage” costs with respect to Eurodollar Loans.

Amortization and Final Maturity

We are required to make scheduled quarterly payments each equal to 0.25% of the original principal amount of the Existing Term Loans with the balance due on July 15, 2025.

Guarantees

Each Guarantor of Proposing Financing and Altice Financing guarantees, on a senior basis, the obligations of each other obligor under the 2015 Term Loan Agreement and related finance documents subject to applicable guarantee limitations specified therein.

Security

Loans under the 2015 Term Loan Agreement are secured substantially by the same collateral securing, inter alia, the 2016 Senior Secured Notes (except for the pledge over the shares in Green, which does not secure the Existing Term Loans).

Certain Covenants and Events of Default

The 2015 Term Loan Agreement includes negative covenants that substantially reflect the covenants contained in the indenture governing the 2016 Senior Secured Notes, and, among other things and subject to certain significant exceptions and qualifications, limit our ability and the ability of our restricted subsidiaries to: (i) incur or guarantee additional Indebtedness, subject to an incurrence based consolidated net leverage ratio or consolidated net senior secured leverage ratio test, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations.

The 2015 Term Loan Agreement also contains certain customary representations and warranties, affirmative covenants and events of default (including, among others, an event of default upon a change of control trigger event). If an event of default occurs, the lenders under the 2015 Term Loan Agreement will be entitled to take various actions, including the acceleration of amounts due under the 2015 Term Loan Agreement and all actions permitted to be taken by a secured creditor, subject to the Intercreditor Agreement.

The 2015 Term Loan Agreement permits the incurrence of senior secured indebtedness so long as the consolidated net senior secured leverage ratio (pro forma for such transaction) is not greater than 3.0 to 1.0. Subject to compliance with the 4.0 to 1.0 consolidated net leverage ratio (pro forma for such transactions) and so long as there is not default or event of default outstanding, the 2015 Term Loan Agreement permits the distribution of dividends and other restricted payments so long as the aggregate amount of restricted payments does not exceed the sum of an amount equal to the consolidated EBITDA generated from the period beginning on the first full fiscal quarter commencing prior to December 12, 2012 until the most recently ended quarter, less 1.5 times the consolidated interest expense for such period (although compliance with such consolidated net leverage ratio is not required to make a restricted investment). The restricted payment capacity is also subject to increase based on certain provisions that are customary for an incurrence based covenant package. In addition, unlimited restricted payments under the terms of the 2015 Term Loan Agreement are permitted so long as the consolidated net leverage ratio (pro forma for such transaction) is not greater than 4.0 to 1.0.

Following the date hereof, Altice Financing is expected to enter into an incremental loan assumption agreement under the 2015 Term Loan Agreement and borrow up to $900 million (the “2017 October Dollar Loans”) and up to €300 million (the “2017 October Euro Loans”) under an incremental facility (collectively, the “2017 October Term Loans”). The 2017 October Term Loans are expected to be used to redeem the 2013 December Senior Secured Notes. The 2017 October Term Loans are expected to mature in January 2026.

The Existing Revolving Credit Facilities and the 2017 Guarantee Facility

The Existing Revolving Credit Facilities

The Existing Revolving Credit Facilities are comprised of: (i) a $80 million revolving facility (as amended from time to time, the “2012 Revolving Credit Facility”) available under the agreement entered into on November 27, 2012 between, among others, Altice Financing, as borrower and guarantor, certain lenders party thereto, BNP Paribas, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, London

Branch, Goldman Sachs Bank USA, HSBC Bank plc, ING Bank N.V., J.P. Morgan Limited and Morgan Stanley Bank International Limited as mandated lead arrangers, Citibank International Limited (previously Citibank International plc) as facility agent and Citibank, N.A., London Branch as security agent (the “2012 Revolving Credit Facility Agreement”), (ii) a €80 million super senior revolving facility (as amended from time to time, the “2013 Revolving Credit Facility”) available under the agreement entered into on July 1, 2013 between, among others, Altice Financing, as borrower and guarantor, certain lenders party thereto, Goldman Sachs Bank USA, Morgan Stanley Bank International Limited, Crédit Agricole Corporate and Investment Bank, Credit Suisse AG, London Branch, Deutsche Bank AG, London Branch and ING Bank N.V. as mandated lead arrangers, Citibank International Limited (previously Citibank International Plc) as facility agent and Citibank, N.A., London Branch as security agent (the “2013 Revolving Credit Facility Agreement”), (iii) a €501 million pari passu revolving facility (as amended from time to time, the “2014 Pari Passu Revolving Credit Facility”) available under the agreement entered into on December 9, 2014 between, among others, Altice Financing, as original borrower and guarantor, certain lenders party thereto, Morgan Stanley Bank International Limited, Deutsche Bank AG, London Branch, Goldman Sachs Bank USA, J.P. Morgan Limited, Credit Suisse AG, London Branch, BNP Paribas Fortis SA/NV, Crédit Agricole Corporate and Investment Bank, Barclays Bank plc and ING Bank France as mandated lead arrangers, Citibank International Limited as facility agent and Citibank N.A., London Branch as security agent (the “2014 Pari Passu Revolving Credit Facility Agreement”) and (iv) a €330 million super senior revolving facility (as amended from time to time, the “2015 Revolving Credit Facility” and, together with the 2012 Revolving Credit Facility, the 2013 Revolving Credit Facility and the 2014 Pari Passu Revolving Credit Facility, the “Existing Revolving Credit Facilities”) available under the agreement entered into on January 30, 2015 between, among others, Altice Financing, as original borrower and guarantor, certain lenders party thereto, Goldman Sachs Bank USA, J.P. Morgan Limited, Deutsche Bank AG, London Branch, Morgan Stanley Bank International Limited, Credit Suisse AG, London Branch, BNP Paribas Fortis SA/NV, Crédit Agricole Corporate and Investment Bank, Société Générale Corporate and Investment Bank, Nomura International plc, HSBC France and Citigroup Global Markets Limited as mandated lead arrangers, the borrower, Citibank International Limited as facility agent and the Citibank, N.A., London Branch as security agent (the “2015 Revolving Credit Facility Agreement” and, together with the 2012 Revolving Credit Facility Agreement, the 2013 Revolving Credit Facility Agreement and the 2014 Pari Passu Revolving Credit Facility Agreement, the “Existing Revolving Credit Facility Agreements”). Each Existing Revolving Credit Facility Agreement provides for the accession of additional borrowers and guarantors subject to the requirements set out therein. References to the “borrower,” “borrowers,” “guarantor” or “guarantors” under this section refer to Altice Financing and any additional borrowers or guarantors (as applicable) who accede to the Existing Revolving Credit Facility Agreements in that capacity.

Structure of the Existing Revolving Credit Facilities

The final maturity date of the 2012 Revolving Credit Facility Agreement is the earlier of (i) the date falling five years after December 27, 2012 (the “2012 Transaction Completion Date”) and (ii) the date on which the 2012 Revolving Credit Facility has been fully repaid and cancelled. The final maturity date of the 2013 Revolving Credit Facility Agreement is the earlier of (i) the date falling five years after July 2, 2013 (the “2013 Release Date”) and (ii) the date on which the 2013 Revolving Credit Facility has been fully repaid and cancelled. The final maturity date of the 2014 Pari Passu Revolving Credit Facility is the earlier of (i) the date falling five years after July 18, 2016 and (ii) the date on which the 2014 Pari Passu Revolving Credit Agreement has been fully repaid and cancelled. The 2015 Revolving Credit Facility Agreement was amended and restated on June 30, 2016 such that, among other things, the €330 million commitments under the 2015 Revolving Credit Facility were divided into Facility A and Facility B. The final maturity date of the €52.5 million of commitments under Facility A is (i) the date falling five years after June 2, 2015 and (ii) the date on which the 2015 Revolving Credit Facility has been fully repaid and cancelled. The final maturity date of the remaining €277.5 million of commitments under Facility B is the earlier of (i) July 18, 2021 and (ii) the date on which the 2015 Revolving Credit Facility has been fully repaid and cancelled. The borrowers are permitted to make drawdowns under the Existing Revolving Credit Facility Agreements for terms of, at the relevant borrower’s election, one, two, three or six months (or any other period agreed by Altice Financing and the relevant lenders), but no such period shall end beyond the final maturity date of the relevant Existing Revolving Credit Facility Agreement. Drawdowns under the Existing Revolving Credit Facility Agreements must be repaid at the end of the interest period for the relevant loan and repaid amounts may be re-borrowed up to one month prior to the final maturity date (save for certain roll over loans).

Limitations on Use of Funds

The Existing Revolving Credit Facilities and the 2017 Guarantee Facility (defined below) may be used by the borrowers for general corporate and working capital purposes of the Restricted Group, including, but not limited to, the refinancing of all or part of any existing financial indebtedness of the Restricted Group.

The commitments under the 2013 Revolving Credit Facility may be increased by up to an additional maximum amount of $80 million Euro equivalent, provided that an amount equal to any such increase is simultaneously cancelled under the 2012 Revolving Credit Facility.

