

Altice Europe N.V.

Q2 2018 Results

August 2, 2018



Disclaimer

FORWARD-LOOKING STATEMENTS

Certain statements in this presentation constitute forward-looking statements. These forward-looking statements include, but are not limited to, all statements other than statements of historical facts contained in this presentation, including, without limitation, those regarding our intentions, beliefs or current expectations concerning, among other things: our future financial conditions and performance, results of operations and liquidity; our strategy, plans, objectives, prospects, growth, goals and targets; and future developments in the markets in which we participate or are seeking to participate. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believe", "could", "estimate", "expect", "forecast", "intend", "may", "plan", "project" or "will" or, in each case, their negative, or other variations or comparable terminology. 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 be achieved or accomplished. To the extent that statements in this presentation are not recitations of historical fact, such statements constitute forward-looking statements, which, by definition, involve risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements including risks referred to in our annual and quarterly reports.

FINANCIAL MEASURES

This presentation contains measures and ratios (the "Non-GAAP Measures"), including Adjusted EBITDA, Capital Expenditure ("Capex") and Operating Free Cash Flow, that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting standards. We present Non-GAAP measures because we believe that they are of interest to the investors and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity. The Non-GAAP measures may not be comparable to similarly titled measures of other companies or have limitations as analytical tools and should not be considered in isolation or as a substitute for analysis of our, or any of our subsidiaries', operating results as reported under IFRS or other generally accepted accounting standards. Non-GAAP measures such as Adjusted EBITDA are not measurements of our, or any of our subsidiaries', performance or liquidity under IFRS or any other generally accepted accounting principles, including U.S. GAAP. In particular, you should not consider Adjusted EBITDA as an alternative to (a) operating profit or profit for the period (as determined in accordance with IFRS) as a measure of our, or any of our operating entities', operating performance, (b) cash flows from operating, investing and financing activities as a measure of our, or any of our subsidiaries', ability to meet its cash needs or (c) any other measures of performance under IFRS or other generally accepted accounting standards. In addition, these measures may also be defined and calculated differently than the corresponding or similar terms under the terms governing our existing debt.

Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, non-recurring litigation, restructuring costs) and equity based compensation expenses. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results, which is also presented within the annual consolidated financial statements in accordance with IAS 1 - Presentation of Financial Statements.

Capital expenditure (Capex), while measured in accordance with IFRS principles, is not a term that is defined in IFRS nor is it presented separately in the financial statements. However, Altice's management believe it is an important indicator for the Group as the profile varies greatly between activities:

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

Operating free cash flow (OpFCF) is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 1 - Presentation of Financial Statements. It is simply a calculation of the two above mentioned non-GAAP measures.

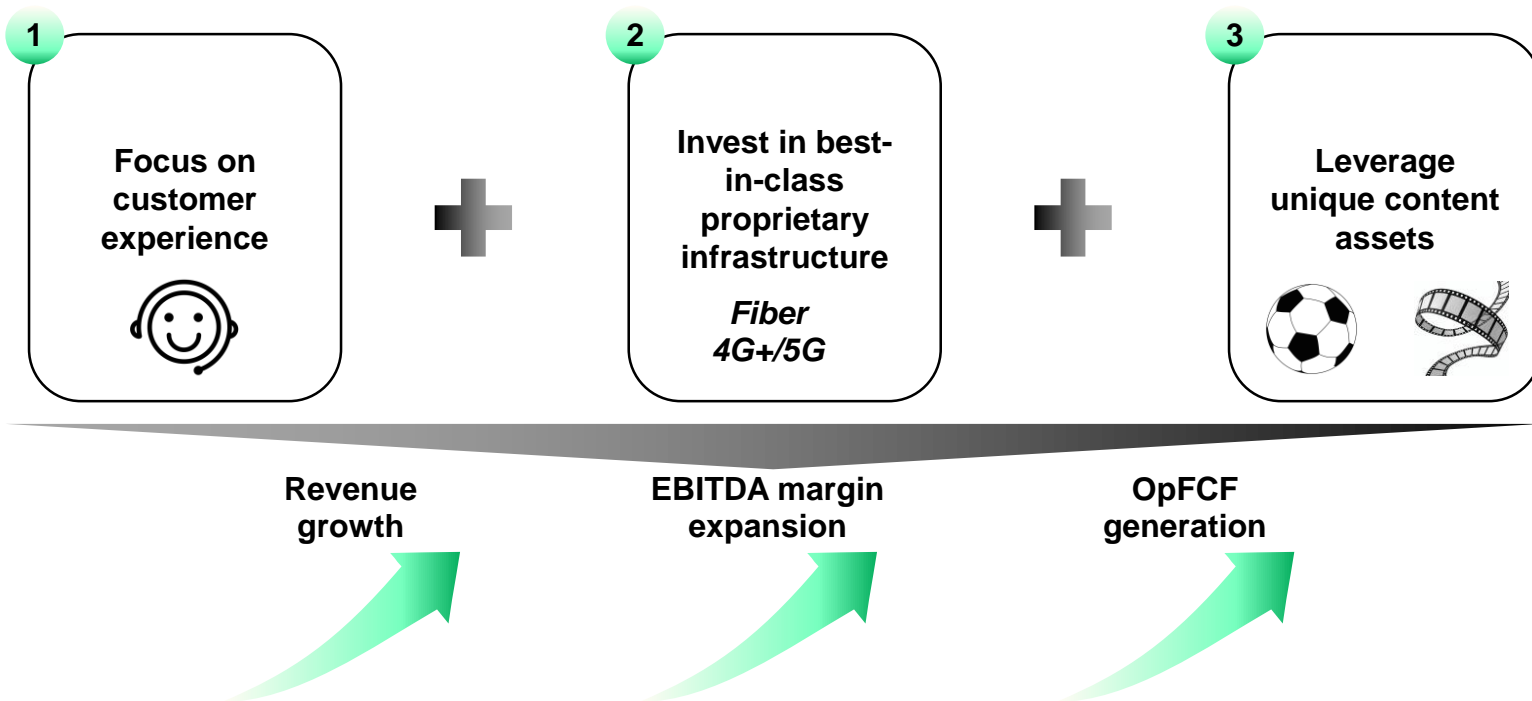
Adjusted EBITDA and similar measures are used by different companies for differing purposes and are often calculated in ways that reflect the circumstances of those companies. You should exercise caution in comparing Adjusted EBITDA as reported by us to Adjusted EBITDA of other companies. Adjusted EBITDA as presented herein differs from the definition of "Consolidated Combined Adjusted EBITDA" for purposes of any of the indebtedness of the Altice Group. The information presented as Adjusted EBITDA is unaudited. In addition, the presentation of these measures is not intended to and does not comply with the reporting requirements of the U.S. Securities and Exchange Commission (the "SEC") and will not be subject to review by the SEC; compliance with its requirements would require us to make changes to the presentation of this information.



