



ALTICE – SECOND QUARTER 2014 RESULTS

Strong EBITDA growth driven by cost restructuring in International business

August 7, 2014: Altice SA (Euronext: ATC NA) today announces financial and operating results for the quarter ended June 30, 2014.

Strong pro forma¹ EBITDA growth

- Revenue of €837m, down 1.3% (up 0.7% on CC² basis)
 - €502m International Revenue, down 3.8% (down 0.6% on CC basis)
 - €335m France Revenue, up 2.8%
- EBITDA of €383m, up 8.5% (up 10% on CC basis)
 - €225m International EBITDA, up 13% (up 17% on CC basis)
 - €158m France EBITDA, up 2.7%
- EBITDA margin expanded by 4.1% pts to 45.8%
 - International margin expanded by 6.6% pts to 44.9%
 - France margin flat at 47.2%
- Operating Free Cash Flow³ of €202m, up 8.0% (up 10% on CC basis)
 - €132m International OpFCF up 35% (up 40% on CC basis)
 - €70m France OpFCF down 21%

Strategic progress

- France
 - Signed purchase agreements for SFR and Virgin Mobile
 - Regulatory process on schedule and proceeding as expected
 - Increased Numericable stake to 74.6% ahead of rights issue
 - €122m paid for call options for 2.6% Numericable stake
 - Acquired 34.6% Numericable stake from Carlyle & Cinven
 - Issued 25m Altice SA shares; will pay €529m cash to C&C
- Altice SA
 - Completed equity capital raise of €911m (18m shares)



Key operational progress

- France: Customer growth driving 2.4% cable revenue growth
- Israel
 - Strong triple-play, hi-speed broadband and UMTS sub growth
 - Slowing cable customer losses
 - Cost restructuring driving 14% EBITDA growth
- Dominican Republic:
 - 7% mobile and 8% cable customer growth
 - Cost savings/synergies driving 6.9% pts increase in EBITDA margin
- French Overseas Territories:
 - 10% postpaid mobile customer growth; 5.1% mobile ARPU growth
 - Cost savings/synergies driving 24% EBITDA growth

Dexter Goei, Chief Executive Officer of Altice, said: “We drove strong EBITDA and cashflow growth in the second quarter, as we continued our successful strategy of driving cost efficiencies, particularly in Israel, the Dominican Republic and the French Overseas Territories.”

Notes: ¹ Year-on-year comparisons are pro forma for all completed acquisitions. ² Constant currency. ³ Defined as EBITDA less Capital Expenditure.

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Conference call details

The company will host a conference call and webcast to discuss the results at 4pm CET today.

Webcast: <http://www.media-server.com/m/p/cnyhn3ug>

Conference call: UK: +44(0)20 3427 1904 USA: +1 718 354 1158

Confirmation Code: 6098960

Financial Presentation

Altice S.A. (the "Company") was incorporated on January 3, 2014. However, its operating subsidiaries have operated for several years and have from time to time made significant equity investments in a number of cable and telecommunication businesses in various jurisdictions. Therefore, in order to facilitate an understanding of the Company's results of operations, we have presented and discussed the pro forma consolidated financial information of the Company (giving effect to each such significant acquisition as if such acquisitions had occurred by January 1, 2014 including the financials of Numericable Group S.A., Orange Dominicana S.A. and Tricom S.A.) for the quarter ended June 30, 2014 (the "Pro Forma Consolidated Financial Information") and the Aggregated Information (giving effect to each such significant acquisition as if such acquisitions had occurred by January 1, 2013 including the financials of Numericable Group S.A. and Orange Dominicana S.A.) for the quarter ended June 30, 2013 (the "Aggregated Information"). Neither the Pro Forma Consolidated Financial Information nor the Aggregated Information has been prepared in accordance with the requirements of Regulation S-X under the U.S. Securities Act or the requirements of the European Union Directive 2003/71/EC (as amended.) The Pro Forma Consolidated Financial Information and the Aggregated Information have not been audited in accordance with any generally accepted auditing standards. The Pro Forma Consolidated Financial Information and the Aggregated Information include results of operations data of the acquired businesses even though we may not have owned or controlled such acquired businesses for all or any of the duration of the periods presented and would not have been permitted under IFRS to consolidate the results of such acquired businesses in any historical financial statements. In addition, since we do not present any Aggregated Information below the line item "operating income before depreciation and amortization", the non -controlling interests in the operating results of the acquired businesses are not reflected therein.

The Pro Forma Consolidated Financial Information and the Aggregated Information are 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 and the Aggregated 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 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.

Financial and statistical information and comparisons

Financial and statistical information is at and for the quarter ended June 30, 2014, unless otherwise stated. Where financial or statistical information is given for the quarter ended June 30, 2014, any comparisons are to the quarter ended June 30, 2013, unless otherwise stated.