The 2017 Guarantee Facility

A guarantee facility agreement for an aggregate principal amount of €331 million consisting of (i) Facility A for an amount of €15 million (the "2017 Guarantee Facility A") and (ii) Facility B for an amount of €316 million (the "2017 Guarantee Facility B" and, together with 2017 Guarantee Facility A and as amended from time to time, the "2017 Guarantee Facility") was entered into on June 23, 2017, by, among others, Altice Financing, as borrower and guarantor, certain lenders party thereto, BNP Paribas SA, J.P. Morgan Securities plc and Credit Agricole Corporate and Investment Bank, as original lenders, BNP Paribas SA and J.P. Morgan Limited, as mandated lead arrangers, J.P. Morgan Europe Limited, as facility agent and Citibank, N.A., London Branch, as security agent ("2017 Guarantee Facility Agreement"). The 2017 Guarantee Facility has been made available to the borrowers for general corporate and working capital purposes of the Restricted Group. The 2017 Guarantee Facility Agreement provides for the accession of additional borrowers and guarantors subject to the requirements set out therein. References to the "borrower," "borrowers," "guarantor" or "guarantors" under this section refer to Altice Financing and any additional borrowers or guarantors (as applicable) who accede to the 2017 Guarantee Facility Agreement in that capacity. As of June 30, 2017, €316 million was drawn under the 2017 Guarantee Facility. The 2017 Guarantee Facility currently allows for requests for guarantees to be issued up to a maximum of €365 million, and as of the date hereof, Altice Financing has made requests for guarantees of up to approximately €323 million in aggregate principal amount, which represents a contingent liability of the Group.

Structure of the 2017 Guarantee Facility

The final maturity date of the 2017 Guarantee Facility A is the date falling five years after June 23, 2017 and the final maturity date of 2017 Guarantee Facility B is July 7, 2021.

Conditions to Borrowings

Drawdowns under the Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility Agreement are subject to certain customary conditions precedent on the date the drawdown is requested and on the drawdown date including the following (in the case of the Existing Revolving Facility Agreements): (i) no default continuing or occurring as a result of that drawdown; and (ii) certain representations and warranties specified in the Existing Revolving Credit Facility Agreements being true in all material respects. Drawdowns under the 2015 Revolving Credit Facility Agreement and under the 2014 Pari Passu Revolving Credit Facility Agreement are subject to the following additional conditions precedent on the date the drawdown is requested and on the drawdown date: other than in respect of rollover loans, the facility agent having received certification from Altice Financing that, pro forma for the drawdown, the consolidated leverage ratio for the ratio period immediately preceding the drawdown is not greater than 5.25 to 1.

Interest Rates and Fees

The interest rate on each loan under the Existing Revolving Credit Facility Agreements for each interest period is equal to the aggregate of: (x) the applicable margin; (y) LIBOR, or, in relation to any loan in Euro, EURIBOR; and (z) any mandatory cost (which is the cost of compliance with reserve asset, liquidity, cash margin, special deposit or other like requirements).

The initial margin under the 2012 Revolving Credit Facility Agreement is 4.25% per annum but if no event of default has occurred and is continuing under the 2012 Revolving Credit Facility Agreement then the margin will be adjusted depending on the Consolidated Leverage Ratio (as defined in the 2012 Revolving Credit Facility Agreement) of the Restricted Group so that: (a) if the Consolidated Leverage Ratio is greater than or equal to 3.0 to 1, the applicable margin under the 2012 Revolving Credit Facility Agreement will be 4.25% per annum; (b) if the Consolidated Leverage Ratio is less than 3.0:1 but greater than or equal to 2.0 to 1, the applicable margin under the 2012 Revolving Credit Facility Agreement will be 3.75% per annum; and (c) if the Consolidated Leverage Ratio is less than 2.0 to 1, the applicable margin under the 2012 Revolving Credit Facility Agreement will be 3.25% per annum. The margin under the 2013 Revolving Credit Facility Agreement is 3.50% per annum. The margin under the 2014 Pari Passu Revolving Credit Facility Agreement is 3.50% per annum. The margin under the 2015 Revolving Credit Facility Agreement is 3.50% per annum. The margin under the 2017 Guarantee Facility A is 2.50% per annum and the margin under the 2017 Guarantee Facility B is, from (and including) the first date on which the applicable guarantee is to be issued (the "Utilization Date") to (and excluding) the date falling three months after the first Utilization Date, 1.50% per annum, and thereafter 2.5% per annum.

Interest under the Existing Revolving Credit Facility Agreements accrues daily from and including the first day of an interest period and is payable on the last day of each interest period (unless the interest period is longer than six months, in which case interest is payable on the last day of each six month period) and is calculated on the basis of a 360 day year. With respect to any available but undrawn amounts under the Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility A, the borrowers are obligated to pay a commitment fee on such undrawn amounts at the rate of 40% of the margin calculated on undrawn and uncancelled commitments from the date falling 30 days after the date of the relevant Existing Revolving Credit Facility Agreement and the 2017 Guarantee Facility (as applicable) until one month prior to the final maturity date of the relevant Existing Revolving Credit Facility Agreement and the 2017 Guarantee Facility (as applicable). A guarantee fee is payable to the relevant issuing bank issuing guarantees under the 2017 Guarantee Facility in an amount equal to 0.125% of the face value of the relevant guarantee.

Guarantees

Each of the Senior Secured Guarantors guarantees, on a senior basis, the obligations of each other obligor under the Existing Revolving Credit Facility Agreements and related finance documents and each of the Senior Secured Guarantors (except Altice Bahamas) guarantees, on a senior basis, the obligations of each other obligor under the 2017 Guarantee Facility Agreement and related finance documents.

Security

The Existing Revolving Credit Facilities and the 2017 Guarantee Facility are secured by substantially the same collateral securing, *inter alia*, the Existing Senior Secured Notes (except for the collateral provided by Altice Bahamas, which does not secure the 2017 Guarantee Facility).

Mandatory Prepayment

Upon the occurrence of a Change of Control (as defined in each of the Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility, as applicable), the borrowers must repay the Existing Revolving Credit Facilities and the 2017 Guarantee Facility in full together with accrued interest and all other amounts accrued under related finance documents and the Existing Revolving Credit Facilities and the 2017 Guarantee Facility will be cancelled.

Subject to certain exceptions, if an amount in excess of 50% of the Senior Secured Debt (as defined in the 2015 Revolving Credit Facility Agreement) is repaid, prepayed, purchased, redeemed or defeased or acquired directly or indirectly by a member of the Restricted Group, the relevant borrowers must apply a pro rata amount of such excess in cancellation of the 2015 Revolving Credit Facility and, if applicable, prepayment of the loans drawn thereunder.

Certain excess proceeds received by the borrowers and guarantors from certain disposals of assets and not applied or invested or committed to be applied or invested to (i) prepay, repay, purchase or redeem certain indebtedness, (ii) invest in or purchase additional assets, or (iii) make certain capital expenditure, must be applied in prepayment of the Existing Revolving Credit Facilities.

Financial Covenants, Events of Default

Each of the Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility requires Altice Financing and the Restricted Group to maintain a Consolidated Leverage Ratio (as defined in each of the Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility Agreement), of no more than 5.25 to 1, to be tested at the end of each fiscal quarter.

The Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility Agreement contain certain events of default the occurrence of which, subject to certain exceptions and materiality qualifications would allow the lenders party thereto to: (i) cancel the total commitments; (ii) accelerate all outstanding loans together with other accrued amounts and/or (iii) declare that all or part of the loans be repayable on demand.

Pursuant to the terms of the Intercreditor Agreement described below, the proceeds of any enforcement of collateral will be applied towards repayment of the Existing Revolving Credit Facilities (other than the 2014 Pari Passu Revolving Credit Facility) and certain hedging obligations prior to repayment of the 2014 Pari Passu Revolving Credit Facility, the 2013 June Senior Notes, the 2013 December Senior Secured Notes, the 2013 December Senior Notes, the 2015 Senior Secured Notes, the 2015 Senior Notes, the 2016 Senior Secured Notes, the 2017 Guarantee Facility and the Existing Term Loans.

Representations and Warranties

The Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility Agreement contain certain representations and warranties customary for facilities of this type subject to certain exceptions and customary materiality qualifications.

Undertakings

The Existing Revolving Credit Facilities and the 2017 Guarantee Facility includes negative covenants that among other things and subject to certain significant exceptions and qualifications, limit our ability and the ability of our restricted subsidiaries to: (i) incur or guarantee additional Indebtedness, subject to an incurrence based Consolidated Net Leverage Ratio or Consolidated Net Senior Secured Leverage Ratio test, (ii) make investments or other restricted payments, (iii) create liens, (iv) sell assets and subsidiary stock, (v) pay dividends or make other distributions or repurchase or redeem our capital stock or subordinated debt, (vi) engage in certain transactions with affiliates, (vii) enter into agreements that restrict the payment of dividends by subsidiaries or the repayment of intercompany loans and advances; and (viii) engage in mergers or consolidations.

The Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility Agreement require the Restricted Group to observe certain affirmative undertakings subject to materiality and other customary and agreed exceptions. These affirmative undertakings include, but are not limited to, undertakings related to: (i) obtaining and maintaining all necessary consents, licenses and authorizations; (ii) compliance with applicable laws; (iii) compliance with environment laws/approvals and notification of potential environmental claims; (iv) compliance with all necessary taxation requirements; (v) ensuring that any necessary authorization is not likely to be challenged, revoked, suspended or withdrawn so as to cause a material adverse effect; (vi) pari passu ranking of all payment obligations under the relevant Existing Revolving Credit Facility Agreements or the 2017 Guarantee Facility Agreement, as appropriate, and related finance documents with other unsecured unsubordinated payment obligations; (vii) the maintenance of insurance; (viii) compliance with laws and contracts relating to pension schemes and the maintenance of such pension schemes; (ix) the Facility Agent/Security Agent (as defined in the Existing Revolving Credit Facility Agreements and the 2017 Guarantee Facility Agreement, as appropriate)/accountants/other professional advisers having access to investigate reasonably suspected events of default; (x) maintenance and protection of intellectual property rights; (xi) no amendments to constitutional documents that are likely to materially adversely affect the pledges over shares or partnership interests; (xii) an entity not moving its center of main interest from, or having an establishment in any jurisdiction other than, its jurisdiction of incorporation; (xiii) restricting the business and trading activities of and assets and liabilities held by Altice International, Cool Holding, Hadaros and Altice Financing; and (xiv) restricting the making of proceeds drawn under the Existing Revolving Credit Facility Agreements or the 2017 Guarantee Facility available to any sanctioned person or sanctioned country.

The Existing HOT Unsecured Notes

On February 27, 2011, HOT entered into a trust deed between HOT and Ziv Haft Trust Co. Ltd with respect to the unsecured notes (“Existing HOT Unsecured Notes”), which were issued on March 30, 2011 in two series: (i) in a nominal value equal to NIS 825 million or €207 million (based on the exchange rate as of June 30, 2017) pursuant to a debenture dated March 30, 2011 (the “Existing Series A HOT Notes”) and (ii) in a nominal value equal to NIS 675 million or €169 million (based on the exchange rate as of June 30, 2017) pursuant to a debenture dated March 30, 2011 (the “Existing Series B HOT Notes”). The Existing Series A HOT Notes are linked to the Consumer Price Index in Israel (“CPI”) and therefore actual amounts outstanding may vary from time to time and differ from the nominal amount outstanding. As of June 30, 2017, the CPI linked principal amount of Existing Series A HOT Notes outstanding was NIS 499 million or €125 million (based on the exchange rate as of June 30, 2017) and the principal amount of the Existing Series B HOT Notes outstanding was NIS 394 million or €99 million (based on the exchange rate as of June 30, 2017).

The Existing Series A HOT Notes and the Existing Series B HOT Notes mature on September 30, 2018. The amortization schedule for each of the Existing Series A HOT Notes is as follows: 8.3% in 2013; 8.3% in 2014; 8.3% in 2015; 8.3% in 2016; 8.3% in 2017 and 54.2% in 2018. Based on the CPI as of August 2017 of 106.3, we estimate the amortization schedule, which includes estimated future increases in CPI of three points per year, under the Existing Series A HOT Notes is approximately: NIS 71 million in 2017 and NIS 465 million in 2018. The amortization schedule for the Existing Series B Notes is as follows approximately: NIS 56 million in 2017 and NIS 366 million in 2018. The Existing HOT Unsecured Notes are not redeemable by HOT prior to maturity.

The Existing Series A HOT Notes bear interest at a rate of 3.9% per annum, payable semi-annually. The Existing Series B HOT Notes bear interest at a rate of 6.9% per annum, payable semi-annually.

The Existing HOT Unsecured Notes contain certain financial covenants, which require maintenance by HOT of a maximum net debt to EBITDA ratio of 6.0 and maintenance of minimum equity equal to NIS 300 million. Further, in order for HOT to be able to distribute dividends, the maximum net debt to EBITDA ratio is 5.5. In addition, the Existing HOT Unsecured Notes provide that any failure to pay principal prior to expiration of any applicable grace period, or any acceleration of other HOT indebtedness of NIS 300 million or more in the aggregate, grants the holders the right to call for immediate payment of the Existing HOT Unsecured Notes.

The Existing HOT Unsecured Notes are senior obligations that rank equally with all of its existing and future senior debt and are senior to all of its existing and future subordinated debt. The Existing HOT Unsecured Notes are not secured by any assets of HOT or its subsidiaries.

The Existing HOT Unsecured Notes are not redeemable by HOT prior to maturity.

The Existing HOT Unsecured Notes will be:

(i) effectively subordinated to the HOT Refinancing Notes and the guarantees thereof granted by the HOT Refinancing Notes Guarantors to the extent of the lesser of (x) the value of the assets of HOT and the HOT Refinancing Notes Guarantors securing the HOT Refinancing Notes and the guarantees thereof and (y) the amount owing under the HOT Refinancing Notes;

(ii) *pari passu* with the HOT Refinancing Notes to the extent the amount of the HOT Refinancing Notes exceeds the value of the assets of HOT and the HOT Refinancing Notes Guarantors securing the HOT Refinancing Notes; and

(iii) structurally senior to the 2013 June Senior Notes, the 2013 December Senior Notes, the 2013 December Senior Secured Notes, the 2015 Senior Notes, the 2015 Senior Secured Notes, the 2016 Senior Secured Notes, the Proposed Financing and the guarantees thereof granted by certain Senior Secured Guarantors and certain Guarantors, as applicable.

The Existing HOT Unsecured Notes will not be subject to the Intercreditor Agreement and, as a result, in the event of an enforcement sale of the shares of Cool Holding or HOT pursuant to the Intercreditor Agreement, the debt claims of the holders of the Existing HOT Unsecured Notes are not required to be released or otherwise transferred.

The Intercreditor Agreement

To establish the relative rights of certain of our creditors, certain obligors under the 2013 June Senior Notes, 2013 December Senior Secured Notes, the 2013 December Senior Notes, the 2015 Senior Secured Notes, the 2015 Senior Notes, the 2016 Senior Secured Notes, the Existing Revolving Credit Facilities, the 2017 Guarantee Facility, the Existing Term Loans and certain counterparties to hedging obligations relating to the foregoing, have entered into an intercreditor agreement (the “Intercreditor Agreement”) with, among others,:

- the creditors of the Revolving Credit Facilities (the “RCF Creditors”);
- any persons that accede to the Intercreditor Agreement as counterparties to certain hedging agreements in accordance with the terms of the Intercreditor Agreement (the “Hedging Agreements” and any person that accedes to the Intercreditor Agreement as counterparties to the Hedging Agreements are referred to in such capacity as the “Hedging Banks” and, together with the RCF Creditors, the “Super Priority Creditors”);
- any persons that accede to the Intercreditor Agreement under any future term facility (including the Existing Term Loans) or revolving bank facility (including the 2017 Guarantee Facility and 2014 Pari Passu Revolving Credit Facility but excluding the other Existing Revolving Credit Facilities) designated a senior bank facility in accordance with the terms of the Intercreditor Agreement (the “Senior Bank Creditors”);
- any persons that accede to the Intercreditor Agreement as trustee (the “Senior Secured Notes Trustee”) for the 2013 December Senior Secured Notes, the 2015 Senior Secured Notes and the 2016 Senior Secured Notes (collectively, the “Senior Secured Notes”) on its behalf and on behalf of the holders of the Senior Secured Notes (the “Senior Secured Notes Creditors” and, together with any Senior Bank Creditors, the “Senior Creditors” and, together with the Super Priority Creditors, the “Senior Secured Creditors”);
- any persons that accede to the Intercreditor Agreement as trustee for the 2013 June Senior Notes, the 2013 December Senior Notes and the 2015 Senior Notes (and together the “Senior Subordinated Notes”) (the “Senior Subordinated Notes Trustee” on its behalf and on behalf of the holders of the Senior Subordinated Notes (the “Senior Subordinated Notes Creditors” or the “Senior Subordinated Creditors”);
- certain intra-group creditors (the “Intercompany Creditors”)
- certain members of the group who are or become structural creditors in respect of certain intra-group liabilities (the “Structural Creditors”);
- certain investors (the “Shareholders,” together with Intercompany Creditors, the “Subordinated Creditors”);
- Citibank, N.A., London Branch, as security agent for the Senior Secured Creditors (the “Security Agent”);

- Citibank International plc, as facility agent or any other administrative agent or replacement agent; and
- Citibank, N.A., London Branch as security agent for the Structural Creditors (the “Structural Creditor Security Agent”).