altice

Altice Europe Core Strategy Starting to Pay

Three pillars to deliver growth and enhanced profitability





Q2 2018 Strong Achievements

Continued execution on Altice Europe turnaround and deleveraging

1 Differentiated strategy focused on investment in fiber and content continues paying off

2 Operational turnaround progressing: continued positive subscriber momentum in France and Portugal

3 Creation of one of the largest European towerCos

4 Strengthening of diversified capital structure through successful asset disposals and refinancing activity

5 Separation of Altice USA from Altice N.V. (renamed Altice Europe N.V.) effective



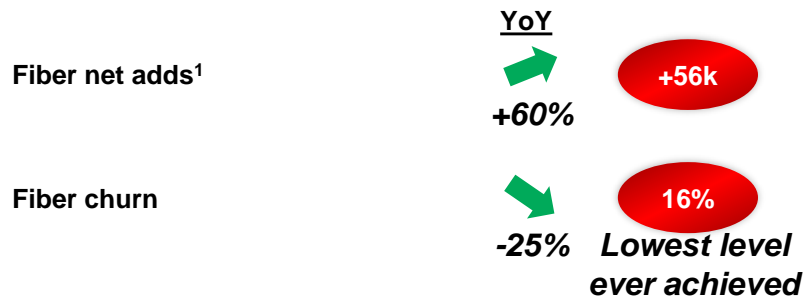
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Accelerated Positive Subscriber Momentum

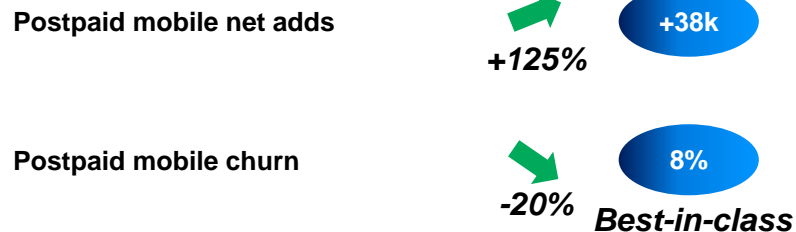
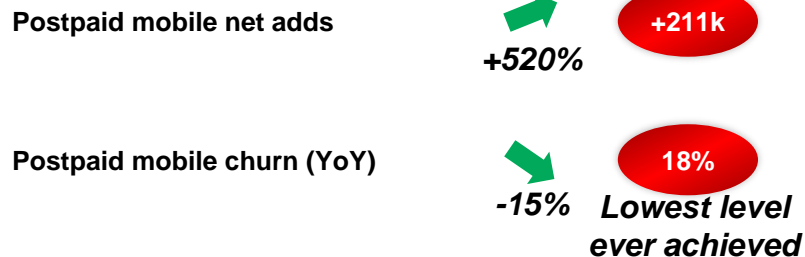
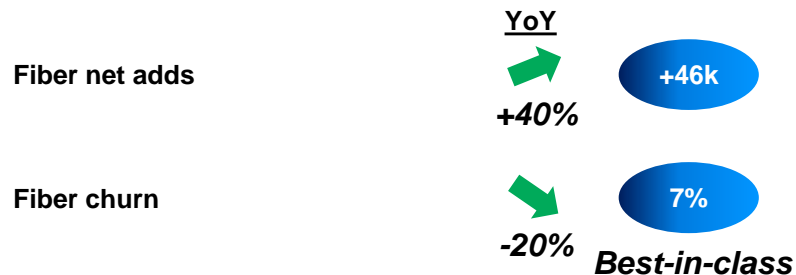
Better processes improving customer experience and resulting in lower churn



Altice France Q2-18 B2C trends



Altice Portugal Q2-18 B2C trends



1. FTTH/FTTB customers



Creation of One of the Largest European TowerCos

altice Building on long-term partnerships to invest in leading infrastructure






TowerCo highlights

- Creates one of the largest European Towercos
- Incremental EBITDA generated from mutualizing the towers
 - ✓ Unique portfolio of sites in strategic locations
 - ✓ New tenants to come on existing sites
 - ✓ New sites to be built
 - ✓ Support for 4G/5G networks deployment

