



Altice Reports Q3 YTD Consolidated Results

Altice

- *Altice group now has €1.47bn of Pro forma Consolidated Revenue¹ across 7 territories*
- *Pro forma Consolidated EBITDA¹ of €573m*
- *Pro Forma Free Cash Flow² increased by 179% to €291m*
- *Tricom acquisition, a leading telecommunications provider in the Dominican Republic signed*
- *Smaller bolt on acquisitions, signed MCS and SporTV (Content) and Mobius (La Reunion)*
- *Integration of OMT and ONI ongoing, synergies to come*

Israel

- *Total revenue of €669m, (+5.4%/2.0% rebased)*
- *Total EBITDA of €270m (+17.7%/13.9% rebased)*
- *New strategic network sharing and site sharing agreement signed for HOT Mobile with Partner*

Luxembourg, – November 12, 2013: Altice VII (“Altice” or the “Company”), today announces financial and operating results for the nine months ended September 30, 2013 (“Q3”) for Altice and its operating companies.

¹ 9 months 2013 annualized.

² Defined as EBITDA less Capital Expenditure, 9 months annualized



Highlights HOT Group

Highlights of the HOT Group for YTD 2013 compared to YTD 2012 (unless noted), include:

- Total revenue of €669 million (+5.4% / 2.0% rebased) and Total EBITDA of €270 million (+17.4% / 13.9% rebased)
- Cable revenue of €527 million, up +3.4% (0.1% rebased); ARPU increase of 7.7% (4.2% rebased) to €47.6
- Mobile revenue of €142 m, up +13.6% (10.0% rebased), despite loss of iDEN revenue
- Triple play cable customer relationships increased to 39% vs 33%
- UMTS RGUs at 539k vs 316k
- New strategic network and site sharing agreement signed for HOT Mobile with Partner

Highlights Belgium/Luxembourg and Portugal

- Belgium/Lux revenues of €53m; Launch of La Box very well received by customers
- 8.5% YTD revenue decrease in Portugal to €160m vs YTD 2012 driven by adverse economic conditions and austerity measures and increased competition; lower cost base as a result of renegotiated/restructured supplier contracts, driving substantial increase in free cash flow despite a decrease in revenue

Highlights Overseas Territories

- Strong revenue growth driven by an increase in postpaid mobile and triple play subscribers
- Tricom (Dominican Republic) and Mobius (La Reunion) acquisitions signed.



- Integration of OMT and Le Cable on track, synergies to come

Altice CEO Dexter Goei stated, “We are very pleased to continue to monetize our superior networks and product bundles during Q3. During Q3 2013 our triple play penetration has increased to 42%. Also by applying best practices across the Group we have been able to increase profitability substantially. FCF growth has increased from €78m YTD 2012 to €218 m YTD 2013. “

“On the M&A front we have been successful signing Tricom, a leading telecommunications operator in the Dominican Republic, a high GDP growth country, with penetration upside across all the products. In addition we have been able to enter into a strategic network and site sharing deal for our UMTS based mobile services in Israel that will deliver significant savings in operating expenses and capital expenditures going forward. ”

“Our balance sheet and liquidity remains strong with no significant near term amortization, and the availability of undrawn revolvers of up to €119m. Our existing liquidity position combined with our superior EBITDA and FCF growth gives us the flexibility to develop additional business opportunities in the short to medium term.”

Post Balance sheet events Altice Group

Subsequent to the end of Q3 2012, the Altice Group consummated a series of acquisitions. For further information please see “Post-balance sheet events” elsewhere in this Press Release.



Financial Presentation

The Company is a holding company which, since its formation in 2008, has from time to time made significant equity investments in a number of cable and telecommunication businesses in various jurisdictions. As a result of the series of these significant acquisitions, and the intra-year timing of such acquisitions, the Historical Consolidated Financial Information of the Company does not consolidate the results of operations of the entire business undertaking of the Company as it exists for the periods presented and the comparability of the Historical Consolidated Financial Information over each of these periods presented may be significantly limited. Therefore, in order to facilitate an understanding of the Company's results of operations, we have presented and discussed the pro forma consolidated financial statements of the Company (giving effect to each such significant acquisition as if such acquisitions had occurred by January 1, 2012) for the nine months ended September 30, 2012 and 2013 (the "Pro Forma Consolidated Financial Information"). The Company's historical condensed consolidated financial statements for the nine months ended September 30, 2012 and 2013 and the Company's pro forma financial statements as of and for the nine months ended September 30, 2012 and 2013, including the accompanying notes, will be included in the quarterly report. Certain information derived from the historical condensed consolidated financials statements of the Company has been included in the Appendix hereto and discussed in Pro Forma Consolidated Financial Information. The Pro Forma Consolidated Financial Information has not been prepared in accordance with the requirements of Regulation S-X of the U.S. Securities Act. The Pro Forma Consolidated Financial Information has not been audited in accordance with any generally accepted auditing standards. The Pro Forma Consolidated Financial Information is based on certain assumptions that we believe are reasonable. Our assumptions may prove to be inaccurate over time. Accordingly, the Pro Forma Consolidated Financial Information may not reflect what our results of operations and financial condition would have been had we

been a combined company during the periods presented, or what our results of operations and financial condition will be in the future.

This press release contains measures and ratios (the “Non-IFRS Measures”), including EBITDA and Adjusted EBITDA, 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 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.

Group KPIs

As of and for the nine months ended September 30, 2012
in thousands except percentages and as otherwise indicated

	Israel ⁽⁶⁾	Belgium and Luxembourg	Portugal	Overseas Territories ⁽⁷⁾	Total ⁽⁸⁾
CABLE-BASED SERVICES					
Market and Network					
Homes Passed	2,233	233	906	154	3,526
Docsis 3.0 Upgraded (%)	100%	100%	92%	35%	95%
Unique Customers					
Cable Customer Relationships ⁽¹⁾	1,207	122	261	39	1,629
Triple-Play Cable Customer Relationships	401	50	152	11	614
RGUs & Penetration^{(2) (3)}					
Total RGUs	2,333	246	663	61	3,303
Pay Television RGUs	893	138	253	39	1,323
Pay Television Penetration (%)	40%	59%	28%	25%	37%
Broadband Internet RGUs	768	55	161	11	995
Broadband Internet Penetration (%)	34%	24%	18%	7%	28%
Fixed-Line Telephony RGUs	672	54	250	11	987
Fixed-Line Telephony Penetration (%)	30%	23%	28%	7%	28%
RGUs Per Cable Customer Relationship	1.9x	2.02x	2.5x	1.6x	2.0x
ARPU⁽⁴⁾					
Cable ARPU (€)	44.2	39.3	34.9	47.5	-
MOBILE					
Market and Network					
UMTS Mobile Coverage of Territory (%)	32%	-	-	89% ⁽⁹⁾	-
Subscribers					
Total Mobile Subscribers ⁽⁵⁾	687	-	-	372	1059
Postpaid	652	1	-	175	828
Prepaid	35	-	-	197	232
ARPU⁽⁴⁾					
Mobile ARPU (€)	20.4	-	-	26.6	-