Summary Financials

Pro forma and Aggregated Information

Q2-14 (€m)

	Israel	Dominican Republic	Belgium and Luxembourg	Portugal	French Overseas Territories ¹	Others ²	Total International	France	Total
Revenue									
Cable	171.9	21.4	15.2	25.2	19.1	-	252.7	220.2	473.0
Mobile	41.9	110.9	0.3		34.6	-	187.7		187.7
B2B and others		14.8	2.5	22.6	5.9	17.0	62.8	115.9	178.6
Adjustments	-	-	-	-	(1.3)	-	(1.3)	(1.3)	(2.6)
Total Revenue	213.8	147.1	18.0	47.8	58.2	17.0	501.9	334.8	836.7
EBITDA³	105.3	65.3	12.2	15.2	24.7	2.6	225.3	158.0	383.3
<i>EBITDA margin</i>	49.2%	44.4%	67.7%	31.8%	42.4%	15.4%	44.9%	47.2%	45.8%
Capex	49.4	12.9	5.3	6.5	11.5	7.9	93.4	87.7	181.1
<i>Capex / Revenue</i>	23.1%	8.8%	29.4%	13.6%	19.7%	46.3%	18.6%	26.2%	21.6%
Operating FCF	55.9	52.4	6.9	8.7	13.2	(5.3)	131.9	70.3	202.2
<i>OpFCF / Revenue</i>	26.2%	35.6%	38.3%	18.2%	22.7%	-30.9%	26.3%	21.0%	24.2%

Q2-13 (€m)

	Israel ¹	Dominican Republic	Belgium and Luxembourg	Portugal	French Overseas Territories	Others	Total International	France	Total
Revenue									
Cable	177.6	22.8	17.0	28.0	20.0	-	265.4	215.0	480.4
Mobile	46.8	109.9	0.3		33.3	-	190.4	-	190.4
B2B and others	-	15.8	0.1	25.8	6.0	18.5	66.2	110.6	176.8
Adjustments	-	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Total Revenue	224.4	148.5	17.4	53.8	59.2	18.5	521.9	325.6	847.5
EBITDA	92.0	55.7	12.3	15.4	20.0	4.1	199.6	153.8	353.4
<i>EBITDA margin</i>	41.0%	37.5%	70.5%	28.6%	33.8%	22.2%	38.2%	47.2%	41.7%
Capex	51.0	23.1	5.9	7.3	10.3	4.3	101.9	64.3	166.2
<i>Capex / Revenue</i>	22.7%	15.5%	33.8%	13.5%	17.4%	23.2%	19.5%	19.7%	19.6%
Operating FCF	41.0	32.6	6.4	8.1	9.7	(0.2)	97.7	89.5	187.2
<i>OpFCF / Revenue</i>	18.3%	22.0%	36.7%	15.1%	16.4%	-1.1%	18.7%	27.5%	22.1%

Notes to Summary Financials

- (1) For the French Overseas Territories, cable revenue includes revenues from cable services we provide in Guadeloupe and Martinique as well as xDSL based broadband Internet (including IPTV) and fixed-line telephony services we provide in Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.
- (2) Comprises 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.) Also includes Corporate costs which includes holding company salaries, administration, accounting, legal, professional and other costs.
- (3) EBITDA is defined as operating profit before depreciation and amortization, other expenses, net, management fees, reorganization and extraordinary costs, share of profit of associates and equity based compensation.



Group KPIs

Q2-14

As and for the quarter ended June 30, 2014
in thousands except percentages and as otherwise indicated

	France	Israel ⁶	Dominican Republic	Belgium and Luxembourg	Portugal	French Overseas Territories ⁷	Total ⁸
CABLE-BASED SERVICES							
Market and Network							
Homes passed	9,965	2,319	473	233	909	154	14,053
Docsis 3.0 upgraded	56%	100%	100%	100%	100%	91%	-
Unique Customers							
Cable customers ¹	1,343	1,108	115	111	230	41	2,948
Cable customer net adds	3	(8)	3	(2)	(3)	2	(5)
Triple-play customers	857	478	12	50	134	22	1,553
Triple-play penetration	64%	43%	11%	45%	58%	53%	53%
RGUs & Penetration^{2,3}							
Total RGUs	3,253	2,298	188	237	588	85	6,649
Pay TV	1,130	874	113	125	218	41	2,501
Pay TV net adds	2	2	2	(2)	(3)	2	3
Pay TV penetration	11%	38%	24%	54%	24%	27%	18%
Broadband	1,075	739	38	59	154	22	2,086
Broadband net adds	13	-	3	1	(1)	3	20
Broadband penetration	11%	32%	8%	25%	17%	14%	15%
Telephone	1,049	685	37	53	217	22	2,062
Telephone net adds	15	6	6	-	(2)	3	27
Telephone penetration	11%	30%	8%	23%	24%	14%	15%
RGUs per cable customer	2.42	2.07	1.64	2.14	2.56	2.06	2.26
ARPU⁴							
Cable ARPU	€ 39.92	€ 48.61	€ 29.22	€ 43.00	€ 34.35	€ 56.70	-
xDSL / NON-CABLE							
RGUs							
Total RGUs	77	-	342	-	-	203	597
Broadband	33	-	98	-	-	76	207
Telephone	33	-	244	-	-	113	390
MOBILE							
Market and Network							
UMTS mobile coverage	-	57%	77%	-	-	90%	-
Subscribers							
Total mobile subscribers ⁵	221	889	3,768	4	-	368	5,250
Mobile net adds	18	41	79	1	-	(6)	133
Postpaid subscribers	220	884	686	4	-	203	1,996
Prepaid subscribers	0	5	3,083	-	-	166	3,254
ARPU⁴							
Mobile ARPU	€ 11.39	€ 14.94	€ 8.47	€ 31.10	-	€ 28.27	-