Transactions summary¹

- **c.€2.5bn total cash consideration**

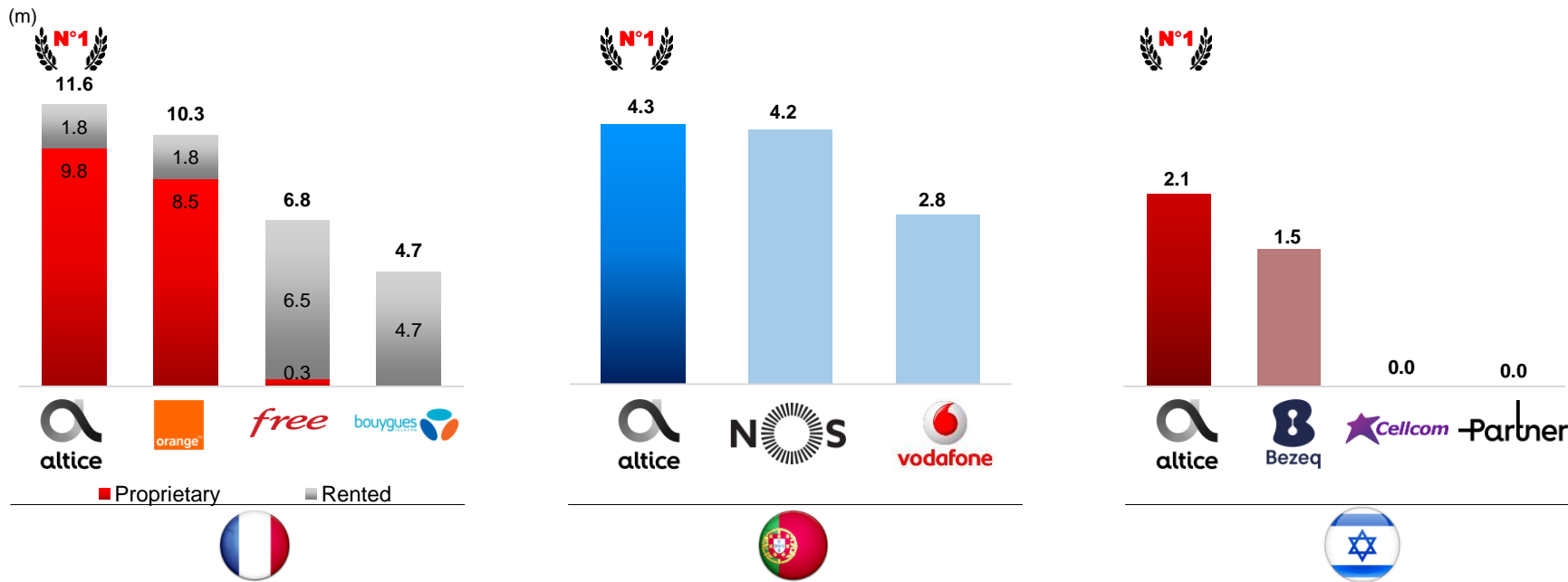
			
Enterprise value	€3.6bn	€660m	\$170m
2017 pro forma EBITDA multiple	18.0x	18.9x	18.3x
# sites	10,198	2,961	1,049
Altice pro forma ownership	50.01%	25.00%	0.00%

1. In France, the transaction will be subject to customary conditions precedent for this type of transactions, with closing of the transaction (subject to regulatory approvals) expected to occur in Q4 2018; in Portugal and Dominican Republic the transactions are expected to close during Q3 2018 and are subject to the effective demerger and customary closing conditions

altice Owner of The Leading Fixed Infrastructure in All Geographies

altice Very high-speed footprint across Altice Europe

Fiber homes passed¹

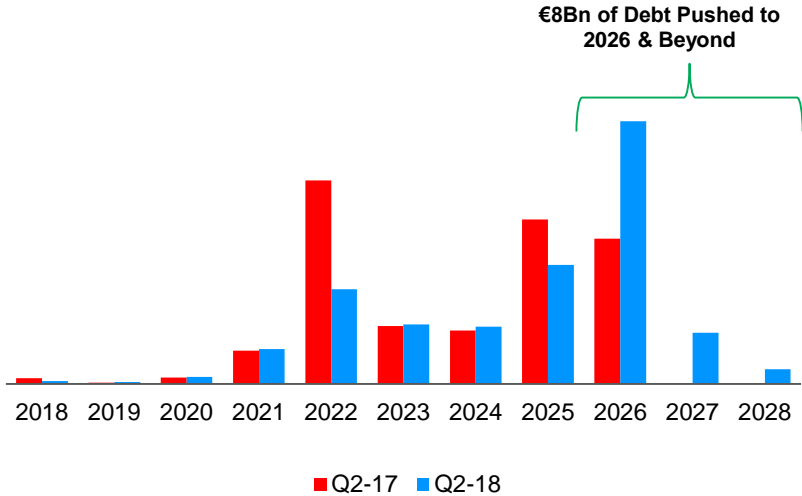


1. FTTH/FTTB homes passed as of Q2-18 for Altice Europe, latest data available for competitors

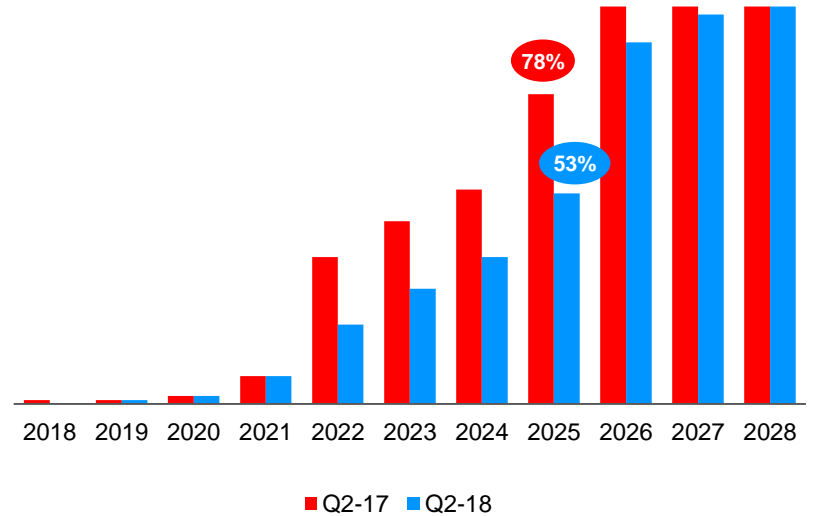
altice Altice Europe Successfully Extending its Maturity Profile

altice Limited near term maturities following very successful refinancing activity

Altice maturity profile



Altice cumulative % of debt matured



Maintain a long-term capital structure with limited near-term maturities

In Q2-17, 78% of the debt was maturing by 2025;
Today only 53% is maturing by 2025

Note: Q2-17 and Q2-18 PF latest refinancing, at constant foreign exchange rates, and excluding for both Q2-17 and Q2-18 pro forma amounts drawn on RCF, HOT notes and Green Data Center debt