As of and for the nine months ended September 30, 2013
in thousands except percentages and as otherwise indicated

	Israel ⁽⁶⁾	Belgium and Luxembourg	Portugal	Overseas Territories ⁽⁷⁾	Total ⁽⁸⁾
CABLE-BASED SERVICES					
Market and Network					
Homes Passed	2,272	233	906	154	3,565
Docsis 3.0 Upgraded (%)	100%	100%	99%	49%	98%
Unique Customers					
Cable Customer Relationships ⁽¹⁾	1,145	115	240	38	1,538
Triple-Play Cable Customer Relationships	448	51	136	15	650
RGUs & Penetration^{(2) (3)}					
Total RGUs	2,316	239	609	69	3,233
Pay Television RGUs	881	130	227	38	1,276
Pay Television Penetration (%)	39%	56%	25%	25%	36%
Broadband Internet RGUs	755	56	156	15	982
Broadband Internet Penetration (%)	33%	24%	17%	10%	28%
Fixed-Line Telephony RGUs	680	53	226	15	974
Fixed-Line Telephony Penetration (%)	30%	23%	25%	10%	27%
RGUs Per Cable Customer Relationship	2.0x	2.1x	2.5x	1.8x	2.1x
ARPU⁽⁴⁾					
Cable ARPU (€)	47.6	41.1	35.1	50.8	-
MOBILE					
Market and Network					
UMTS Mobile Coverage of Territory (%)	50%	-	-	89% ⁽⁹⁾	-
Subscribers					
Total Mobile Subscribers ⁽⁵⁾	773	3	-	367	1,143
Postpaid	762	3	-	188	953
Prepaid	11	-	-	179	190
ARPU⁽⁴⁾					
Mobile ARPU (€)	16.9	40.9	-	26.8	-

- (1) Cable Customer Relationships represents the number of individual end users who have subscribed for one or more of our cable based services (including pay television, broadband Internet or fixed-line telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. Cable Customer Relationships does not include subscribers to either our mobile or ISP services.
- (2) 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 are counted on a per service basis and RGUs for fixed-line telephony are counted on a per line basis.
- (3) Penetration rates for our pay television, broadband Internet and fixed-line telephony services are presented as a percentage of homes passed.
- (4) 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, cable based ARPU has been calculated by using the following exchange rates: (i) average rate for the nine months ended September 30, 2012, €0.2019 = NIS 1.00 and (ii) average rate for the nine months ended September 30, 2013, €0.2087 = NIS 1.00.



- (5) Mobile subscribers is equal to the net number of lines or SIM cards that have been activated on our mobile network. In Israel, the total number of mobile subscribers for our iDEN and UMTS services were as follows:

	As of September 30,	
	2012	2013
	in thousands	
Mobile Subscribers		
iDEN.....	371	234
UMTS.....	316	539
Total.....	687	773

- (6) In Israel, Homes Passed is the number of total Israeli Homes. Our cable network passes a vast majority of Israel's 2.2 million households.
- (7) Only relates to the cable based services (pay television, broadband Internet and fixed-line telephony) we provide in Guadeloupe and Martinique and excludes the xDSL based broadband Internet (including IPTV) and fixed-line telephony services we provide in Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte following our acquisition of a controlling interest in Outremer in July 2013. In 2011 and 2012 respectively, our xDSL services accounted for 58,000 and 57,000 broadband Internet RGUs and 89,000 and 83,000 fixed-line telephony RGUs. In the nine months ended September 30, 2012 and 2013 our xDSL services accounted for 57,000 and 55,000 broadband Internet RGUs and 82,000 and 80,000 fixed-line telephony RGUs.
- (8) Total represents the aggregate of the respective key operating measures across all the regions in which we currently operate even though we may not have owned or controlled such business for the entire duration of the periods presented. Israel represents operating measures of HOT and HOT Mobile; Belgium and Luxembourg represents operating measures of Coditel Belgium and Coditel Luxembourg; Portugal represents operating measures of Cabovisão (in which we acquired a controlling interest in February 2012); Overseas Territories represents operating measures of Le Cable and in respect of mobile services only, Outremer (in which we acquired a controlling interest in July 2013).
- (9) Excludes French Guiana.

Review of the Group Pro Forma Consolidated Financial Information

1.1. Revenue

Pro Forma Consolidated Revenue

	Pro Forma Consolidated Financial Information											
	For the nine months ended September 30, 2012					For the nine months ended September 30, 2013						
	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	€ in millions						
					Total	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total	
Revenue												
Cable based services	509.6	45.2	88.6	67.9	1.8	713.1	527.0	45.7	83.4	67.1	1.3	724.5
Mobile Services	125.3	-	-	95.4	-	220.7	142.4	0.8	-	99.3	-	242.5
B2B and others	-	7.6	85.9	-	48.7	142.3	-	6.7	76.4	-	52.1	135.2
Total Revenue	634.9	52.8	174.6	163.3	50.5	1,076.1	669.4	53.1	159.6	166.3	53.4	1,102.1

(1) Comprises primarily of our B2B telecommunications solutions business and datacentre operations in Switzerland (Green and Green Datacenter), our datacentre operations in France (Auberimmo) and our content production and distribution business in France (Ma Chaîne Sport and Sportv.)

(2) For the Overseas Territories, cable based services includes revenues from cable based services we provide in Guadeloupe and Martinique as well as the xDSL based broadband Internet (including IPTV) and fixed-line telephony services we provide in Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte

1.1.1. Israel

For the nine months ended September 30, 2013, we generated total revenue in Israel of €669.4 million, a 5.4% increase compared to €634.9 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our cable based services revenue increased by approximately 3.4% and our mobile services revenue increased by approximately 13.6%. Foreign exchange translation movements between the NIS and euro had a positive impact of €21.7 million on total revenue, €17.1 million on cable services revenue and €4.6 million on mobile services revenue. Accordingly, at a constant exchange rate, our total revenue in Israel increased by 2.0%, our cable-based service revenue remained relatively stable and our cellular services revenue increased by 10.0%.

