



Exchange Offer for SFR Group Shares to Simplify Ownership Structure and Enhance Organizational Flexibility

- Exchange offer at 8 Altice NV class A shares (common shares A) for 5 SFR Group shares
- Proposed transaction unanimously recommended by the Boards of Altice and SFR Group
- Closing of transaction expected during Q4 2016

Amsterdam & Paris, September 5, 2016 – Altice NV (Euronext: ATCA, ATCB) announces today its intention to simplify the Group's ownership structure and enhance its organisational flexibility through an exchange offer for outstanding SFR Group shares (22.25% not currently owned by Altice NV).

Altice NV has filed today with the French Autorité des marchés financiers ("AMF") a public exchange offer for all of the remaining shares issued by SFR Group on the basis of 8 new Altice NV class A shares for 5 SFR Group shares. The exchange offer is not subject to any ownership threshold.

The terms of the proposed transaction have been unanimously approved by the Board of Directors of Altice NV. The Board of Directors of SFR Group, including all of SFR Group's independent Directors, has unanimously recommended the offer to SFR Group shareholders. The proposed transaction, which is expected to close in the fourth quarter of 2016, is still subject to approval by the French AMF and the Netherlands Authority for the Financial Markets ("AFM").

Proposed transaction offers significant benefits to SFR Group shareholders

The proposed transaction enables shareholders to exchange their SFR Group shares against Altice NV shares with a number of benefits:

- Diversification into higher growth markets with structural and competitive advantages, particularly in the US
- Exposure to significant efficiency potential at Altice USA, which is at the beginning of its transformation
- Retention of significant exposure to the French market: France accounts for c.47%¹ of Altice's business
- Increased weighting of more scalable fixed / cable assets which account for c.70% of Altice's business
- Significantly enlarged free float: Altice NV free float pro forma for exchange offer c.€7 billion larger than SFR Group's
- Superior Altice NV liquidity while remaining on a Euronext market: Altice NV's pro forma historical² daily volumes more than 5x higher than SFR Group's volumes

¹ Altice France (SFR Group) Revenue, as a proportion of total Revenue in H1 2016 (Altice France (SFR Group) represented c.47% of Altice N.V. Group Revenue on a consolidated basis in H1 2016)

² Based on average historical daily trading volume over the last twelve months



- Full participation in the strategic and financial benefits of the updated industrial approach of the Altice Group as separately announced today

CORPORATE GOVERNANCE

SFR Group's Board of Directors has unanimously recommended to SFR Group shareholders to tender their shares in the exchange offer.

As Altice NV already owns a controlling interest in SFR Group, SFR Group's Board of Directors has appointed an independent expert, Accuracy, to assess the fairness of the proposed transaction under the supervision of the independent directors, in accordance with the AMF's rules and recommendations. According to its report, Accuracy has considered the terms of the proposed transaction fair from a financial point of view. The full report of Accuracy can be found in the draft *note en réponse* filed today with the AMF and available on the AMF and both companies' websites.

In addition, SFR Group's Board of Directors has appointed Perella Weinberg Partners to act as financial advisor to the company. As part of their engagement, Perella Weinberg Partners have also been instructed to render an opinion on the proposed exchange ratio. Perella Weinberg Partners have considered the proposed exchange ratio fair from a financial point of view. The opinion letter by Perella Weinberg Partners can be found in the draft *note en réponse* filed today with the AMF and is available on the AMF and both companies' websites.

TRANSACTION TERMS

The proposed transaction is structured as a simplified public exchange offer in France in accordance with the General Regulation of the French securities regulator, the AMF, and all applicable securities laws and regulations, in which 8 newly issued class A shares of Altice NV would be offered in exchange for 5 ordinary shares of SFR Group issued and outstanding (including upon the exercise of SFR Group's stock options) at the time of the offer and tendered.

The total number of shares to be potentially issued would represent 11.8% of the total outstanding number of class A and class B shares of Altice NV including treasury shares (12.8% excluding treasury shares)³. The new Altice NV class A shares will be listed on Euronext Amsterdam.

There is no minimum acceptance rate.

This press release, relating to the filing on 5 September 2016 by Altice NV with the AMF of a draft public exchange offer, the related draft Offering Document (*Note d'Information*) and the related draft Response Document (*note en Réponse*) for the shares of SFR Group, has been drawn up in accordance with the provisions of Articles 231-16 III and 231-17 of the AMF General Regulation.

The draft Offering Document is available on the websites of Altice NV (www.altice.net) and of the AMF (www.amf-france.org) and may be obtained free of charge from Altice NV at Prins Bernhardplein 200, 1097 JB Amsterdam (the Netherlands), BNP Paribas, 4 rue d'Antin, 75002 Paris (France) ("BNP Paribas") and J.P. Morgan, 14 Place Vendôme, 75001 Paris (France) ("J.P. Morgan").

³ Calculated on an ex-post basis total number of Altice NV class A and B shares



The draft Response Document is available on the websites of SFR Group (www.sfr.com) and of the AMF (www.amf-france.org) and may be obtained free of charge from SFR Group at 1 square Béla Bartók in Paris.