Altice Europe Business Review

SFR Altice France Outstanding Commercial Performance

Continued strong customer trends

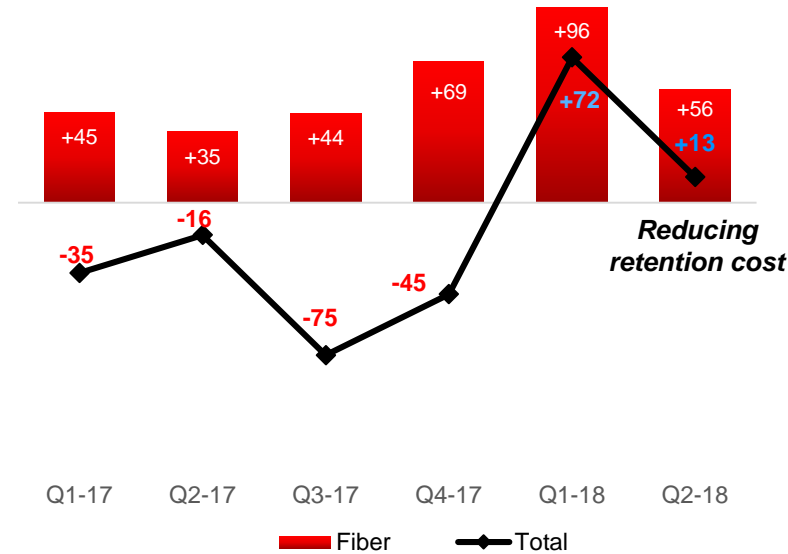


B2C fixed net adds

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Fixed B2C base **6.0m**

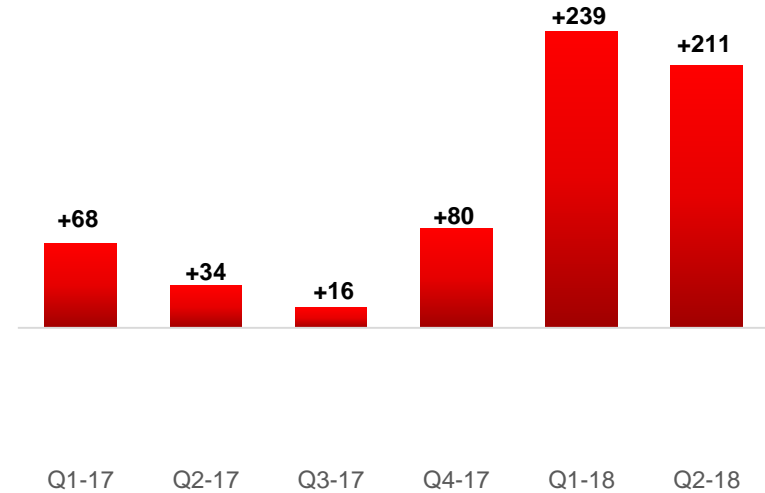
Of which Fiber **40%**



B2C mobile postpaid net adds

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B2C mobile postpaid base **13.0m**

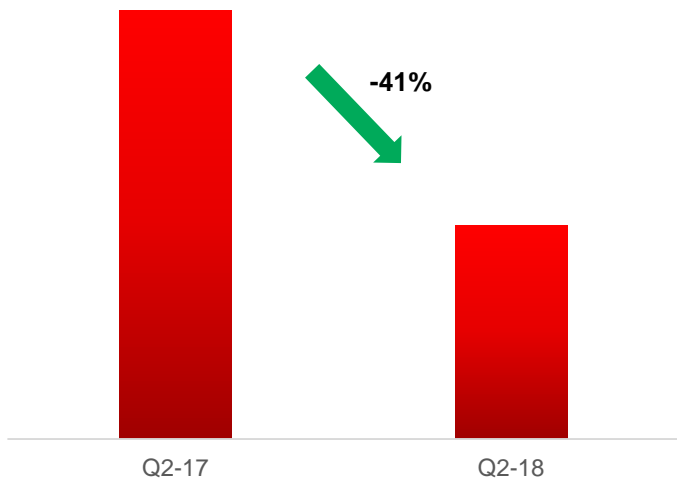


SFR Performance Driven by Further Operational Improvements

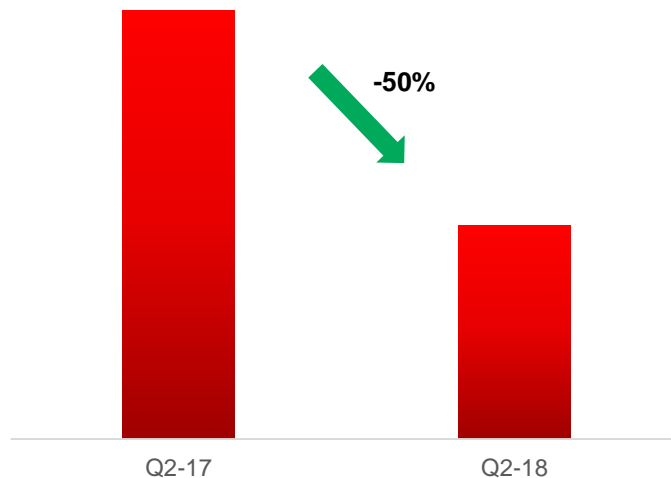
Structural changes enhancing customer experience