The increase in cable based services revenue in Israel was mainly due to:



- an increase in cable based services ARPU of 7.7% resulting from our strategic focus on multiple-play offerings.
- an increase in the number of Cable Customer Relationships subscribing for our triple-play service as a result of our attractive bundling strategy
- an increase in the take-up of our higher value higher speed broadband Internet services

The positive impact of the increase in cable based services ARPU on cable based services revenue was offset by a 17,000 net decrease in our total cable RGUs as our third party customer service and technical support provider had not allocated sufficient resources to manage the intake and connection arrangements for potential new subscribers.

The increase in mobile services revenue in Israel was primarily due an increase in the number of subscribers for our UMTS based services which were launched in May 2012.

The increase in mobile services revenue was offset by

- the churn of customers for our iDEN services as a result of decreased marketing efforts and the termination of our contract with the Israeli Defense Force in the third quarter of 2012.
- a decrease in mobile ARPU by 17.2%, to €16.9 due subscribers disconnecting from our higher ARPU iDEN mobile network and competitive prices, in particular for UMTS based 3G service.

1.1.2 Belgium and Luxembourg

For the nine months ended September 30, 2013, we generated total revenue in Belgium and Luxembourg of €53.1 million, a 0.6% increase compared to €52.8 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our cable based services revenue increased by approximately 1.1% and our B2B and other services revenue decreased by



approximately 11.8%. In addition, we launched mobile services in Belgium in September 2012 and generated €0.8 million in mobile services revenue in the nine months ended September 30, 2013.

The increase in cable based services in Belgium and Luxembourg was primarily due:

- an increase in cable based revenue by 4.6% to €41.1 due to price increases in our triple-play packages as well as stand alone pay television offerings.
- the full period impact of revenues we generated from the AIESH concession we acquired in the third quarter of 2012
- an increase in broadband Internet RGUs which was primarily due to our ability to offer subscribers higher speeds and increased bandwidth capacity, our attractive pricing of broadband Internet services and an increase in uptake of our triple-play bundles

The above increases were offset by:

- a decline in television RGUs due to customers churning to different platforms, customers terminating their television service or having moved out of Coditel's network areas.
- a decline in fixed line telephony RGUs due to customers switching to mobile based services

The decrease in B2B and other revenue in Belgium and Luxembourg was primarily due to higher installation fees earned from our project for the Brussels police involving installation of fibre links for the CCTV network in Q3 2012, a portion of which reflects non-recurring revenues, slightly offset by a recurring revenue earned for fibre links leased to the Brussels police as part of this project in Q3, 2013.

1.1.2. Portugal

For the nine months ended September 30, 2013, we generated total revenue in Portugal of €159.6 million, a 8.5% decrease compared to €174.6 million for the nine months ended September 30, 2012. As compared to the nine months



ended September 30, 2012, for the nine months ended September 30, 2013 our revenue in Portugal for our cable based services decreased by approximately 5.9% and our B2B and other services revenue decreased by 11.1%.

The decrease in cable based services revenue in Portugal was primarily due to:

- a net decrease in total number of cable RGUs by approximately 64,000, resulting from intense competition in the Portuguese cable services market during 2013, with aggressive promotions and pricing policies adopted by competitors
- our strategy to cease offering certain aggressively priced packages which we started implementing during the course of 2012 and to migrate customers to triple-play offerings

The above decrease were slightly offset by a slight increase in cable based services ARPU of 0.6%, to €35.1 due to an increase in the prices at which we offer our products since January 2013 and the strategic decision during the course of 2012 to cease offering certain aggressively priced packages to reduce the decrease of ARPU.

The decrease in B2B and other revenue in Portugal was primarily due to the higher level of business with carriers (transit) and sales of equipment that occurred in the first nine months of 2012, linked to certain specific projects undertaken by ONI during this period.

1.1.3. Overseas Territories

For the nine months ended September 30, 2013, we generated total revenue in the Overseas Territories of €166.3 million, a 1.9% increase compared to €163.3 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our revenue in the Overseas Territories for our cable based services decreased by 6.2% and our mobile services revenue increased by 2.6%.

The decrease in cable based services revenue in the Overseas Territories was due to:



- a €2.2 million decrease in fixed-line revenue of Outremer due to a decrease in fixed-line telephony RGUs as customers continue to switch from traditional voice telephony to multiple-play VoIP packages
- a €1.8 million decrease in broadband Internet services revenue of Outremer resulting from a decrease in xDSL broadband Internet RGUs due to increased competition particularly in La Reunion and the limited ability and marketing investment to provide triple-play services, limited marketing innovation in Outremer's broadband Internet product line and the limited nature of IPTV provided to DSL broadband Internet customers prior to the integration of Outremer with the Group.

The decreases above were partially offset by:

- an increase in cable based services ARPU of Le Cable to €50.8
- an increase in the total cable RGUs of Le Cable as a result of our strategic focus on triple-play offerings.

The €7.3 million increase in mobile services revenue in the Overseas Territories, all of which is attributable to Outremer, was primarily due to:

- an increase of 14,000 postpaid mobile subscribers a result of the revamping of Outremer's mobile post-paid offering through the success of flat-fee rate plans introduced in the first half of 2012
- a slight increase of mobile APRU by €0.2 million primarily due to the improvement in product mix with greater demand of Outremer's higher value post paid packages following the revamping of its mobile product offering

The above increases were offset by a sharp decrease in mobile termination rates from €0.028 in 2012 to €0.01 in 2013 prescribed by ARCEP resulting in lower mobile interconnection revenues.

1.2. Gross Profit

The following tables sets forth our purchasing and subcontracting services and gross profit by country of operation and on a Pro Forma Consolidated Basis based on the Pro Forma Consolidated Financial Information.

Purchasing and Subcontracting Services

	Pro Forma Consolidated Financial Information											
	For the nine months ended September 30, 2012						For the nine months ended September 30, 2013					
	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total
	€ in millions											
Purchasing and subcontracting services												
Cable based services	120.2	8.0	36.0	19.8	0.4	184.4	101.6	7.2	26.2	18.3	0.3	153.5
Mobile Services ...	43.1	-	-	28.9	-	72.0	82.8	0.7	-	30.8	17.6	114.3
B2B and others	-	0.5	47.9	-	16.7	65.1	-	1.3	41.4	-	-	60.2
Total purchasing and subcontracting services	163.3	8.5	84.0	48.7	17.1	321.6	184.4	9.1	67.5	49.2	17.9	328.1

(1) Comprises primarily of our B2B telecommunications solutions business and datacentre operations in Switzerland (Green and Green Datacenter), our datacentre operations in France (Auberimmo) and our content production and distribution business in France (Ma Chaîne Sport and Sportv).

(2) For the Overseas Territories, cable based services includes purchasing and subcontracting services for cable based services we provide in Guadeloupe and Martinique as well as the xDSL based broadband Internet (including IPTV) and fixed-line telephony services we provide in Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.

