

ALTICE INTERNATIONAL S.À R.L
SOCIETE À RESPONSABILITÉ LIMITÉE (PRIVATE LIMITED LIABILITY COMPANY)
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND
FOR THE THREE AND SIX MONTH PERIODS ENDED JUNE 30, 2015

Table of contents

Condensed consolidated statement of income	2
Condensed consolidated statement of other comprehensive income	3
Condensed consolidated statement of financial position	4
Condensed consolidated statement of changes in equity	6
Condensed consolidated statement of cash flows	8
Notes to the condensed consolidated financial statements	10
Review Report of the Réviseur d'Entreprises Agréé	45

Condensed consolidated statement of income
For the three and six months ended June 30, 2015

	Notes	Six months ended June 30, 2015	Six months ended June 30, 2014 (revised *)	Three months ended June 30, 2015	Three months ended June 30, 2014 (revised *)
		<i>(In millions €)</i>		<i>(In millions €)</i>	
Revenues.....	3	1,276.5	866.8	746.6	504.2
Purchasing and subcontracting costs		(291.5)	(211.3)	(167.6)	(123.8)
Other operating expenses		(297.1)	(196.0)	(166.5)	(113.3)
Staff costs and employee benefit expenses		(90.5)	(72.4)	(60.6)	(38.3)
Depreciation and amortization.....		(394.8)	(253.1)	(191.5)	(143.3)
Impairment losses	3	(19.8)	(5.4)	-	-
Other expenses and income	3	(28.2)	(46.5)	(19.9)	(31.5)
Operating profit		154.5	82.0	140.6	54.0
Interest relative to gross financial debt		(222.2)	(193.0)	(206.3)	(88.7)
Other financial expenses.....		(30.8)	(20.7)	(86.9)	(7.5)
Finance income.....		25.7	43.6	-	49.1
Finance costs, net		(227.3)	(170.1)	(293.2)	(47.1)
Share of profit of associates.....		(0.8)	-	(0.8)	-
(Loss)/profit before income tax		(73.7)	(88.1)	(153.4)	6.9
Income tax (expenses)/income.....	12	(24.4)	1.4	11.0	(3.6)
(Loss)/profit for the period		(98.1)	(86.7)	(142.4)	3.3
<i>Attributable to equity holders of the parent</i>		<i>(95.6)</i>	<i>(85.0)</i>	<i>(140.7)</i>	<i>3.2</i>
<i>Attributable to non-controlling interests</i>		<i>(2.5)</i>	<i>(1.7)</i>	<i>(1.6)</i>	<i>0.1</i>

The accompanying notes form an integral part of these condensed consolidated financial statements.

(*) For the details of the revision see note 13

Condensed consolidated statement of other comprehensive income
For the three and six months ended June 30, 2015

	Notes	Six months ended June 30, 2015	Six months ended June 30, 2014 (revised *)	Three months ended June 30, 2015	Three months ended June 30, 2014 (revised *)
<i>(In million €)</i>					
(Loss)/profit for the period		(98.1)	(86.7)	(142.4)	3.3
Other comprehensive (loss)/income					
Exchange differences on translating foreign operations		2.1	(13.8)	1.0	(13.8)
Revaluation of available for sale financial assets, net of taxes		(2.3)	(1.0)	(0.3)	(1.0)
Gain on cash flow hedge, net of taxes	5,3,6,6	(64.1)	-	80.2	-
Actuarial gains and (losses), net of taxes.....	8	31.8	(0.2)	31.8	-
Total other comprehensive loss/income.....		(32.6)	(15.0)	112.7	(14.8)
Total comprehensive loss for the period.....		<u>(130.6)</u>	<u>(101.7)</u>	<u>(29.7)</u>	<u>(11.5)</u>
<i>Attributable to equity holders of the parent</i>		<i>(128.9)</i>	<i>(99.5)</i>	<i>(28.1)</i>	<i>(11.1)</i>
<i>Attributable to non-controlling interests</i>		<i>(1.8)</i>	<i>(2.2)</i>	<i>(1.6)</i>	<i>(0.4)</i>

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(*) For the details of the revision see note 13