The key terms of the draft Offering Document and of the draft Response Document are respectively provided in Appendix 1 and Appendix 2 of this press release, including an indicative timetable.

In accordance with Article 231-28 of the AMF General Regulation, the document entitled Other information regarding in particular the legal, financial and accounting information relating to Altice NV will be made available to the public in the same manner as mentioned above no later than the day before the opening of the public exchange offer. The document that will be made available to the public in this respect will incorporate by reference the prospectus approved by the competent market authority in the Netherlands (AFM) and the annual financial report of Altice NV dated 1 April 2016. In addition, the document entitled Other information regarding in particular the legal, financial and accounting information relating to SFR Group will be made available to the public in the same manner as mentioned above no later than the day before the opening of the public exchange offer. The document that will be made available to the public in this respect will incorporate by reference the registration document (*document de référence*) dated 16 June 2016. A press release will inform the public of how this information will be made available to them no later than the day before the opening of the public exchange offer.

The public exchange offer is subject to approval by the AMF.

OVERVIEW OF ALTICE

Founded by telecom entrepreneur, Patrick Drahi, Altice is a multinational cable, fiber, telecommunications, contents and media company with presence in four regions – Western Europe (comprising France, Belgium, Luxembourg, Portugal and Switzerland), the United States, Israel, and the Overseas Territories (currently comprising the French Caribbean, the Indian Ocean regions and the Dominican Republic). Altice provides very high speed fixed based services (high quality pay television, fast broadband Internet and fixed line telephony) and, in certain countries, mobile telephony services to residential and corporate customers. Altice is also active in the media space with a portfolio of channels (News, Sports, Lifestyle etc.) as well as providing Premium content on nonlinear platforms; it also produces its own original content (Series, Movies etc.).

Altice (ATCA & ATCB) is listed on NYSE Euronext Amsterdam.

OVERVIEW OF SFR GROUP

With regard to the telecom market, SFR Group is the second largest operator in France with a turnover of 11 billion euros in 2015 and prime positions in all market segments, from consumer, to Business to Business (B2B), local authorities, and wholesale. Featuring the first fiber optic network (FTTB/FTTH) with 8.5 million eligible connections, SFR Group intends to stay ahead with its rollout plan to reach 22 million by 2022. Its leading mobile network covers 99.3% of the population in 3G and 70% in 4G. Thanks to its massive investments, SFR Group aims to create the nation's new leader in the combined broadband and mobile markets. SFR Group offers a comprehensive range of Internet-access, fixed-line, mobile and audiovisual services. SFR Group is also a solutions expert in the fields of unified communications, Internet of Things and Cloud Computing for businesses. With regard to the Consumer segment, the Group operates under the SFR and RED by SFR brands. On the B2B segment, it operates under the SFR Business brand.



With regard to the media market, its new SFR Media entity consists of SFR Presse, which gathers all the group's media activities in France (Groupe L'Express, Liberation, Newsco.), SFR RadioTV, which includes the group's audiovisual activities in France (BFM TV, BFM Business, BFM Paris, RMC, RMC Découverte), and SFR Sport, which encompasses all sport-related activities: BFM Sport, RMC Sport, SFR Sport 1, SFR Sport 2, SFR Sport 3, SFR Sport 4, and SFR Sport 5. SFR Group applies its well-recognised know-how to provide Premium content on non-linear platforms and produce its own innovative and original content. SFR Media also positions itself as the second largest operator in the French digital press sector.

All of which shows that SFR Group is adopting a new and increasingly integrated model around access and content convergence.

ADVISORS

BNP Paribas and J.P. Morgan served as financial advisors to Altice in connection with the transaction and act as presenting banks. Mayer Brown and De Brauw served as legal advisor of Altice.

Perella Weinberg Partners served as financial advisor to SFR Group in connection with the transaction. Accuracy served as the independent expert appointed by the SFR Group's Board of Directors. Mayer Brown served as legal advisor of SFR Group and Bredin Prat served as legal advisor of the independent directors of the SFR Group's Board.

PRESS CONFERENCE

Altice will hold a press conference for journalists on September 5, 2016 at 11:00 CEST to discuss the transaction at Pavillon Kléber - 7 rue Cimarosa - Paris 16.

ANALYST AND INVESTOR WEBCAST

Altice will host a webcast and conference call for investors and analysts on September 5, 2016 at 14:00 CEST to discuss the transaction.

To join the investor webcast and slide show:

<http://edge.media-server.com/m/p/9tjc7bce>

To join the investor webcast by phone:

US: +1 719 457 2086; Conference ID 5980189

France: +33 1 76 77 22 74; Conference ID 5980189

Europe: +44 203 043 2003; Conference ID 5980189



| MEDIA ENQUIRIES | INVESTOR ENQUIRIES | CONTACT PRESSE SFR |
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REGULATED INFORMATION

This press release contains inside information within the meaning of Article 7(1) of the EU Market Abuse Regulation.



