



Altice S.A.

Report of the Réviseur d'Entreprises agréé
on the partial assets and liabilities contribution
contemplated to take place between Altice S.A. and
Altice Luxembourg S.A. on 6 August 2015
prepared in accordance with the relevant provisions
of article 294
of the law of August 10, 1915
on commercial companies, as subsequently modified

26 June 2015

3, Boulevard Royal
L-2449 Luxembourg

R.C.S.: Luxembourg B 183.391



KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
Email: info@kpmg.lu
Internet: www.kpmg.lu

To the Shareholders of
Altice S.A.
3, boulevard Royal
L-2449 Luxembourg

**Report of the Réviseur d'Entreprises agréé
on the partial assets and liabilities contribution contemplated to take place
between Altice S.A.
and Altice Luxembourg S.A. on 6 August 2015**

Introduction

We have been appointed by the Board of Directors of Altice S.A. as Réviseur d'Entreprises agréé in the context of the partial assets and liabilities contribution expected to take place under article 308 bis-2 of the law of August 10, 1915 on commercial companies, as subsequently modified (the "**Luxembourg Company Law**") between Altice S.A. (the "**Contributing Company**") and Altice Luxembourg S.A. (the "**Beneficiary Company**" and together with the "**Contributing Company**", the "**Companies**") on or around 6 August 2015 ("**the Contribution**") to report in accordance with the relevant provisions of article 294 of the Luxembourg Company Law, whether the valuation method used to value the assets and liabilities of the Contributing Company (the "**Assets and Liabilities**" as further listed in Appendix 1 of the present report) to be contributed to the Beneficiary Company is appropriate, and if the value of the Contribution as described in the Transfer Proposal is reasonable and relevant.

- The Contributing Company is a listed public limited liability company (société anonyme) under Luxembourg law, incorporated on 3 January 2014 with trade register number B 183.391 and having its registered office at 3, Boulevard Royal, L-2449 Luxembourg. Its corporate purpose consists of the acquisition of participating interests, in any form whatsoever, in any Luxembourg or foreign enterprises or companies, as well as to take part in the management, development and sale of those participations. The principal activity of the Company's subsidiaries is to provide cable and mobile-based telephony services to clients in diverse geographic locations.
- The Beneficiary Company is a public limited liability company (société anonyme) under Luxembourg law, incorporated on 27 May 2015 with trade register number B 197.134 and having its registered office at 3, Boulevard Royal, L-2449 Luxembourg. Its corporate purpose consists of the acquisition of participating interests, in any form whatsoever, in any Luxembourg or foreign enterprises or companies, as well as to take part in the management, development and sale of those participations.

26 June, 2015

- The common draft terms of the Contribution (the “**Transfer Proposal**”) have been deposited at the Luxembourg Register of Commerce and Companies (Registre de Commerce et des Sociétés de Luxembourg or the Luxembourg RCS) to be published in the Luxembourg official gazette (Memorial C, Recueil des Sociétés et Associations); (ii) Commission de Surveillance du Secteur Financier as the Luxembourg financial sector supervisory authority; and (iii) Luxembourg stock exchange (Bourse de Luxembourg) as officially appointed mechanism in charge of the central storage of regulated information for public disclosure on 26 June, 2015.

The boards of directors of the Contributing Company and of the Beneficiary Company (the “Board of Directors”) have determined that, on or around 6 August, 2015 subject to the consents required by article 291 of the Luxembourg Company, the Contributing Company shall contribute most part of its Assets and Liabilities at their book value as at December 31, 2014 (“the Contribution”) to the Beneficiary Company. The shareholder’s meeting of the Contributing Company and the Beneficiary Company have been convened to decide upon the Contribution on or around 6 august, 2015

A list of the Assets and Liabilities as at December 31, 2014 to be contributed as well as the assets and liabilities not transferred is appended to this report (Appendix 1).

The Transfer Proposal prepared by the respective Boards of Directors of the Companies is appended to this report (Appendix 2). The Transfer Proposal includes a list of all assets and liabilities to be contributed as well as a list of the assets an liabilities not transferred.

The Board of Directors of the Contributing Company prepared a Report, dated 26 June, 2015, which explains the Transfer Proposal and sets out, among others, the legal and economic grounds of the transfer by the Contribution Company of all its assets and liabilities to the Beneficiary Company and is attached in Appendix 3.

Description of the valuation method

The valuation method used for the determination of the value of the Contribution is the Net Book Value based on Luxembourg Generally Accepted Accounting Principles (“Lux GAAP”) as reported in the audited annual accounts of the Contributing Company as at 31 December 2014. As the transaction is an internal restructuring the valuation method applied by the respective Boards of Directors of the Companies is considered to be appropriate in the circumstances.

The value of the Assets and Liabilities as determined by the respective Boards of Directors of the Companies amounts to EUR 6.934.009.225 (total amount of assets less total amount of liabilities of the Contributing Company according to the audited accounts of the Contributing Company as at 31 December 2014).

The Board of Directors of both Companies consider that this valuation method is appropriate, given the activities of the Companies and circumstances. From an accounting perspective, the Board of Directors decided that all operations, rights and obligations related to the Contribution shall be treated retroactively as at January 1st 2015 as being carried out by the Beneficiary Company. This includes but is not limited to the issuance of new debt, interests on debenture loans and foreign exchange.

26 June, 2015

As a result of the transfer, the Beneficiary Company will incur from the Contributing Company the result from the operations from 1st January 2015 to the effective date. The unaudited interim management accounts as at 31 March 2015 show a loss in the amount of EUR 399,806,396.88 mainly generated by interest on debt and foreign exchange differences.

Presentation of the Contribution

The Contribution will not cause the dissolution nor the liquidation of the Contributing Company which will remain in full existence upon the completion of such process.

In consideration for the Contribution by the Contributing Company, the Beneficiary Company will issue 247,950,186 new shares with a par value of EUR 0.01 (the “**Shares**”) to the Contributing Company (in its capacity as sole shareholder of the Beneficiary Company), together with a contributed share premium amounting to EUR 6,931,529,723.14.

The Beneficiary Company will as a result increase its share capital by EUR 2,479,501.86 by issuing the Shares, reaching a total share capital of EUR 2,510,501.86.

Scope of the work performed

In accordance with the Luxembourg Company Law, it is the respective Board of Directors responsibility to prepare the Transfer Proposal and select the valuation method to determine the value of the Contribution. Our responsibility is to issue, based on the work performed, a report on the appropriateness of the selected valuation method and on the relevance and the reasonableness of the value of the Contribution, as determined.

We conducted our engagement under and in accordance with the Standard “*Norme relative aux diligences professionnelles du Réviseur d'Entreprises agréé dans le cadre des opérations de fusions et de scissions*” where relevant for the purpose of the Contribution, as adopted, for Luxembourg, by the *Commission de Surveillance du Secteur Financier*, applicable to this engagement. This Standard requires that we plan and perform the engagement to obtain moderate assurance as to whether the valuation method and resulting valuation are free of material misstatement. Our engagement is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that:

- the valuation method adopted for the determination of the Contribution’s value is not appropriate in the circumstances; and
- the value of the Contribution as described in the Transfer Proposal is not relevant and reasonable.

26 June, 2015

Other matter

Supplementary information included in the Transfer Proposal has been reviewed in the context of our engagement but has not been subject to specific audit procedures carried out in accordance with the International Standards on Auditing. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the Transfer Proposal taken as a whole.

This report is produced solely for the purposes of meeting the requirements, where applicable, of article 294 of the Luxembourg Company Law and cannot be reproduced or distributed, in part or in whole, except in applying the law, without our prior written approval.

Luxembourg, 26 June 2015

KPMG Luxembourg, Société coopérative
Cabinet de révision agréé

F. Leonardi



26 June, 2015

Appendix 1 : List of the Assets and Liabilities to be contributed and assets and liabilities not contributed reconciled to the audited annual accounts.

	Assets and liabilities contributed	Assets and liabilities not contributed	Assets and Liabilities as at 31.12.2014
	(a)	(b)	(a+b)
ASSETS			
Formation expenses	23 462 419		23.462,419
Fixed assets			
Financial fixed assets			
Shares in affiliated undertakings	10 234 340 338		10.234,340,338
Current assets			
Amounts owed by affiliated undertakings			
becoming due and receivable within one year	317 775 413		317,775,413
becoming due and receivable after more than one year	46 000 000		46,000,000
Other receivables			
becoming due and receivable within one year	1 821 745	3 210	1,824,955
becoming due and receivable after more than one year	10 000 000		10,000,000
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	827 898 186		827,898,186
Pre payments	92 725 978		92,725,978
Total Assets	11,554,024,079	3 210	11,554,027,289
LIABILITIES			
Provisions			
Other provisions	20 651 820		20,651,820
Non subordinated debts			
Debenture loans			
Non-convertible loans			
becoming due and payable within one year	126 009 057		126,009,057
becoming due and payable after more than one year	4 469 669 072		4,469,669,072
Amounts owed to credit institutions			
becoming due and payable within one year	24 661		24,661
Trade creditors			
becoming due and payable within one year	3 604 441	31 035	3,635,476
Amounts owed to affiliated undertakings			
becoming due and payable within one year	18 216		18,216
Tax and social security debts			
Tax debts			
Social security debts	18 750	3 272	22,022
Social security debts	18 336	28 252	46,588
Other creditors			
becoming due and payable within one year	501	2 253	2,754
Total Liabilities and provisions	4,620,014,854	64 812	4,620,079,666
Net assets contributed	6,934,009,225		
Net assets not contributed		-61 602	
Net assets as at 31 12 2014			6,933,947,623

The following assets and liabilities shall not be transferred to the Receiving Company as a result of the Transfer:

- the shares of the Recipient Company already held by the Transferring Company before the Transfer and having a value of EUR 31,000;
- all the furniture (including, but not limited to, all computer hardware and software) located at the registered office of the Transferring Company
- Advances to tax authorities for an amount of EUR 3.210.
- six employees Emilie Schmitz, Davina Piret, Lise Duhamel, Marie-José Bertolone, Navin Yerkiah and Laurent Godineau;
- the contingent liabilities and obligations of the Transferring Company under the contribution agreement dated 30 January 2014 between, OTR S.à r.l. and fifteen physical persons as contributors and the Transferring Company as beneficiary; and
- Amounts due to social tax authorities in relation with employees and amounts due in relation to engagement with suppliers for a total amount of EUR 61.602
- the following agreements:
 - i. Framework agreement for long-term rental of tourism vehicles, mixed-use vehicles and light commercial vehicles, entered into by and between Arval Luxembourg S.A. and the Transferring Company, dated 1 October 2014;
 - ii. Dussmann Services S.à r.l.'s quote and preliminary proposal No. D 28894/14 for the biweekly maintenance of the Altice S.A. offices, dated 1 October 2014;
 - iii. Pro Reebou insurance quote sent by Foyer Assurances S.A. to the Transferring Company, dated 21 January 2014;
 - iv. Reebou Pro particular risk conditions sent by Foyer Assurances S.A. to the Transferring Company, dated 22 October 2014;
 - v. Electricity supply agreement entered into by and between Leo S.A. and the Transferring Company, dated 17 February 2014;
 - vi. Rental lease agreement entered into by and between Mrs Mignon and the Transferring Company, dated 3 January 2014;
 - vii. Warranty and services agreement entered into by and between Sodexo Pass S.A. and the Transferring Company, dated 29 September 2014;
 - viii. Internet connection agreement LuxFibre entered into by and between Post Telecom and the Transferring Company, dated 15 January 2015;
 - ix. Subscription agreement for the BOB 50 products entered into by and between IBLux Informatique (IBGraf) and the Transferring Company, dated 21 May 2015;
 - x. Offer related to the IT configuration conducted by IBLux Informatique S.A. to the Transferring Company, dated 21 May 2015;
 - xi. Tango assignment agreement of subscription by Altice International S.à r.l. to the Transferring Company, dated 30 November 2014;



Altice S.A.
Report of the Réviseur d'Entreprises agréé on the all assets
and liabilities contribution.

26 June, 2015

- xii. KBC individual lease agreement 703855 entered into by and between KBC Lease Luxembourg and the Transferring Company, dated 6 March 2015.



Alice S.A.
Report of the Réviseur d'Entreprises agréé on the all assets
and liabilities contribution.

26 June, 2015

Appendix 2 : Copy of the Transfer Proposal

TRANSFER PROPOSAL

IN ACCORDANCE WITH ARTICLE 308 BIS-2, ARTICLE 285 TO ARTICLE 308, SAVE ARTICLE 303 OF THE LAW OF 10
AUGUST 1915 ON COMMERCIAL COMPANIES, AS AMENDED

NOT TO BE FORWARDED TO ANY PERSON OR ADDRESS IN THE UNITED STATES OF
AMERICA

THIS TRANSFER PROPOSAL is dated 26 June 2015 and has been drawn up by:

1. **Altice S.A.**, a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg register of commerce and companies (*Registre de Commerce et des Sociétés*) under number B 183.391 (the **Transferring Company**),

AND

2. **Altice Luxembourg S.A.**, a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg register of commerce and companies under number B 197.134 (the **Recipient Company** and together with the Transferring Company, the **Companies**).

WHEREAS:

- A) It is desired to transfer all assets and liabilities of the Transferring Company, except for the Non Transferred Assets and Liabilities (as defined below), under universal title and without dissolution (the Transfer), to the Recipient Company and this transfer proposal is drawn up inter alia for the purpose of determining the mode pursuant to which such Transfer shall take effect, subject to and in accordance with the law of August 10, 1915 on commercial companies, as amended (the Law), in particular with article 308 bis-2, article 285 to article 308, save article 303 of the Law.
- B) As part of the Transfer, the Transferring Company will transfer all its assets and liabilities, except for the Non Transferred Assets and Liabilities (as defined below) to the Recipient Company in exchange for two hundred forty-seven million nine hundred and fifty thousand one hundred and eighty-six (247,950,186) shares in the Recipient Company as set out below.

- C) The Transferring Company has granted to Next Alt S.à r.l., a private limited liability company (*société à responsabilité limitée*) governed by Luxembourg law, having its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg registered with the Luxembourg trade and companies register under number B 194.978 (**Next**), the right to subscribe for class B shares in the capital of the Transferring Company to be issued upon exercise of the class B warrant that Next currently holds against the Transferring Company (under certain circumstances as described in the terms and conditions of the class B warrant dated 16 January 2014 (the **Terms & Conditions**)) in consideration for the payment of an exercise price as further set out in the Terms & Conditions (the **Warrant Plan**). Said warrant and the thereto related Warrant Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the Transfer with the prior written consent of Next.
- D) Besides the Warrant Plan, the Transferring Company has entered into a stock option plan dated 13 January 2014 (the **Stock Option Plan**). The Stock Option Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the Transfer with the prior written consent of all beneficiaries of the Stock Option Plan, subject to the condition precedent that the cross-border merger of the Transferring Company with New Athena B.V. (as absorbing company), a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law, having its official seat in Amsterdam, the Netherlands, registered with the Dutch trade register under number 63329743, is effected.
- E) The general meeting of shareholders of the Transferring Company approved a EUR 1 billion share buy-back program in relation to the shares in the Transferring Company for a three-year duration commencing at 1 June 2015 (the **Program**). None of the shares in the Transferring Company have been, or will be, bought back, held in treasury and/or cancelled under the Program as at the date of the approval by the board of directors of the Companies of this transfer proposal and/or the date of publication of this transfer proposal in the Luxembourg official gazette, the *Mémorial C, Recueil des Sociétés et des Associations* (**Mémorial C**).
- F) This transfer proposal is drawn up under the assumption that, no later than at the time of the shareholder's resolutions on the Transfer, the following obligations applicable to the Transfer have been complied with:
- a) pursuant to articles 308 bis-2 and 293 of the Law, the Transferring Company's board of directors will draw up a detailed written report explaining the rationale behind the Transfer and will inform anyone of any material change in the assets and liabilities between the date of preparation of this transfer proposal and the date of the general meeting which is to decide on the transfer proposal;
 - b) pursuant to articles 308 bis-2 and 293 of the Law, the Recipient Company's board of directors will draw up a detailed written report explaining the rationale behind the Transfer and will inform anyone of any material change in the assets and liabilities between the date of preparation of this transfer proposal and the date of the general meeting which is to decide on the transfer proposal;
 - c) the documents listed above, being (i) the detailed written board reports, (ii) the expert report(s), (iii) the annual accounts and reports for the last three financial years, and (iv) this transfer proposal must be deposited at both the Transferring

Company's registered office as well as the Recipient Company's registered office, at least one month prior to the general meetings of shareholders of both the Transferring Company and the Recipient Company deciding upon the Transfer, for the purpose of allowing the Transferring Company's shareholders and the Recipient Company's shareholders to examine such documents, and are made available at the website of the Transferring Company at www.altice.net at least one month prior to the general meetings of shareholders of each company deciding upon the Transfer.

NOW, THEREFORE, IT IS PROPOSED to transfer all assets and liabilities of the Transferring Company, in accordance with article 308 bis-2, article 285 to article 308, save article 303 of the Law, to the Recipient Company under the following terms and conditions:

1 DRAFT TERMS OF TRANSFER

1.1 Form, corporate denomination and registered office of the Companies

A) Transferring Company

Altice S.A., a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg register of commerce and companies under number B 183.391. The company was incorporated on 3 January 2014, pursuant to a deed drawn up by Maître Francis Kessler, then notary resident in Esch-sur-Alzette, Grand Duchy of Luxembourg, published in the *Mémorial C* under number 501 on 25 February 2014. Since that date, the company's articles of association have been amended several times, most recently on 1 December 2014, pursuant to a deed drawn up by Maître Francis Kessler, then notary resident in Esch-sur-Alzette, Grand Duchy of Luxembourg, published in the *Mémorial C* under number 625 on 6 March 2015.

B) Recipient Company

Altice Luxembourg S.A., a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg register of commerce and companies under number B 197.134. The company was incorporated on 27 May 2015, pursuant to a deed drawn up by Maître Henri Beck, notary resident in Echternach, Grand Duchy of Luxembourg. Since then, the company's articles of association have not been amended.

1.2 Share exchange ratio

On the basis of the approved accounts of the Transferring Company as at 31 December 2014 (the **Accounts**), the net asset value of the Transferred Assets and Liabilities (as defined under paragraph 1.8) at their book value (as per 31 December 2014) amounts to six billion nine hundred thirty-four million nine thousand two hundred and twenty-five euro (EUR 6,934,009,225) (the **Net Contribution**).

As consideration for the Transfer by the Transferring Company of the Transferred Assets and Liabilities at their book value as per 31 December 2014 to the Recipient Company, the

Recipient Company shall issue two hundred forty-seven million nine hundred and fifty thousand one hundred and eighty-six (247,950,186) new shares, having a nominal value of one euro cent (EUR 0.01) each (the **Recipient Company New Shares**) to the Transferring Company.

The difference between the value of the Transferred Assets and Liabilities and the nominal value of the Recipient Company New Shares, i.e. six billion nine hundred thirty-one million five hundred twenty-nine thousand seven hundred and twenty-three euro and fourteen euro cents (EUR 6,931,529,723.14), will be recorded in the share premium account of the Recipient Company (the **Recipient Company Share Premium**).

There have been no special difficulties in the valuation of the Net Contribution.

No cash payment will be made to the shareholders of the Transferring Company pursuant to the Transfer.

The Recipient Company New Shares and the Recipient Company Share Premium shall be fully paid-up by the Transfer, by universal title, of the Transferred Assets and Liabilities to the Recipient Company.

As a result of the Transfer, there will be no assets and liabilities remaining in the accounts of Transferring Company, save for the Non Transferred Assets and Liabilities and the participation held in the Recipient Company which will have a value equal to the book value of the Transferred Assets and Liabilities. The share capital of the Transferring Company will not be decreased and none of the Transferring Company's shares will be cancelled as a result of the Transfer.

1.3 Terms for the delivery of shares in the Recipient Company

The Recipient Company New Shares shall be issued to the Transferring Company and the Recipient Company Share Premium shall be recorded on the occasion of the extraordinary general meeting of the Recipient Company resolving on the present transfer proposal pursuant to article 308 bis-2 and article 291 of the Law (the **Extraordinary General Meeting**), subject to the Condition Precedent. Such Extraordinary General Meeting shall only take place after the term of one month provided for by article 290 of the Law has elapsed, the term during which the publication of this transfer proposal shall be made in the *Mémorial C* in accordance with articles 9 and 290 of the Law.