Condensed consolidated statement of financial position
June 30, 2015

	Notes	June 30, 2015	December 31, 2014 (revised *)
<i>(In millions €)</i>			
ASSETS			
Non-current assets			
Goodwill	4	5,076.8	1,856.6
Intangible assets		1,397.5	835.0
Property, plant & equipment		4,469.8	1,457.4
Investment in associates		8.9	-
Financial assets	6	152.4	57.4
Deferred tax assets		424.9	136.1
Other non-current assets		36.3	27.3
Total non-current assets		11,566.6	4,369.8
Current assets			
Inventories		86.9	21.6
Trade and other receivables		1,120.2	281.3
Current tax assets		67.6	17.2
Current financial assets.....		1.5	0.6
Cash and cash equivalents	7	316.2	188.1
Total Current assets		1,592.5	508.7
<i>Assets classified as held for sale.....</i>	3.3	<i>199.2</i>	<i>77.3</i>
Total assets		13,358.8	4,955.9

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(*) For the details of the revision see note 13

**Condensed consolidated statement of financial position
June 30, 2015**

		June 30, 2015	December 31, 2014 (revised *)
<i>EQUITY AND LIABILITIES</i>	Notes		
Equity			
Issued capital	5.1	309.3	309.3
Additional paid in capital	5.2	318.4	318.4
Other reserves	5.3	606.0	(399.9)
Accumulated losses		(475.6)	(380.0)
Equity attributable to owners of the Company		758.1	(152.3)
Non-controlling interests		(4.0)	(2.6)
Total equity		754.1	(154.9)
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	6	7,328.6	3,603.6
Other non-current financial liabilities and related hedging instruments	6	1,096.7	141.9
Non-current provisions	8	1,012.2	58.0
Deferred tax liabilities		250.0	259.0
Other non-current liabilities		32.6	18.0
Total non-current liabilities		9,720.2	4,080.6
Current liabilities			
Short-term borrowings, financial liabilities	6	488.2	166.6
Other financial liabilities	6	362.9	95.5
Trade and other payables		1,442.3	590.7
Current tax liabilities		83.0	50.2
Current provisions		58.9	1.0
Other current liabilities		329.2	103.7
Total current liabilities		2,764.5	1,007.8
<i>Liabilities directly associated with assets classified as held for sale</i>	3.3	120.0	22.5
Total liabilities		12,604.7	5,110.7
Total equity and liabilities		13,358.8	4,955.9

The accompanying notes form an integral part of these condensed consolidated financial statements.

(*) For the details of the revision see note 13

**Condensed consolidated statement of changes in equity
For the six months ended June 30, 2015**

	Reserves										Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	Number of issued shares	Issued capital	Additional paid in capital	Accumulated losses	Other reserves	Currency reserve	Available for sale reserve	Cash flow hedge reserve	Employee Benefits				
		€m	€m	€m	€m	€m	€m	€m	€m	€m			
Equity at January 1, 2015	30,925,700,000	309.3	318.4	(380.0)	(393.8)	(6.6)	1.9	-	(1.5)	(152.3)	(2.6)	(154.9)	
Loss for the period	-	-	-	(95.6)	-	-	-	-	-	(95.6)	(2.5)	(98.1)	
Other comprehensive income/(loss)	-	-	-	-	-	1.4	(2.3)	(64.1)	31.8	(33.3)	0.7	(32.6)	
Issuance of hybrid instruments	-	-	-	-	1,040.8	-	-	-	-	1,040.8	-	1,040.8	
Change in scope	-	-	-	-	(1.2)	-	-	-	-	(1.2)	0.5	(0.7)	
Change in accounting policies	-	-	-	-	0.3	-	-	-	-	0.3	-	0.3	
Effect of discounting of Interest Free Instruments	-	-	-	-	(0.6)	-	-	-	-	(0.6)	-	(0.6)	
Equity at June 30, 2015	30,925,700,000	309.3	318.4	(475.6)	645.4	(5.2)	(0.4)	(64.1)	30.3	758.1	(4.0)	754.1	

The accompanying notes form an integral part of these condensed consolidated financial statements.