Appendix 1

Key terms of the draft Offering Document filed with the AMF

1. PRESENTATION OF THE PUBLIC OFFER

1.1. Presentation of the Public Offer and identity of the Offeror

Altice NV, a Dutch public limited company (*naamloze vennootschap*) having its registered office at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands, registered with the commercial register of the Netherlands under number 63329743 ("**Altice NV**" or the "**Offeror**") irrevocably offers to the shareholders of SFR Group, a public limited company (*société anonyme*) having its registered office at 1 square Béla Bartók in Paris, registered with the Company Registry of Paris under the identification number 794 661 470 ("**SFR Group**" or the "**Target**") to exchange the shares they hold in SFR Group, pursuant to the terms and conditions set forth below (the "**Public Offer**").

Under the Public Offer, the Offeror offers to the Target's shareholders to exchange the SFR Group shares they hold for newly issued Altice NV common shares A, according to an exchange ratio of 8 Altice NV new common shares A for 5 SFR Group shares tendered (cum dividend).

In accordance with the provisions of Article 231-13 of the AMF General Regulation, BNP Paribas and JPMorgan Chase Bank, N.A. (Paris branch), as presenting banks, and acting on behalf of the Offeror, filed the draft Offering Document with the AMF on 5 September 2016. BNP Paribas and JPMorgan Chase Bank, N.A. guarantee the content and the irrevocable nature of the undertakings given by the Offeror in relation to the Public Offer.

The Public Offer will be conducted using the simplified procedure in accordance with the provisions of Articles 233-1 et seq. of the AMF General Regulation.

Existing Altice NV common shares A and common shares B are listed on the regulated market of Euronext Amsterdam (under ISIN NL0011333752 and ticker symbol ATC for common shares A and under ISIN NL0011333760 and ticker symbol ATCB for common shares B). In accordance with Article 231-28 of the AMF General Regulation, the document entitled Other information regarding in particular the legal, financial and accounting information relating to the Offeror will be filed with the AMF and made available to the public no later than the day before the opening of the Public Offer.

1.2. Context and Reasons for the Public Offer

The transaction aims at simplifying Altice group's structure, fully aligning the interests of the shareholders of SFR Group and Altice NV, increasing the group's organizational flexibility and the cash flows and facilitating the sharing of skills and best practices within the group. The goal is for Altice NV to become the group's only company to have its equity securities traded on a regulated market, reflecting the group's expanding globalization, while improving its efficiency and facilitating the implementation of its strategy. The transaction will also expand the free float and should improve the liquidity for SFR Group and Altice NV equity holders.

Shareholders of SFR Group should refer to the Draft Offering Document filed on 5 September 2016 by Altice NV with the AMF for any details on the context and reasons for the transaction.

1.3. Intentions of the Offeror over the next twelve months

1.3.1. Industrial, commercial and financial strategy



The Offeror intends to pursue the industrial strategy of the Altice group and to implement this strategy at SFR Group's level in order to consolidate its leading position on the French telecommunications market in its offers to the general public, businesses, local communities and operators, developing skills and the sharing of the best practices within the group.

SFR Group benefits from the know-how, methodologies, processes and the unique services provided by the management team of Altice. This Altice model – "Altice Way" – includes (1) the process for developing and integrating new products and business models (2) the process for improving network quality (3) the process for improving customer relationship management and maximizing customer experience, notably by leveraging from efficient IT/processes, (4) the process of selection of strategic suppliers and improving technical and commercial negotiations with the same. For example, SFR Group benefits from the Altice model regarding the full range of technical services related to the development and the maintenance of the network, which are at the heart of the industrial model of SFR Group. In accordance with market practices, Altice and SFR Group contemplate implementing a specific remuneration for the Altice model, which will be submitted to the approval of their respective Board of Directors and formalized by the end of 2016. The model will be supported by an analysis currently conducted by specialized advisory firms. On the basis of the preliminary findings of this economic, legal and tax analysis, the fee received by Altice would be based on an objective and documented measurement of the contribution of Altice to SFR Group's performance, in a value-based approach, including the impact on EBITDA and other key performance indicators, enabling to ensure the balance of the model for each of the parties.

Altice contemplates to develop the Altice model in its main operational subsidiaries, including SFR Group, in the different geographic areas where the group operates.

For an overview of the activities and strategy of Altice, please refer to the document entitled Other information regarding in particular the legal, financial and accounting information relating to the Offeror, which will incorporate by reference the Altice Prospectus.

1.3.2. Intentions with respect to employment

The Altice group intends to pursue SFR Group's policy on employee relations and human resources management. The Public Offer therefore shall not have any impact on this policy.