**Q2-13**

As and for the quarter ended June 30, 2013
in thousands except percentages and as otherwise indicated

	France	Israel ⁶	Dominican Republic	Belgium and Luxembourg	Portugal	French Overseas Territories ⁷	Total ⁸
CABLE-BASED SERVICES							
Market and Network							
Homes passed	9,890	2,279	423	233	906	154	13,885
Docsis 3.0 upgraded	50%	100%	78%	100%	90%	50%	-
Unique Customers							
Cable customers ¹	1,331	1,172	106	116	243	39	3,007
Cable customer net adds	(4)	(16)	0	(2)	(5)	(0)	(27)
Triple-play customers	818	447	6	50	139	14	1,474
Triple-play penetration	61%	38%	5%	43%	57%	37%	49%
RGUs & Penetration^{2,3}							
Total RGUs	3,145	2,356	148	240	617	67	6,573
Pay TV	1,148	894	106	131	231	39	2,548
Pay TV net adds	(10)	(4)	0	(2)	(6)	(0)	(23)
Pay TV penetration	12%	39%	25%	56%	26%	25%	18%
Broadband	1,016	774	25	56	156	14	2,041
Broadband net adds	10	0	2	1	(2)	1	12
Broadband penetration	10%	34%	6%	24%	17%	9%	15%
Telephone	982	688	17	53	230	14	1,984
Telephone net adds	12	4	2	-	(6)	1	12
Telephone penetration	10%	30%	4%	23%	25%	9%	14%
RGUs per cable customer	2.36	2.01	1.39	2.07	2.54	1.74	2.19
ARPU⁴							
Cable ARPU	€ 39.83	€ 47.88	€ 30.73	€ 41.00	€ 35.14	€ 53.87	-
xDSL / NON-CABLE							
RGUs							
Total RGUs	27	-	350	-	-	214	578
Broadband	13	-	96	-	-	80	189
Telephone	13	-	254	-	-	123	389
MOBILE							
Market and Network							
UMTS mobile coverage	-	49%	77%	-	-	89%	-
Subscribers							
Total mobile subscribers ⁵	151	761	3,529	3	-	369	4,813
Mobile net adds	15	3	63	-	-	(10)	71
Postpaid subscribers	148	746	609	3	-	184	1,690
Prepaid subscribers	2	15	2,920	-	-	185	3,123
ARPU⁴							
Mobile ARPU	€ 12.76	€ 17.08	€ 9.43	€ 36.30	-	€ 26.89	-

Notes to Group KPIs

- (1) Cable Customers represents the number of individual end users who have subscribed for one or more of our cable based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. Cable Customers does not include subscribers to either our mobile or ISP services. Cable Customers for France excludes white-label subscribers.
- (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 are counted on a per service basis and RGUs for telephony are counted on a per line basis.



- (3) Penetration rates for our pay television, broadband and 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 and Dominican Republic, ARPU has been calculated by using the following exchange rates: (i) average rate for Q2-13, €1 = NIS 4.74 / DOP 54.8 and (ii) average rate for Q2-14, €1 = NIS 4.75 / DOP 61.6. For Dominican Republic Mobile ARPU, only the ARPU for Orange Dominica is shown i.e. it excludes Tricom
- (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 June 30,	
	2013	2014
	in thousands	
Mobile Subscribers		
iDEN.....	247	196
UMTS.....	514	693
Total	761	889

- (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) Cable-based information 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
- (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.
- (9) Excludes French Guiana.



Financial Review - Pro Forma and Aggregated Basis

for quarter ended June 30, 2014 compared to quarter ended June 30, 2013

Group

Total group revenue of €836.7m, decreased 1.3% mainly due to declines in Israel and Portugal, partially offset by growth elsewhere. Dominican Republic revenue was affected by adverse currency movements; underlying growth here was very strong at 11% on a constant currency basis. Total group revenue increased by 0.7% on a constant currency basis.

Group EBITDA increased by 8.5% to €383.3m mainly due to cost reductions in Israel and the Dominican Republic. Growth on a constant currency basis was 10%. EBITDA margin expanded by 4.1% points to 45.8%.

Group Capex was up 7.5% at €181.1m mainly due to the ongoing network upgrade in France.

Group OpFCF increased by 8.0% to €202.2m mainly due to the EBITDA growth, partially offset by the increased capex in France. International OpFCF grew by 35% to €131.9m.

France

Total revenue in France of €334.8m increased by 2.8% due to growth in both cable and B2B and other revenue. This is an acceleration of growth compared to the previous quarter, when growth was 0.4%.

Cable revenue increased by 2.4% mainly due to customer growth. Total customers, including whitelabel grew by 3.6% over the last twelve months to 1.7m. The number of multiplay customers has grown by 6.0% to 1,062,000.

Customer growth is being driven by demand for high-speed broadband and the innovations of La Box, Numericable's high-end set top box. The number of broadband subscribers has grown by 5.9% to 1,075,000. The number of La Box



subscribers has now reached nearly 380,000 which is around 35% of multi-play subscribers.