(*) For the details of the revision see note 13

Condensed consolidated statement of changes in equity

For the six months ended June 30, 2014

	Reserves										
	Number of issued shares	Share capital	Additional paid in capital	Accumulated losses	Other reserves	Currency reserve	Available for sale	Employee Benefits	Total equity attributable to equity holders of the parent	Non- controlling interests	Total equity
	000	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Equity at January 1, 2014 (*)	743,011.5	7.4	5.4	(190.6)	(76.6)	(6.7)	(0.4)	0.8	(260.7)	(0.5)	(261.2)
Loss for the period	-	-	-	(85.0)	-	-	-	-	(85.0)	(1.7)	(86.7)
Shareholder Contribution	30,093,688	300.9	305.1	-	(316.9)	-	-	-	289.0	-	289.0
Change in scope	-	-	-	-	7.6	-	-	-	7.6	4.0	11.6
Other comprehensive income	-	-	-	-	-	(13.3)	(1.0)	(0.2)	(14.5)	(0.5)	(15.0)
Other movements	-	-	-	-	0.1	-	-	-	0.1	0.2	0.3
Equity at June 30, 2014 (*)	30,836,700	308.4	310.5	(275.6)	(385.7)	(20.0)	(1.4)	0.6	(63.4)	1.4	(62.0)

The accompanying notes form an integral part of these condensed consolidated financial statements.

(*) For the details of the revision see note 13

Condensed consolidated statement of cash flows
For the six months ended June 30, 2015

	Notes	Six months ended June 30, 2015	Six months ended June 30, 2014 (revised *)
<i>(In millions €)</i>			
Net loss for the period, including non-controlling interests		(98.1)	(86.7)
Adjustments for:			
Depreciation, amortization and impairments		414.6	258.5
Share of profit of associates		0.8	-
Gains and losses on disposals		1.0	-
Other non-cash operating gains, net		(0.2)	7.0
Payments related to retirement benefits		(10.0)	-
Net finance costs recognized in the statement of income		227.3	170.2
Income tax expense/(income) recognized in the statement of income		24.4	(1.4)
Income tax paid		(36.4)	(7.5)
Changes in working capital		51.3	(22.6)
Net cash provided by operating activities		574.8	317.5
Payments to acquire tangible and intangible assets		(281.4)	(192.9)
Payments to acquire financial assets		(61.0)	-
Proceeds from disposal of tangible, intangible and financial assets		0.4	1.0
Use of restricted cash to acquire subsidiaries		-	1,243.7
Payment to acquire subsidiaries, net	2	(114.5)	(1,278.1)
Net cash used in investing activities		(456.4)	(226.3)
Proceeds from issue of equity instruments		-	86.4
Proceeds from issuance of hybrid instruments	6	2,055.0	
Proceeds from issuance of debts	6	3,803.9	59.7
Payments on redemption of debt instruments		(116.7)	(95.5)
Payments on redemption of PT outstanding debt on acquisition	2	(5,593.9)	-
Net interest paid		(134.7)	(102.1)
Net cash provided by/(used) in financing activities		13.6	(51.5)
Cash and cash equivalent classified as held for sale at the end of the period		(10.5)	-
Effects of exchange rate changes on the balance of cash held in foreign currencies		6.7	(1.2)
Net increase in cash and cash equivalents		128.1	38.5
Cash and cash equivalents at beginning of period	7	188.1	61.3
Cash and cash equivalents at end of the period	7	316.2	99.8

The accompanying notes form an integral part of these condensed consolidated financial statements.

(*) For the details of the revision see note 13

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1	Basis of preparation
Note 2	Main changes in the scope of consolidation
Note 3	Segment reporting
Note 4	Goodwill
Note 5	Partners' equity (including non-controlling interests)
Note 6	Borrowings and other financial liabilities
Note 7	Cash and cash equivalents
Note 8	Employee benefits and pensions
Note 9	Litigations
Note 10	Commitments
Note 11	Related party disclosures
Note 12	Income taxes
Note 13	Going concern
Note 14	Revised information
Note 15	Events after the reporting period

1 - Basis of preparation

The condensed consolidated financial statements of Altice International S.à r.l (the “Company”, the “Group”) as of June 30, 2015 and for the three and six month periods then ended were approved by the Board of Managers and authorized for issue on August 27, 2015.

The condensed consolidated financial statements of the Group as of June 30, 2015 and for the three and six month periods then ended, are presented in Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (IAS) 34 “Interim Financial Reporting”. They should be read in conjunction with the annual consolidated financial statements and the notes thereto as of and for the year ended December 31, 2014 which have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union (“IFRS”).