The Intercreditor Agreement provides that future indebtedness may be incurred by us and our subsidiaries subject to the terms of the Intercreditor Agreement and each finance document then existing. Future Super Priority Debt may, however, only be in the form of a revolving credit facility, which is a working capital facility or hedging indebtedness to the extent permitted (or not prohibited) by the terms of each finance document (including the indentures) or consented to by the appropriate parties. The aggregate commitment under all revolving credit facilities (including the 2012 Revolving Credit Facility, the 2013 Revolving Credit Facility and the 2015 Revolving Credit Facility) that are designated as Super Priority Debt cannot exceed the greater of $80 million or 4% of total assets at any time.

For the purposes of the Intercreditor Agreement, the creditors of each class of debt will vote together and a representative trustee or agent of debt within that class of debt (a “Representative”) may act on the instructions of the majority of creditors of that class of debt (or, in the case of the Super Priority Debt or Senior Bank Debt (as defined below), on the instructions of 66 ⅔% of creditors of that class of debt) (a “Relevant Majority”). Hedging Banks will vote together with the Super Priority Creditors while any Super Priority Debt remains outstanding. In addition, in certain circumstances (as set out in the Intercreditor Agreement) certain classes of creditors will vote together as part of an instructing group (the “Instructing Group”), which is the Relevant Majority of (i) (if Senior Bank Debt has not been incurred or, if incurred, has been discharged and while any Senior Secured Notes Debt remains outstanding) the Senior Secured Notes Creditors, (ii) (while Senior Bank Debt (as defined below) remains outstanding) the Senior Creditors, and (iii) (if the Senior Secured Debt has been discharged and while the Senior Subordinated Notes Debt remains outstanding) the Senior Subordinated Creditors.

By accepting a Senior Secured Note or a Senior Subordinated Note, as the case may be, the relevant holder thereof shall be deemed to have agreed to and accepted the terms and conditions of the Intercreditor Agreement.

The following description is a summary of certain provisions, among others, that are contained in the Intercreditor Agreement that relate to the rights and obligations of the Senior Secured Notes Creditors and the Senior Subordinated Notes Creditor. It does not restate the Intercreditor Agreement nor does it describe provisions relating to the rights and obligations of holders of other classes of our debt or capital expenditures.

Order of Priority

Ranking & Priority

The Intercreditor Agreement provides, subject to certain provisions, that the liabilities of each company, obligor or borrower subject to the Intercreditor Agreement (the “Obligors”) (other than the Company) under or in respect of the Existing Revolving Credit Facility Agreements (excluding the 2014 Pari Passu Revolving Credit Facility Agreement, the “RCF Debt”), the Hedging Agreements (the “Hedging Debt” and, together with the RCF Debt, the “Super Priority Debt”), any Senior Bank Facilities, including the 2014 Pari Passu Revolving Credit Facility Agreement, the Existing Term Loans and the 2017 Guarantee Facility (the “Senior Bank Debt”), the Senior Secured Notes (the “Senior Secured Notes Debt” and, together with the Senior Bank Debt, the “Senior Debt”), the Senior Subordinated Notes (the “Senior Subordinated Notes Debt”), structural intra-group debt owed to the Structural Creditors (the “Structural Debt”) and certain liabilities of members of the group owed to the Company (the “Company Debt”) and certain other liabilities will rank in right and order of payment in the following order:

i. *first*, the RCF Debt, the Hedging Debt, the Senior Bank Debt, the Senior Secured Notes Debt, the Structural Debt and future permitted senior or super priority debt, *pari passu* without any preference among them;

ii. *second*, the Senior Subordinated Notes Debt and future permitted senior subordinated debt, *pari passu* without any preference among them;

iii. *third*, the intercompany debt and the Company Debt, *pari passu,* without any preference among them; and

iv. *fourth*, the shareholder debt.

To the extent any liability is owed by the Company in respect of any debt, the debt will rank in right and order of payment:

i. *firstly*, the Senior Secured Debt (as defined below), pari passu without any preference among such debt; and

ii. *secondly*, the shareholder debt.

Priority of Security

The Intercreditor Agreement provides that the Security (other than any Security created pursuant to the pledge of the shares of the Company) provided by the Obligors (and any other parties) for the Super Priority Debt, the Senior Debt (together, the "Senior Secured Debt"), the Senior Subordinated Notes Debt (together with the Senior Secured Debt, the "Secured Debt") will rank in the following order:

i. *firstly*, the Senior Secured Debt (*pari passu* among such class of debt); and

ii. *secondly*, the Senior Subordinated Notes Debt.

Restrictions

Subject to certain limited exceptions and subject to, *inter alia*, the provisions set forth under the captions "—*Permitted Payments*" and "—*Restrictions on Enforcement*," while any Senior Secured Debt is outstanding, the Intercreditor Agreement restricts:

- The ability of the Obligors and their subsidiaries to create or permit to subsist any security interest over any of their assets for any debt owed to the Senior Subordinated Creditors and the intercompany creditors and shareholders (the "Subordinated Debt");
- the ability of the Obligors and their subsidiaries to pay, purchase, redeem or acquire any of the Senior Subordinated Notes Debt or the Company Debt, or otherwise to provide financial support in relation to such liabilities, except in respect of any Senior Subordinated Notes Debt in connection with any such payment or acquisition of any Senior Subordinated Notes Debt by Altice Financing or the Company in respect of the Senior Subordinated Debt (the "Senior Subordinated Notes Company"); and
- the ability of the Senior Subordinated Creditors to enforce the Senior Subordinated Notes Debt or the Company Debt and the security relating thereto, to demand or receive payments toward the discharge of any Senior Subordinated Notes Debt, any Company Debt or to apply money or property toward the discharge of any Senior Subordinated Notes Debt or any Company Debt,

in each case, unless consented to by the applicable Super Priority Creditors and whilst any Senior Debt is outstanding to the extent prohibited by the Senior Designated Debt Documents, the applicable Senior Creditors.

In addition, the Intercreditor Agreement provides that the Security and guarantees relating to the Senior Secured Debt (and the Senior Subordinated Notes Debt) will be released in certain circumstances. Moreover, certain proceeds received by the Senior Secured Creditors and the Senior Subordinated Creditors or the Subordinated Creditors (other than in connection with the Senior Subordinated Notes Debt of the Senior Subordinated Notes Company) must be turned over to the Security Agent pursuant to the Intercreditor Agreement for application in accordance with the Intercreditor Agreement.

The Intercreditor Agreement provides for certain additional restrictions on the form, provisions and terms of the documents evidencing the Structural Debt. No Structural Creditor and no member of the Group will be entitled to make material amendments to the documents evidencing the Structural Debt without the prior written consent of the relevant Representative representing the Super Priority Creditors, the Senior Bank Creditors and the Senior Secured Notes Creditors.

Limitation of Credit Support

Pursuant to the Intercreditor Agreement, the Obligors are prohibited from granting any security in favor of any Senior Secured Debt unless that security is given in favor of the Security Agent to hold for the benefit of all other Senior Secured Debt.

Permitted Payments

The Intercreditor Agreement permits Obligors to pay, *inter alia*:

1. while any Senior Secured Debt is outstanding, any amounts then due under the Senior Subordinated Notes Debt if:
    a. the payment is a Permitted Payment (as defined below) (or in lieu thereof, a payment of an amount to the issuer of Senior Subordinated Notes to enable it to make a corresponding Permitted Payment) or is not prohibited under the terms of any documents governing the Senior Secured Debt;

b. on the date falling two days prior to the date of payment, no payment default is outstanding (or has been accelerated/placed on demand); and

c. no Stop Notice (as defined below) is outstanding; or

d. with the consent of each of:

i. (while any of the Super Priority Debt is outstanding) the Representative representing the Relevant Majority of the Super Priority Creditors;

ii. (while any Senior Bank Debt is outstanding) the Representative representing the Relevant Majority of (A) the Senior Bank Creditors and (B) (only to the extent prohibited by the Senior Secured Notes Indenture) the Senior Secured Notes Creditors; and

iii. (if any Senior Bank Debt has been discharged and while the Senior Secured Notes Debt is outstanding) (only to the extent prohibited under the Senior Secured Notes Indentures) the Representative representing Relevant Majority of the Senior Secured Notes Creditors;

2. while any Senior Subordinated Debt is outstanding, any amounts under the intercompany debt and the shareholder debt if:

a. except in relation to an intercompany debt to an Obligor, the amount is due and payable under the terms of the intercompany debt documents;

b. the payment is not prohibited under the terms of any documents governing the Senior Secured Debt and/or the Senior Subordinated Notes Debt; and

c. in relation to an intercompany debt to a non-Obligor and any shareholder debt, no enforcement trigger event is outstanding; or

d. with the consent of each of:

i. (while any Super Priority Debt is outstanding) the Representative representing the Relevant Majority of the Super Priority Debt;

ii. (while any Senior Bank Debt is outstanding) the Representative representing the Relevant Majority of (A) the Senior Bank Creditors and (B) (only to the extent prohibited by the Senior Secured Notes Indentures), the Senior Secured Notes Creditors;

iii. (if any Senior Bank Debt has been discharged but while any Senior Secured Notes Debt is outstanding and only to the extent prohibited under the Senior Secured Notes Indenture (to the extent prohibited by a Senior Secured Notes Designated Debt Document (as defined below)) the Representative representing the Relevant Majority of the Senior Secured Notes Creditors; and

iv. (while any Senior Subordinated Debt is outstanding), the Representative representing the Relevant Majority of Senior Subordinated Creditors; and

3. while any Senior Secured Debt is outstanding, the Obligors will only be permitted to make payments of Company Debt

a. with the prior written consent of:

i. (while any Super Priority Debt is outstanding) the relevant Representatives representing the Relevant Majority of the Super Priority Creditors;

ii. (while any Senior Bank Debt is outstanding) the Representatives representing the Relevant Majority of (x) the Senior Bank Creditors and (y) (only to the extent prohibited by the Senior Secured Notes Indenture) the relevant Representatives Senior Secured Notes Creditors; and

iii. (if any Senior Bank Debt has been discharged and while the Senior Secured Notes Debt is outstanding) (only to the extent prohibited by the Senior Secured Notes Indenture) the relevant Representatives representing the Relevant Majority of the Senior Secured Notes Creditors; or

b. such payments are equal to the amount of payments in respect of the liabilities owed to the Senior Subordinated Notes Creditors.