1.3.3. Expected benefits for the Offeror, the Target and their shareholders

The Offeror offers SFR Group shareholders who tender their shares in the Public Offer the opportunity to fully align their interests with those of the controlling shareholders of Altice NV by becoming shareholders of Altice NV under conditions that will enable them to benefit from the convergence strategy undertaken by the group, not only in France but also in other geographic areas where the group maintains a presence in both telecommunications services and in content and media. These shareholders will retain a stake in the telecommunications, content and media sector, while becoming shareholders of a larger and more international group with more geographically balanced operations that offers significant profit opportunities and a strong financial profile for growth and investment (see press release of Altice NV dated 9 August 2016 on the group's results for the 1st half of 2016). In addition, because SFR Group is not part of the major indices and has lower liquidity than Altice NV, SFR Group shareholders who tender their shares in the Public Offer will benefit from a greater liquidity for their investment. Altice NV shareholders will also benefit from greater liquidity of Altice NV common shares A.

It is also worth referring to the points developed in paragraphs 1.2 and 1.3.1 above, and 1.3.4 below.

1.3.4. Synergies

The increase of the Altice group's holdings in SFR Group's share capital under the Public Offer will not in itself result in new synergy opportunities for SFR Group. SFR Group continues to benefit from Altice's expertise and, under the aegis of Altice, conduct a proactive, multi-year plan to improve its performance.



1.3.5. Intentions of the Offeror relative to SFR Group corporate governing bodies

At the date hereof, the members of the Board of Directors of SFR Group are the following:

- Mr. Michel Combes, Chairman of the Board and CEO
- Mr. Bernard Attali, member of the Board
- Mrs. Angélique Benetti, member of the Board
- M. Jérémie Bonnin, member of the Board
- Mrs. Manon Brouillette, member of the Board
- Mr. Eric Denoyer, member of the Board
- Mrs. Luce Gendry, member of the Board
- Mr. Jean-Michel Hégésippe, member of the Board
- Mr. Alexandre Marque, member of the Board
- Mr. Alain Weill, member of the Board and Deputy CEO

The Offeror wishes to align the governance of SFR Group with that of the subsidiaries of the Altice group over the next twelve months if the minority shareholders of SFR Group do not represent more than 5% of the share capital and voting rights of SFR Group after the Public Offer and if a squeeze-out procedure is implemented by the Offeror.

1.3.6. Merger

The Offeror is not planning a merger between Altice NV (or any of its subsidiaries) and SFR Group. Once the Public Offer is completed, the Altice group does not, however, rule out discussions about optimizing its structure, which could take various forms, e.g., an internal reorganization or various regroupings of assets, including by region or by continent.

1.3.7. Dividend Policy

The Offeror will review the Target's dividend policy at the end of the Public Offer period in accordance with applicable laws and the Target's articles of association; this review will be based on its distribution capacity and its working capital and financing requirements.

1.3.8. Squeeze-out – Delisting from Euronext Paris

Altice NV reserves the right to request the AMF, within a 3-month period as from the closing date of the Public Offer, to implement a squeeze-out procedure (*retrait obligatoire*) and delisting of SFR Group shares in order for the SFR Group shares not tendered in the Public Offer to be transferred to Altice NV if the SFR Group shares not tendered in the Public Offer by the minority shareholders do not represent more than 5% of the shares or voting rights of SFR Group, in accordance with the provisions of Articles L. 433-4, III of the French Financial and Monetary Code and 237-14 et seq. of the AMF General Regulation. In such case, the squeeze-out would be subject to the control of the AMF which would assess its conformity, in particular with respect to the valuation of the SFR Group shares provided by Altice NV and to the report by the independent expert, who will be appointed pursuant to the provisions of Article 261-1 II of the AMF General Regulation.

Beyond this three-month period, Altice NV reserves the right, in the event it would hold, directly or indirectly, at least 95% of the voting rights of SFR Group, to file with the AMF a draft buyout offer, followed by a squeeze-out procedure (pursuant to Article 236-3 of the AMF General Regulation) targeting the SFR Group shares which would not be directly or indirectly held by Altice NV (except the treasury shares held by SFR Group). In such case, the buyout offer would be subject to the control of the AMF which would assess its conformity, in particular with respect to the valuation of the SFR Group shares provided by Altice NV and to the report by the independent expert, who will be appointed pursuant to the provisions of Article 261-1 II of the AMF General Regulation.



The Offeror reserves the right to request the delisting from Euronext Paris of SFR Group shares, even if it is not in a position to undertake a squeeze-out, in accordance with the current listing rules of Euronext.

1.3.9. Agreements that could have a material impact on the Public Offer

The Offeror is not a party to any agreement likely to have a significant impact on the consideration of the Public Offer or its results and is not aware of the existence of such agreements.

2. TERMS AND CONDITIONS OF THE PUBLIC OFFER

Under the Public Offer, the Offeror offers to the Target's shareholders to exchange the SFR Group shares they hold for newly issued Altice NV common shares A, according to an exchange ratio of 8 Altice NV new common shares A for 5 SFR Group shares tendered (cum dividend) (the "**Offer Consideration**").

2.1. Number and nature of shares targeted by the Public Offer

At the date of this Offering Document, the existing number of SFR Group shares is 442,366,919, representing 442,411,626 voting rights. SFR Group shares are listed on Compartment A of Euronext Paris under ISIN FR0011594233, ticker symbol SFR.