The accounting policies applied for the consolidated financial statements as of June 30, 2015 do not differ from those applied for the consolidated financial statements as of and for the year ended December 31, 2014 with the exception of those texts or amendments that must be applied for periods beginning the January 1, 2015 described in note 1 to the consolidated financial statements as of and for the year ended December 31, 2014:

- (i) The application of IFRIC 21 Levies, applicable retrospectively from January 1, 2015.
 - IFRIC 21 Levies addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

The application of IFRIC 21 has no significant impact on the amounts reported in the Group’s condensed consolidated financial statements.

- (ii) Annual improvements 2011-2013 which include amendments to the following standards:
 - IFRS 3 Business Combination - Scope of exception for joint ventures,
 - IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
 - IAS 40 Investment Property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

The application of these amendments has had no material impact on the amounts recognised in the Group's condensed consolidated financial statements and has had no material impact on the disclosures in the Group's condensed consolidated financial statements.

- (iii) Also as of December 31, 2014, brands acquired in a business combination had either definite or indefinite useful lives. During the six months ended June 30, 2015, the Board of Managers has reviewed the useful lives of the brands currently recognized and assessed that these brands have a definite useful life, based on the Group’s strategy. This change has been applied prospectively. A total expense of €46.8 million (before tax impact) was recorded in the condensed consolidated statement of income for the six months ended June 30, 2015.

Significant accounting judgments and estimates used in the preparation of the financial statements

In the application of the Group's accounting policies, the Board of Managers of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

These judgments and estimates relate principally to the provisions for legal claim, the post-employments benefits, revenue recognition, fair value of financial instruments, deferred taxes, impairment of goodwill and useful lives of intangible assets and property, plant and equipment. These estimates and assumptions are described in the note 2.26 to the consolidated financial statements for the year end December 31, 2014.

Revised information

Within the framework of these condensed consolidated financial statements, the Board of Managers has decided to change the presentation of the consolidated statement of income and the consolidated statement of financial position. The Board of Managers believes that the revised presentation further enhanced the presentation of the Group's result and financial position more fairly and more reliably. The change mentioned above did not affect the reported results or the Company's financial position. The comparative information for the six months ended June 30, 2014 and for the year ended December 31, 2014 has been revised to reflect the new presentation.

A summary of the changes is provided below:

Condensed consolidated statement of income:

1. The line items, 'sales and marketing expenses', 'other operating expenses' and 'general and administrative expenses' have been regrouped under the line item, 'other operating expenses'.
2. Previously, the allowance and reversal for provisions were recorded exclusively in the line item, 'depreciation and amortisation'. From the current period onwards, allowances and reversals for operating provisions will be recorded in the line item, 'other expenses and income', allowances and reversals for employee benefits will be recorded in the line item, 'staff costs and employee benefit expenses'.
3. The Group has modified the presentation of Finance costs, net to provide more details on the interest rate relative to gross financial debt, other financial expenses and financial income.

Condensed consolidated statement of financial position:

1. The Group has decided to modify the presentation of gross financial debt by including the fair value of derivative instruments in the line item, 'long term borrowings, financial liabilities and related hedging instruments' (reclassification of €27.7 million from 'Other financial liabilities' to 'long term borrowings', 'financial liabilities and related hedging instruments').

The Board of Managers has concluded that the impacts of these changes on the comparative information for the three and six month periods ended June 30, 2014 is non material.

The comparative information for the three and six month ended June 30, 2014 and for the year ended December 31, 2014 has been revised to reflect the impact of the finalization of the purchase price of Tricom S.A. and Altice Hispaniola S.A. (previously Orange Dominicana S.A.) acquired during the course of FY 2014 (See note 13).

2 – Main changes in the scope of consolidation

2.1 Changes in consolidation scope for the six month period ended June 30, 2015

PT Portugal ("PT Portugal" ; "PT")

On June 2, 2015, the Company, through its indirect subsidiary, Altice Portugal, successfully completed the previously announced acquisition of a 100% stake in the Portuguese assets of PT Portugal S.G.P.S ("PT"). PT is the incumbent telephone operator in Portugal and the largest operator of fixed and mobile services in the country and an industry leader in fixed-mobile convergence. Through this acquisition, the Group has further strengthened its position in the Western European market and especially its reputation as a leader in fixed-mobile convergence.

Since June 2, 2015, PT contributed €200.9 million to Group revenues and €32.3 million to Group operating profit for the three and six months ended June 30, 2015.