A Representative representing (i) the relevant Senior Bank Lenders or (ii) the relevant Senior Secured Notes Creditors or (iii) the relevant Super Priority Creditors (each in accordance with its underlying documents) may serve a notice specifying that an event of default is outstanding and suspend the payment of any Senior Subordinated Notes Debt (a “Stop Notice”) until the earlier of: (i) 179 days after the Stop Notice, (ii) if an enforcement notice specifying a default under the Senior Subordinated Notes Debt has been served by a Representative of the Relevant Majority of the Senior Subordinated Creditors (an "Enforcement Notice") and a standstill period of 179 days (a "Standstill Period") is already in effect, the date on which the aforementioned Standstill Period expires, (iii) the date on which the event of default under the relevant Super Priority Debt document or Senior Debt document has been remedied or waived in accordance with the relevant debt document, (iv) the date on which each Representative that served the Stop Notice cancels such Stop Notice, (v) the date on which the creditors with respect to the Senior Subordinated Debt take enforcement action in accordance with (and as permitted by) the Intercreditor Agreement, and (vi) the date the Senior Secured Debt is no longer outstanding. The Stop Notice is to be issued within 45 days of receipt of notice of such default and only one such notice may be served within any 360 day period and not more than one Stop Notice may be served in respect of the same event or set of circumstances. Notwithstanding the foregoing, the Senior Secured Notes Trustee will be entitled to receive and retain certain amounts payable for its own account. A Stop Notice shall be deemed to be in effect if a payment default is outstanding in respect of any Senior Secured Debt.

For purposes of the Intercreditor Agreement, "Permitted Payments" is defined to include certain customary permitted payments which include scheduled payments of interest; amounts payable under Senior Subordinated Notes by way of default interest, liquidated charges or penalty interest; amounts payable under applicable gross up provisions or currency indemnities; fees, costs, expenses and taxes incurred in respect of the issuance and offering of the Senior Subordinated Notes or the ordinary day-to-day administration of the Senior Notes; principal amount of the Senior Subordinated Notes upon or after their originally scheduled maturity; any other amount not exceeding an agreed amount in any 12-month period; note trustee costs and security agent costs; certain permitted defeasance trust payments; amounts funded from the proceeds of issuance of, or exchanged for or converted into certain defined permitted junior securities any other amounts consented to by the Representatives representing the Relevant Majority of each of the Super Priority Debt and Senior Debt.

Restrictions on Enforcement

Subject to certain limited exceptions, and except with the consent of the Relevant Majority of Super Priority Creditors (while the Super Priority Debt is outstanding) and the Instructing Group, while Senior Secured Debt is outstanding, the Senior Subordinated Creditors cannot (i) demand payment of any Senior Subordinated Notes Debt or Subordinated Debt, (ii) accelerate any of the Senior Subordinated Notes Debt or the Subordinated Debt or otherwise declare any of the aforementioned debt prematurely due or payable on an event of default or otherwise, (iii) enforce any of the Senior Subordinated Notes Debt or Subordinated Debt by attachment, set-off, execution or otherwise, (iv) (in the case of Senior Subordinated Creditors) enforce the Security relating to the Senior Subordinated Notes Debt, (v) petition for, initiate, support or take any steps with a view to any insolvency or any voluntary arrangement or assignment for the benefit of creditors or any similar proceedings involving an Obligor, (vi) sue or bring or support any legal proceedings against any Obligor or its subsidiaries or (vii) otherwise exercise any remedy for the recovery of any Senior Subordinated Notes Debt or Subordinated Debt. The aforementioned does not prohibit the Senior Subordinated Creditors from, among others, (i) taking any necessary action to preserve the validity and existence of any claims, (ii) taking any action against any creditor to challenge the basis on which any sale or disposal is to take place pursuant to powers granted under any security documents, (iii) bringing proceedings in relation to violations of securities laws/regulations or for fraud, (iv) solely for injunctive relief to restrain any actual or punitive breach of the indenture governing the Senior Subordinated Notes or for specific performance not claiming damages not inconsistent with the Intercreditor Agreement, (v) against the Senior Subordinated Notes Company, or (vi) requesting judicial interpretation of any provision of any Senior Subordinated Creditor finance document. A Senior Subordinated Creditor or Subordinated Creditor will be allowed to bring or support proceedings to prevent the loss of any right to bring or support proceeding by reason of expiry of statutory limitation periods. Subject to the written instructions of the Security Agent (acting on the instructions of the relevant Creditors entitled to take enforcement action with respect to the Collateral) no Structural Creditor may, while any Senior Secured Debt is outstanding take certain actions in respect of the Structural Debt including (i) accelerate any of the Structural Debt or otherwise declare any of the Structural Debt prematurely due or payable as a result of a default or an event of default (howsoever described), (ii) enforce any of the Structural Debt by attachment, set-off, execution or otherwise, (iii) enforce (or give instructions to the Structural Creditor Security Agent to enforce) the security securing the Structural Debt, (iv) petition (or vote in favor of any resolution in favor for) or initiate or take any steps with a view to any insolvency or any voluntary agreement or assignment for the benefit of creditors or any similar proceedings involving HOT and/or its direct or indirect subsidiaries, (v) sue or bring or support any legal proceedings against HOT and/or any of its direct or indirect Subsidiaries, or (vi) otherwise exercise any remedy for the recovery of any Structural Debt.

In addition to customary termination rights under the Hedging Agreements, the Hedging Banks benefit from certain additional termination rights permitting termination or close-out of the relevant Hedging Agreement prior to its stated maturity in the following circumstances (in each case subject to a grace period of at least 30 days from the date of occurrence of the relevant circumstance, and subject in each individual circumstance to the applicable grace periods set out in the relevant finance document):

(a) a payment default under any financial indebtedness (subject to any applicable grace period) of the Company, any Covenant Party or their subsidiaries in excess of $20 million has occurred;

(b) a default (other than a payment default) and subsequent acceleration of any amounts of financial indebtedness equal to or greater than $20 million;

(c) failure by Altice Financing, an Obligor or a Significant Subsidiary (as defined in Senior Secured Notes Indentures) to pay final judgments aggregating in excess of $20 million (exclusive of any amounts that a solvent insurance company has acknowledged liability for), which judgments are not paid, discharged or stayed for a period of 60 days after the judgment becomes final;

(d) any impairment of security and/or guarantees which constitutes an event of default under the Senior Secured Notes Indentures;

(e) any event of default or prepayment event under the Senior Secured Notes Indentures or any other relevant finance document caused by a change of control; or

(f) any event of default or prepayment event under the Senior Secured Notes Indentures or any other relevant finance document which is caused as a result of: (i) a cross-default, (ii) a breach of the covenant relating to indebtedness, (iii) a breach of the covenant relating to restricted payments, (iv) a breach of the covenant relating to certain distributions, (v) a breach of the covenant relating to asset sales and subsidiary stock, (vi) a breach of the covenant relating to company activities, (vii) a breach of the covenant relating to holding company activities, (viii) a breach of the covenant relating to impairment of security and (ix) a breach of the covenant relating to affiliate transactions.

Permitted Enforcement

Despite the restrictions of enforcement described above, the Intercreditor Agreement allows the Senior Subordinated Creditors to take the aforementioned enforcement actions while any Senior Secured Debt is outstanding if (i) payment of the Senior Secured Debt has been accelerated or declared prematurely due and payable or payable on demand or the Relevant Majority of Super Priority Creditors and/or Senior Creditors have taken any enforcement action under the security documents in relation to such debt, (ii) certain insolvency, liquidation or other similar enforcement events have occurred with respect to an Obligor (other than an Obligor that is not a borrower or guarantor under any Senior Secured Debt) and such actions are taken with respect to such Obligor, (iii) there is an event of default under the Senior Subordinated Notes Debt for failure to pay principal at its originally scheduled maturity, (iv) the proposed enforcement action has been consented to by the Relevant Majority of Super Priority Debt, Senior Bank Creditors, Senior Secured Notes Creditors or (v) a period (the “Standstill Period”) of not less than 179 days has elapsed from the date any Representative of the Senior Secured Creditors received an Enforcement Notice from the Senior Subordinated Creditors relating to an event of default under the applicable documents relating to such Senior Subordinated Debt and such event of default is outstanding at (and has not been waived prior to) the end of the Standstill Period.