Gross Profit and Gross Margin

	Pro Forma Consolidated Financial Information											
	For the nine months ended September 30, 2012						For the nine months ended September 30, 2013					
	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total
	€ in millions											
Gross profit												
Cable based services	389.4	37.2	52.6	48.2	1.4	528.7	425.4	38.5	57.3	48.7	1.0	570.9
Mobile Services	82.1	-	-	66.5	-	148.7	59.6	0.1	-	68.4	-	128.2
B2B and others	-	7.1	38.0	-	32.0	77.1	-	5.4	35.1	-	34.5	75.0
Total gross profit	471.5	44.3	90.6	114.7	33.4	754.6	485.0	44.1	92.3	117.2	35.5	774.1



Pro Forma Consolidated Financial Information

	For the nine months ended September 30, 2012						For the nine months ended September 30, 2013					
	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total	Israel	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total
Gross margin												
Cable based services (%)	76.4	82.3	59.4	70.8	77.8	74.8	80.7	84.3	68.7	72.5	76.9	79.6
Mobile Services (%)	65.5	-	-	69.7	-	66.7	41.9	12.5	-	68.9	-	52.4
B2B and others (%)	-	93.6	44.2	-	65.7	58.0	-	80.9	45.9	-	65.3	58.8
Total gross margin (%)	74.3	83.9	51.9	70.1	66.1	70.1	72.5	82.9	57.7	70.2	65.5	70.2

- (1) Comprises primarily of our B2B telecommunications solutions business and datacentre operations in Switzerland (Green and Green Datacenter), our datacentre operations in France (Auberimmo) and our content production and distribution business in France (Ma Chaîne Sport and Sportv).
- (2) For the Overseas Territories, cable based services includes gross profit and gross margin for cable based services we provide in Guadeloupe and Martinique as well as the xDSL based broadband Internet (including IPTV) and fixed-line telephony services we provide in Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.

1.2.1. Israel

For the nine months ended September 30, 2013, our purchasing and subcontracting services in Israel were €184.4 million, a 12.9% increase compared to €163.4 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our purchasing and subcontracting services for cable based services decreased by approximately 15.5% and our purchasing and subcontracting services for mobile services increased by approximately 91.7%. Foreign exchange translation movements between NIS and euro had the impact of increasing purchasing and subcontracting services by €6.0 million (including €3.3million of cable services purchasing and subcontracting services and €2.7million of mobile services purchasing and subcontracting services). Accordingly, at a constant exchange rate, our total purchasing and subcontracting services in Israel increased by 9.2%, our cable-based service purchasing and subcontracting services decreased by 18.3% and our cellular services revenue increased by 85.8%

The decrease in purchasing and subcontracting services for cable based services in Israel was primarily due to:

- a decrease in interconnection fees paid as a result of lower call volumes as customers continue to switch to mobile services due to the competitive prices and unlimited price plan packages for mobile based services



- a decrease in the royalties paid to the State of Israel for cable telecommunication licenses to 0% with effect from January 2, 2013
- a decrease in content expenses due to capitalization of costs arising from the purchase of exclusive third party content with effect from April 1, 2013.

The increase in costs of sales for mobile services in Israel was primarily due to an increase in interconnection fees of €63.4 million with respect to our 3G mobile services launched in May 2012 and included national roaming costs of €37.5 million compared to €9.9 million in the same period last year.

1.2.2. Belgium and Luxembourg

Belgium and Luxembourg: For the nine months ended September 30, 2013, our purchasing and subcontracting services in Belgium and Luxembourg were €9.1 million, a 7.1% increase compared to €8.5 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our purchasing and subcontracting services for cable based services decreased by approximately 10% and our purchasing and subcontracting services for B2B services increased by approximately 160% (from €0.5 million to €1.3 million). We began providing mobile services in Belgium in September 2012 as an MVNO and incurred costs of sales in an amount of approximately €0.7 million in the nine months ended September 30, 2013.

The decrease in purchasing and subcontracting services for cable based services in Belgium and Luxembourg resulted from:

- a surplus in the provisions for payments to copyright holders (such as authors' rights societies), having finalized terms of certain contracts, including relevant payment obligations
- change of supplier
- slightly lower VOD costs (offset by an increase in amounts paid to television channels resulting from more expensive premium channels packages)

The increase in purchasing and subcontracting services for mobile based services in Belgium and Luxembourg was due to an increase in expenses associated with the launch of our mobile operation in September 2012.



The increase in cost of sale for B2B services and others in Belgium and Luxembourg was due to

- the nature of B2B projects undertaken in 2013 as compared to in 2012 for which costs were primarily in the form of capital expenditures
- promotional offers and incentives in responses to the strategy adopted by our competitors

1.2.3. Portugal

For the nine months ended September 30, 2013, our purchasing and subcontracting services in Portugal were €67.5 million, a 19.6% decrease compared to €84.0 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our purchasing and subcontracting services for cable based services decreased by approximately 27.2% and our purchasing and subcontracting services for B2B and others decreased by approximately 13.6%.

The decrease in purchasing and subcontracting services for cable based services was due to the larger impact in the nine months ended September 30, 2013 compared to the prior year period of an operational optimization program implemented by the Group following the acquisition of Cabovisão in February 2012, including savings through renegotiations of television content rights.

The decrease in costs of sales for B2B and others was due to the higher level of ONI's business with carriers (transit) and sales of equipment, in the nine months ended September 30, 2012, projects that inherently have a lower gross profit margin.

1.2.4. Overseas Territories

For the nine months ended September 30, 2013, our purchasing and subcontracting services in the Overseas Territories were €49.2 million, a 1.0% increase compared to €48.6 million for the nine months ended September 30, 2012. As compared to the nine months ended September 30, 2012, for the nine months ended September 30, 2013 our purchasing and subcontracting services for cable based services decreased by approximately 7.6% and our purchasing and subcontracting services for mobile services increased by approximately 6.6%.

The decrease in purchasing and subcontracting services for cable based services was primarily due to the decrease in interconnection rates and the decrease in Outremer's fixed-line telephony and broadband Internet RGUs.

The increase in costs of sales for mobile services was mainly due to the increase in interconnections costs with the success of Outremer's flat-fee rate plans which include unlimited calls, partially offset by the decrease in termination rates.

1.3. Operating Expenses and EBITDA

Pro Forma Consolidated EBITDA and Pro Forma Consolidated Adjusted EBITDA

	Pro Forma Consolidated Financial Information											
	For the nine months ended September 30, 2012						For the nine months ended September 30, 2013					
	Israel ⁽³⁾	Belgium & Luxembourg	Portugal	Overseas Territories	Others ⁽²⁾	Total	Israel ⁽³⁾	Belgium & Luxembourg	Portugal	Overseas Territories	Others ⁽²⁾	Total
EBITDA ⁽¹⁾	229.2	35.3	31.9	56.9	18.2	371.5	269.9	35.4	45.0	61.7	17.7	429.7

(1) EBITDA is defined as operating profit before depreciation and amortization, other expenses, net, management fees, reorganization and extraordinary costs and share of profit of associates.