Fixed customer complaints



Mobile customer complaints



Driving customer satisfaction and reducing opex

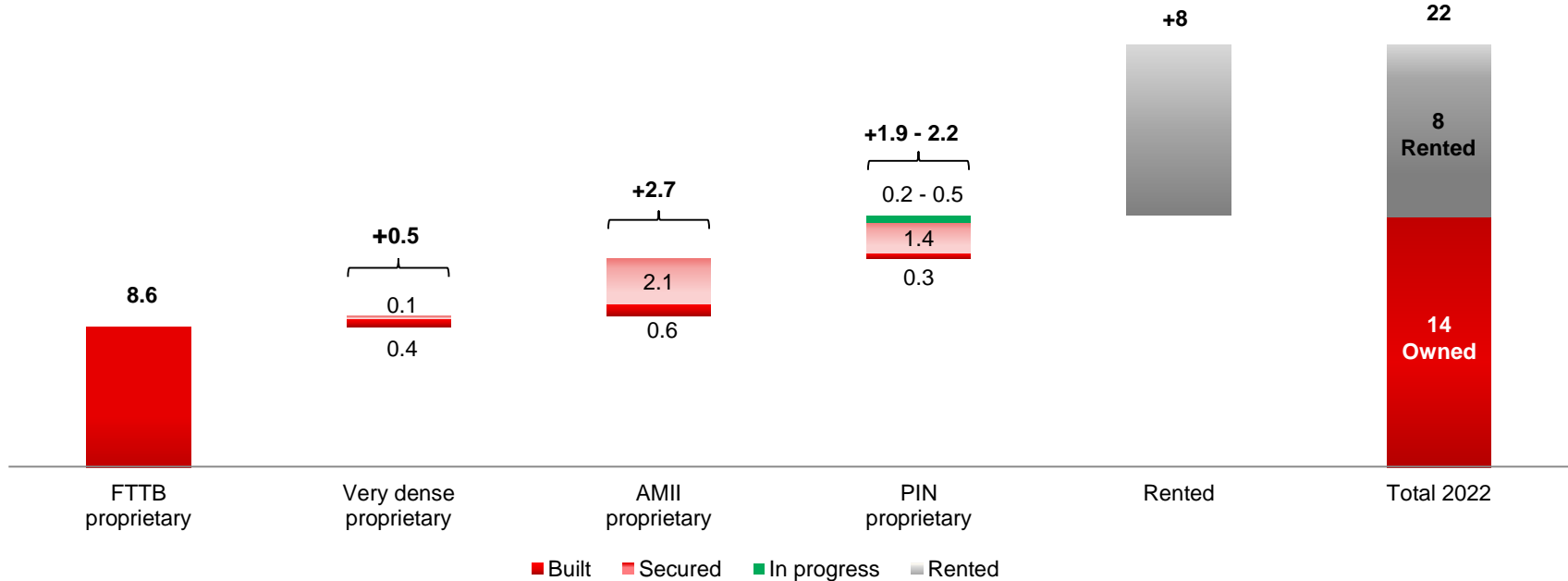
SFR Best Quarter in Fiber Expansion Agreements Since 2014



Less churn, better ARPU and bigger share of the fiber wholesale market

Fiber (FTTB / FTTH) homes passed

(m)



SFR Launch of New Sport Offers



Continued uptake of new content bundles, options strategy working

RMC Sport offering

RMC SPORT 1 #1 for European football   

RMC SPORT 2 #1 for basketball, athletics and English rugby  



RMC SPORT 3 #1 for horse riding and extreme sports  


RMC SPORT 4 #1 for boxing and combat sports  

RMC NEWS SPORT #1 on sports news and commentary   

RMC SPORT Multi-screen platform for an enriched customer experience

Le Plus SPORT option new pricing

		
SFR customer	€5	SFR customer
Non-SFR customer	€15	Non-SFR customer



Driving net adds and ARPU

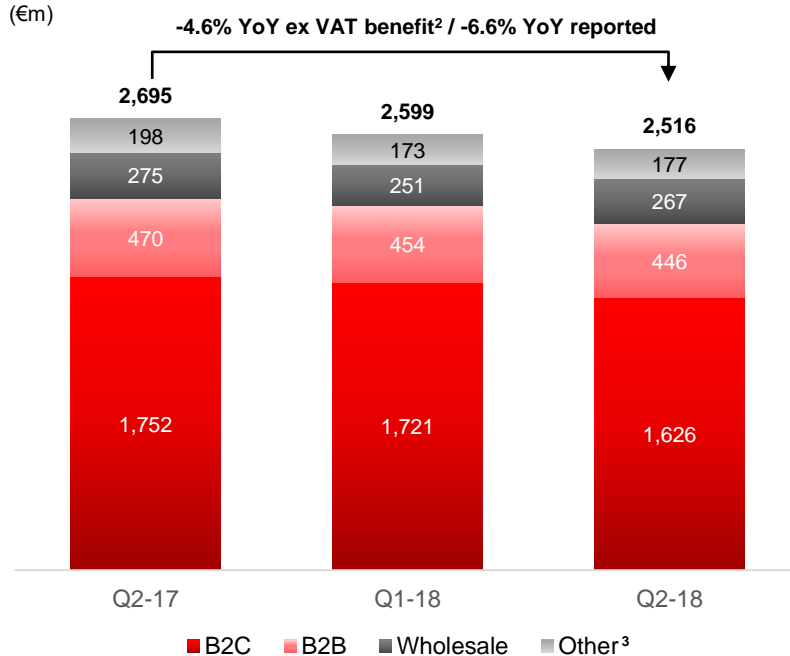


Altice France Revenue Trends



2018 inflection year: operational improvements to improve financial performance

Altice France revenue split¹



Components of Q2 2018 YoY revenue trends

- **B2C:** -4.1% YoY ex VAT benefit
 - Full quarter impact of retention activity initiated in Q1 2018
 - Fierce market competition
 - -0.8% pts decline due to reduction in disconnecting fees
- **B2B:** -5.1% YoY
 - Mobile YoY trends improving as drag from Q2-17 repricing of the mobile base fading
 - Order book and delivery improving
- **Other:** -10.4% YoY

1. All financials in this presentation are shown under IFRS 15 accounting standard
 2. Excluding benefit of lower VAT for some press/TV bundles implemented in 2016; loss of benefit from March 2018 following VAT law change
 3. Other shown here includes Media, FOT, support services and net of eliminations