At the date of this Offering Document, the Offeror indirectly holds 343,922,878 SFR Group shares (these shares held through Altice France SA and Altice France bis S.à r.l., subsidiaries controlled by Altice NV, and it being specified that there are no treasury shares held by SFR Group), representing 77.75% of the existing share capital of SFR Group. As a result, the Public Offer targets all existing shares of SFR Group not yet indirectly held by the Offeror, i.e. at the date of this Offering Document, a maximum of 98,444,041 shares, representing 22.25% of the existing share capital of SFR Group

The Public Offer also targets the 1,396,420 new SFR Group shares that may be issued upon exercise of the 1,396,420 SFR Group stock options held by 6 beneficiaries

To the Offeror's knowledge, there does not exist any other equity security, financial instrument or right giving access to the capital or voting rights of SFR Group either immediately or in the future.

2.2. Information regarding Altice NV's share capital

2.2.1. Number and provenance of the Altice NV common shares A to be issued in the Public Offer

A maximum number of 159,744,738 Altice NV common shares A will be issued in the Public Offer in exchange for SFR Group shares tendered in the Public Offer.

Altice NV common shares A to be issued in exchange for SFR Group shares tendered in the Public Offer will be issued no later than the settlement-delivery date pursuant to a resolution adopted by the Board of Directors on 4 September 2016. Pursuant to Article 7.1 and Article 8.3 of the articles of association of Altice NV, the Board of Directors is authorized to issue the Altice NV common shares A and limit or exclude any applicable pre-emptive rights in relation to such issue.

The exact amount of the capital increase will depend on the number of Target shares tendered in the Public Offer and will be determined after the AMF publishes a notice of the results of the Public Offer.

Altice NV common shares A will be issued pursuant to Dutch law.

2.2.2. Characteristics and rights attached to shares and equity securities of Altice NV



Altice NV's authorized share capital consists of common shares A, common shares B, preference shares A and preference shares B. To date, no preference shares A or preference shares B have been issued.

Altice NV shares delivered upon exchange of SFR Group shares tendered in the Public Offer will be common shares A and will provide the same rights as the Altice NV common shares A currently listed on Euronext Amsterdam (under ISIN NL0011333752 and ticker symbol ATC) to which they will be immediately ranked *pari passu* upon issue.

Each Altice NV common share A provides voting rights and the right to profit sharing, in proportion to the total number of Altice NV common shares A issued. In addition, Altice NV common shares A and common shares B are entitled to the same dividends and the same net amount for any distribution, made by the Offeror in accordance with Dutch law and the articles of association of Altice NV.

Shareholders of SFR Group should refer to the Draft Offering Document filed on 5 September 2016 by Altice NV with the AMF for any details regarding characteristics and rights attached to shares and equity securities of Altice NV.

2.2.3. Form of the Altice NV common shares A offered in exchange

The Altice NV common shares A offered in exchange shall be in registered form and registered in an account held by Euroclear Nederland or by an authorized intermediary, at the choice of the shareholders. The Altice NV common shares A will be registered in the shareholder register of Altice NV in the name of Euroclear Nederland.

2.3. Indicative timetable of the Public Offer

Prior to the opening of the Public Offer, the AMF and Euronext Paris will publish respectively an opening notice and a timetable (*avis d'ouverture et de calendrier*) and a notice announcing the timetable and the terms and conditions of the Public Offer.

An indicative timetable is set forth below, pending approval by the AMF:

| | |
|-------------------|---|
| 5 September 2016 | Filing of the draft Offering Document of Altice NV with the AMF; publishing it on the website of the AMF (www.amf-france.org) and of Altice NV (www.altice.net) Filing of the SFR Group draft response document with the AMF, including the reasoned opinion of the Board of Directors and the report by the independent expert; posting on the website of the AMF (www.amf-france.org) and of SFR Group (www.sfr.com) of the draft response document |
| 5 September 2016 | Publication of statements relating to the filing of the draft Offering Document and the draft response document |
| 20 September 2016 | Approval of the prospectus by the AFM and subsequent passporting to France Clearance of the Public Offer by the AMF with approval of the Offering Document Approval of the response document |



| | |
|-------------------|--|
| 20 September 2016 | Filing by Altice NV of the document entitled Other information regarding in particular the legal, financial and accounting information relating to Altice NV (including summary in French of the Altice NV Prospectus) with the AMF Filing by Altice NV of the document entitled Other information regarding in particular the legal, financial and accounting information relating to SFR Group with the AMF |
| 21 September 2016 | Making the final versions of the Offering Document and the response document available to the public, in accordance with Article 231-27 of the AMF General Regulation |
| 21 September 2016 | Making the documents entitled Other information regarding in particular the legal, financial and accounting information relating to Altice NV and SFR Group available in accordance with Article 231-28 of the AMF General Regulation |
| 22 September 2016 | Opening of the Public Offer |
| 20 October 2016 | Closing of the Public Offer |
| 26 October 2016 | Publication of the results of the Public Offer by the AMF |
| 2 November 2016 | Settlement-delivery of the Public Offer |

2.4. Restrictions concerning the Public Offer outside France

The Public Offer is being made exclusively in France.