The shares of the Recipient Company being registered shares, the Recipient Company New Shares will be registered in the name of the Transferring Company in the register of shares of the Recipient Company as of the effective date of the Transfer contemplated by this proposal.

1.4 Date from which the holding of shares in the Recipient Company entitles the holder(s) to participate in profits and any special conditions affecting that entitlement

The Recipient Company New Shares shall participate in the profits of the Recipient Company as from the effective date of the Transfer, as per the articles of association of the Recipient Company and without any restriction or limitation.

1.5 Date from which the operations of the Transferring Company in relation to the Transferred Assets and Liabilities (as defined below) shall be treated, for accounting purposes, as being carried out on behalf of the Recipient Company

For accounting purposes, all operations, rights and obligations related to the Transferred Assets and Liabilities (as defined below) including, but not limited to, the creation of new debt, the incurrence of foreign-exchange losses and/or the accrual of interest on the Indentures (as defined in Section 1.6) shall be treated, as per 1 January 2015, as being carried out on behalf of the Recipient Company.

As a result of the Transfer, the Recipient Company will incur from the Transferring Company the result of the operations resulting from the Transferred Assets and Liabilities (as defined below) from 1 January 2015 to the effective date. The interim management accounts as at 31 March 2015 show a loss in the amount of EUR 399.806.396,88 mainly generated by interest on the debt and foreign exchange differences.

1.6 Rights conferred by the Recipient Company to shareholders having special rights and to the holders of securities other than shares, or the measures proposed concerning them

As the Stock Option Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the Transfer with the prior written consent of all beneficiaries of said Stock Option Plan, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer.

The Transferring Company issued notes governed by (i) the indenture dated as of 4 February 2015 in relation to 7^{5/8} % Dollar-Denominated Senior Notes due 2025 and 6^{1/4} % Euro-Denominated Senior Notes due 2025 and (ii) the indenture dated as of 8 May 2014 in relation to a 7^{3/4} % Dollar-Denominated Senior Notes due 2022 and 7^{1/4} % Euro-Denominated Senior Notes due 2022; all concluded between the Transferring Company as Issuer, Deutsche Bank AG, London Branch, as Trustee, Principal Paying Agent and Security Agent, Deutsche Bank Luxembourg S.A., as Euro Transfer Agent and Euro Registrar (the **Indentures**). The Transferring Company also entered into a revolving facility agreement dated 8 May 2014 with, amongst others, Deutsche Bank AG, London Branch as Facility Agent and Security Agent (the **RCF**). Pursuant to the Transfer, the Recipient Company will assume all obligations of the Transferring Company under the Indentures, the RCF and the related security documents and intercreditor arrangements, and the Recipient Company and the Transferring Company will take all necessary action in relation to such assumption required by the Indentures and the RCF.

The class B warrant granted by the Transferring Company to Next and the thereto related Warrant Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the Transfer with the prior written consent of Next. Therefore, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer.

Other than the aforementioned beneficiaries of compensation plans, warrant holder and noteholders, there are no persons who, as shareholder or in any other capacity than as shareholder of the Transferring Company, will have special rights against the Transferring

Company on the effective date of the Transfer and therefore no special rights nor compensations will have to be granted at the expense of the Recipient Company to anyone.

1.7 Any special advantage granted to the experts referred to in article 294 of the Law, to the members of the management bodies and to the statutory auditors of the Companies involved in the Transfer

In accordance with article 294 paragraph 1 of the Law, KPMG Luxembourg, a cooperative company (*société coopérative*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 149.133 (**KPMG**) has been appointed by the Transferring Company as expert to examine this proposal and to prepare a report thereon for the Transferring Company. Except for the fees in relation to the preparation of the aforementioned report, KPMG did not and will not receive any special advantage from the Transferring Company.

In accordance with article 294 paragraph 1 of the Law, KPMG has been appointed by the Recipient Company as expert to examine this proposal and to prepare a report thereon for the Recipient Company. Except for the fees in relation to the preparation of the aforementioned report, KPMG did not and will not receive any special advantage from the Recipient Company.

1.8 Precise description and allocation of the assets and liabilities to be transmitted to the Recipient Company

All assets and liabilities of the Transferring Company, except for the Non Transferred Assets and Liabilities, existing as of the effective date of the Transfer, including, but not limited to, the creation of new debt, the incurrence of foreign-exchange losses and/or the accrual of interest on the Indentures (the **Transferred Assets and Liabilities**) will be transferred to the Recipient Company pursuant to the Transfer.

The following assets and liabilities shall not be transferred to the Receiving Company as a result of the Transfer (the **Non Transferred Assets and Liabilities**):

- the shares of the Recipient Company already held by the Transferring Company before the Transfer and having a value of EUR 31,000;
- all the furniture (including, but not limited to, all computer hardware and software) located at the registered office of the Transferring Company (the **Furniture**);
- advances to tax authorities for an amount of EUR 3,210;
- six employees being six employees being Emilie Schmitz, Davina Piret, Lise Duhamel, Marie-José Bertolone, Navin Yerkiah and Laurent Godineau;
- the contingent liabilities and obligations of the Transferring Company under the contribution agreement dated 30 January 2014 between, OTR S.à r.l. and fifteen physical persons as contributors and the Transferring Company as beneficiary;

- amounts due to social tax authorities in relation with employees and amounts due in relation to engagement with suppliers for a total amount of EUR 61,602; and
- the following agreements:
 - i. Framework agreement for long-term rental of tourism vehicles, mixed-use vehicles and light commercial vehicles, entered into by and between Arval Luxembourg S.A. and the Transferring Company, dated 1 October 2014;
 - ii. Dussmann Services S.à r.l.'s quote and preliminary proposal No. D 28894/14 for the biweekly maintenance of the Altice S.A. offices, dated 1 October 2014;
 - iii. Pro Reebou insurance quote sent by Foyer Assurances S.A. to the Transferring Company, dated 21 January 2014;
 - iv. Reebou Pro particular risk conditions sent by Foyer Assurances S.A. to the Transferring Company, dated 22 October 2014;
 - v. Electricity supply agreement entered into by and between Leo S.A. and the Transferring Company, dated 17 February 2014;
 - vi. Rental lease agreement entered into by and between Mrs Mignon and the Transferring Company, dated 3 January 2014;
 - vii. Warranty and services agreement entered into by and between Sodexo Pass S.A. and the Transferring Company, dated 29 September 2014;
 - viii. Internet connection agreement LuxFibre entered into by and between Post Telecom and the Transferring Company, dated 15 January 2015;
 - ix. Subscription agreement for the BOB 50 products entered into by and between IBLux Informatique (IBGraf) and the Transferring Company, dated 21 May 2015;
 - x. Offer related to the IT configuration conducted by IBLux Informatique S.A. to the Transferring Company, dated 21 May 2015;
 - xi. Tango assignment agreement of subscription by Altice International S.à r.l. to the Transferring Company, dated 30 November 2014;
 - xii. KBC individual lease agreement 703855 entered into by and between KBC Lease Luxembourg and the Transferring Company, dated 6 March 2015.

For your information, according to the Accounts, the assets and liabilities as per 31 December 2014, the Transferred Assets and Liabilities, were as follows:

	Assets and liabilities contributed (a)	Assets and liabilities not contributed (b)	Assets and Liabilities as at 31.12.2014 (a+b)
ASSETS			
Formation expenses	23 462 419		23,462,419
Fixed assets			
Financial fixed assets			
Shares in affiliated undertakings	10 234 340 338		10,234,340,338
Current assets			
Amounts owed by affiliated undertakings			
becoming due and receivable within one year	317 775 413		317,775,413
becoming due and receivable after more than one year	46 000 000		46,000,000
Other receivables			
becoming due and receivable within one year	1 821 745	3 210	1,824,955
becoming due and receivable after more than one year	10 000 000		10,000,000
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	827 898 186		827,898,186
Prepayments	92 725 978		92,725,978
Total Assets	11,554,024,079	3 210	11,554,027,289
LIABILITIES			
Provisions			
Other provisions	20 651 820		20,651,820
Non subordinated debts			
Debenture loans			
Non-convertible loans			
becoming due and payable within one year	126 009 057		126,009,057
becoming due and payable after more than one year	4 469 669 072		4,469,669,072
Amounts owed to credit institutions			
becoming due and payable within one year	24 661		24,661
Trade creditors			
becoming due and payable within one year	3 604 441	31 035	3,635,476
Amounts owed to affiliated undertakings			
becoming due and payable within one year	18 216		18,216
Tax and social security debts			
Tax debts			
Social security debts	18 750	3 272	22,022
Social security debts			
Other creditors	18 336	28 252	46,588
Other creditors			
becoming due and payable within one year	501	2 253	2,754
Total Liabilities and provisions	4,620,014,854	64 812	4,620,079,666
Net assets contributed	6,934,009,225		
Net assets not contributed		-61 602	
Net assets as at 31 12 2014			6,933,947,623

Based on the above, the Transferred Assets and Liabilities have an aggregate book value of six billion nine hundred thirty-four million nine thousand two hundred and twenty-five euro (EUR 6,934,009,225) which will be allocated to the Recipient Company as follows:

- two million four hundred seventy nine thousand five hundred and one euro and eighty-six euro cents (EUR 2,479,501.86) will be booked to the share capital account of the Recipient Company; and
- six billion nine hundred thirty-one million five hundred twenty-nine thousand seven hundred and twenty-three euro and fourteen euro cents (EUR 6,931,529,723.14), will be booked to the share premium account of the Recipient Company.

For the avoidance of doubt, the employees and the employment contracts entered into by the Transferring Company that are not part of the Non Transferred Assets and Liabilities will be automatically transferred from the Transferring Company to the Recipient Company at the effective date of the Transfer. The Transferring Company and the Recipient Company will inform the employees individually of the Transfer and any effects on employment, by way of a written notification, a copy of which will be sent to the ITM (*Inspection du Travail et des Mines*).

1.9 Allocation to the Transferring Company of the shares in the Recipient Company, and the criterion upon which such allocation is based

All of the Recipient Company New Shares shall be allocated to the Transferring Company as sole shareholder of the Recipient Company.

1.10 Address at which further information on the Transfer may be obtained free of charge

Further information on the proposed Transfer may be obtained, free of charge, at the registered office of the Transferring Company (3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg) and on its website at www.altice.net and the registered office of the Recipient Company (3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg), but only to the extent provided or required by applicable law.

1.11 Additional provisions

The Transferring Company and the Recipient Company shall carry out all required and necessary formalities in order to carry out the Transfer.