(2) Comprises (i) €7.8 million and €10.1 million of EBITDA generated by our content production and distribution business for the nine months ended September 30, 2012 and 2013, respectively, (ii) €12.1 million and €12.4 million of EBITDA generated by Green Datacenter/Green.ch for the nine months ended September 30, 2012 and 2013 (iii) €1.7 million and €4.8 million of negative EBITDA generated by our other holding entities (including corporate expenses) of for the nine months ended September 30, 2012 and 2013, respectively.

(3) In Israel, costs relating to the purchase of exclusive third party content have only been capitalized with effect from April 1, 2013. Consequently, EBITDA for the nine months ended September 30, 2012 reflects costs relating to the purchase of exclusive third party content for the entire period and EBITDA for the nine months ended September 30, 2013 reflects costs relating to the purchase of exclusive third party content incurred in the period prior to April 1, 2013.

Pro Forma Consolidated Financial Information		
For the nine months ended September 30,		
	2012	2013
	€ in millions	
EBITDA	371.5	429.7
Equity based compensation ⁽¹⁾	3.8	-
Adjusted EBITDA	375.3	429.7
L2QA Adjusted EBITDA ⁽²⁾	N/a	587

(1) Equity-based compensation consists of €3.8 million in expenses pertaining to employee stock options provided to employees of HOT.

(2) L2QA EBITDA is calculated by multiplying Adjusted EBITDA for the six months period ended September 30, 2013, by two. There can be no assurance, and you should not assume, that this annualized presentation represents an accurate forecast of our actual results of operations.

Other operating expenses

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 cable 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).



Staff expenses: Staff expenses include all costs related to wages and salaries, bonuses, social security, pension contribution and other outlays paid to Group employees involved in technical operations and customer services functions (except for Outremer, which historically has accounted for all salary expenses under this item).

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

General and administrative expenses

General and administrative expenses consist of salary and associated payments related to administrative personnel, 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 salary and associated payments for sales and marketing personnel, advertising and sale promotion, office rent and maintenance, commission's for marketers, external sales and storage and other expenses related to sales and marketing efforts.

1.3.1. Israel

For the nine months ended September 30, 2013, our total operating expenses in Israel were €215.1 million, a 11.2% decrease compared to €242.3 million for the nine months ended September 30, 2012. Foreign exchange translation movements between NIS and euro had the impact of increasing operating expenses by €8.7 million. Accordingly, at a constant exchange rate, our total operating expenses in Israel decreased by 14.1%.

Other operating expenses decreased by approximately 5.9% to €157.9 million primarily due to a decrease in salaries and social benefits and a reduction in head count as part of the measures implemented to maximize cost structure

efficiency. In addition, in July 2013, our customer services and technical support functions were outsourced which also contributed to the decrease in salaries and social benefits expenses.

General and administrative expenses decreased by approximately 14.1% to €20.8 million primarily as a result of a decrease in salary and social benefits expenses due to a reduction in administrative personnel and equity based compensation of €3.8 million in Q3 2012 relating to HOT stock options

Other sales and marketing expenses decreased by approximately 27.8% to €36.4 million due to a decrease in sales commissions to retailers, advertising costs and sales promotions and decreases in salaries and social benefits of sales personnel resulting from the measures implemented to maximize cost structure efficiency.

As a result of the factors discussed, for the nine months ended September 30, 2013, in Israel our EBITDA was €269.9 million, a 17.7% increase compared to €229.2 million for the nine months ended September 30, 2012 and our EBITDA margin was 40.3% in the nine months ended September 30, 2013 compared to 36.1% in the nine months ended September 30, 2012. Foreign exchange translation movements between the NIS and euro had a positive impact of €8.7 million on total EBITDA.

1.3.2. Belgium and Luxembourg

For the nine months ended September 30, 2013, our total operating expenses in Belgium and Luxembourg were €8.6 million, a 18.1% decrease compared to €10.5 million for the nine months ended September 30, 2012.

General and administrative expenses decreased by approximately 15.8% to €4.8 million primarily due the renewal of our lease agreement for the property we occupy in Brussels at more attractive terms.

Other sales and marketing expenses decreased by approximately 29.4% to €1.2 million primarily due higher sales and marketing expenses in Q3 2013

associated in the nine months ended September 30, 2012 with the launch of mobile services in Belgium in September 2012.

EBITDA: As a result of the factors discussed, for the nine months ended September 30, 2013, our EBITDA in Belgium and Luxembourg was €35.4 million, a 0.3% increase compared to €35.3 million for the nine months ended September 30, 2012. Our EBITDA margin was 66.7% in the nine months ended September 30, 2013 compared to 64.2% in the nine months ended September 30, 2012.

1.3.3. Portugal

For the nine months ended September 30, 2013, our total operating expenses in Portugal were €47.2 million, a 19.6% decrease compared to €58.7 million for the nine months ended September 30, 2012. This decrease was due to the larger impact of an operational optimization program implemented by the Group following the acquisition of Cabovisão in February 2012 and a reduction in operational expenses of ONI, from €28.5 million for the nine months ended September 2012 to €23.7 million for the nine months ended September 30, 2013 achieved as a result of the optimization efforts in several areas.

Other operating expenses decreased by approximately 15.5% to €28.3 million primarily due to savings at Cabovisão resulting from the renegotiation of information technology maintenance and support contracts. Furthermore, ONI renegotiated supplier contracts and prices for its leased line circuits were reduced. We also reduced headcount across our operations in Portugal.

General and administrative expenses decreased by approximately 17.8% to €10.8 million primarily due to savings from head count reductions in corporate and administrative staff and savings through cancellation and renegotiation of certain contracts for administrative services, in each case relating to Cabovisão.

Other sales and marketing expenses decreased by approximately 34.2% from to €8.1 million mainly due to the cancellation and renegotiation of certain



marketing and advertising contracts and headcount reduction in sales personnel, in each case relating to Cabovisão.

EBITDA: As a result of the factors discussed, for the nine months ended September 30, 2013, our EBITDA in Portugal was €45.0 million, a 41.4% increase compared to €31.9 million for the nine months ended September 30, 2012. Our EBITDA margin was 28.2% in the nine months ended September 30, 2013 compared to 18.3% in the nine months ended September 30, 2012.