This press release and the draft Offering Document is not to be distributed in any country other than France.

Shareholders of SFR Group should refer to the draft Offering Document for further details on the restrictions applicable to the Public Offer outside in France.

3. SUMMARY OF THE ASSESSMENT CRITERIA FOR THE EXCHANGE RATIO

The criteria for assessing the Offer Consideration have been prepared by BNP Paribas and J.P. Morgan, the banks presenting the Public Offer on behalf of the Offeror. These criteria were drawn up on the basis of a multi-criteria analysis using commonly accepted valuation methods, and based on (i) public information available on SFR Group and Altice and (ii) additional information communicated during discussions held with the two companies. The financial statements for the first half of 2016 published by SFR Group on 9 August 2016 and by Altice on 22 August 2016 have also been used. The criteria for assessing the Offer Consideration are dated 2 September 2016, i.e. the last trading day prior to submission of the Public Offer. Shareholders of SFR Group should refer to the draft Offering Document for detailed information. The summary of the elements of assessment of the Offer Consideration is as follows:



| Methodology | Altice implied share price (EUR) | SFR Group implied share price (EUR) | Implied offer consideration | Implied premium / (discount) |
|--|----------------------------------|-------------------------------------|-----------------------------|------------------------------|
| Primary methodology | | | | |
| Discounted cash flows | | | | |
| Discounted cash flows (SOTP-based approach) | 21.44 | 30.28 | 1.41x | 13.3% |
| Discounted cash flows (consolidated approach) | 19.51 | 30.28 | 1.55x | 3.1% |
| Secondary methodologies | | | | |
| Trading multiples as of September 2, 2016 | | | | |
| 2017e EBITDA | 19.07 | 26.68 | 1.37x | 16.8% |
| 2017e EBITDA-Capex | 17.58 | 23.25 | 1.21x | 32.1% |
| Analysts' target price as of September 2, 2016 | | | | |
| Analysts' target price | 19.60 | 30.45 | 1.55x | 3.0% |
| Share price as of September 2, 2016 | | | | |
| Spot price as of September 2, 2016 | 15.45 | 24.09 | 1.56x | 2.6% |
| 1-month VWAP | 14.26 | 22.42 | 1.57x | 1.8% |
| 3-month VWAP | 13.81 | 22.70 | 1.64x | (2.6%) |



Appendix 2

Key terms of the draft Response Document filed with the AMF

The following key terms of the draft Response Document does not comprise (i) the presentation of the Public Offer, and (ii) the terms and conditions of the Public Offer, which are further developed in Appendix 1.

1. REASONED OPINION OF THE COMPANY'S BOARD OF DIRECTORS

Pursuant to the provisions of Article 231-19, 4° of the AMF General Regulation, Board members held a meeting on 4 September 2016 called by the Chairman of the Board to review the draft Public Offer and issue a reasoned opinion on the benefit such a Public Offer would have for SFR Group (the "Company"), its shareholders and its employees.

All Board members were present or represented. The meeting was chaired by Mr. Michel Combes, Chairman of the Board. The Chairman reminded the directors of the terms and conditions of the Public Offer as set forth in the draft Offering Document forwarded by Altice NV. The directors then reviewed the Company's draft Response Document.

Perella Weinberg Partners, in its capacity as the Company's financial advisor, presented the findings from his analysis of the terms of the Offer Consideration. The firm Accuracy represented by Mr. Bruno Husson, appointed by the Board of Directors at its meeting of 5 August 2016 as an independent expert ("**Independent Expert**") has been tasked with evaluating whether the financial terms and conditions of the Public Offer were fair to the Company's shareholders.

The Independent Expert's work was supervised and coordinated by Ms. Luce Gendry, Ms. Manon Brouillette, and Mr. Bernard Attali, independent Board members who presented their remarks to the Board.

The following is an extract of the meeting minutes regarding the reasoned opinion on the Public Offer:

"Having considered the findings of the Independent Expert's report, the analyses prepared by Perella Weinberg Partners and the observations made by the independent directors, and after having discussed these factors, the Board noted that:

- (i) *the Independent Expert, after having performed a multi-criteria analysis in order to evaluate the Company and Altice NV, concluded that the Public Offer was fair from a financial standpoint;*
- (ii) *Perella Weinberg Partners, the Company's financial advisor, also concluded that the proposed Offer Consideration was fair from a financial standpoint and accordingly issued a fairness opinion;*
- (iii) *the Offer Consideration represents, on the basis of the Altice NV closing market price of 2 September 2016, a 2.6% premium over the SFR Group closing market price of 2 September 2016, and a 10.3%, 14.2% and 8.9% premium over the volume-weighted average price per SFR Group share for the one-month, two-month and three-month periods ended 2 September 2016, respectively; by way of illustration, the Offer Consideration proposed by Altice NV corresponds to a value per SFR Group share of €24.72;*
- (iv) *the Public Offer provides an opportunity to the shareholders of SFR Group to exchange their SFR Group shares for Altice NV common shares A, giving them access to the liquidity of Altice NV common shares A, which is higher than the liquidity of SFR Group shares (both in absolute value as well as relative to the respective market capitalization of the two companies), and that*



should be strengthened even further by the increase of the free float resulting from the contemplated transaction;