The fees and costs of the Transfer and all the fiscal debts (if any) related to the assets contributed will be borne by the Transferring Company.

2 MISCELLANEOUS

2.1 English to prevail

This transfer proposal is drawn up in English followed by a version in French. In case of any discrepancy between the English version and the French version, the English version will prevail.

2.2 Governing law

This transfer proposal is governed by, and shall be construed in accordance with, the laws of Luxembourg.

This document may not be forwarded to any person or address in the United States of America. Failure to comply with this directive may result in a violation of the Securities Act of 1933 or the applicable laws of other jurisdictions.

This document is not intended to constitute an offer or sale to persons in the United States of America within the meaning of the Securities Act of 1933, as amended (the **Securities Act**). The shares referred to in this document have not been, and are not presently intended to be, registered under the Securities Act.

(signature page to follow)

PROPOSITION DE TRANSFERT

CONFORMEMENT A L'ARTICLE 308 BIS-2, L'ARTICLE 285 A L'ARTICLE 308, SAUF L'ARTICLE 303 DE LA LOI DU 10 AOUT
1915 SUR LES SOCIETES COMMERCIALES, TELLE QUE MODIFIEE

NE PAS FAIRE SUIVRE A TOUTE PERSONNE OU ADRESSE AUX ETATS UNIS D'AMERIQUE

LA PRESENTE PROPOSITION DE TRANSFERT est datée du 26 juin 2015 et a été rédigée par :

1. **Altice S.A.**, une société anonyme régie par les lois du Grand-Duché de Luxembourg, dont le siège social est établi au 3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg et immatriculée au Registre de Commerce et des Sociétés de Luxembourg sous le numéro B 183.391 (la **Société Apporteuse**),

ET

2. **Altice Luxembourg S.A.**, une société anonyme régie par les lois du Grand-Duché de Luxembourg, dont le siège social est établi au 3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg, immatriculée au Registre de Commerce et des Sociétés de Luxembourg sous le numéro B 197.134 (la **Société Bénéficiaire** et avec la Société Apporteuse, les **Sociétés**).

ATTENDU QUE :

- A) Il est souhaité que soient transférés tous les actifs et passifs de la Société Apporteuse à l'exception des Actifs et Passifs Non Transférés (tels que définis ci-dessous), à titre universel et sans dissolution (le **Transfert**), à la Société Bénéficiaire et la présente proposition de transfert est établie, entre autres, dans le but de déterminer le mode suivant lequel ledit Transfert prendra effet, sous réserve de et conformément à la loi du 10 août 1915 sur les sociétés commerciales, telle que modifiée (la **Loi**), en particulier l'article 308 bis-2, l'article 285 à l'article 308, sauf l'article 303 de la Loi.
- B) Dans le cadre du Transfert, la Société Apporteuse transférera tous ses actifs et passifs à la Société Bénéficiaire, à l'exception des Actifs et Passifs Non Transférés (tels que définis ci-dessous) en échange de deux cent quarante-sept millions neuf cent cinquante mille cent quatre-vingt-six (247.950.186) actions dans la Société Bénéficiaire comme décrit ci-dessous.
- C) La Société Apporteuse a octroyé à Next Alt S.à r.l., une société à responsabilité limitée de droit luxembourgeois, dont le siège social est établi au 3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg et immatriculée auprès du Registre de Commerce et des Sociétés de Luxembourg sous le numéro B 194.978 (**Next**), le droit de souscrire aux actions de classe B dans le

et des Sociétés de Luxembourg sous le numéro B 194.978 (**Next**), le droit de souscrire aux actions de classe B dans le capital de la Société Apporteuse devant être émises lors de l'exercice du warrant de classe B que Next détient actuellement envers la Société Apporteuse (dans certains cas décrits dans les termes et conditions du warrant de classe B datés du 16 janvier 2014 (les **Termes & Conditions**)) en échange du paiement du prix d'exercice tel que précisé dans les Termes & Conditions (le **Plan de Warrant**). Ledit warrant et le Plan de Warrant y relatif seront finalement annulés et/ou résiliés par la Société Apporteuse à la date d'effet du Transfert avec l'accord écrit préalable de Next.

- D) Outre le Plan de Warrant, la Société Apporteuse a conclu un plan de stock-options daté du 13 janvier 2014 (le **Plan de Stock-Options**). Le Plan de Stock-Options sera finalement annulé et/ou résilié par la Société Apporteuse à la date d'effet du Transfert avec l'accord écrit préalable de tous les bénéficiaires du Plan de Stock-Options, sous réserve que la fusion transfrontalière avec New Athena B.V. (en tant que société absorbante), une société à responsabilité limitée de droit néerlandais, dont le siège social est établi à Amsterdam, les Pays-Bas, immatriculée auprès du registre de commerce néerlandais sous le numéro 63329743 est effective.
- E) L'assemblée générale des actionnaires de la Société Apporteuse a approuvé un programme de rachat d'actions d'un montant de 1 milliard d'euros pour une durée de trois ans débutant le 1^{er} juin 2015 en lien avec les actions de la Société Apporteuse (le **Programme**). Aucune action dans la Société Apporteuse n'a été, ni ne sera rachetée, auto détenue et/ou annulée en vertu du Programme à la date d'approbation de la présente proposition de transfert par les conseils d'administration des Sociétés et/ou la date de publication de la présente proposition de transfert au journal officiel luxembourgeois, le Mémorial C, Recueil des Sociétés et Associations (**Mémorial C**).
- F) La présente proposition de transfert est établie dans l'hypothèse où, au plus tard au moment des résolutions des actionnaires sur le Transfert, les obligations suivantes applicables au Transfert auront été remplies :
- a) conformément aux articles 308 bis-2 et 293 de la Loi, le conseil d'administration de la Société Apporteuse établira un rapport écrit détaillé expliquant la raison du Transfert et informera quiconque de tout changement matériel dans les actifs et passifs entre la date de préparation de la présente proposition de transfert et la date de l'assemblée générale appelée à se prononcer sur la proposition de transfert ;
 - b) conformément aux articles 308 bis-2 et 293 de la Loi, le conseil d'administration de la Société Bénéficiaire établira un rapport écrit détaillé expliquant la raison du Transfert et informera quiconque de tout changement matériel dans les actifs et passifs entre la date de préparation de la présente proposition de transfert et la date de l'assemblée générale appelée à se prononcer sur la proposition de transfert ;
 - c) les documents mentionnés ci-dessus à savoir (i) les rapports détaillés écrits des conseils, (ii) le/les rapport(s) du/des réviseur(s) d'entreprises agréé(s), (iii) les

comptes annuels et les rapports des trois derniers exercices sociaux et (iv) la présente proposition de transfert doivent être déposés à la fois au siège social de la Société Apporteuse et au siège social de la Société Bénéficiaire, au moins un mois avant les assemblées générales des actionnaires de la Société Apporteuse et de la Société Bénéficiaire, appelées à se prononcer sur le Transfert, afin de permettre aux actionnaires de la Société Apporteuse et de la Société Bénéficiaire d'examiner lesdits documents, et sont mis à disposition sur le site internet de la Société Apporteuse, www.altice.net, au moins un mois avant les assemblées générales des actionnaires de chacune des sociétés appelées à se prononcer sur le Transfert.

EN CONSEQUENCE DE QUOI, IL EST PROPOSE de transférer tous les actifs et passifs de la Société Apporteuse conformément à l'article 308 bis-2, l'article 285 à l'article 308, sauf l'article 303 de la Loi, à la Société Bénéficiaire selon les termes et conditions suivants :

1 PROJET DE TRANSFERT

1.1 Forme juridique, dénomination sociale et siège social des Sociétés

A) Société Apporteuse

Altice S.A., une société anonyme régie par les lois du Grand-Duché de Luxembourg, dont le siège social est établi au 3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg et immatriculée au Registre de Commerce et des Sociétés de Luxembourg sous le numéro B 183.391. La société a été constituée le 3 janvier 2014 suivant un acte de Maître Francis Kessler, notaire de résidence à l'époque à Esch-sur-Alzette, Grand-Duché de Luxembourg, publié au Mémorial C sous le numéro 501 le 25 février 2014. Depuis cette date, les statuts de la société ont été modifiés à plusieurs reprises et plus récemment le 1^{er} décembre 2014, suivant un acte de Maître Francis Kessler, notaire de résidence à l'époque à Esch-sur-Alzette, Grand-Duché de Luxembourg, publié au Mémorial C sous le numéro 625 le 6 mars 2015.

B) Société Bénéficiaire

Altice Luxembourg S.A., une société anonyme régie par les lois du Grand-Duché de Luxembourg, dont le siège social est établi au 3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg, immatriculée au Registre de Commerce et des Sociétés de Luxembourg sous le numéro B 197.134. La société a été constituée le 27 mai 2015, suivant un acte de Maître Henri Beck, notaire de résidence à Echternach, Grand-Duché de Luxembourg. Les statuts de la société n'ont pas été modifiés depuis cette date.

1.2 Rapport d'échange des actions

Sur la base des comptes approuvés de la Société Apporteuse au 31 décembre 2014 (les **Comptes**), la valeur de l'actif net des Actifs et Passifs Transférés (tels que définis au

paragraphe 1.8) à leur valeur comptable (au 31 décembre 2014) s'élève à six milliards neuf cent trente-quatre millions neuf mille deux cent vingt-cinq euros (EUR 6.934.009.225) (**l'Apport Net**).

En contrepartie du Transfert par la Société Apporteuse des Actifs et Passifs Transférés à leur valeur comptable au 31 décembre 2014 à la Société Bénéficiaire, la Société Bénéficiaire émettra deux cent quarante-sept millions neuf cent cinquante mille cent quatre-vingt-six (247.950.186) nouvelles actions d'une valeur nominale de un centime d'euro (EUR 0,01) chacune (les **Nouvelles Actions de la Société Bénéficiaire**) à la Société Apporteuse.

La différence entre la valeur des Actifs et Passifs Transférés et la valeur nominale des Nouvelles Actions de la Société Bénéficiaire, à savoir six milliards neuf cent trente-et-un millions cinq cent vingt-neuf mille sept cent vingt-trois euros et quatorze centimes (EUR 6.931.529.723,14), sera enregistrée dans le compte de prime d'émission de la Société Bénéficiaire (la **Prime d'Emission de la Société Bénéficiaire**).