The following summarises certain of the major classes of consideration transferred and the provisionally determined amounts of identifiable assets and liabilities assumed at the acquisition date:

Total consideration paid to the vendors for the shares of the acquired entity amounted to €195.1 million on a cash free debt free basis. Additionally the vendors are eligible to receive an earn-out of €500 million upon the achievement of certain total revenues for a fiscal year between 2015 and 2019. As per the provisions of IFRS 3, Business combinations, this earn out was booked at its fair value and estimated to be nil as of June 30, 2015.

The provisional value of assets transferred in consideration for the values mentioned above amounted to €4,919.5 million, comprising mainly of intangible assets for a net value of €644.3 million, property, plant and equipment for a total value of €2,956.2 million and trade and other receivables for a total amount of €1,110.9 million. Total liabilities amounted to €7,819.6 million, comprising of €5,433.0 million of non-current liabilities and €2,386.6 million of current liabilities (including existing external debt of PT; all external debt have been repaid on acquisition date). The residual value of € 3,095.7 million was recognised provisionally as goodwill.

The values of the assets and liabilities assumed have been determined on a provisional basis as being equivalent to the book values in the accounting records of PT (with the exception of real estate assets, which were already recorded in the accounting records of PT at their fair value). The Company is continuously assessing the fair valuation of the identifiable assets and liabilities assumed and shall complete this exercise within twelve months from the acquisition date.

Goodwill has been provisionally recognised as a result of the acquisition as follows:

Fair value of Consideration transferred	€195.1 million
Fair value of identifiable assets, liabilities and contingent liabilities	€(2,900.1) million
Goodwill	€3,095.7 million

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

The profit and loss statement for Portugal Telecom from the beginning of the period until the acquisition date is given below:

	PT
	<i>In € millions</i>
Revenues	983.4
Purchases and subcontracting services	(207.6)
Other operating expenses	(243.9)
Staff costs and employee benefits.....	(162.2)
Depreciation and amortisation.....	(261.7)
Non-recurring and restructuring costs	(39.8)
Operating profit	69.2
Profit for the period	121.6

3 – Segment reporting

The segments presented are consistent with the ones presented in the consolidated financial statements as at December 31, 2014. The businesses that the Group owns and operates do not show significant seasonality, with the exception of the mobile B2C and B2B segments, which can show significant changes in sales at the year end and at the end of the summer season (the “back to school” period). The B2B business is also impacted by the timing of preparation of the annual budgets of public and private sector companies.

There are few operational transactions between the different segments defined by the Board of Managers above. Intersegment revenues are considered to be non-material by the Board of Managers and, hence, not in the scope of regular operational reviews. Intersegment revenues represented less than 0.5% of total revenues for the three and six months ended June 30, 2015 and 2014, respectively.

The accounting policies of the reportable segments are the same as the Group’s accounting policies.

Following the change in the presentation of the financial statements for the three and six months ended June 30, 2015, the segment information for the three and six months ended June 30, 2015 and 2014 has been revised to reflect the new presentation.

3.1 Segment information

3.1.1 Reconciliation of information with condensed consolidated financial statements

A reconciliation between operating profit, EBITDA (Earnings before Interest, Taxes, Depreciation and Amortisation) and adjusted EBITDA is presented below:

<i>(In € millions)</i>	Six months ended June 30, 2015		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	1,276.5	-	1,276.5
Purchasing and subcontracting costs	(291.5)	-	(291.5)
Other operating expenses	(297.1)	0.8	(296.3)
Staff costs and employee benefit expenses	(90.5)	-	(90.5)
EBITDA	597.4	0.8	598.2
Depreciation and amortisation	(394.8)		
Impairment losses	(19.8)		
Other expenses and income	(28.2)		
Operating income	154.5		

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

(In € millions)

	Three months ended June 30, 2015		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	746.6	-	746.6
Purchasing and subcontracting costs	(167.6)	-	(167.6)
Other operating expenses	(166.5)	0.8	(165.7)
Staff costs and employee benefit expenses	(60.6)	-	(60.6)
EBITDA	352.0	0.8	352.8
Depreciation and amortisation	(191.5)		
Other expenses and income	(20.7)		
Operating income	140.6		

(In € millions)