1.3.4. Overseas Territories

For the nine months ended September 30, 2013, our total operating expenses in the Overseas Territories were €55.5 million, a 4.0% decrease compared to €57.8 million for the nine months ended September 30, 2012.

Other operating expenses decreased by approximately 3.9% to €32.3 million primarily due to measures taken by Outremer to optimize its fixed costs, including to reduce payroll through (i) automated cash recovery systems in each of its 81 outlets, (ii) reallocation of customer care staff to its offshoring center in Mauritius and (iii) an increased use of online self-care systems. These cost savings were partially offset by costs incurred to improve its quality of service, in particular the densification of mobile networks.

General and administrative expenses increased by approximately 18.9% to €12.1 million primarily due to a non-recurring expense indirectly related to the acquisition of Outremer by Altice VII.

Other sales and marketing expenses decreased by approximately 17.9% to €11.0 million predominantly due to the absence of major product launches in 2013, while the corresponding period in 2012 was marked by new product introductions, in particular the mobile flat-fee rate plans, which Outremer began offering in the second quarter of 2012.

EBITDA: As a result of the factors discussed, for the nine months ended September 30, 2013, our EBITDA in the Overseas Territories was €61.7 million,

a 8.5% increase compared to €56.9 million for the nine months ended September 30, 2012. Our EBITDA margin was 37.3% in the nine months ended September 30, 2013 compared to 34.8% in the nine months ended September 30, 2012.

2. Capital Expenditure

	Pro Forma Consolidated Financial Information											
	For the nine months ended September 30, 2012					For the nine months ended September 30, 2013						
	€ in millions											
	Israel ⁽³⁾	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total	Israel ⁽³⁾	Belgium & Luxembourg	Portugal	Overseas Territories ⁽²⁾	Others ⁽¹⁾	Total
Capital expenditures												
CPEs and installations	74.0	3.3	6.3	4.7	-	88.3	35.0	5.8	7.9	3.1	-	51.8
Cable network and constructions	45.0	1.8	4.9	4.0	-	55.7	25.0	2.1	4.1	5.1	-	36.3
Other cable	45.0	5.8	0.9	0.2	-	51.9	40.0	5.6	2.7	0.2	-	48.5
Total Cable based services	164.0	10.9	12.1	8.8	-	195.8	100.0	13.5	14.7	8.4	-	136.6
Mobile services	66.0	0.7	-	7.9	-	74.6	36.0	1.2	-	8.9	-	46.1
B2B and others.....	-	-	8.3	4.9	13.5	26.7	-	-	5.6	9.8	13.4	28.8
Total capital expenditures	230.0	11.6	20.4	21.6	13.5	297.0	136.0	14.7	20.3	27.1	13.4	211.5
EBITDA - total capital expenditures	(0.8)	23.7	11.5	35.3	8.6	78.3	133.9	20.7	24.7	34.6	4.3	218.2

2.1. Israel

For the nine months ended September 30, 2013, our total capital expenditures in Israel were €136 million, a 41.0% decrease compared to €230 million for the nine months ended September 30, 2012. This decrease was primarily due to:

- one time expense related to the purchase of a building for our call center operations
- capital expenditures relating to the purchase of our new set top boxes, HOT Magic HD, and
- higher cable network and constructions related capital expenditure in 2012 relating to the upgrade to 100Mb capacity and the fiber roll out in certain areas



- higher expenditures related to mobile based services in 2012 related to the launch of our UMTS based cellular services in May 2012.

-

2.2. Belgium and Luxembourg

For the nine months ended September 30, 2013, our total capital expenditures in Belgium and Luxembourg were €14.7 million, a 25.6% increase compared to €11.6 million for the nine months ended September 30, 2012.

The increase was due to:

- the installation work we conducted following the acquisition of the AIESH concession,
- the launch of La Box in 2013,
- the acquisition of NewsLux I24 at the beginning of 2013.
-

2.3. Portugal

For the nine months ended September 30, 2013, our total capital expenditures in Portugal were €20.3 million, relatively stable compared to €20.4 million for the nine months ended September 30, 2012. This decrease was primarily due to a decrease in B2B and other capital expenditure incurred by ONI in 2012.

This decrease was partially offset by an increase in cable capital expenditures mainly due to the high level of investments made during the nine months ended September 30, 2013 to deploy “La Box”

2.4. Overseas Territories

For the nine months ended September 30, 2013, our total capital expenditures in the Overseas Territories were €27.1 million, a 25.1% increase compared to



€21.6 million for the nine months ended September 30, 2012. The increase was primarily due to:

- an increase in other capital expenditure due to certain major renovation work relating to Outremer's distribution network
- development of a payment platform by Outremer offering value-added payment services to its customers
- work related to the expansion of our 3G mobile network in Martinique, Guadeloupe, French Guyana, Mayotte and La Reunion, and
- the acquisition of KERTElcom, a small fixed line French operator.

2.5. Others

Capital expenditures for our other businesses were €13.4 million for the nine months ended September 30, 2013 compared to €13.5 million for the nine months ended September 30, 2012.

3. Group Debt Profile and Source of Liquidity

Our total financial debt as of September 30, 2013 was €2,236 million, excluding other long term and short term liabilities.

Our principal source of liquidity is expected to be the operating cash flows of our operating subsidiaries and if required is \$80 million and €60 million of available borrowings under the Revolving Credit Facilities and €75 million under the 2013 Guarantee Facility. As of September 30, 2013 we had €192 million (equivalent) of additional borrowing capacity under the Revolving Credit Facilities and the 2013 Guarantee Facility. As of September 30, 2013, we had a negative net working capital position of €238.1 million compared to a negative working capital position of €324.5 million as of September 30, 2012. The negative working capital position is structural and follows industry norms.



The following table sets forth the capitalization and outstanding indebtedness of the Group as it existed on September 30, 2013:

	As of the nine months ended September 30, 2013	Maturity
	€ in millions	
HOT Unsecured Notes ⁽¹⁾	278	2018
Coditel Mezzanine Facility	106	2017
Green Data Center Debt ⁽³⁾	24	2022
2012 Senior Secured Notes ⁽²⁾	550	2019
2013 Term Loan Facility ⁽⁴⁾	714	2020
2012 Senior Notes ⁽²⁾	314	2020
2013 Senior Notes ⁽²⁾	250	2023
Total financial debt	2,236	

(1) This amount is based on the exchange rates as of September 30, 2013 of NIS 0.2094 = €1.00

(2) Reflects \$460 million and €210 million 2012 Senior Secured Notes, \$425 million 2012 Senior Notes and €250 million 2013 Senior Notes outstanding using an exchange rates as of September 30, 2013 of \$1.352=€1.00

(3) The Group intends to designate Green Datacenter as unrestricted subsidiary in accordance with the terms of our debt instruments and upon such designation it will not be subject to the covenants under the terms of our debt instruments. See Post Balance Sheet Events.