Aucune difficulté particulière n'a été rencontrée lors de l'évaluation de l'Apport Net.

Aucun paiement en numéraire ne sera versé aux actionnaires de la Société Apporteuse suite au Transfert.

Les Nouvelles Actions de la Société Bénéficiaire et la Prime d'Emission de la Société Bénéficiaire seront entièrement libérées par le Transfert, à titre universel, des Actifs et Passifs Transférés à la Société Bénéficiaire.

En conséquence du Transfert, il ne restera plus d'actifs et de passifs dans les comptes de la Société Apporteuse, hormis les Actifs et Passifs Non Transférés et la participation détenue dans la Société Bénéficiaire qui aura une valeur égale à la valeur comptable des Actifs et Passifs Transférés. Le capital social de la Société Apporteuse ne sera pas diminué et aucune des actions de la Société Apporteuse ne sera annulée en raison du Transfert.

1.3 Conditions de la remise des actions à la Société Bénéficiaire

Les Nouvelles Actions de la Société Bénéficiaire sont émises à la Société Apporteuse et la Prime d'Emission de la Société Bénéficiaire sera consignée à l'occasion de l'assemblée générale extraordinaire de la Société Bénéficiaire se prononçant sur la présente proposition de transfert conformément à l'article 308 bis-2 et à l'article 291 de la Loi (**l'Assemblée Générale Extraordinaire**). Ladite Assemblée Générale Extraordinaire ne sera tenue qu'une fois écoulé le délai de un mois prévu par l'article 290 de la Loi, délai pendant lequel sera publié au Mémorial C, la présente proposition de transfert, conformément aux articles 9 et 290 de la Loi.

Les actions de la Société Bénéficiaire étant nominatives, les Nouvelles Actions de la Société Bénéficiaire seront inscrites au nom de la Société Apporteuse, dans le registre des actions de la Société Bénéficiaire à la date effective du Transfert envisagée par la présente proposition.

1.4 Date à compter de laquelle la détention des actions dans le capital de la Société Bénéficiaire confère le droit au(x) détenteur(s) de participer aux bénéfices et conditions spéciales concernant ledit droit

Les Nouvelles Actions de la Société Bénéficiaire permettent la participation aux bénéfices de la Société Bénéficiaire à compter de la date effective du Transfert, conformément aux statuts de la Société Bénéficiaire et sans aucune restriction ou limitation.

1.5 Date à compter de laquelle les opérations de la Société Apporteuse relatives aux Actifs et Passifs Transférés (tel que défini ci-dessous) sont traitées, à des fins comptables, comme ayant été accomplies pour le compte de la Société Bénéficiaire

Toutes les opérations, droits et obligations relatifs aux Actifs et Passifs Transférés (tel que défini ci-dessous), y compris notamment, la création de nouvelles dettes, les pertes de change et/ou d'intérêts sur les Contrats Synallagmatiques (tel que défini au point 1.6) sont traités, à des fins comptables, comme ayant été accomplies pour le compte de la Société Bénéficiaire à compter du 1^{er} janvier 2015.

En conséquence du Transfert, la Société Bénéficiaire prendra à sa charge le résultat des opérations de la Société Apporteuse découlant des Actifs et Passifs Transférés (tel que défini ci-dessous) à compter du 1^{er} janvier 2015 jusqu'à la date d'effet. Les comptes intérimaires de gestion au 31 mars 2015 font apparaître une perte d'un montant de EUR 399.806.396,88 provenant principalement des intérêts de la dette et des différences de change.

1.6 Droits conférés par la Société Bénéficiaire aux actionnaires titulaires de droits spéciaux et aux détenteurs de valeurs mobilières autres que des actions, ou les mesures proposées les concernant

Dans la mesure où, finalement, le Plan de Stock-Options sera annulé et/ou résilié par la Société Apporteuse à compter de la date effective du Transfert avec l'accord écrit préalable de tous les bénéficiaires dudit Plan de Stock-Options, aucune garantie ni aucune mesure ne seront accordées ou prises par la Société Bénéficiaire à cet égard et au titre du Transfert.

La Société Apporteuse a émis des notes régies par (i) un contrat synallagmatique daté du 4 février 2015 concernant des Notes Sénières 7^{5/8} % Libellées en Dollars exigibles en 2025 (7^{5/8} % *Dollar-Denominated Senior Notes due 2025*) et des Notes Sénières 6^{1/4} % Libellées en Euros exigibles en 2025 (6^{1/4} % *Euro-Denominated Senior Notes due 2025*) et (ii) un contrat synallagmatique daté du 8 mai 2014 concernant des Notes Sénières 7^{3/4} % Libellées en Dollars exigibles en 2022 (7^{3/4} % *Dollar-Denominated Senior Notes due 2022*) et des Notes Sénières 7^{1/4} % Libellées en Euros exigibles en 2022 (7^{1/4} % *Euro-Denominated Senior Notes due 2022*); tous deux conclus entre la Société Apporteuse en tant qu'Emettrice, Deutsche Bank AG, succursale londonienne, en tant que Banque Fiduciaire (*Trustee*), Agent Payeur Principal (*Principal Paying Agent*) et Agent de Garantie (*Security Agent*), Deutsche Bank Luxembourg S.A., en tant qu'Agent de Transfert Euros et Conservateur Euros (*Euro*

Registrar) (les **Contrats Synallagmatiques**). La Société Apporteuse a également conclu une facilité de crédit renouvelable (*revolving facility agreement*) datée du 8 mai 2014 avec, entre autres, Deutsche Bank AG, succursale londonienne en tant qu'Agent de Facilité (*Facility Agent*) et Agent de Garantie (*Security Agent*) (la **FCR**). Suite au Transfert, la Société Bénéficiaire reprendra les obligations de la Société Apporteuse relatives aux Contrats Synallagmatiques, à la FCR et aux documents de garantie concernés et arrangements entre créanciers, et la Société Bénéficiaire et la Société Apporteuse prendront toutes les mesures nécessaires en rapport avec la reprise exigées par les Contrats Synallagmatiques et la FCR.

Les warrants de classe B accordés par la Société Apporteuse à Next ainsi que le Plan de Warrant y relatif seront annulés et/ou résiliés par la Société Apporteuse, finalement, à la date effective du Transfert avec l'accord écrit préalable de Next. Par conséquent, aucune garantie ni aucune mesure ne seront accordées ni prises par la Société Bénéficiaire à cet égard et au titre du Transfert.

En dehors des bénéficiaires de régimes de compensations, du détenteur du warrant, et des porteurs de notes précités, aucune personne, en tant qu'actionnaire ou en toute autre capacité que celle d'actionnaire de la Société Apporteuse, ne se verra conféré des droits spéciaux vis-à-vis de la Société Apporteuse à la date effective du Transfert, et par conséquent, aucun droit spécial ni aucune compensation ne seront accordés à quiconque aux frais de la Société Bénéficiaire.

1.7 Avantage spécial accordé aux experts et dont il est fait référence à l'article 294 de la Loi, aux membres des organes de gestion et aux commissaires des Sociétés impliquées dans le Transfert

Conformément au paragraphe 1 de l'article 294 de la Loi, KPMG Luxembourg, une société coopérative régie par le droit du Grand-Duché de Luxembourg, dont le siège social est établi au 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand-Duché de Luxembourg, immatriculée auprès du Registre de Commerce et des Sociétés de Luxembourg sous le numéro B 149.133 (**KPMG**) a été désigné par la Société Apporteuse en tant qu'expert à l'effet d'examiner la présente proposition et d'établir un rapport à cet effet pour la Société Apporteuse. A l'exception des honoraires liés à la préparation du rapport susmentionné, KPMG n'a reçu et ne recevra aucun avantage spécial de la part de la Société Apporteuse.

Conformément au paragraphe 1 de l'article 294 de la Loi, KPMG a été désigné par la Société Bénéficiaire en tant qu'expert à l'effet d'examiner la présente proposition et d'établir un rapport à cet effet pour la Société Bénéficiaire. A l'exception des honoraires liés à la préparation du rapport susmentionné, KPMG n'a reçu et ne recevra aucun avantage spécial de la part de la Société Bénéficiaire.

1.8 Description précise et affectation des actifs et passifs à transférer à la Société Bénéficiaire

Tous les actifs et passifs de la Société Apporteuse, à l'exception des Actifs et Passifs Non Transférés, existants à la date effective du Transfert, y compris notamment, la création de nouvelles dettes, les pertes de change et/ou l'accumulation d'intérêts sur les Contrats Synallagmatiques (les **Actifs et Passifs Transférés**) seront transférés à la Société Bénéficiaire conformément au Transfert.

Les actifs et passifs suivants ne sont pas transférés à la Société Bénéficiaire en conséquence du Transfert (les **Actifs et Passifs Non Transférés**) :

- les actions de la Société Bénéficiaire déjà détenues par la Société Apporteuse avant le Transfert et d'une valeur de EUR 31.000 ;
- l'ensemble du mobilier (y compris l'intégralité du matériel et des logiciels informatiques) situé au siège social de la Société Apporteuse (le **Mobilier**);
- les avances dues aux autorités fiscales s'élevant à un montant de EUR 3.210 ;
- six employés, nommément Emilie Schmitz, Davina Piret, Lise Duhamel, Marie-José Bertolone, Navin Yerkiah et Laurent Godineau ;
- les passifs et obligations éventuels de la Société Apporteuse en vertu du contrat d'apport en date du 30 janvier 2014 entre OTR S.à r.l. et quinze personnes physiques en qualité d'apporteurs et la Société Apporteuse en tant que bénéficiaire;
- les sommes dues aux autorités fiscales et sociales concernant les employés, ainsi que les montants dus concernant les contrats conclus avec des fournisseurs pour un montant total de EUR 61,602 ; et
- les contrats suivants :
 - i. Le contrat cadre pour la location à long terme de voitures de tourisme, véhicules à usage mixte et véhicules utilitaires légers conclu par et entre Arval Luxembourg S.A. et la Société Apporteuse, en date du 1^{er} octobre 2014 ;
 - ii. Le devis et proposition préliminaire No. D 28894/14 de Dussmann Services S.à r.l. portant sur l'entretien bihebdomadaire des bureaux d'Altice S.A., en date du 1^{er} octobre 2014 ;
 - iii. Le devis de l'assurance professionnelle Reebou envoyé par Foyer Assurances S.A. à la Société Apporteuse, en date du 21 janvier 2014 ;
 - iv. Les conditions particulières Risque Reebou Pro envoyées par Foyer Assurances S.A. à la Société Apporteuse, en date du 22 octobre 2014 ;
 - v. Le contrat de fourniture d'énergie électrique conclu entre Leo S.A. et la Société Apporteuse en date du 17 février 2014 ;
 - vi. Le contrat de bail à loyer conclu par et entre Madame Mignon et la Société Apporteuse en date du 3 janvier 2014 ;

- vii. Le contrat portant sur la convention de garantie de services conclu par et entre Sodexo Pass S.A. et la Société Apporteuse en date du 29 septembre 2014 ;
- viii. Le contrat LuxFibre portant sur la connexion à l'internet, conclu par et entre Post Telecom et la Société Apporteuse en date du 15 janvier 2015 ;
- ix. Le contrat d'abonnement pour les produit de BOB 50 conclu par et entre IBLux Informatique (IBGraf) et la Société Apporteuse en date du 21 mai 2015 ;
- x. L'offre relative à la configuration informatique, faite par IBLux Informatique S.A. à la Société Apporteuse en date du 21 mai 2015 ;
- xi. Le contrat de cession d'abonnement Tango par Altice International S.à r.l. à la Société Apporteuse en date du 30 novembre 2014 ; et
- xii. Le contrat de location individuel KBC 703855 conclu par et entre KBC Lease Luxembourg et la Société Apporteuse en date du 6 mars 2015.