	Six months ended June 30, 2014		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	866.8	-	866.8
Purchasing and subcontracting costs	(211.3)	-	(211.3)
Other operating expenses	(196.0)	-	(196.0)
Staff costs and employee benefit expenses	(72.4)	-	(72.4)
EBITDA	387.0	-	387.0
Depreciation and amortisation	(253.1)		
Impairment losses	(5.4)		
Other expenses and income	(46.5)		
Operating income	82.0		

(In € millions)

	Three months ended June 30, 2014		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	504.2	-	504.2
Purchasing and subcontracting costs	(123.8)	-	(123.8)
Other operating expenses	(113.3)	-	(113.3)
Staff costs and employee benefit expenses	(38.3)	-	(38.3)
EBITDA	228.8	-	228.8
Depreciation and amortisation	(143.3)		
Other expenses and income	(31.5)		
Operating income	54.0		

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

3.1.2 Non-recurring items and other adjustments

Restructuring, deal fees and related expenses incurred in the three and six month periods ended June 30, 2015 and 2014 pertain mainly to one-off payments and transaction costs relating to acquisitions or other similar operations. Details are given below:

	Six months ended June 30, 2015	Six months ended June 30, 2014	Three months ended June 30, 2015	Three months ended June 30, 2014
	(In € millions)			
<u>Non-recurring items and other adjustments in EBITDA</u>				
CVAE (Business value added contribution)	0.8	-	0.8	-
Total non-recurring items and other adjustments in EBITDA	0.8	-	0.8	-
<u>Non-recurring items and other adjustments below EBITDA</u>				
Restructuring costs ⁽²⁾	5.9	14.5	2.6	3.5
Agreement negotiation	-	11.3	-	8.6
Management fees ⁽³⁾	14.5	-	14.5	-
Deal fees ⁽¹⁾	1.4	16.8	0.6	15.6
Other expenses/(income) net	5.4	3.9	1.2	3.8
Loss on disposals of assets	1.0	-	1.0	-
<u>Non-recurring items and other adjustments below EBITDA</u>	28.2	46.5	19.9	31.5
Total non-recurring items and other adjustments	29.0	46.5	20.7	31.5

(1) Deal fees do not include any financing costs, as these are capitalised and amortised as per the requirements of IAS 23, borrowing costs. Thus the deal fees shown above only include discretionary fees paid to legal counsel, M&A counsel and any other consultants whose services the Group might have employed in order to facilitate various acquisitions performed during the course of the year.

(2) Restructuring costs mainly include costs related to provisions for employee redundancies.

(3) Management fees mainly related to service fees charged by the sole shareholder of the Company, Altice S.A. for consulting services rendered for the acquisition of PT and the issuance of the debts associated therewith.

3.1.3 Operating income per geographical segment

	Six months ended June 30, 2015						
<i>(in € millions)</i>	Israel	Dominican Republic	Portugal	French Overseas Territories	Belgium and Luxembourg	Other	Total
Revenue	457.6	341.9	277.0	120.1	35.3	44.6	1,276.5
Purchasing and subcontracting costs	(108.1)	(69.4)	(65.3)	(28.9)	(4.8)	(14.9)	(291.5)
Other operating expenses	(110.7)	(78.7)	(66.0)	(31.9)	(4.4)	(5.5)	(297.1)
Staff costs and employee benefit expenses	(23.5)	(14.0)	(36.7)	(8.7)	(1.3)	(6.4)	(90.5)
Total	215.3	179.8	109.0	50.7	24.8	17.8	597.4
Non-recurring items and other adjustments in EBITDA	-	-	-	0.8	-	-	0.8
Adjusted EBITDA	215.4	179.8	109.0	51.5	24.8	17.8	598.2
Depreciation and amortisation	(152.7)	(83.4)	(91.2)	(21.5)	(12.0)	(34.0)	(394.8)
Impairment losses (1)	-	-	-	(19.8)	-	-	(19.8)
Non-recurring items and other adjustments	(13.2)	(6.1)	(3.9)	(8.3)	(3.9)	6.3	(29.0)
Operating profit	49.3	90.3	13.8	1.9	8.9	(9.8)	154.5

(1) Following the replacement of the ONLY brand with the SFR brand, the use of the ONLY brand in the Antilles-Guyane region of the French Overseas Territories segment is discontinued and an impairment has been recorded for €19.8 million.