B2B and other revenue increased by 4.8% mainly due to growth in data revenue and the effect of the acquisition of LTI Telecom. This was partially offset by declining voice and wholesale revenues which have been affected by decreases in regulated termination rates.

EBITDA was up 2.7% at €158.0m. EBITDA margin was flat at 47.2%. Capex was up 36% at €87.7m due to the ongoing network upgrade to Docsis 3.0. Upgraded homes increased by 632,000 in the last twelve months and by 204,000 in the second quarter to reach 5.6m homes. We are in the first year of a new three-year programme to upgrade over three million homes at a total cost of €220m to €230m.

Israel

Total revenue in Israel was €213.8m, down 4.7%. The Israeli shekel weakened slightly over the last twelve months versus the Euro. Accordingly, at a constant exchange rate, total revenue decreased by 4.5%, cable revenue decreased 3.0% and mobile revenue decreased 10%.

Cable revenue was down as a 2.0% constant currency increase in ARPU was offset by a 5.5% decline in cable customers.

Our cable customer base declined by 64,000 or 5.5% in the last twelve months to 1,108,000, mainly due to natural evolution towards triple-play. Also in the second half of 2013, 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. However, customer losses have slowed to just 8,000 in the second quarter, compared to 12,000 in the previous quarter and 16,000 in the same quarter last year.

ARPU increased mainly due to our successful focus on growing triple-play penetration and increasing the take-up of higher-value superfast broadband



services. This has been helped by the launch of our HOT Fibre box, which now has 15,000 subscribers, and the launch of 200Mb broadband.

Triple play penetration grew from 38% to 43% but an even higher proportion, 60% of gross additions, are now taking triple-play, compared to 52% a year ago. Broadband mix is also improving, with 65% of our broadband customer base on speeds of at least 30Mb, compared to 39% a year ago.

We began a phased price increase across our customer base on February 1st 2014. Approximately 346,000 customers had received a price increase by the end of the quarter. We also increased the price of our VOD service on February 1st.

Mobile revenue decreased mainly due to a decrease in handset sales, partially offset by increased service revenue. Handset sales declined by 34% to €5.4m on a constant currency basis due to intensive price competition.

Total mobile service revenues increased by 2.1% to €39.9m on a constant currency basis as growth in the UMTS subscriber base offset a decrease in the iDEN subscriber base and lower ARPU.

The UMTS subscriber base increased by 35% to 693,000. The iDEN subscriber base decreased by 21% to 196,000 as a result of reduced demand for this older technology.

Total mobile ARPU declined by 12% on a constant currency basis due to continued intensive price competition and the shift in mix from higher ARPU iDEN to lower ARPU UMTS.

Total EBITDA in Israel was €105.3m, up 15% on a constant currency basis. EBITDA margin expanded by 8.2% pts to 49.2% mainly due to lower operating expenses as a result of our cost restructuring programme and our new mobile roaming agreement.

Capex in Israel decreased from €51.0m to €49.4m.



Dominican Republic

Total revenue in the Dominican Republic of €147.1m decreased by 1.0% as adverse currency movements outweighed very strong underlying growth. The Dominican Peso weakened over the last twelve months versus the Euro by 11% on average. Accordingly, at a constant exchange rate, total revenue actually increased by 11%. The Peso weakened by 4.2% versus the dollar, which is a more relevant comparison as it is a dollar-linked economy and we financed our acquisitions in the Dominican Republic with dollar denominated debt.

Mobile revenue increased by 14% on a constant currency basis to €110.9m, mainly due to the strong growth in the mobile subscriber base, which grew 6.8% to 3.8m. We attribute this to favourable market dynamics in the Dominican Republic, increased market share due to the positive perception of the Orange brand and the quality of our service, on-going network improvements and Orange Dominicana's ("ODO") competitive offers. ODO's mobile ARPU was up 1.1% on a constant currency basis at DOP 522 (€8.47 at average Q2-14 exchange rate.)

On a constant currency basis, cable revenue increased by 5.7% to €21.4m. We grew the cable customer base by 8.5% as we increased network coverage and upgraded broadband speeds.

EBITDA in the Dominican Republic was €65.3m. On a constant currency basis, EBITDA increased by 32%. EBITDA margin expanded from 37.5% to 44.4% mainly due to the improving revenue trend and cost savings and synergies following our acquisition.

Capex fell by 37% on a constant currency basis to €12.9m, primarily due to lower network spend. In addition, Orange Dominicana spent a one-off €20.8m on a 3G mobile spectrum licence in the quarter. The purchase price that Altice paid for Orange Dominicana was reduced by this amount and therefore we have not included this in Capex.



Portugal

Total revenue in Portugal of €47.8m decreased by 11%, reflecting a 10% decline in cable revenue to €25.2m and a 12% decline in B2B and other revenue to €22.6m.

Cable revenue declined mainly due to customer losses during the year. The cable customer base fell by 3,000 in the quarter and by 13,500 or 5.5% in the last twelve months to 230,000. This was the result of intense competition, with aggressive promotions and pricing policies adopted by competitors, combined with adverse economic conditions and austerity measures in Portugal. Cable ARPU fell by 2.2% to €34.35 due to more aggressive discounting and promotional offers.