The Intercreditor Agreement will require the Security Agent to give prompt notice to the representative of the Senior Subordinated Notes Debt if it is instructed to enforce the security relating to the equity/ownership interest securing Senior Secured Debt (a “Senior Enforcement”). During the period from the giving of that notice to the date that the Security Agent ceases to use all reasonable commercial efforts to carry out that Senior Enforcement as expeditiously as reasonably practicable having regard to the circumstances:

- the Security Agent will not be permitted to enforce any Security over such equity interests in a manner that would adversely affect such Senior Enforcement; and

- no Senior Subordinated Creditor will be permitted to take, or will be permitted to give any instructions to the Security Agent to take, any enforcement action prohibited by the preceding bullet,

provided that the foregoing will not prejudice any other rights of the Senior Subordinated Creditors to take any enforcement action against any other Obligor that are permitted under the Intercreditor Agreement. The Intercreditor Agreement will require the Security Agent to give prompt notice to the Representative of Senior Subordinated Notes Debt of its ceasing to carry out a Senior Enforcement.

Enforcement Instructions

No Senior Secured Creditor or Senior Subordinated Notes Creditor has any independent power to enforce, or have recourse to, any Security except through the Security Agent and the Security Agent shall enforce Security (if then enforceable) if so instructed by (i) while the Super Priority Debt is outstanding, the Relevant Majority of Super Priority Creditors or the Instructing Group, and (ii) after the discharge of the Senior Secured

Debt (or if permitted to do so as described above under "*—Limitations on Enforcement*"), the Relevant Majority of Senior Subordinated Creditors. The Security Agent may disregard any instructions from any other person to enforce the Security and may disregard any instructions to enforce any Security if those instructions are inconsistent with the Intercreditor Agreement. The Security Agent is not obliged to enforce the Security if it is not appropriately indemnified by the relevant creditors.

No Structural Creditor has any independent power to enforce, or have recourse to, any security serving the Structural Debt.

To the extent any Super Priority Creditors or the Instructing Group wish to accelerate any debt owing to any Senior Secured Creditor, it must notify the Security Agent and each other Senior Secured Representative at least three business days prior to the date it intends to accelerate. To the extent that the Super Priority Creditors or the Instructing Group wish to enforce Security, they must notify the Security Agent and each other Senior Secured Representative 10 business days prior to the date it issues the enforcement instructions (the "Proposed Enforcement Instruction Date"). If the Security Agent receives conflicting enforcement instructions prior to the Proposed Enforcement Instruction Date, the Representatives of the Super Priority Creditors and the Representative of the Instructing Group shall consult with one another and with the Security Agent in good faith for 30 days (or such shorter date as may be agreed) (the "Consultation Period"). Consultation will not be required if the Security has become enforceable as a result of an insolvency event relating to an Obligor against whom such enforcement action is taken or if any of such instructing representatives determines in good faith that consultation (and thereby the delay) could reasonably be expected to have a material adverse effect on the ability to enforce the Security or the realization of proceeds of enforcement.

While the Super Priority Debt is outstanding, if the Security Agent receives conflicting enforcement instructions from the Representatives of the Super Priority Debt or the Instructing Group, and the 30 day consultation period between the two parties has passed, the Security Agent shall comply with the instruction from the Instructing Group. The failure by a creditor group to issue enforcement instructions will be deemed to be conflicting, provided that if the representatives of the Instructing Group fail to give instructions as to enforcement and the 30 day consultation period has elapsed without the Instructing Group issuing instructions, the Security Agent will comply with the instructions of the representative of the Super Priority Debt. The instructions of the Super Priority Creditors will prevail if (i) the Super Priority Creditors have not been fully and finally discharged in cash within six months of the Proposed Enforcement Date, or (ii) the Security Agent has not commenced any enforcement action within 3 months of the Proposed Enforcement Date. All enforcement instructions will need to comply with the following security enforcement principles:

1. It shall be the aim of any enforcement of the Security to achieve the Security Enforcement Objective (hereinafter defined). "Security Enforcement Objective" means maximizing, so far as is consistent with a prompt and expeditious enforcement of the Security, the recovery of the Super Priority Creditors and (without prejudice to the waterfall described in "*Application of Proceeds*" below) the Senior Creditors.
2. The security enforcement principles may be amended, varied or waived with the prior written consent of the Relevant Majority of Super Priority Creditors, an Instructing Group and the Security Agent.
3. Without prejudice to the Security Enforcement Objective, the Security will be enforced and other action as to enforcement of the Security will be taken such that either:
    (a) in the event enforcement is being effected in accordance with the instructions of the Instructing Group either:
        (i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the waterfall described in "*Application of Proceeds*" below; or
        (ii) sufficient proceeds from enforcement will be received by the Security Agent in cash to ensure that when the proceeds are applied in accordance with the waterfall described in "*Application of Proceeds*" below), the Super Priority Debt is repaid and discharged in full (unless the Relevant Majority of Super Priority Creditors agree otherwise); or
    (b) in the event enforcement is being effected in accordance with the instructions of the Super Priority Creditors either:
        (i) all proceeds of enforcement are received by the Security Agent in cash for distribution in accordance with the waterfall described in "*Application of Proceeds*" below; or
        (ii) with the consent of the Instructing Group, the proceeds are received by the Security Agent in cash and non-cash consideration for distribution in accordance with the waterfall described in "*Application of Proceeds*" below.
4. The enforcement must be prompt and expeditious it being acknowledged that, subject to the other provisions of the Intercreditor Agreement, the time frame for realization of value from the enforcement of the Security pursuant to enforcement will be determined by (while any Super Priority Debt is

outstanding) the Representatives representing the Relevant Majority of Super Priority Creditors or the relevant Representatives representing an Instructing Group provided that it is consistent with the Security Enforcement Objective.

5. On:

(a) a proposed enforcement of any of the Security over assets other than shares in a member of the Group, where the aggregate book value of such assets exceeds U.S.$ 3,000,000 (or its equivalent); or

(b) a proposed enforcement of any of the Security over some, but not all, of the shares in a member of the Company Group (being any Covenant Party and the Company and their respective Subsidiaries from time to time) over which Security exists.

the Security Agent shall, if so requested by (while the Super Priority Debt is outstanding) the Representatives representing the Relevant Majority of Super Priority Creditors or the relevant Representatives representing an Instructing Group, and at the expense of such creditors, obtain an opinion from any (X) "big four" accounting firm, (Y) reputable and independent internationally recognized investment bank, or (Z) other reputable and independent professional services firm experience in restructuring and enforcement (a "Financial Advisor"), that the consideration for the sale is fair from a financial point of view after taking into account all relevant circumstances. If the Security Agent is unable to obtain an opinion pursuant to this paragraph 5, it shall notify the Super Priority Representatives and the Senior Representatives representing an Instructing Group and may proceed to enforce the Security without obtaining such opinion.

6. The Security Agent shall be under no obligation to appoint a Financial Advisor or to seek the advice of a Financial Advisor, unless expressly required to do so by the security enforcement principles or any other provision of the Intercreditor Agreement.

7. The Financial Advisor's opinion will be conclusive evidence that the Security Enforcement Objective has been met.

8. If enforcement of any Security is conducted by way of public auction in any relevant jurisdiction, no Financial Advisor shall be required to be appointed in relation to such enforcement action. Nothing shall require the enforcement of Security to take place by way of public auction.

Release of Security and Guarantees

An Obligor may dispose of an asset outside of the Group if (i) the disposal is not prohibited by the underlying finance documents, or (ii) the disposal is being effected at the request of the relevant creditor in circumstances where it is entitled to take enforcement action under the Intercreditor Agreement (and such disposal is consistent with certain security enforcement principles), or (iii) the disposal is pursuant to enforcement action in accordance with the Intercreditor Agreement, and, in each case, the Security Agent is authorized to release any Security or any security securing the Structural Debt and other claims (including guarantees) under any finance document over that asset and, if that asset comprises of the shares in the capital of an Obligor or any of its subsidiaries which are subject to Security or any security securing the Structural Debt, release on behalf of the relevant creditor and each Obligor and its Subsidiaries that subsidiary and its subsidiaries from all present and future obligations and liabilities under the relevant finance document provided that the proceeds of the disposal is applied in accordance with the relevant finance document and with the Intercreditor Agreement.