Altice Portugal Outstanding Commercial Performance



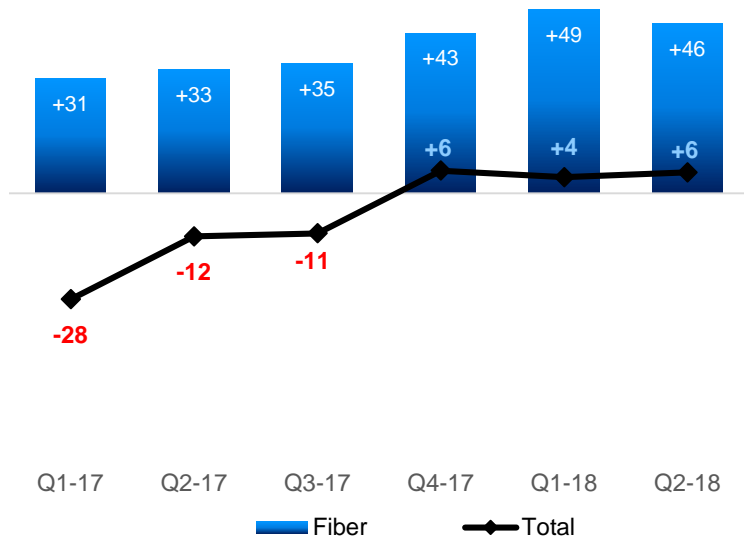
Continued subscriber growth in both fixed and mobile segments

B2C fixed net adds

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Fixed B2C base **1.6m**

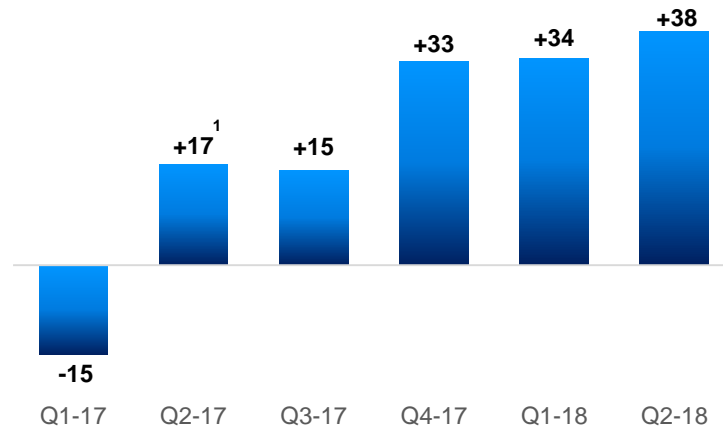
Of which Fiber **46%**



B2C mobile postpaid net adds

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B2C mobile postpaid base **2.9m**



1. Excluding impact from 1P satellite TV upgrade offer (+44k)

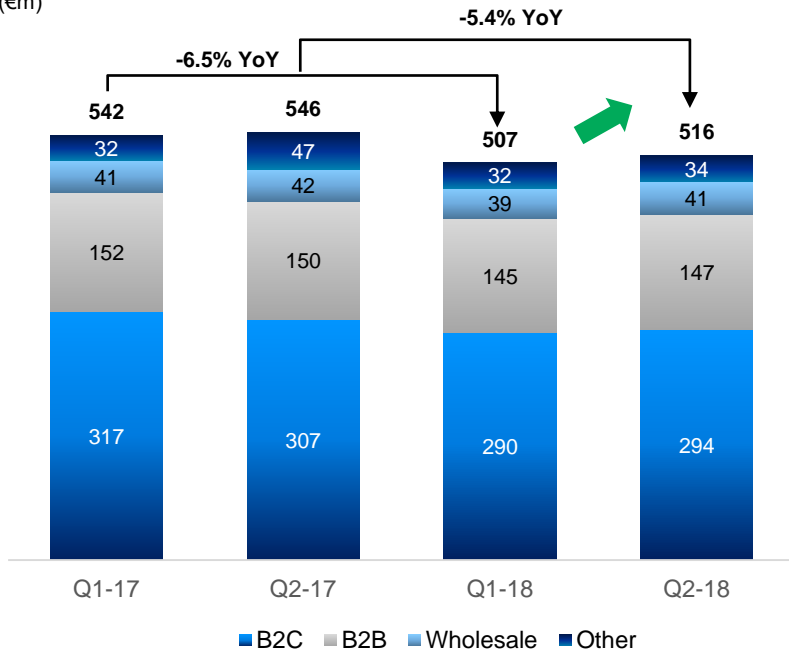
Altice Portugal Revenue at Inflection Point



Improving sequentially across all segments

Altice Portugal revenue split

(€m)



Components of Q2 2018 YoY revenue trends

- **B2C:** +1.3% QoQ
 - No rate increase supporting fixed ARPU YoY
 - Fixed base growing YoY for the first time in years
 - Postpaid mobile revenue growing sequentially and YoY
 - Decline in prepaid and equipment revenue YoY
- **B2B:** +1.3% QoQ
 - Stronger new revenue streams and resilience of traditional telco revenue decline
 - Best fixed and mobile KPIs in years
- **Other:** +3.7% QoQ
 - Decline in Altice Labs impacted YoY by tougher comparable vs. Q2-17

Financial Review



Altice Europe N.V. Pro Forma Financials

altice Pro forma consolidated financials (IFRS 15)¹

<i>In million Euros</i>	Q2-17	Q2-18	YoY Reported Growth	YoY Constant Currency Growth
Revenue				
France	2,695	2,516	(6.6%)	(6.6%)
Portugal	546	516	(5.4%)	(5.4%)
Israel	265	241	(9.1%)	(1.9%)
Dominican Republic	161	138	(14.3%)	(3.0%)
Teads	-	83	-	-
Altice TV	3	20	-	-
Corporate and Other, Eliminations	(16)	(36)	-	-
Total Altice Europe Consolidated	3,653	3,479	(4.8%)	(3.8%)
Adjusted EBITDA				
France	1,052	974	(7.4%)	(7.4%)
Portugal	253	222	(12.0%)	(12.0%)
Israel	119	105	(11.5%)	(4.5%)
Dominican Republic	93	77	(17.5%)	(6.7%)
Teads	-	10	-	-
Altice TV	(58)	(62)	-	-
Corporate and Other, Eliminations	8	(11)	-	-
Total Altice Europe Consolidated	1,467	1,315	(10.3%)	(9.1%)
OpFCF				
France	402	398	(1.1%)	(1.1%)
Portugal	153	116	(24.3%)	(24.3%)
Israel	62	44	(27.9%)	(22.1%)
Dominican Republic	63	48	(23.8%)	(14.0%)
Teads	-	10	-	-
Altice TV	(84)	(63)	-	-
Corporate and Other, Eliminations	10	(11)	-	-
Total Altice Europe Consolidated	606	542	(10.5%)	(8.9%)