The decrease in B2B and other revenue in Portugal was primarily due to the loss of and reduced activity at certain business clients, some contract renewals at lower prices and the impact of lower regulated termination rate cuts.

EBITDA in Portugal was relatively flat at €15.2m. EBITDA margin expanded from 28.6% to 31.8% mainly due to improved margins at our recently acquired B2B business, ONI, which expanded from 15% to 23%.

Capex in Portugal was down from €7.3m to €6.5m.

French Overseas Territories (FOT)

Total revenue in the French Overseas Territories of €58.2m declined by 1.6% as a 3.8% increase in mobile revenue was offset by a 4.6% decrease in cable revenue.

Mobile revenue increased by 3.8% to €34.6m mainly due to a shift mix from lower ARPU prepaid subscribers to postpaid subscribers, which drove a 5.3% increase in ARPU. Cable revenue decreased mainly due to lower DSL revenues.



EBITDA in FOT was €24.7m, up 24%. EBITDA margin expanded from 33.8% to 42.4% mainly as a result of the cost optimization programme at Outremer Telecom following its acquisition.

Capex was up from €10.3m to €11.5m.

Belgium and Luxembourg (Benelux)

Total revenue in Benelux was up 3.3% at €18.0m. EBITDA was flat at €12.2m. EBITDA margin remained strong at 67.7%. Capex was relatively flat at €5.3m.

Others

Other revenue was down from €18.5m to €17.0m. EBITDA was down from €4.1m to €2.6m. Capex increased from €4.3m to €7.9m due to a new data centre being built in Switzerland.

Guidance

We reiterate our guidance that we expect International EBITDA margin to expand from 39% in 2013 to the mid-40s for the full year 2014.



Acquisitions

Orange Dominicana

On April 9, 2014, Altice completed the acquisition of Orange Dominicana SA, a mobile operator in the Dominican Republic for approximately \$1.4bn (€1.0bn equivalent).

Increasing Numericable stake

On May 8, 2014, Altice paid €42m to Carlyle and Cinven as an “earn-out” related to the 10% stake in Numericable that Altice purchased on February 6, 2014. The earn-out was based on the volume weighted average price of Numericable’s shares up to May 8, 2014.

On June 6, 2014, Altice announced that its subsidiary, Altice France, controlling shareholder of Numericable Group, had completed the acquisition of the entirety of the stakes held by Pechel Funds ("Pechel") and the Five Arrows Funds ("Five Arrows") in the share capital of Numericable Group (2,643,405 shares from Pechel and 604,207 shares from Five Arrows, i.e. approx. 2.6% of the share capital of Numericable Group) after exercising the call options granted by Pechel and Five Arrows on November 7, 2013. This acquisition was implemented at a price of €37.41 per share for a total consideration of c€121.5m paid in cash. The purchase was funded by increased indebtedness at Altice France.

Immediately following this acquisition, Altice France held directly 40% of the shares in Numericable Group and the shareholders' agreement entered into between Altice France, Pechel and Five Arrows, in place since the initial public offering of Numericable Group on the Paris market of NYSE Euronext in November 2013, was terminated.

On July 24, 2014, Altice announced that its wholly-owned subsidiary, Altice France S.A. (“Altice France”), had acquired a 34.6% stake in Numericable Group S.A. (“Numericable”) from Carlyle Cable Investments SC (“Carlyle”) and CCI (F3) S.à r.l (“Cinven”), as previously announced on April 7, 2014.



A first portion, representing approximately 20.6% of Numericable shares out of the 34.6% purchased, was financed by the issuance of 24,751,873 new ordinary shares by Altice S.A.

The new ordinary shares of €0.01 in the capital of Altice S.A. were subscribed for by Carlyle and Cinven in exchange for the contribution in kind to Altice S.A. of, in aggregate, 25,517,396 shares in Numericable. This represents a stake of 20.6% in Numericable, which Altice S.A. transferred to Altice France.

Immediately following this, Altice S.A.'s total number of shares outstanding was 247,722,490 and Carlyle owns 6.7% and Cinven owns 3.3% of Altice.

The remaining portion, representing approximately 14% of Numericable shares out of the 34.6% purchased, will need to be settled in cash by Altice France by January 31, 2015.

Following these two transactions, Altice France's stake in the share capital of Numericable has increased from 40% to 74.6%. The completion of these transactions was preceded by the granting to Altice France of a waiver from the obligation to launch a tender offer on all the Numericable's shares of common stock by the French Autorité des Marchés Financiers.

These transactions terminated the shareholders' agreement entered into between Altice France, Carlyle and Cinven, in place since the initial public offering of Numericable on the Euronext Paris Market of NYSE Euronext in November 2013.

SFR Transaction

On June 23, 2014, Vivendi, Altice and Numericable announced that they have signed the definitive agreement regarding a combination between SFR and Numericable.

At closing, Vivendi will receive €13.5 billion (excluding adjustments) and will keep a 20% stake in the new combination, which it could sell at a later stage after a one year lock-up period. It will also receive an earn-out of €750 million depending on the future financial performance of the new group (EBITDA-



Capex at least equal to €2 billion during one fiscal year). (Further details to be found in the Vivendi April 5, 2014, press release).