Where a disposal relates to (ii) or (iii) above, the Security Agent is only authorized to release the relevant Security and liabilities owing to the Senior Subordinated Creditors if (i) the proceeds are received by the Security Agent in cash (or substantially all cash); (ii) the disposal is made pursuant to a public auction or with an opinion from a restructuring advisor confirming that the disposal price is fair (taking into account all relevant circumstances); (iii) the debt is simultaneously and unconditionally released (and not assumed by a purchaser or affiliate of a purchaser) and (iv) the proceeds are applied in accordance with the Intercreditor Agreement.

Where liabilities in respect of any Senior Secured Debt would otherwise be released, the relevant creditor may elect to transfer such liabilities to the Company or the original Shareholder. If shares in an Obligor or its holding company are being disposed of and the Security Agent decides to dispose of all or part of the liabilities of such Obligor, holding company or any subsidiary under the finance documents, the Security Agent may: (a) dispose of all or part of such liabilities such that the transferee shall not be treated as a Senior Secured Creditor or a secured party; and (b) dispose of all (and not part) of such liabilities owed to the Senior Secured Creditors on behalf of the relevant creditors and Obligors such that the transferee be treated as a Senior Secured Creditor or a secured party.

Turnover

The Intercreditor Agreement also provides that if any Super Priority Creditor, Senior Secured Creditor (with respect to proceeds from the enforcement of security and proceeds of certain disposals only), Structural Creditor (with respect to proceeds from the enforcement of security securing the Structural Debt only), Senior Subordinated Creditor or Subordinated Creditor receives or recovers a payment of any Senior Secured Debt, Structural Debt, Senior Subordinated Notes Debt or Subordinated Debt which is prohibited by the Intercreditor Agreement or not paid in accordance with the provisions described under "—*Application of Proceeds*," subject to certain exceptions, the receiving or recovering creditor will promptly notify the Security Agent and hold any amount on trust for the creditors and, upon demand by the Security Agent, pay that amount to the Security Agent or, if lower, the amount of debt owed to the relevant category of creditor, in each case less the third party costs and expenses (if any) reasonably incurred in receiving or recovering such amount, for application by the Security Agent in accordance with the order of priority described under "—*Application of Proceeds.*" These provisions will not apply to any receipt or recovery by the Hedging Banks in relation to certain netting and set-off arrangements with Obligors, permitted refinancing or the loss sharing provisions of the Intercreditor Agreement.

Subordination on Insolvency

After the occurrence of an insolvency event in relation to any Obligor (the "Insolvent Obligor"), the Senior Subordinated Debt owed by the Insolvent Obligor will be subordinated in right of payment to the Super Priority Debt and Senior Debt owed by such Insolvent Obligor. Moreover, the shareholder debt and (unless otherwise required by (while the Super Priority Debt remains outstanding) the Relevant Majority of Super Priority Creditors or the Instructing Group) the Intercompany Debt owed by the Insolvent Obligor will be subordinate in right of payment to the Secured Debt owed by such Insolvent Obligor.

Filing of Claims

While any Senior Secured Debt is outstanding, the Security Agent is authorized (acting on the instructions of (while any Super Priority Debt excluding Hedging Debt is outstanding) the Relevant Majority of Super Priority Creditors or the Instructing Group) to: (i) claim, enforce and prove for any debt owed by the Insolvent Obligor (ii) only with respect to shareholder debt, exercise all powers of convening meetings, voting and representations in respect of the shareholder debt owed by the Insolvent Obligor (iii) file claims and proofs, give receipts and take all such proceedings and do all such things as the Security Agent considers reasonably necessary to recover any debt owed by the Insolvent Obligor and (iv) receive all payments of or in respect of any debt owed by the Insolvent Obligor for application in accordance with the provisions set forth under "—*Application of Proceeds*." Notwithstanding the foregoing, nothing shall (i) entitle any party to exercise or require any other party to exercise such power of voting or representation to waive, reduce, discharge, extend the due date for payment of or reschedule any of the Senior Subordinated Debt; or (ii) be deemed to require any Senior Subordinated Notes Creditor to hold a meeting or pass any resolution at such meeting or give any consent pursuant to the terms of any finance documents, or (iii) authorize any Super Priority Creditor or Senior Secured Creditor to take any action against the Senior Subordinated Notes Company in respect of the Senior Subordinated Debt.

If the Security Agent is not entitled or does not take any of the actions referred to above the representative of Senior Subordinated Debt, the Senior Subordinated Notes Creditor and the Subordinated Creditors (i) will each do so promptly when requested by the Security Agent (acting on the instructions of (while Super Priority Debt is outstanding) the Relevant Majority of Super Priority Creditors or the Instructing Group subject, in the case of Senior Subordinated Creditors only, to either or both the Super Priority Creditors or the Senior Creditors giving an appropriate indemnity for any costs and expenses which may be reasonably incurred by the Senior Subordinated Creditors and their representative in doing or taking the actions so requested); and (ii) may each do so to the extent permitted as described under "—*Restrictions on Enforcement*."

Application of Proceeds

Subject to the rights of any creditor (other than a Secured Creditor or a Structural Creditor) with prior security or preferential claims, (i) all amounts from time to time received pursuant to the provisions described under "—*Turnover*" or otherwise recovered by the Security Agent (or any other creditors) in connection with the realization or enforcement of all or any part of the security in favor of the Senior Secured Debt or Senior Subordinated Notes Debt (other than the pledge of the shares of the Company), the sale of any asset of any Obligor pursuant to an insolvency event or, an enforcement action, judicial supervised or sanctioned reorganization or administrative work-out restructuring or otherwise and (ii) all amounts from time to time received or recovered by the Structural Creditor Security Agent in connection with the realization or enforcement of the security securing the Structural Debt, shall be held by the Security Agent or the Structural

Security Agent, on trust, in each case to apply them at any time as the Security Agent or the Structural Creditor Security Agent sees fit in the following order:

- first, in payment of the following amounts in the following order of priority: (i) *pari passu* and pro rata to the Security Agent and the Structural Creditor Security Agent and thereafter to the trustees to the Senior Subordinated Notes and Senior Secured Notes of any amounts due to each such party, and (ii) *pari passu* and pro rata to each representative of Super Priority Debt, Senior Bank Debt, Senior Secured Notes Debt and Senior Subordinated Notes Debt of the fees, costs, expenses and liabilities (and all interest thereon as provided in the relevant finance documents) of each such representative and any receiver, attorney or agent appointed by such representative under the security documents, the Structural Debt Documents or the Intercreditor Agreement;
- second, in payment *pari passu* and pro rata of the balance of the costs and expenses of each Super Priority Creditor in connection with such enforcement;
- third, in payment *pari passu* and pro rata to the representative of the Super Priority Debt and the Hedging Banks for application towards the balance of the Super Priority Debt;
- fourth, in payment of the balance of the costs and expenses of each Senior Creditor in connection with such enforcement;
- fifth, in payment *pari passu* and pro rata to each representative of Senior Debt for application towards (i) Senior Bank Debt and (ii) Senior Secured Notes Debt;
- sixth, (only to the extent secured) in payment of the balance of the costs and expenses of each Senior Subordinated Creditor in connection with such enforcement;
- seventh, (only to the extent secured) in payment *pari passu* and pro rata to each Senior Subordinated Creditor towards the balance of the Senior Subordinated Notes Debt;
- eighth, in payment of the surplus (if any) to the Obligors or other person entitled to it.

Subject to the rights of any creditor (other than a Secured Creditor) with prior security or preferential claims, all amounts from time to time received or recovered by the Security Agent in connection with the realization or enforcement of Security created pursuant to the pledge of the shares of the Company shall be held by the Security Agent on trust to apply them at any time as the Security Agent (in its discretion) sees fit in the following order:

- first, in payment of the following amounts in the following order of priority: (i) to the Security Agent and trustee to the Proposed Financing and of any amounts due to each such party, and (ii) *pari passu* and pro rata to each representative of Senior Subordinated Notes Debt and of such other senior subordinated debt of the fees, costs, expenses and liabilities (and all interest thereon as provided in the relevant finance documents) of each such representative and any receiver, attorney or agent appointed by such representative under the security documents or the Intercreditor Agreement;
- second, in payment *pari passu* and pro rata of the balance of the costs and expenses of each Senior Subordinated Creditor and such other senior subordinated debt creditor in connection with such enforcement;
- third, in payment *pari passu* and pro rata to the representative of the Senior Subordinated Notes Debt and of such other senior subordinated debt for application towards the balance of the Senior Subordinated Notes Debt;
- fourth, in payment of the surplus (if any) to the Obligors or other person entitles to it.

Amendment

Prior consent of each Representative (other than any Senior Subordinated Representative unless in respect of an amendment, waiver or consent under any security document evidencing Security in favor of the Senior Subordinated Creditors) is required for any waivers, consents, or amendments in relation to any security documents (including any Structural Debt Security document) if any such amendments, waivers or consents would adversely affect the nature or scope of the charged property or the nature or scope of the assets which are or expressed to be the subject of security for the Structural Debt (the "Structural Debt Security") or the manner in which the proceeds of enforcement of Security or the Structural Debt Security is distributed.