- (v) because it is an exchange offer, the Public Offer allows SFR Group shareholders to become shareholders of a company of significant size, to benefit from the geographic and sectoral diversification of the Altice group business and to be shareholders of a group with solid or leading positions in markets that are less competitive than the French market. It would also allow the shareholders to benefit fully from a further integration of the Altice group's activities and from the simplification of the group's structure; and
- (vi) because it is an exchange offer, the Public Offer allows the shareholders of SFR Group to benefit from growth prospects and cost reductions expected in particular in the United States, where Altice group anticipates run-rate annual costs savings of \$215 million for Suddenlink and \$900 million for Cablevision, which provides potential for significant improvement in their profitability.

As for the advantage of the Public Offer for the Company, the Board noted that the Offeror's goal is to continue to pursue the industrial strategy of Altice group and to implement this strategy at SFR Group level in order to consolidate its leading position on the French market. The Board pointed out that the planned transaction was friendly in nature and thus part of the pursuit of the Company's business and development.

With regard to employees, the Offeror intends to rely on the existing workforce to pursue the Company's policy regarding human resources management. The Board determined that the Public Offer will have no impact on employment within the Company and will not affect the respective individual or collective status of employees of the Company or its subsidiaries. The Board also noted that the Public Offer will have no impact on the implementation of the agreement signed with trade unions on 4 August 2016 which allows to initiate the restructuring of the Distribution.

In light of the foregoing, having reviewed the findings of the Independent Expert's report and the analysis of the Offer Consideration presented by Perella Weinberg Partners and the observations made by the independent directors, the Board, having deliberated on the matter, believes that the Public Offer is in the best interest of the Company, its shareholders and its employees, and therefore unanimously resolves to:

- (i) recommend to the shareholders to tender their shares in the Public Offer;
- (ii) approve the Company's draft Response Document; and
- (iii) authorize the CEO, Mr. Combes, to finalize and sign said draft,

it being specified that the directors representing Altice NV or associated with it (including Mr. Combes) voted in the same way as the results of the vote by the three independent directors for the sole purpose of ensuring compliance with the quorum and majority rules provided for in the French Commercial Code."

2. INTENTIONS OF BOARD MEMBERS

During this Company Board meeting, all Board members stated their intention to tender their SFR Group shares in the Public Offer.

3. SUMMARY OF THE INDEPENDENT EXPERT REPORT

On 5 August 2016, the Company's Board of Directors' meeting held appointed the firm Accuracy, represented by Mr. Bruno Husson, as independent expert pursuant to the provisions of Article 261-1, I of the AMF General Regulation, with the task of drafting a report on the financial terms and conditions of the Public Offer.



The conclusions of this report, dated 4 September 2016, are provided below:

"This expert report is part of the public exchange offer which the Altice Group ("the Offeror") is set to initiate on SFR Group shares ("the Offer") based on an exchange ratio of 1.60 (i.e. 8 Altice shares for 5 SFR Group shares). Performed at the request of the Board of Directors of SFR Group in accordance with stock market regulations, this report aims to provide the members of this Board with a statement on the fairness of the financial terms of the Offer SFR Group shareholders.

In the draft offer note, we noted the Offeror's intention to implement a "franchise agreement" between Altice and SFR Group by the end of 2016 in terms of compensation of the "Altice model" from which SFR Group benefits. Given its potential impact on the value of the two companies in question, this contextual element of the Offer will most likely be integrated by SFR Group's minority shareholder into its analysis of the Offer. For our part, in the absence of any specific information regarding the calculation methods used for the compensation potentially due by SFR Group, we were unable to integrate the draft franchise agreement into our work. Consequently, the following conclusions leave these out completely.

The Offer reflects Altice's desire to simplify the Group's capital organization and increase the liquidity of Altice securities by consolidating at its level the public shareholder structure of SFR Group. This is a voluntary offer to which SFR Group shareholders are free to take up or ignore by deciding to present or retain their securities.

From a regulatory perspective, our work in connection with the Offer is driven by the prior control of the Offeror on the target company and the resulting risk of conflicts of interest. With this in mind, our mission is primarily to certify that the exchange ratio put forward by the Offeror ("the Exchange ratio") is "fair" for minority shareholders of SFR Group in the sense that it appears "reasonable" or "acceptable" to them, and on an ancillary basis, to inform the Directors of SFR Group about the interest in this Offer by those shareholders from a strictly financial standpoint.

Regarding the fairness of the Exchange ratio, we previously set out the condition to be met to allow this parameter to be considered as fair: insofar as the success of the Offer is not likely to generate a significant amount of synergies, it is advisable to verify that the Exchange ratio incorporates the value of the assets and development prospects of both Groups in connection with the strategy implemented by their management.