The closing of the agreement is subject to certain conditions, in particular obtaining approval from the relevant administrative authorities.

Virgin Mobile transaction

On June 30, 2014 Altice SA announced that its subsidiary, Numericable, had signed the closing agreement to acquire 100% of the capital of Omer Telecom Limited, the holding company which operates in France under the Virgin Mobile brand. The agreement is dependent upon obtaining approval from the administrative authorities concerned.

Vivendi will contribute €200m to finance this acquisition which has a total enterprise value of €325m.



Capital Structure

Debt to fund SFR Transaction

On 23rd April, 2014, Altice S.A. announced that it had priced an offering of (i) €2,075 million in aggregate principal amount of its 7 1/4% Senior Notes due 2022 ("Senior Euro Notes") and (ii) \$2,900 million aggregate principal amount of its 7 3/4% Senior Notes due 2022 ("Senior Dollar Notes" and, together with the Senior Euro Notes, the "Senior Notes"). Following their release from escrow, proceeds of the Senior Notes will be used to (i) exercise all preferential subscription rights to be allocated to Altice France S.A. ("Altice France"), a wholly-owned subsidiary of Altice S.A., pursuant to the €4,732 million rights issue by Numericable Group S.A. ("Numericable") comprising ordinary shares with preferential subscription rights to its existing shareholders (the "Numericable Rights Issue"), (ii) repay certain existing indebtedness of Altice France, and (iii) pay fees and expenses related thereto. The offering of the Senior Notes closed on May 8, 2014, the proceeds from such offering are now held in segregated escrow accounts pending satisfaction of certain escrow release conditions (including the completion of the Numericable Rights Issue).

On 23rd April 2014, Numericable, a subsidiary of Altice S.A., announced that it had priced an offering of (i) \$2,400 million aggregate principal amount of its 4 7/8% Senior Secured Notes due 2019 (the "2019 Senior Secured Notes"), (ii) €1,000 million aggregate principal amount of its 5 3/8% Senior Secured Notes due 2022 (the "Euro 2022 Senior Secured Notes"), (iii) \$4,000 million aggregate principal amount of its 6.0% Senior Secured Notes due 2022 (the "Dollar 2022 Senior Secured Notes"), (iv) €1,250 million aggregate principal amount of its 5 5/8% Senior Secured Notes due 2024 (the "Euro 2024 Senior Secured Notes"), and (v) \$1,375 million aggregate principal amount of its 6 1/4% Senior Secured Notes due 2024 (the "Dollar 2024 Senior Secured Notes", and together with the 2019 Senior Secured Notes, Euro 2022 Senior Secured Notes, Dollar 2022 Senior Secured Notes, Euro 2024 Senior Secured Notes, the "Senior Secured Notes" and, together with the Senior Notes, the "Notes"). Following their release from escrow, proceeds of the Senior Secured Notes, together with borrowings under a senior secured loan credit facility entered into by Numericable on May 8, 2014 in an aggregate principal amount equivalent to €3,780 million (equivalent) and the proceeds of the Numericable Rights Issue,



will be used by Numericable to (i) pay €13.5bn cash consideration to Vivendi S.A. to acquire 100% of the capital of SFR (other than 15 shares in SFR not held by Vivendi S.A.) and all of the shares of another subsidiary of Vivendi S.A., SIG 50 (the "Acquisition"), (ii) refinance certain existing indebtedness of Numericable and its subsidiaries, (iii) purchase the shareholder note owed by SFR to Vivendi S.A. and (iv) pay fees and expenses related thereto. The offering of the Senior Secured Notes closed on May 8, 2014, and the proceeds from such offering are now held in segregated escrow accounts pending satisfaction of certain escrow release conditions (including completion of the acquisition of SFR).

Capital Increase

On June 24, 2014, Altice announced that it had completed a €911 million capital increase by issuing 17.9 million ordinary shares via an accelerated bookbuilt offer. Altice announced that the proceeds will be used for (a) financing the €529m cash payment to Carlyle and Cinven for their 14% stake in Numericable due in January 2015, (b) reducing net debt, which had recently been affected by a €122m cash payment made to Pechel and Five Arrows to exercise call options from for 2.6% stake in Numericable, and (c) general corporate purposes.

As stated above, on July 24, 2014, Altice announced that its wholly-owned subsidiary, Altice France S.A. ("Altice France"), had acquired a 34.6% stake in Numericable Group S.A. ("Numericable") from Carlyle Cable Investments SC ("Carlyle") and CCI (F3) S.à r.l ("Cinven"), as previously announced on April 7, 2014.

A first portion, representing approximately 20.6% of Numericable shares out of the 34.6% purchased, was financed by the issuance of 24,751,873 new ordinary shares by Altice S.A.

The new ordinary shares of €0.01 in the capital of Altice S.A. were subscribed for by Carlyle and Cinven in exchange for the contribution in kind to Altice S.A. of, in aggregate, 25,517,396 shares in Numericable. Immediately following this, Altice S.A.'s total number of shares outstanding was 247,722,490 and Carlyle owns 6.7% and Cinven owns 3.3% of Altice.



Margin loan repaid

Following the quarter end, in July, Altice France repaid its €446m margin loan using proceeds from the equity capital raise in June.