Pour information, selon les Comptes, les actifs et passifs au 31 décembre 2014, les Actifs et Passifs Transférés étaient les suivants :

Actifs et Passifs apportés	Actifs et Passifs non apportés	Actifs et Passifs au 31.12.2014
(a)	(b)	(a+b)

ACTIF		
Frais d'établissement	23.462.419	23.462.419
Actifs immobilisés		
Immobilisations financières		
Participations au sein d'entreprises liées	10.234.340.338	10.234.340.338
Actifs circulants		
Créances sur des entreprises liées		
Créances dont la durée résiduelle est inférieure ou égale à un an	317.775.413	317.775.413
Créances dont la durée résiduelle est supérieure à un an	46.000.000	46.000.000
Autres créances		
Autres créances dont la durée résiduelle est inférieure ou égale à un an	1.821.745	3.210
Autres créances dont la durée résiduelle est supérieure à un an	10.000.000	10.000.000
Avoirs en banques, avois en comptes de chèques postaux, chèques et encaisse	827.898.186	827.898.186
Remboursements anticipés	92.725.976	92.725.976
Total de l'Actif	11.554.024.079	3.210
PASSIF		
Provisions		
Autres provisions	20.651.820	20.651.820
Dettes non subordonnées		
Emprunts obligataires		
Emprunts non convertibles		
dont la durée résiduelle est inférieure ou égale à un an	126.009.057	126.009.057
dont la durée résiduelle est supérieure à un an	4.469.669.072	4.469.669.072
Montants exigibles envers des établissements de crédit		
dont la durée résiduelle est inférieure ou égale à un an	24.661	
Dettes commerciales		
dont la durée résiduelle est inférieure ou égale à un an	3.604.441	31.035
Dettes envers des entreprises liées		
dont la durée résiduelle est inférieure ou égale à un an	18.216	18.216
Dettes fiscales et dettes envers la sécurité sociale		
Dettes fiscales		
Dettes au titre de la sécurité sociale	18.336	3.272
Autres dettes		
dont la durée résiduelle est inférieure ou égale à un an	501	2.263
Total du Passif et des provisions	4.620.014.854	64.812
Actif net apporté	6.934.009.225	
Actif net non apporté		-61.602
Actif net au 31.12.2014		6.933.947.623

Sur base de ce qui précède, les Actifs et Passifs Transférés ont une valeur comptable totale de six milliards neuf cent trente-quatre millions neuf mille deux cent vingt-cinq euros (EUR 6.934.009.225) qui sera affectée à la Société Bénéficiaire de la manière suivante :

- deux millions quatre cent soixante-dix-neuf mille cinq cent un euros et quatre-vingt-six centimes (EUR 2.479.501,86) seront comptabilisés au compte de capital social de la Société Bénéficiaire ; et
- six milliards neuf cent trente-et-un millions cinq cent vingt-neuf mille sept cent vingt-trois euros et quatorze centimes (EUR 6.931.529.723,14) seront comptabilisés au compte de prime d'émission de la Société Bénéficiaire.

En tout état de cause, les employés et leurs contrats de travail conclus par la Société Apporteuse qui ne font pas partie des Actifs et Passifs Non Transférés seront automatiquement transférés de la Société Apporteuse vers la Société Bénéficiaire à la date effective du Transfert. La Société Apporteuse et la Société Bénéficiaire informeront chaque salarié individuellement du Transfert et de toutes les incidences sur leur emploi, au moyen d'une notification écrite, dont une copie sera envoyée à l'ITM (l'Inspection du Travail et des Mines).

1.9 Affectation à la Société Apporteuse des actions de la Société Bénéficiaire, et critères selon lesquels ladite affectation est mise en œuvre

Toutes les Nouvelles Actions de la Société Bénéficiaire sont affectées à la Société Apporteuse en tant qu'associé unique de la Société Bénéficiaire.

1.10 Adresse à laquelle les informations supplémentaires sur le Transfert peuvent être obtenues à titre gratuit

Des informations supplémentaires sur le Transfert proposé peuvent être obtenues, gratuitement, au siège social de la Société Apporteuse (3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg) et sur son site internet www.altice.net, et au siège social de la Société Bénéficiaire (3, Boulevard Royal, L-2449 Luxembourg, Grand-Duché de Luxembourg), mais uniquement dans les limites prévues ou exigées par la loi applicable.

1.11 Stipulations supplémentaires

La Société Apporteuse et la Société Bénéficiaire accompliront toutes les formalités exigées et nécessaires à l'effet de réaliser le Transfert.

Les frais et coûts liés au Transfert et toutes les dettes fiscales (le cas échéant) relatives aux actifs apportés seront supportés par la Société Apporteuse.

2 DIVERS

2.1 Prévalence de la langue anglaise

La présente proposition de transfert est rédigée en langue anglaise suivie d'une version française. En cas de divergence entre la version anglaise et la version française, la version anglaise prévaudra.

2.2 Droit Applicable


La présente proposition de transfert est régie par, et sera interprétée conformément au droit luxembourgeois.

Le présent document ne peut être transmis à toute personne ou adresse aux Etats-Unis d'Amérique. Le non-respect de cette obligation peut entraîner une violation au *Securities Act of 1933* ou à toute loi applicable dans d'autres juridictions.

Le présent document n'a pas pour vocation de constituer une offre ou une vente à quiconque situé sur le territoire des Etats-Unis d'Amérique au sens du *Securities Act of 1933*, tel que modifié, (le **Securities Act**). Les actions mentionnées dans ce document n'ont pas été, et ne seront pas inscrites aux termes du *Securities Act*.

(la page de signature suit)

Signature page of the transfer proposal duly executed by all the directors of Altice S.A.



Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

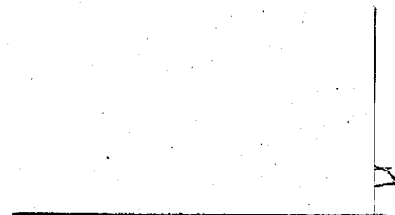
Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director and chairman

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the transfer proposal duly executed by all the directors of Altice S.A.



Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director and chairman

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the transfer proposal duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

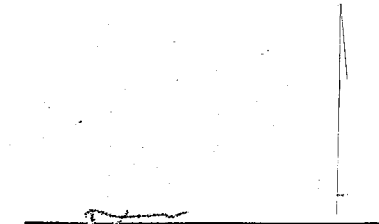
Name: Patrick DRAHI
Title: Director and chairman

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the transfer proposal duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director



Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director and chairman

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the transfer proposal duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRACH
Title: Director and chairman



Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the transfer proposal duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

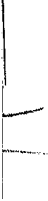
Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director and chairman

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the transfer proposal duly executed by all the directors of Altice Luxembourg S.A.



By: Jérémie Bonnin
Title: Director
Date:

By: Emilie SCHMITZ
Title: Director
Date:



By: Laurent GODINEAU
Title: Director
Date:



*Altice S.A.
Report of the Réviseur d'Entreprises agréé on the all assets
and liabilities contribution.*

26 June, 2015

Appendix 3 : Copy of the report of the Board of Directors explaining the transfer proposal and setting out the legal and economic grounds of the transfer by Altice S.A. of some of its assets and liabilities to Altice Luxembourg S.A. dated 26 June, 2015

**REPORT OF THE BOARD OF DIRECTORS OF ALTICE S.A. EXPLAINING THE TRANSFER PROPOSAL AND
SETTING OUT THE LEGAL AND ECONOMIC GROUNDS OF THE TRANSFER OF SUBSTANTIALLY ALL ITS
ASSETS AND LIABILITIES TO ALTICE LUXEMBOURG S.A.
DATED 26 JUNE 2015**

NOT TO BE FORWARDED TO ANY PERSON OR ADDRESS IN THE UNITED STATES OF AMERICA

The board of directors of **Altice S.A.**, a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, with its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Register of Commerce and Companies of Luxembourg under number B 183.391 (the **Transferring Company**) has drawn up this detailed written report (the **Report**) in accordance with articles 308bis-2, 285 to 308 (save for article 303) of the Luxembourg law of 10 August 1915 on commercial companies, as amended (the **Luxembourg Company Law**).

In accordance with articles 308bis-2 and 293 of the Luxembourg Company Law, the Report contains information and explanations on:

- the contemplated transfer by the Transferring Company to **Altice Luxembourg S.A.**, a public limited liability company (*société anonyme*) governed by the laws of the Grand Duchy of Luxembourg, with its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg, registered with the Register of Commerce and Companies of Luxembourg under number B 197.134 (the **Recipient Company**) of all the assets and liabilities of the Transferring Company, except for the Non Transferred Assets and Liabilities (as defined below) (the **Transfer**), as further defined in the transfer proposal prepared by both the Transferring Company and the Recipient Company; and
- the transfer proposal filed by the Transferring Company and the Recipient Company on 25 June 2015 (the **Transfer Proposal**), with the (i) Luxembourg Register of Commerce and Companies (*Registre de Commerce et des Sociétés de Luxembourg* or the **Luxembourg RCS**) to be published in the Luxembourg official gazette (*Memorial C, Recueil des Sociétés et Associations* or the **Mémorial C**); (ii) *Commission de Surveillance du Secteur Financier* as the Luxembourg financial sector supervisory authority; and (iii) Luxembourg stock exchange (*Bourse de Luxembourg*) as officially appointed mechanism in charge of the central storage of regulated information for public disclosure.