(4) The 2013 Term Loan Facility permits the borrower, upon prior notice to the lenders thereunder, to draw term loans up to the committed principal amount on up to four occasions until November 30, 2013, so long as the incurrence of the indebtedness would have been permitted by the covenants in the 2013 Indenture, the 2012 Indentures, the 2012 Revolving Credit Facility, the 2013 Revolving Credit Facility, the 2013 Guarantee Facility and the 2013 Term Loan Facility. As of the September 30, 2013, we have drawn a total amount of €714.3 million under the 2013 Term Loan Facility which is recorded using a fixed exchange rate of \$1.301=€1.00.

The following table sets forth the Adjusted Proforma EBITDA and Adjusted Proforma Financial Debt for the Altice Restricted Group as of September 30, 2013:

	As of the 3 months ended June 30, 2013	As of the 3 months ended September 30, 2013	L2QA EBITDA ⁽³⁾
	€ in millions		
Total Adjusted EBITDA	145	149	587
Green Data Center EBITDA ⁽¹⁾	(3)	(3)	(11)
Total EBITDA excluding Green Data Center	142	146	576
Synergies ONI/OMT			13
HOT Mobile Network Sharing Agreement ⁽²⁾			41
Total EBITDA including Synergies and HOT Mobile Agreement			629



(1) The Group intends to designate Green Datacenter as unrestricted subsidiary in accordance with the terms of our debt instruments and upon such designation it will not be subject to the covenants under the terms of our debt instruments. See Post Balance Sheet Events.

(2) Annualized EBITDA impact (cost saving) of new network and site sharing agreement with Partner

(3) L2QA EBITDA is calculated by multiplying Adjusted EBITDA for the six months period ended September 30, 2013, by two. There can be no assurance, and you should not assume, that this annualized presentation represents an accurate forecast of our actual results of operations.

**As of the nine months ended
September 30, 2013 € in millions**

Altice VII Total Financial Debt			2,236
Unrestricted Debt at Green Data Center			(24)
Drawn Coditel (November)			81
Altice VII Pro Forma Total Financial Debt			2,293



4. Post balance sheet events

Recent Developments

Tricom Acquisition

On October 31, 2013, Altice Caribbean S.à r.l. (a wholly-owned subsidiary of Altice VII) and Hispaniola Telecom Holdings, Ltd., a company controlled by Amzak Capital Management and Inversiones Bahía (the “Tricom Sellers”), entered into agreements (the “Tricom Purchase Agreements”) pursuant to which Altice Caribbean S.à r.l. will purchase shares representing 88% of the outstanding equity interests in each of Tricom S.A. and Global Interlink Ltd. (together, “Tricom”) from the Tricom Sellers (the “Tricom Acquisition”). Tricom is a leading telecommunications operator in the Dominican Republic, providing (i) cable and xDSL-based multiple-play services and stand-alone pay television, broadband Internet and fixed-line telephony services and (ii) 3G and 4G mobile telephony services relying on its mobile network. The consummation of the Tricom Acquisition pursuant to the Tricom Purchase Agreement is expected to occur in the first quarter of 2014 and is subject to the satisfaction of customary closing conditions, including the approval of the Dominican regulatory authority Indotel.

For the year ended December 31, 2012, Tricom generated revenues of approximately \$218 million and Adjusted EBITDA of approximately \$62 million. Tricom defines Adjusted EBITDA as earnings before interest, tax, depreciation and amortization and before management fee, other non-recurring expenses, impact of tower sale and leasebacks and installation costs relating to network roll-outs.

2013 Coditel Acquisition.

As of the date of this press release, Deficom Telecom S.à r.l., a majority owned subsidiary of Altice VII, is the owner of 60% of the outstanding shares of Coditel Holding and various funds advised by Apax Partners MidMarket SAS (the



“Coditel Minority Shareholder”) is the owner of the remaining outstanding shares of Coditel Holding. On March 7, 2013, Altice VII and the Coditel Minority Shareholder entered into a purchase and sale agreement (the “Coditel Purchase Agreement”) pursuant to which Altice VII will, through a wholly owned subsidiary, purchase all of the outstanding shares of Coditel Holding held by the Coditel Minority Shareholder (the “2013 Coditel Acquisition”). The consummation of the 2013 Coditel Acquisition is not subject to regulatory approvals and Altice VII has until November 29, 2013 to pay the consideration to the Coditel Minority Shareholder under the Coditel Purchase Agreement. It is expected that the 2013 Coditel Acquisition will be consummated on or prior to November 29, 2013 and will be funded in part by using the remaining amounts available under the 2013 Term Loan.

Acquisition of Ma Chaîne Sport and Sportv

On October 4, 2013, Altice IV and Altice VII entered into sale and purchase agreements relating (i) to the sale on the same day by Altice IV and Valemi Corp of their respective shareholding (of approximately 65% and 35%, respectively) in Sportv S.A. (a producer of sport related content) to Ma Chaîne Sport S.A.S (a producer of sports related content) and (ii) to the sale on the same day by Altice IV and Valemi Corp of all or part of their respective shareholdings (of approximately 68% and 32%, respectively) in Ma Chaîne Sport S.A.S to Altice VII. In addition, on October 10, 2013, the general shareholders’ meeting of Ma Chaîne Sport S.A.S decided on a capital decrease of €5 million by way of a share buy-back of the remaining shares in Ma Chaîne Sport S.A.S held by Valemi Corp which was not sold under the sale and purchase agreement. As a result of these transactions, Altice VII now holds all of the outstanding equity interests in Ma Chaîne Sport S.A.S which in turn holds 100% of Sportv S.A.



Acquisition of the Mobius Group

On October 22, 2013, Altice Blue Two (a subsidiary of Altice VII) entered into an agreement pursuant to which Altice Blue Two will acquire the Mobius Group. The Mobius Group is a telecommunications operator in the Overseas Territory of La Reunion, providing Internet access to professional clients under the “Mobius Technology” brand and double and triple play services based on xDSL technology to residential customers under the “IZI” brand if. The consummation of the Mobius Acquisition is expected to occur in the first quarter of 2014 and is subject to the satisfaction of customary closing conditions, including regulatory approval.