Financial Review – Historical Actual Basis

for quarter ended June 30, 2014 compared to quarter ended June 30, 2013

Revenue for the quarter was €836.7m, up from €288.5m in Q2-13. Operating profit before depreciation, amortization and non-recurring costs was €373.6m, up from €119.7m. Growth in both these figures was due to the several acquisitions that we have made in the last twelve months as well as organic growth in our existing and acquired businesses.

- In July 2013, we acquired Outremer Telecom in the French Overseas Territories.
- In August 2013, we acquired ONI in Portugal
- In October 2013, we acquired Ma Chaine Sport and Sportv
- In January 2014, we acquired Mobius in the French Overseas Territories
- In March 2014, we acquired Tricom in the Dominican Republic
- In April 2014, we acquired Orange Dominicana in the Dominican Republic

Operating profit increased from €18.8m to €125.5m as the increased operating profit before depreciation, amortization and non-recurring costs was partially offset by increased depreciation and amortization which resulted from the acquisitions.

Profit for the quarter decreased from a loss of €28.8m to a loss of €220.0m, mainly due to increased finance costs. Finance costs increased significantly from €61.7m to €389.0m due to debt being issued to finance some of our acquisitions. In particular, we have raised a significant amount of new debt to fund the upcoming acquisition of SFR by Numericable.

Shares outstanding

As at 7th August 2014, Altice S.A. had 247.7m shares outstanding.



Condensed Consolidated Statement of Income (€m)

	Three months ended June 30, 2014	Three months ended June 30, 2013
Revenues	836.7	288.5
Cost of sales	(203.2)	(76.6)
Other operating expenses	(108.6)	(41.6)
Staff costs and employee benefit expenses	(67.6)	(31.3)
General and administrative expenses	(24.6)	(9.9)
Other sales and marketing expenses	(59.2)	(9.3)
Operating profit before depreciation, amortization, management fees, restructuring, non-recurring-costs and other expenses	373.6	119.7
Depreciation and amortization	(214.8)	(92.3)
Management fees	(0.1)	(0.6)
Restructuring, non-recurring costs and other expenses	(33.2)	(8.1)
Operating profit	125.5	18.8
Gain arising on step acquisition	-	-
Finance income	46.4	9.5
Finance costs	(389.0)	(61.7)
Share in income of associates	-	8.6
(Loss)/ Profit before income tax (expenses)/benefits	(217.1)	(24.9)
Income tax benefit/(expenses)	(2.9)	(3.9)
Loss for the period	(220.0)	(28.8)
<i>Attributable to equity holders of the parent</i>	<i>(117.5)</i>	<i>(26.1)</i>
<i>Attributable to non-controlling interests</i>	<i>(102.5)</i>	<i>(2.6)</i>
<i>Earnings per share (expressed in euros)</i>		
<i>Basic</i>	<i>(0.57)</i>	<i>(0.18)</i>
<i>Diluted</i>	<i>(0.74)</i>	<i>(0.15)</i>



Condensed Consolidated Statement of Cash Flows (€m)

	Three months ended June 30, 2014	Three months ended June 30, 2013
Net income (loss), including non-controlling interests	(220.0)	(28.7)
Adjustments for :		
Share of profit of associates	0.0	(8.6)
Depreciation and amortization	214.8	92.3
Gains and losses on disposals	(1.4)	(0.9)
Charge related to Share-based Payment	4.0	-
Gain on step acquisition	0.1	-
Change in provision	-	-
Other non-cash operating gains and losses	3.7	3.2
Net cash provided by operating activities after changes in working capital, finance costs and income tax	1.1	57.3
Finance cost net recognized in the statement of income	342.6	52.1
Income tax (benefit) recognized in the statement of income	7.3	11.8
Income tax (paid) / received	(0.8)	(0.8)
Changes in working capital	1.3	(20.9)
Net cash provided by operating activities	351.6	99.5
Capital expenditures	(215.2)	(64.5)
Proceeds from disposal of tangible, intangible and financial assets	2.5	3.9
Decrease / increase in loans and other non-current financial assets	-	(26.7)
Use of restricted cash	(12,191.3)	0.8
Net cash (outflow) / inflow on acquisition of subsidiaries	(999.9)	-
Transactions with non controlling interest	(121.7)	(90.1)
Net cash provided (used) by investing activities	(13,525.4)	(176.6)
Proceeds from issue of equity instruments	914.8	1.8
Proceeds from issue of debts	15,899.9	200.0
Repayment of debt	(2,691.3)	(13.2)
Repayment of shareholder debt	(0.0)	(11.6)
Interest paid	(167.9)	(74.6)
Net cash provided (used) by financing activities	13,955.5	102.4
Net effect of exchange rate changes	(1.2)	-
Net effect of accounting change	-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	0.1
Net increase (decrease) in cash and cash equivalents	780.2	25.4
Cash and cash equivalents at beginning of year	344.6	94.2
Bank overdraft	-	-
Net increase in cash and cash equivalents	780.2	25.4
Net cash and cash equivalents at period end	1,124.8	119.6
<i>Cash and cash equivalent</i>	<i>1,133.8</i>	<i>119.6</i>
<i>Bank overdraft</i>	<i>(8.9)</i>	<i>-</i>