Any Senior Subordinated Notes documents may be amended in accordance with their terms (i) if permitted by the Senior Secured Debt documents or with the consent of (while Super Priority Debt excluding Hedging Debt is outstanding) the representatives representing the Super Priority Creditors, the Senior Bank Creditors and (but only to the extent prohibited by the indentures governing the Senior Secured Notes) the Senior Secured Note Creditors or (ii) in certain other limited circumstances.

The Intercreditor Agreement may be amended by the Obligors and the Security Agent without consent of the other parties if the amendment is to cure defects, typographical errors, resolve ambiguities or reflect changes, in each case, of a minor technical or administrative nature. Where an amendment affects the rights and obligations of one or more parties to the Intercreditor Agreement, and could not reasonably be expected to be adverse to the interests of other parties or class of parties, only the parties affected by such amendment need to agree to the amendments.

Other than in respect of certain customary amendments and waivers (which require the consent of each of the Senior Secured Creditors, the Senior Subordinated Creditors, the Super Priority Creditors, the Security Agent, the Company and Altice Financing), the Intercreditor Agreement may be amended or waived or any consent may be given under it with the written agreement of the Majority Super Priority Creditors, the Majority Senior Bank Creditors, the Majority Senior Secured Notes Creditors and the Majority Senior Subordinated Creditors, Altice Financing, the Security Agent and the Structural Creditor Security Agent.

License Guarantees

In relation to the addition of frequencies to our mobile license enabling us to provide UMTS-based 3G services, we were required to pay to the State of Israel a total license fee of NIS 705 million, out of which we paid NIS 10 million at the time of receiving the license. For the remaining NIS 695 million, we were required to provide the State of Israel with a bank guarantee. On November 21, 2013, the Israeli Ministry of Communications notified HOT Mobile that the license fees shall be decreased to NIS 10 million (which has already been paid) and the bank guarantee shall be decreased from the amount of NIS 695 million to an amount of NIS 80 million. As a result of the successful LTE tender, the bank guarantee was replaced with a new bank guarantee of NIS 80 million so that it would cover HOT Mobile's commitment to the Ministry of Communications regarding the license. We have also provided bank guarantees to the State of Israel for an amount of approximately NIS 27 million and $8.4 million as surety for the compliance with the terms of our broadcasting licenses and fixed-line licenses, respectively. For more information "*Description of Our Business—Material Agreements—Provision of certain bank guarantees to the State of Israel relating to performance of certain license terms.*"

GLOSSARY

Term	Definition
“3G”	The third generation of mobile communications standards, referred to in the industry as IMT-2000, capable of data speeds exceeding the 14.4 Kbps of GSM technology.
“4G”	The fourth generation of mobile communications standards, referred to the industry as IMT-Advanced with a nominal data rate of 100 Mbit/s while the client physically moves at high speeds relative to the station, and 1 Gbit/s while client and station are in relatively fixed positions. Expected to provide a comprehensive and secure all-IP based mobile broadband solution to laptop computer wireless modems, smartphones, and other mobile devices. Facilities such as ultra-broadband internet access, IP telephony, gaming services, and streamed multimedia may be provided to users, which when fully implemented is expected to allow for higher data speeds than achievable with 3G and additional network features and capabilities.
“ADSL”	Asymmetrical DSL; an internet access technology that allows voice and high-speed data to be sent simultaneously over local copper telephone line.
“ANACOM”	*Autoridade Nacional das Comuniçaõe*, the Portuguese electronic communications regulator.
“ARCEP”	*L’Autorité de régulation des communications électroniques et des postes*, the French telecommunications regulator.
“ARPU”	Average Revenue Per User; ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenues from subscribers. ARPU is calculated by dividing the revenue (for the services provided, in each case including the proportional allocation of the bundling discount) for the respective period by the average number of RGUs for that period and further by the number of months in the period. The average number of RGUs is calculated as the number of RGUs on the first day in the respective period plus the number of RGUs on the last day of the respective period, divided by two.
“bandwidth”	The width of a communications channel; in other words, the difference between the highest and lowest frequencies available for network signals. Bandwidth also refers to the capacity to move information.
“broadband internet”	Any circuit that can transfer data significantly faster than a dial-up phone line.
“churn”	The number of RGUs for a given service disconnected (either at the customer’s request or due to termination of the subscription by us) during the period divided by the number of average RGUs for such service for such period; statistics do not include customers excluding transfers between our services (other than a transfer between our cable services and our mobile services).
“CPE”	Customer premise equipment, which typically comprises a modem or set top box and associated cabling and other fittings such as an NIU in order to deliver service to a subscriber.
“DOCSIS 2.0”	Data over cable service interface specification, a technology that enables the addition of high-speed data transfer over an existing cable television system.
“DOCSIS 3.0”	Data over cable service interface specification, a technology that enables the addition of high-speed data transfer over an existing

	cable television system with enhanced transmission bandwidth and support for Internet Protocol version 6.
“DSL”	Digital Subscriber Line; DSL is a technology that provides high-speed internet access over traditional telephone lines.
“DTH”	Direct-to-home television.
“DTT”	Digital terrestrial television.
“FTTH”	Fiber-to-the-home network.
“FTTx”	Fiber optic infrastructure.
“GPON”	Gigabit passive optical networks. A high-bandwidth optical fibre network using point-to-multipoint architecture.
“HD”	High definition.
“HFC”	Hybrid fiber coaxial.
“HSPA”	High Speed Packet Access, a type of UMTS3G network that supports both mobile communications technology that provides enhanced download and upload speeds.
“HSPA+”	Evolved High Speed Packet Access, an enhanced UMTS3G network that offers higher download and upload speeds than HSPA.
“iDEN”	Integrated Digital Enhanced Network, a mobile telecommunications technology.
“internet”	A collection of interconnected networks spanning the entire world, including university, corporate, government and research networks. These networks all use the IP (Internet Protocol) communications protocol.
“IoT”	Internet of Things. A network of physical objects that feature an IP address for internet connectivity, and the communication that occurs between such objects and other devices and systems.
“IP”	Internet Protocol.
“IPTV”	Internet Protocol television.
“ISP”	Internet Service Provider.
“IT”	Information technology, a general term referring to the use of various software and hardware components when used in a business.
“local loop”	The network element used to connect a subscriber to the nearest switch or concentrator, commonly referred to as the “last mile” because it is the part of the network that is connected directly to the subscriber; alternatively the HFC access network.
“LTE”	Long term evolution technology being a standard in mobile network technology.
“M2M”	Machine-to-machine.
“Mbps”	Megabits per second; each megabit is one million bits.
“MHz”	Megahertz; a unit of frequency equal to one million Hertz.
“multi-play”	The bundling of different telecommunications services, e.g. digital cable television, broadband internet and fixed telephony services, by one provider.
“MVNO”	Mobile virtual network operator. Refers to a company that provides mobile services but does not have its own licensed frequency

	allocation of radio spectrum, nor necessarily all of the infrastructure required to provide mobile telephony services.
"network"	An interconnected collection of components which would, in a telecommunications network, consist of switches connected to each other and to customer equipment by real or virtual links. Transmission links may be based on fiber optic or metallic cable or point to point radio connections.
"NG-PON2"	Next Generation Passive Optical Network 2. A network standard for passive optical networks with enhanced bandwidth capabilities.
"PacketCableTM"	A CableLabs-led initiative to develop interoperable interface specifications for delivering advanced, real-time multimedia services over two-way cable plant. PacketCable networks use internet protocol (IP) technology to enable a wide range of multimedia services, such as IP telephony, multimedia conferencing, interactive gaming and general multimedia applications.
"PON"	Passive optical network, a system that implements a point-to-multipoint architecture to bring optical fiber cabling and signals all or most of the way to the end user.
"PVR"	Personal video recording.
"quad-play"	Triple-play with the addition of mobile service.
"RGU"	Revenue Generating Unit. RGUs relate to sources of revenue, which may not always be the same as customer relationships. For example, one person may subscribe for two different services, thereby accounting for only one subscriber, but two RGUs. RGUs for pay television and broadband internet infrastructure access are counted on a per source service basis and RGUs for fixed-line telephony are counted on a per line basis. Mobile RGUs is equal to the net number of lines or SIM cards that have been activated on our mobile network.
"triple-play"	Where a customer has subscribed to a combination of three products, digital cable television, broadband internet and fixed telephony services, from us.
"UMTS"	Universal Mobile Telecommunications Service, a 3G mobile networking standard commonly used to upgrade GSM networks to 3G standards.
"VDSL"	Very high speed DSL. A high speed variant of ADSL.
"VoD"	Video on demand; a service which provides subscribers with enhanced playback functionality and gives subscribers access to a broad array of on demand programming, including movies, live events, local drama, music videos, children programming and adult programming.
"VoIP"	Voice over internet Protocol; a telephone service via internet, or via TCP/IP protocol, which can be accessed using a computer, a sound card, adequate software and a modem.
"VoN"	Voice over Net, a form of telephony over the internet that is usually a lower quality than VoIP.
"VPN"	Virtual private network, a business service enabling users to obtain remote access to network functionality.