1. Financials shown above are pro forma defined as results of Altice Europe new perimeter as if the planned spinoff of Altice USA had occurred on 1/1/17 and excluding the press titles within the AMG France business ("France - Media" segment) as if the disposals occurred on 1/1/17. Altice USA considered as third-party and not included in group eliminations from 1/1/18. Segments are shown on a pro forma standalone reporting basis, Group figures are shown on a pro forma consolidated basis. Financials include the contribution from Teads from Q3 2017 onwards. In addition, financials for Altice Europe exclude the international wholesale voice business (exclusivity for sale announced on March 12, 2018) and green.ch AG and Green Datacenter AG in Switzerland (following closing announced on February 12, 2018) from 1/1/17



Altice Europe N.V. Pro Forma Debt Capital Structure¹

Altice USA cash dividend to partially pay down ACF facility and fund Altice TV division

Altice Europe N.V.	
Gross Debt	€32,965m
Net Debt	€31,858m
Gross Leverage	6.0x
Net Leverage	5.8x

Altice Luxembourg consolidated	
Gross Debt	€31,237m
Net Debt	€30,565m
Gross Leverage	5.4x
Net Leverage	5.3x
Undrawn RCF (Consolidated) ²	€1,687m

Altice Luxembourg S.A. (HoldCo)	
Gross Debt	€6,231m
Net Debt	€6,230m
Undrawn RCF ²	€200m

Altice Corporate Financing S.à r.l. (ACF)	
Gross Debt ⁴	€1,728m
Net Debt ⁴	€1,586m

Altice USA Inc.	
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Altice France (SFR + NXTV)	
Gross Debt	€16,512m
Net Debt	€16,065m
LTM Adj. EBITDA	€4,089m
Gross Leverage	4.0x
Net Leverage	3.9x
Undrawn RCF ²	€631m

Altice International	
Gross Debt	€8,494m
Net Debt	€8,271m
LTM Adj. EBITDA	€1,715m
Gross Leverage	5.0x
Net Leverage	4.8x
Undrawn RCF ²	€856m

Altice TV	
Gross Debt	-
Net Debt	€(194)m
LTM Adj. EBITDA	€(236)m



1. Pro forma for new organisation including €710m for transfers of FOT, ATS France and Intelcia (support services) from Altice International to Altice France (of which €300m is paid in cash and €410m vendor note which is not reflected in debt); pro forma for \$4.0bn and €1.0bn 2022 Senior Secured Notes refinancing at Altice France and excludes €2.5bn of cash proceeds from towers sales in France, Portugal and Dominican Republic. Group net debt includes €100m of cash at Altice Europe N.V. and other subsidiaries outside debt silos.

2. Pro forma for new organization: Altice France drawn for €494m., Altice International drawn for €55m and Altice Luxembourg undrawn.

3. Owned 91% by Altice Luxembourg and 9% by Altice Europe N.V.

4. Total size of facility shown pro forma for prepayment of c.€625m with proceeds from Altice USA dividend

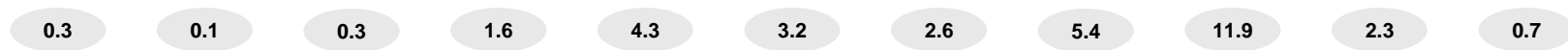
5. Shares owned directly and through Holding LP, a vehicle controlled by Altice Europe N.V., with c. 2.1% of underlying Altice USA shares attributable to Altice USA management and 2.7% attributable to Altice Europe N.V. (assuming reference share price of \$17.06 as of 29-06-2018 for Altice USA)



altice Altice Europe N.V. Pro Forma Debt Maturity Profile¹

Long-dated maturities

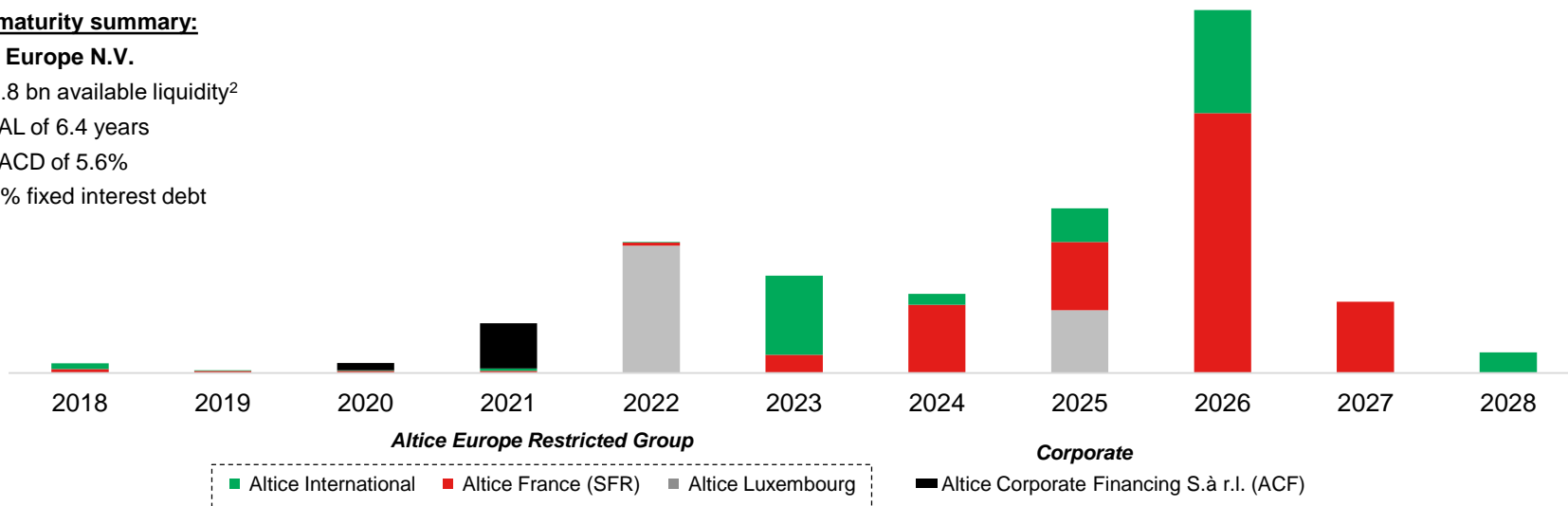
Altice maturity profile (€bn)



Debt maturity summary:

Altice Europe N.V.