To achieve this, given that the conditions have been met to allow for satisfactory efficiency of the respective markets for Altice and SFR Group securities, we selected the exchange ratio references given by the share prices of both Groups. We thus analyzed the parities observed since the announcement April 1, 2016 of the failure of the merger between Bouygues Télécom and Orange, a major event in the recent period which significantly affected the share price of both securities. On this basis, we consider that, to be considered fair, the Exchange ratio must fall within the range 1.60 - 1.80.

This range is part of the broader range 1.60 – 1.98 resulting from the valuation work performed on both Groups using the DCF method. In the present case, however, we consider that the estimates of the value of both securities given by the DCF method and the resulting exchange ratio estimates are valuation references that are less relevant than in the usual case. The reason is that implementation of the method relied on forecast cash flows which were based on a market consensus rather than on a business plan, in very capital intensive business lines where it is difficult to forecast the pace of investment although this parameter primarily determines the value of the business.

Overall, we believe that the exchange ratio of 1.60 proposed by the Offeror is fair to the minority shareholders of SFR Group, as it falls within the range of parities 1.60 – 1.80, based on share prices over the recent period which we favor in connection with the Offer for the reasons described above.

Regarding the interest, from a financial point of view, which the offer presents to minority shareholders in SFR Group, we note firstly that the exchange ratio of 1.60 is at the bottom of our reference range



1.60 – 1.80]. As we have shown, this lower range threshold corresponds to exchange ratio based on recent market prices for Altice and SFR Group securities. Such a level of exchange ratio thus assumes that excellent efficiency prevails on the markets for both securities.

In addition, we note that this exchange ratio of 1.60 is also the lowest point of the range of parities resulting from the DCF method. This low point is the logical result of the combination of a pessimistic scenario for SFR Group and an optimistic scenario for Altice. The first scenario assumes a stabilization in the operating margins of SFR Group by 2020, to a level below that desired by management and expected over the period by financial analysts, while the second scenario assumes a stabilization in the operating margins of Cablevision over the same period at a level higher than anticipated by financial analysts, thanks to synergy levels close to those desired by management.

Finally, we note that those minority shareholders of SFR Group who respond favorably to the Offer will benefit, on the Class A Altice securities received in exchange, from much greater liquidity than presently possible on SFR Group securities. For minority shareholders with a substantial holding, with a significant line of investment in SFR Group and who thus put a certain price on liquidity, this positive effect of the Offer on their position may offset the negative effect that could result from the specific characteristics of Altice NV compared to those of SFR Group SA in terms of corporate governance and shareholder rights. This is probably not the case for minority shareholders who do not set the same store by the additional liquidity provided by the Offer.

Overall, we confirm the fairness of the financial conditions of the Offer to minority shareholders of SFR Group.”



IMPORTANT INFORMATION

This communication does not constitute an offer to purchase or exchange or the solicitation of an offer to sell or exchange any securities of SFR Group or an offer to sell or exchange or the solicitation of an offer to buy or exchange any securities of Altice. Investors must rely on their own evaluation of Altice and its securities, including the merits and risks involved. Nothing contained herein is, or shall be relied on as, a promise or representation as to the future performance of SFR Group or Altice. Pursuant to French and Dutch regulations, the documentation with respect to the exchange offer which, if filed, will state the terms and conditions of the exchange offer, and the listing prospectus regarding the envisaged admission to trading of Altice shares on Euronext Amsterdam will be subject to review by the Netherlands Authority for the Financial Markets (AFM) and the French Authority for the Financial Markets (AMF). Any information provided herein, is subject to changes and amendments in light of the ongoing AFM and AMF approval process of the documentation prepared in connection with the exchange offer and the listing of the Altice shares on Euronext Amsterdam upon completion of the exchange offer. Investors and shareholders in France are strongly advised to read, if and when they become available, the prospectus and related exchange offer materials regarding the exchange offer and listing of Altice shares referenced in this communication, as well as any amendments and supplements to those documents as they will contain important information regarding SFR Group, Altice, the contemplated transaction and related matters. Once approved by the AMF, the exchange offer documents, containing detailed information with regard to the exchange offer will be available on the websites of the AMF (www.amf-france.org), Altice (www.altice.net) and SFR Group (www.sfr.com) The transaction is notably subject to execution of definitive documentation and receipt of required regulatory and other customary authorisations.

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This presentation contains measures and ratios (the “Non-IFRS Measures”), including EBITDA 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-IFRS measures because we believe that they are of interest for 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-IFRS measures may not be comparable to similarly titled measures of other companies, 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-IFRS measures such as EBITDA and Operating Free Cash Flow are not measurements of our, or any of our subsidiaries’, performance or liquidity under IFRS or any other generally accepted accounting principles. In particular, you should not consider 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.

EBITDA, Operating Free Cash Flow 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 EBITDA and Operating Free Cash Flow as reported by us to EBITDA and Operating Free Cash Flow of other companies. EBITDA as presented herein differs from the definition of “Consolidated Combined EBITDA” for purposes of any of the indebtedness of an Altice Issuer. The information presented as 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.