The Transferring Company and the Recipient Company are hereafter together referred to as the **Companies**.

Capitalized terms used but not specifically defined herein shall have the same meaning as ascribed to them in the Transfer Proposal.

The board of directors of the Transferring Company (the **Board**) now reports the following in connection with the Transfer:

1. Transferred Assets and Liabilities

The Transferring Company shall transfer all of its assets and liabilities except for the Non Transferred Assets and Liabilities (as defined below) existing as at the effective date of the Transfer including, but not limited to, the creation of new debt, the incurrence of foreign-exchange losses and/or the accrual of interest on the Indentures (the **Transferred Assets and Liabilities**) to the Recipient Company without the Transferring Company being dissolved or liquidated.

The following assets and liabilities shall not be transferred to the Receiving Company as a result of the Transfer (the **Non Transferred Assets and Liabilities**):

- a. the shares of the Recipient Company already held by the Transferring Company before the Transfer and having a value of EUR 31,000;
- b. all the furniture (including, but not limited to, all computer hardware and software) located at the registered office of the Transferring Company (the **Furniture**);
- c. advances to tax authorities for an amount of EUR 3,210;
- d. six employees being Emilie Schmitz, Davina Piret, Lise Duhamel, Marie-José Bertolone, Navin Yerkiah and Laurent Godineau;
- e. the contingent liabilities and obligations of the Company under the contribution agreement dated 30 January 2014 between, OTR S.à r.l. and fifteen physical persons as contributors and the Transferring Company as beneficiary;
- f. amounts due to social tax authorities in relation with employees and amounts due in relation to engagement with suppliers for a total amount of EUR 61,602; and
- g. the following agreements:
 - i. Framework agreement for long-term rental of tourism vehicles, mixed-use vehicles and light commercial vehicles, entered into by and between Arval Luxembourg S.A. and the Transferring Company, dated 1 October 2014;
 - ii. Dussmann Services S.à r.l.'s quote and preliminary proposal No. D 28894/14 for the biweekly maintenance of the Altice S.A. offices, dated 1 October 2014;
 - iii. Pro Reebou insurance quote sent by Foyer Assurances S.A. to the Transferring Company, dated 21 January 2014;
 - iv. Reebou Pro particular risk conditions sent by Foyer Assurances S.A. to the Transferring Company, dated 22 October 2014;
 - v. Electricity supply agreement entered into by and between Leo S.A. and the Transferring Company, dated 17 February 2014;
 - vi. Rental lease agreement entered into by and between Mrs Mignon and the Transferring Company, dated 3 January 2014;
 - vii. Warranty and services agreement entered into by and between Sodexo Pass S.A. and the Transferring Company, dated 29 September 2014;
 - viii. Internet connection agreement LuxFibre entered into by and between Post Telecom and the Transferring Company, dated 15 January 2015;
 - ix. Subscription agreement for the BOB 50 products entered into by and between IBLux Informatique (IBGraf) and the Transferring Company, dated 21 May 2015;
 - x. Offer related to the IT configuration conducted by IBLux Informatique S.A. to the Transferring Company, dated 21 May 2015;
 - xi. Tango assignment agreement of subscription by Altice International S.à r.l. to the Transferring Company, dated 30 November 2014; and
 - xii. KBC individual lease agreement 703855 entered into by and between KBC Lease Luxembourg and the Transferring Company, dated 6 March 2015.

For information purposes, according to the approved accounts of the Transferring Company as at 31 December 2014 (the **Accounts**), the assets and liabilities of the Transferring Company were as follows:

	Assets and liabilities contributed	Assets and liabilities not contributed	Assets and Liabilities as at 31.12.2014
	(a)	(b)	(a+b)
ASSETS			
Formation expenses	23 462 419		23,462,419
Fixed assets			
Financial fixed assets			
Shares in affiliated undertakings	10 234 340 338		10,234,340,338
Current assets			
Amounts owed by affiliated undertakings			
becoming due and receivable within one year	317 775 413		317,775,413
becoming due and receivable after more than one year	46 000 000		46,000,000
Other receivables			
becoming due and receivable within one year	1 821 745	3 210	1,824,955
becoming due and receivable after more than one year	10 000 000		10,000,000
Cash at bank, cash in postal cheque accounts, cheques and cash in hand	827 898 186		827,898,186
Prepayments	92 725 978		92,725,978
Total Assets	11,554,024,079	3 210	11,554,027,289
LIABILITIES			
Provisions			
Other provisions	20 651 820		20,651,820
Non subordinated debts			
Debenture loans			
Non-convertible loans			
becoming due and payable within one year	126 009 057		126,009,057
becoming due and payable after more than one year	4 469 669 072		4,469,669,072
Amounts owed to credit institutions			
becoming due and payable within one year	24 661		24,661
Trade creditors			
becoming due and payable within one year	3 604 441	31 035	3,635,476
Amounts owed to affiliated undertakings			
becoming due and payable within one year	18 216		18,216
Tax and social security debts			
Tax debts			
	18 750	3 272	22,022
Social security debts			
	18 336	28 252	46,588
Other creditors			
becoming due and payable within one year	501	2 253	2,754
Total Liabilities and provisions	4,620,014,854	64 812	4,620,079,666
Net assets contributed	6,934,009,225		
Net assets not contributed		-61 602	
Net assets as at 31 12 2014			6,933,947,623

For accounting purposes, all operations, rights and obligations related to the Transferred Assets and Liabilities shall be treated, as per 1 January 2015, as being carried out on behalf of the Recipient Company. As a result of the Transfer, the Recipient Company will incur from the Transferring Company the result from the operations resulting from the Transferred Assets and Liabilities from 1 January 2015 to the effective date of the transfer. The unaudited interim management accounts as at 31 March 2015 show a loss in the amount of EUR 399,806,396.88 mainly generated by interest on debt and foreign exchange differences.

Upon the effectiveness of the Transfer, all of the Transferred Assets and Liabilities will be automatically transferred by the Transferring Company to the Recipient Company by means of universal succession in exchange for the issuance by the Recipient Company of two hundred forty-seven million nine hundred and fifty thousand one hundred and eighty-six (247,950,186) fully paid up newly issued shares to, and subscription hereof by, the Transferring Company under the terms and conditions as set forth in the Transfer Proposal.

2. Legal and economic purposes and reasons for the Transferred Assets and Liabilities

The Transfer is a required step in order for the Transferring Company to effect a cross-border merger (the **Merger**) with New Athena B.V., a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*) under Dutch law, having its official seat in Amsterdam, the Netherlands, registered with the Dutch trade register under number 63329743, allowing a more efficient management of the Altice group. Following the conversion of New Athena B.V. from a private company with limited liability into a public company limited by shares, the result of the Transfer, followed by the Merger, will be to list the shares of a Dutch law governed public company (*naamloze vennootschap*) on Euronext Amsterdam instead of the shares of a Luxembourg law governed public limited liability company (*société anonyme*). From an economic point of view the Transfer and the Merger have no other consequences than the expected improvement of efficiency and the contemplated cost reduction due to the listing of the shares of a Dutch law governed public company on Euronext Amsterdam instead of the listing of the shares of a Luxembourg law governed public limited liability company.

3. Expected legal, economic and social consequences of the Transferred Assets and Liabilities

The Board approved, by circular resolutions dated 25 June 2015, the (i) Transfer, (ii) Transfer Proposal and (iii) this Report.

3.1 Consequences for the activities of the Transferring Company

Upon completion and as a result of the Transfer, the Transferring Company will be a listed holding company, with the Non Transferred Assets and Liabilities and the participation held in the Recipient Company which will have a value equal to the book value of the Transferred Assets and Liabilities as sole assets. The Transferring Company will remain the top holding company of the Altice group.

The Transferring Company also intends to file with the Luxembourg RCS on or around the date of this Report a cross-border merger proposal in relation to the Merger. All the terms and conditions of this Merger will be explained in detail in the cross-border merger proposal.

3.2 Conditions to the implementation and completion of the transfer of the Transferred Assets and Liabilities

The implementation and completion of the Transfer of the Transferred Assets and Liabilities are subject to the fulfillment of the following approvals:

- the Transferred Assets and Liabilities must be approved by the respective general meetings of the shareholders of the Companies with the same quorum and majority requirements required for amendments to the articles of association of the Companies;

- as the Stock Option Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the transfer, and subject to the condition precedent that the Merger is effected, with the prior written consent of all beneficiaries of said Stock Option Plan, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer;
- the Transferring Company issued notes governed by (i) the indenture dated as of 4 February 2015 in relation to 75/8 % Dollar-Denominated Senior Notes due 2025 and 61/4 % Euro-Denominated Senior Notes due 2025 and (ii) the indenture dated as of 8 May 2014 in relation to a 73/4 % Dollar-Denominated Senior Notes due 2022 and 71/4 % Euro-Denominated Senior Notes due 2022; all concluded between the Transferring Company as Issuer, Deutsche Bank AG, London Branch, as Trustee, Principal Paying Agent and Security Agent, Deutsche Bank Luxembourg S.A., as Euro Transfer Agent and Euro Registrar (the **Indentures**). The Trustee will agree, in the name and on behalf of all the noteholders under the Indentures, to the Transfer in accordance with the Indentures. As a result, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer;
- the warrants granted by the Transferring Company to Next Alt S.à r.l., a private limited liability company (*société à responsabilité limitée*) governed by Luxembourg law, having its official seat in Luxembourg, Grand Duchy of Luxembourg, and its registered office at 3, Boulevard Royal, L-2449 Luxembourg, Grand Duchy of Luxembourg registered with the Luxembourg trade and companies register (*Registre de Commerce et des Sociétés*) under number B 194.978 ("**Next**") and the thereto related Warrant Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the Transfer with the prior written consent of Next. Therefore, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer.

3.3 Economic consequences

The Board notes that the transfer of the Transferred Assets and Liabilities to the Recipient Company will result in the Recipient Company taking over all the assets and liabilities (save for the Non Transferred Assets and Liabilities), and the business and activities of the Transferring Company in connection with the Transferred Assets and Liabilities.