Condensed Consolidated Statement of Financial Position

	June 30, 2014	December 31, 2013
	(in millions of euros)	
ASSETS		
Current assets		
Cash and cash equivalents	1,133.7	61.6
Restricted cash	13,152.2	1,242.8
Trade and other receivables	640.1	232.2
Inventories	74.3	11.0
Current tax assets	100.3	14.6
Total current assets	15,100.5	1,562.2
Non-current assets		
Deferred tax assets	371.8	47.4
Investment in associates	2.9	679.1
Financial assets	66.4	50.6
Trade and other receivables	25.1	22.8
Property, plant & equipment	2,958.0	1,134.2
Intangible assets	958.5	579.6
Goodwill	4,640.2	1,100.7
Total non-current assets	9,022.8	3,614.4
Total assets	24,123.3	5,176.6



	June 30, 2014	December 31, 2013
	(in millions of euros)	
LIABILITIES AND EQUITY		
Current liabilities		
Borrowings	232.8	59.7
Deferred revenue	160.2	55.9
Trade and other payables	1,326.8	517.4
Other current liabilities	50.2	15.9
Provisions	2.4	31.1
Current tax liabilities	110.4	57.1
Total current liabilities	1,882.8	737.0
Non-current liabilities		
Borrowings	19,600.2	3,741.0
Loans from related parties	-	100.7
Other financial liabilities	560.8	271.6
Deferred revenue	116.3	10.6
Trade and other payables	23.4	29.0
Retirement benefit obligations	19.2	8.2
Provisions	98.2	-
Deferred tax liabilities	173.2	183.1
Total non-current liabilities	20,591.4	4,344.2
Equity		
Issued capital	2.2	-
Additional Paid In Capital	1,968.4	-
Other reserves	(80,1)	-
Accumulated losses	(336.3)	-
Net income	43.4	-
Total equity attributable to the shareholders of the parent	1,597.7	95.8
Non-controlling interests	51.3	(0.5)
Total equity	1,649.0	95.3
Total liabilities and equity	24,123.3	5,176.6



Consolidated Pro Forma Net Debt

	Amount (local currency)	Pro forma		Coupon / Margin	Maturity
		Actual	SFR related debt ²		
HOT Unsecured Notes	NIS 1.3bn	266		3.90 - 6.90%	2018
Unsecured Coditel Mezzanine	€ 114m	114		8.50% / 5.25% PIK	2017
Green Data Center Debt	CHF 42m	35		L+1.700%	2022
Senior Secured Notes (USD)	USD 460m	336		7.875%	2019
Senior Secured Notes (EUR)	€ 210m	210		8.000%	2019
Term Loan ³	USD 1,031m	752		L+4.500%	2019
Senior Secured Notes (USD) - DR	USD 900m	657		6.500%	2022
Senior Secured Notes (EUR) - DR	€300m	300		6.500%	2022
Other		4		E+3.500%	2018
Altice International Senior Debt		2,673			
Senior Notes (USD)	USD 425m	310		9.875%	2020
Senior Notes (EUR)	€ 250m	250		9.000%	2023
Senior Notes (USD) - DR	USD 400m	292		8.125%	2024
Altice International Total Debt		3,526			
Cash - Altice International		(109)			
Altice International Net Total Debt		3,417	3,417		
Numericable - Adjusted Net Debt		2,779	11,713		
Altice SA Senior Notes (EUR)		2,075	2,075	7.250%	2022
Altice SA Senior Notes (USD)		2,097	2,097	7.750%	2022
Margin loan		446			
Cash - ASA		(5,156)	(1,076)		
Holding Company Net Debt		(538)	3,097		
Total Altice SA Consolidated Net Debt		5,658	18,227		

(1) Pro forma for debt related to SFR acquisition by Numericable

The average cost of Altice SA debt is approximately 7.3%. The average cost of Altice International debt is approximately 7.5%. The average cost of Numericable debt is approximately 5.0%.



Notes

Revenues and EBITDA disclosed by Numericable Group differ from those disclosed by Altice in two respects:

- Altice presents Numericable revenues net of intercompany transactions between Numericable and other companies in the Altice SA group.
- Under Altice accounting policies, all provisions and reversals thereof are presented below EBITDA (as they are considered non-cash, and in case of utilization, non-recurrent). This is not the case at Numericable.

The segments “cable” and “B2B and other” are reported as one segment “fixed” in our Q2 financial statements. Please refer to those statements on our website for more details

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

This press release does not constitute or form part of, and should not be construed as, an offer or invitation to sell securities of Altice S.A. or any of its affiliates (collectively the "Altice Group") or the solicitation of an offer to subscribe for or purchase securities of the Altice Group, and nothing contained herein shall form the basis of or be relied on in connection with any contract or commitment whatsoever. Any decision to purchase any securities of the Altice Group should be made solely on the basis of the final terms and conditions of the securities and the information to be contained in the offering memorandum produced in connection with the offering of such securities. Prospective investors are required to make their own independent investigations and appraisals of the business and financial condition of the Altice Group and the nature of the securities before taking any investment decision with respect to securities of the Altice Group. Any such offering memorandum may contain information different from the information contained herein

FORWARD-LOOKING STATEMENTS

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 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 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 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.