Network Sharing Agreement

On November 8, 2013, HOT Mobile entered in to a network sharing agreement (the “Network Sharing Agreement”) with Partner Communications Company Ltd (“Partner”). Pursuant to the terms of the Network Sharing Agreement, HOT Mobile and Partner will each own 50% of a newly formed limited partnership. The Network Sharing Agreement enables HOT Mobile and Partner to share antennas and frequencies, and facilitates optimum utilization of the spectrum. In addition, while HOT Mobile and Partner will continue to maintain and operate separate core networks, Partner has agreed to grant HOT Mobile a right of use in its cellular communication network for the purpose of providing nation-wide cellular coverage to HOT Mobile’s customers. The agreement was signed for a period of 15 years and shall be valid until December 31, 2028. We expect the Network Sharing Agreement to result in savings relating to roaming, network and maintenance expenses.

Other Transactions

The Group intends to designate Green Datacenter and Auberimmo as unrestricted subsidiaries in accordance with the terms of our debt instruments and upon such designation these entities will not be subject to the covenants under the terms of our debt instruments.



The Group is evaluating its opportunities in accessing equity and debt capital markets and has undertaken preliminary steps in connection with a potential initial public offering. Consequently, Altice VII or a parent of Altice VII may seek to commence an initial public offering in the short or medium term, although there is no assurance that any such transaction will be executed.

Schedule of upcoming events

- **March 10, 2014** : full year 2013 results

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Appendix

Nine Months Ended September 30, 2013 compared to Nine Months Ended September 30, 2012

1.1. Historical Consolidated Income Statement

Statement of Income Items	Historical Consolidated Financial Information			
	For the nine months ended		Change	
	2012	2013	Amount	%
	€ in millions except percentages			
Revenue				
Cable based services	644.7	694.5	31.4	5.2
Mobile services	125.3	175.9	50.6	40.4
B2B and others.....	43.0	58.0	33.4	77.4
Total Revenue.....	813.0	928.4	115.4	14.2
Purchasing and subcontracting services	(216.6)	(262.2)	(45.5)	(21.1)
Gross Profit.....	596.4	666.2	69.8	11.7
Other operating expenses.....	(189.1)	(192.3)	(3.2)	1.7
General and administrative expenses.....	(41.7)	(43.6)	(1.9)	4.3
Other sales and marketing expenses	(60.8)	(53.3)	7.5	(12.3)
Operating income before depreciation and amortization	304.7	377.1	72.4	23.8
Depreciation and amortization	(290.9)	(277.6)	13.3	4.6
Other expenses, net.....	(14.4)	(8.9)	5.5	38.2
Management fees.....	(2.6)	(0.7)	1.9	73.1
Reorganization and extraordinary costs	(8.4)	(3.4)	5.0	59.5
Share of profit of associates.....	-	-	-	-
Operating profit.....	(11.5)	86.5	98.0	852.2
Finance income.....	4.3	36.2	31.9	741.9
Finance costs.....	(114.4)	(184.3)	(69.9)	61.1
Profit before taxes on revenue.....	(121.7)	(61.6)	60.1	(49.4)
Income tax benefits/(expenses).....	(1.0)	(27.5)	(26.5)	2650.0
Profit for the year	(122.7)	(89.1)	33.6	(27.4)
<i>Attributable to equity holders of the parent</i>	<i>(92.4)</i>	<i>(83.1)</i>	<i>9.3</i>	<i>(10.1)</i>
<i>Attributable to non-controlling interests.....</i>	<i>(30.3)</i>	<i>(6.0)</i>	<i>24.3</i>	<i>(80.2)</i>

1.2. Historical Consolidated Balance Sheet

Altice VII S.à r.l.

Condensed consolidated statement of financial position

As of September 30, 2013

	September 30, 2013	December 31, 2012
	<i>(€ in millions)</i>	
ASSETS		
Current assets		
Cash and cash equivalents	61.9	129.7
Trade & other receivables	279.7	183.2
Inventories	11.1	6.1
Current tax assets	10.8	5.5
Total current assets	363.4	324.5
Non-current assets		
Restricted cash	10.2	9.6
Deferred tax assets	38.9	19.3
Investments in financial assets held as available for sale	39.2	6.1
Trade & other receivables	37.8	43.3
Property, Plant & Equipment	1,141.2	1,067.8
Other Intangible assets	555.1	458.5
Goodwill	1,126.7	790.9
Total non-current assets	2,949.0	2,395.5
Total assets	3,312.4	2,720.0

EQUITY AND LIABILITIES

Current liabilities

Borrowings from banking corporations and debentures	47.6	113.2
Trade and other payables	482.4	419.4
Current loans from related parties	5,7	2.7
Current tax liabilities	19.9	10.7
Provisions	2.2	-

Total current liabilities

557.9 **546.0**

Non-current liabilities

Borrowings from banking corporations and debentures	2,232.0	1,435.6
Non-current loans from related parties	101,2	109.0
Other financial liabilities	203.8	111.0
Provisions	27.2	25.6
Other non-current liabilities	49.8	49.5
Retirement benefit obligations	9.0	9.1
Deferred tax liabilities	219.6	148.2

Total non-current liabilities

2,842.7 **1,888.3**

Equity

Issued capital	7.4	7.4
Share premium	5.4	-
Other reserves	(3.5)	277.5
(Accumulated losses)/retained earnings	(4.4)	144.5
Loss for the period	(83.1)	(148.9)

Equity attributable to shareholders of the parent

(78.1) **280.5**

Non-controlling interests

(9.8) **5.2**

Total equity

(87.8) **285.7**

Total equity and liabilities

3,312.4 **2,720.0**

1.3. Historical Consolidated Statement of Cash Flow

Historical Consolidated Financial Information		
For the nine months ended September 30,		
	2012	2013
	€ in millions	
Cash and cash equivalents at beginning of period	19.8	129.7
Net cash provided by (used in) operating activities	323.5	289.0
Net cash provided by (used in) investing activities	(300.6)	(502.3)
Net cash provided by (used in) financing activities	(10.2)	145.4
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
Cash and cash equivalents at end of period	32.6	61.9

1.4. Consolidated Capital expenditures on a Historical Basis

Historical Consolidated Financial Information		
For the nine months ended September 30,		
	2012	2013
	€ in millions	
Cable based services	194.8	137.7
Mobile services	66.3	38.9
B2B and others	8.5	9.9
Total Capital Expenditures	269.6	186.6



NOT AN OFFER TO SELL OR SOLICITATION OF AN OFFER TO PURCHASE SECURITIES

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Certain statements in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 result or be achieved or accomplished. To the extent that statements in this press release 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.

FINANCIAL MEASURES

This press release contains measures and ratios (the "Non-IFRS Measures"), including EBITDA and Adjusted EBITDA, Annualized EBITDA and Net Annualized Leverage that are not required by, or presented in accordance with, IFRS or any other generally accepted accounting standards. We present Non-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 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 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 as reported by us to EBITDA of other companies. EBITDA as presented herein differs from the definition of "Consolidated Combined EBITDA" for purposes of any 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.