The Transfer will not change the, or have any impact on, the amount of the share capital or of the share premium of the Transferring Company.

As a result of the Transfer, there will be no assets and liabilities remaining in the balance sheet of the Transferring Company (save for the Non Transferred Assets and Liabilities and the participation held by the Transferring Company in the Recipient Company which will have a value equal to the book value of the Transferred Assets and Liabilities). The share capital of the Transferring Company will not be decreased and none of the Transferring Company's shares will be cancelled as a result of the Transfer.

As a result of the Transfer, the Recipient Company will incur from the Transferring Company the result of the operations resulting from the Transferred Assets and Liabilities from January 1 to the effective date. The interim management accounts as at March 31, 2015 show a loss in the amount of EUR 399.806.396,88 mainly generated by interest on the debt and foreign exchange differences.

3.4 Legal consequences

Upon and following completion of the Transfer and all formalities that are required to make the Transfer fully effective between the Companies and any third parties:

- the Recipient Company will assume and perform all of the activities of the Transferring Company in connection with the Transferred Assets and Liabilities;
- the Recipient Company will take over and continue all of the activities of the Transferring Company in connection with the Transferred Assets and Liabilities and will have all necessary authorizations and/or powers in respect hereof;
- all creditors (including the noteholders) of the Transferring Company will become creditors (or, as the case may be, noteholders) of the Recipient Company, save for the Non Transferred Assets and Liabilities;
- the Transferring Company will assign to the Recipient Company any and all rights and obligations arising from, or under, any agreements entered into by the Transferring Company prior to, and in force on, the effective date of the transfer, save for the agreements that are part of the Non Transferred Assets and Liabilities;
- the Transferring Company will continue to exist in the form of a holding company with its shares being listed on Euronext Amsterdam;
- the articles of association of the Recipient Company will be amended so as to reflect the share capital increase pursuant to which the Recipient Company will issue, and the Transferring Company will subscribe to, newly issued shares in the Recipient Company in exchange and as consideration for the Transferred Assets and Liabilities (as further set out under item 5 below);
- the Transferring Company will be registered as the sole shareholder of the newly issued shares in the share register of the Recipient Company, representing together with the existing shares the entire share capital of the Recipient Company;
- rights and obligations deriving from any existing employment contracts with the Transferring Company prior to the effective date of the transfer will be automatically transferred to the Recipient Company pursuant to article L. 127-1 *seq.* of the Luxembourg Labour Code, save for the employment contracts being part of the Non Transferred Assets and Liabilities;
- as the warrant granted by the Transferring Company to Next and the thereto related Warrant Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the transfer with the prior written consent of Next, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer;
- as the Stock Option Plan will be cancelled and/or terminated by the Transferring Company ultimately as per the effective date of the transfer with the prior written consent of all beneficiaries of said Stock Option Plan, no guarantee or measures will have to be granted or taken by the Recipient Company in this respect in connection with the Transfer; and
- the general meeting of shareholders of the Transferring Company approved a EUR 1 billion share buy-back program in relation to the shares in the Transferring Company for a three-year duration commencing at 1 June 2015 (the **Program**). None of the shares in the Transferring Company have been, or will be, bought back, held in treasury and/or cancelled under the Program as at the date of the approval by the board of directors of the Companies of the Transfer Proposal and/or the date of publication of the Transfer Proposal in the *Mémorial C*.

3.5 Social and human resources consequences

From a social and human resources perspective, the Board does not expect that the Transferred Assets and Liabilities will have any impact on the three (3) employees of the Transferring Company transferred as a result of the Transfer as their work and working conditions will be similar to the existing ones.

Furthermore, the employment contracts in relation to the three (3) employees transferred as a result of the Transfer entered into by the Transferring Company will be automatically transferred from the Transferring Company to the Recipient Company at the effective date of the Transfer. The Transferring Company and the Recipient Company will inform the employees individually of the Transfer and any effects on employment, by way of a written notification, a copy of which will be sent to the ITM (*Inspection du Travail et des Mines*).

The following employees Emilie Schmitz, Davina Piret, Lise Duhamel, Marie-José Bertolone, Navin Yeremiah and Laurent Godineau will not be transferred to the Recipient Company. Their work and working conditions will remain the same as the existing ones.

3.6 Tax consequences

From a tax perspective, upon completion of the Transfer:

- the Transferred Assets and Liabilities will be treated as a deemed disposal by the Transferring Company;
- any participations held by the Transferring Company are deemed to be transferred at fair market value;
- latent capital gains realized by the Transferring Company upon the Transfer should be exempt from Luxembourg corporate tax on the basis of the roll over exemption regime provided by article 22bis-3 of the Income Tax Law;
- the acquisition date and acquisition price of the Transferring Company's participation in the Recipient Company will be equal to the acquisition price of the participations transferred with the Transferred Assets and Liabilities;
- no recapture rule will apply at the level of the Transferring Company; and
- latent foreign exchange results on assets other than participations, if any, will disclose and become taxable, but may be offset against tax losses carried forward, if any, at the level of the Transferring Company.

4 Consideration for the Transferred Assets and Liabilities

In exchange for the contribution of all of the Transferred Assets and Liabilities and upon effectiveness of the Transfer, the Recipient Company shall issue, and the Transferring Company shall subscribe for two hundred forty-seven million nine hundred and fifty thousand one hundred and eighty-six (247,950,186) newly issued fully paid-up shares in the Recipient Company, each having a nominal value of one euro cent (EUR 0,01) (the **Shares**) by contribution in kind of the Transferred Assets and Liabilities valued at six billion nine hundred thirty-four million nine thousand two hundred and twenty-five euro (EUR 6,934,009,225), it being understood that an amount of six billion nine hundred thirty-one million five hundred twenty-nine thousand seven hundred and twenty-three euro and fourteen euro cents (EUR 6,931,529,723.14) shall be allocated to the Recipient Company's share premium account.

The Shares will have the same rights and obligations as, and rank *pari passu* with, the existing shares in the Recipient Company.

5 Valuation of the Transferred Assets and Liabilities

On the basis of the Accounts, the value of the Transferred Assets and Liabilities amounts to six billion nine hundred thirty-four million nine thousand two hundred and twenty-five euro (EUR 6,934,009,225) (the **Net Contribution**), this valuation being made at book value. The Net Contribution corresponds to the total amount of the assets less the total amount of the liabilities transferred by the Transferring Company to the Recipient Company.

The Board is responsible for the valuation of the Net Contribution and concludes that the valuation of the Net Contribution is adequate under the circumstances. The Board confirms that there have been no special difficulties in the valuation of the Net Contribution.

In exchange and as consideration for the transfer by the Transferring Company of the Transferred Assets and Liabilities at their book value as per 31 December 2014 (i.e. the Net Contribution), the Recipient Company shall increase its share capital and issue, and the Transferring Company shall subscribe to, two hundred forty-seven million nine hundred and fifty thousand one hundred and eighty-six (247,950,186) shares in the Recipient Company each having a par value of one euro cent (EUR 0,01) so as to bring the Recipient Company's current share capital from thirty one thousand euro (EUR 31,000) to two million five hundred and ten thousand five hundred and one euro and eighty-six euro cents (EUR 2,510,501.86) and book an amount of six billion nine hundred thirty-one million four

hundred sixty-eight thousand one hundred and twenty-one euro and fourteen euro cents (EUR 6,931,468,121.14) in the share premium account.

It results from the above, that the value of the Net Contribution will be at least equal to the value of the Shares and share premium issued by the Recipient Company.

For the avoidance of doubt, no cash payment will be made to the shareholders of the Transferring Company pursuant to the Transferred Assets and Liabilities.

The Transferring Company has appointed KPMG Luxembourg, a cooperative company (*société coopérative*) governed by the laws of the Grand Duchy of Luxembourg, having its registered office at 39, avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg, registered with the Luxembourg Register of Commerce and Companies under number B 149.133 as expert in connection with the Transfer and to prepare a report on whether, in its opinion, the exchange ratio is fair and reasonable (the **KPMG Report**).

The KPMG Report will:

- indicate the method(s) on which the proposed exchange ratio is based;
- indicate whether those method(s) is or are adequate under the circumstances of the Transferred Assets and Liabilities;
- indicate the valuation conclusion;
- give an opinion as to the relative importance attributed to such method(s) in determining the value adopted; and
- describe any special valuation difficulties which may have arisen.

The KPMG Report will be made available at the registered office of the Transferring Company and at its website at <http://www.altice.com> at least one month prior to the holding of the general meeting of shareholders of the Transferring Company deciding upon the Transferred Assets and Liabilities, for the purpose of allowing the Transferring Company's shareholders to examine the KPMG Report.

The Board will inform the shareholders of the Transferring Company of any material change in the Transferred Assets and Liabilities which have occurred between the date of the preparation of the Transfer Proposal and the date of the holding of the general meeting of the shareholders of the Transferring Company.

6 Recommendation

The Board is of the opinion that the potential benefits associated with the Transfer will be significant for the Transferring Company.


The Board therefore proposes to the shareholders of the Transferring Company to vote in favour of the proposed Transfer as set out in the Transfer Proposal and this Report.

This document may not be forwarded to any person or address in the United States of America. Failure to comply with this directive may result in a violation of the Securities Act of 1933 or the applicable laws of other jurisdictions.

This document is not intended to constitute an offer or sale to persons in the United States of America within the meaning of the U.S. Securities Act of 1933, as amended (the **Securities Act**). The shares referred to in this document have not been, and are not presently intended to be, registered under the Securities Act.

[Remainder of page intentionally left blank]

Signature page of the board report in relation to the transfer of all assets and liabilities of the Company duly executed by all the directors of Altice S.A.



Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director


Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the board report in relation to the transfer of all assets and liabilities of the Company duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director



Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the board report in relation to the transfer of all assets and liabilities of the Company duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the board report in relation to the transfer of all assets and liabilities of the Company duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director

Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the board report in relation to the transfer of all assets and liabilities of the Company duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director



Name: Jean-Luc ALLAVENA
Title: Director

Signature page of the board report in relation to the transfer of all assets and liabilities of the Company duly executed by all the directors of Altice S.A.

Name: Jérémie BONNIN
Title: Director

Name: Dennis OKHUIJSEN
Title: Director

Name: Scott MATLOCK
Title: Director

Name: Dexter GOEI
Title: Director

Name: Patrick DRAHI
Title: Director

Name: Jean-Luc ALLAVENA
Title: Director