- €2.8 bn available liquidity²
- WAL of 6.4 years
- WACD of 5.6%
- 84% fixed interest debt



- Maturity profile excluding leases/other debt (c.€200m)

1. Pro-forma for new organization. Includes €625m of prepayment of the ACF facility following €900m dividend from Altice USA received in June 2018, €300m additional RCF drawn at SFR for FOT acquisition, pro forma for \$4.0bn and €1.0bn 2022 Senior Secured Notes refinancing and RCF extension from 2021 to 2023 at SFR

2. €1.7bn of revolvers available and €1.1bn of cash (pro-forma for new organization, €625m of debt repayment at Altice Corporate Financing), €183m of call premium and fees paid following Altice France 2022's Senior Secured Notes \$4.0bn and €1.0bn notes, and excludes €2.5bn of cash proceeds from towers sales in France, Portugal and Dominican Republic. Cash includes €131m of restricted cash for debt financing obligations at Altice Corporate Financing



Altice Europe 2018 Guidance (IFRS 15)

**Altice France
2018 OpFCF**

• c.€1.5 to 1.6bn

**Altice Europe
(ex Altice TV)
2018 OpFCF**

• c.€2.3 to 2.5bn

Altice Europe reiterates plans to grow revenue, and expand Adjusted EBITDA and cash flow margins, over the medium- to long-term

Q&A

Appendix

Reconciliation of non-GAAP performance measures to operating profit for the six months period ended June 30, 2018¹

<i>In million Euros</i>	For the six months ended June 30, 2018
Revenue	7,147.8
Purchasing and subcontracting costs	(2,183.8)
Other operating expenses	(1,663.0)
Staff costs and employee benefits	(732.8)
Total	2,568.2
Stock option expense	10.0
Adjusted EBITDA	2,578.2
Depreciation, amortisation and impairment	(1,952.7)
Stock option expense	(10.0)
Other expenses and income	(44.6)
Operating profit/(loss)	571.0
Capital expenditure (accrued)	1,534.0
Capital expenditure - working capital items	42.2
Payments to acquire tangible and intangible assets	1,576.2
Operating free cash flow (OpFCF)	1,044.2

1. The financial numbers disclosed in this reconciliation below are subject to review procedures of Altice Europe's external auditors. The difference in consolidated revenue and Adjusted EBITDA as reported for Altice Europe in the Non-GAAP Reconciliation to GAAP measures as of June 30, 2018 year to date and the Pro Forma Financial Information for Altice Europe as disclosed in this Earnings Release is mainly due to pro forma adjustments to exclude the financial information related to the international wholesale voice business and i24NEWS.



Altice Europe N.V.

altice Pro forma net leverage reconciliation as of June 30, 2018

€m

Altice Europe N.V Reconciliation to Swap Adjusted Debt	Actual	PF
Total Debenture and Loans from Financial Institutions	33,885	33,885
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at closing FX Rate	(27,789)	(27,789)
Value of Debenture and Loans from Financial Institutions in Foreign Currency converted at hedged Rate	26,694	26,694
Transaction Costs	325	325
Fair Value Adjustments	(5)	(5)
CPI Indexation	(5)	(5)
Total Swap Adjusted Value of Debenture and Loans from Financial Institutions	33,104	33,104
Commercial Paper	103	103
Overdraft	13	13
Other debt and leases	187	187
PF New Organization	-	(625)
PF Refinancing	-	183
Gross Debt Consolidated	33,408	32,965

Altice Europe N.V (Actual)	Altice Luxembourg Consolidated	Altice Corporate Financing	Altice TV	Altice Europe N.V.	Altice Europe N.V. Consolidated
Gross Debt Consolidated	31,055	2,353	-	-	33,408
Cash	(672)	(767)	(194)	(100)	(1,732)
Net Debt Consolidated	30,383	1,586	(194)	(100)	31,675

Altice Europe N.V (Pro Forma)	Altice Luxembourg Consolidated	Altice Corporate Financing	Altice TV	Altice Europe N.V.	Altice Europe N.V. Consolidated
Gross Debt Consolidated	31,237	1,728	-	-	32,965
Cash	(672)	(142)	(194)	(100)	(1,107)
Net Debt Consolidated	30,565	1,586	(194)	(100)	31,858



Altice Europe N.V.

altice Pro forma net leverage reconciliation as of June 30, 2018

New Organisation

€m

Altice Europe N.V (Pro Forma)	Altice Luxembourg Consolidated					Altice TV	ACF	Altice Europe N.V	Altice Europe N.V Consolidated
	Altice France	Altice International	Altice Luxembourg	Eliminations	Altice Lux Conso				
Gross Debt Consolidated	16,512	8,494	6,231	-	31,237	-	1,728	-	32,965
Cash	(447)	(224)	(1)	0	(672)	(194)	(142)	(100)	(1,107)
Net Debt Consolidated	16,065	8,271	6,230	-	30,565	(194)	1,586	(100)	31,858
LTM Standalone	4,089	1,744	-	-	5,833	(236)	-	(83)	5,514
Eliminations	-	(9)	-	(29)	(38)	-	-	38	-
Corporate Costs	-	(21)	(2)	-	(23)	-	-	23	-
LTM EBITDA Consolidated	4,089	1,715	(2)	(29)	5,773	(236)	-	(22)	5,514
Gross Leverage	4.0x	5.0x	-	-	5.4x	-	-	-	6.0x
Net Leverage	3.9x	4.8x	-	-	5.3x	-	-	-	5.8x