	Three months ended June 30, 2015						
<i>(in € millions)</i>	Israel	Dominican Republic	Portugal	French Overseas Territories	Belgium and Luxembourg	Others	Total
Revenue	232.9	172.8	237.1	61.5	17.9	24.1	746.6
Purchasing and subcontracting costs	(57.0)	(35.0)	(49.9)	(15.1)	(2.4)	(7.7)	(167.6)
Other operating expenses	(52.2)	(39.8)	(58.8)	(17.4)	(2.3)	4.1	(166.5)
Staff costs and employee benefit expenses	(12.7)	(7.1)	(32.9)	(4.0)	(0.7)	(3.2)	(60.6)
Total	110.9	90.8	95.5	24.9	12.5	17.3	352.0
Non-recurring items and other adjustments in EBITDA	-	-	-	0.8	-	-	0.8
Adjusted EBITDA	110.9	90.8	95.5	25.7	12.5	17.3	352.8
Depreciation and amortisation	(76.4)	(44.3)	(50.4)	(8.3)	(5.3)	(6.9)	(191.5)
Non-recurring items and other adjustments	(8.5)	(2.0)	(2.3)	(4.7)	(2.3)	(0.8)	(20.7)
Operating profit	26.0	44.5	42.7	13.1	4.9	9.4	140.6

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

	Six months ended June 30, 2014						
<i>(in € millions)</i>	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Revenue	427.0	154.6	118.6	93.8	36.2	36.6	866.8
Purchasing and subcontracting costs	(84.1)	(39.4)	(29.5)	(39.3)	(5.5)	(13.0)	(211.3)
Other operating expenses	(98.2)	(39.9)	(30.0)	(16.3)	(4.2)	(7.3)	(196.0)
Staff costs and employee benefit expenses	(37.3)	(7.0)	(11.6)	(8.3)	(1.7)	(6.6)	(72.4)
Total	207.2	68.3	47.3	29.9	24.7	9.6	386.8
Adjusted EBITDA	207.2	68.3	47.3	29.9	24.7	9.6	387.0
Depreciation and amortisation	(140.7)	(32.7)	(23.8)	(37.1)	(9.0)	(9.8)	(253.1)
Impairment losses (2)	-	-	-	-	(5.4)	-	(5.4)
Non-recurring items and other adjustments in EBITDA	(20.5)	(10.0)	(5.8)	(5.2)	(4.1)	(0.9)	(46.5)
Operating profit	46.0	25.6	17.7	(12.4)	6.3	(1.1)	82.0

(2) Relate to the impairment of the Numericable Brand used in Belgium and Luxembourg following the acquisition of a controlling stake in Numericable Group S.A. by Altice S.A. in 2014.

	Three months ended June 30, 2014						
<i>(in € millions)</i>	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Revenue	213.8	147.0	58.2	47.8	18.0	18.7	504.2
Purchasing and subcontracting costs	(42.3)	(37.8)	(12.8)	(20.5)	(2.6)	(6.8)	(123.8)
Other operating expenses	(47.8)	(36.6)	(15.6)	(7.8)	(2.3)	(3.2)	(113.3)
Staff costs and employee benefit expenses	(18.4)	(7.0)	(5.1)	(4.3)	(0.9)	(2.7)	(38.3)
Total	105.3	65.6	24.7	15.2	12.2	5.8	228.8
Adjusted EBITDA	105.3	65.6	24.7	15.2	12.2	5.8	228.8
Depreciation and amortisation	(72.2)	(31.4)	(11.9)	(19.1)	(5.0)	(3.7)	(143.3)
Non-recurring items and other adjustments in EBITDA	(11.7)	(9.7)	(3.4)	(2.5)	(1.8)	(2.4)	(31.5)
Operating profit	21.4	24.6	9.4	(6.5)	5.5	(0.3)	54.0

(*) For the revision impact please see note 13

3.2 Revenue split by activities

As had been previously disclosed, and following the integration of Numericable and SFR in 2014 by Altice S.A.; the Board of Directors of Altice S.A. has reviewed its operating segments. In order to better reflect the evolving business lines of Altice S.A. Group, the Board of Directors of Altice S.A. has decided to provide additional information on the revenue split. Such presentation is consistent with the presentation used by the Board of Managers:

- Fixed in the business to customer market (B2C),
- Fixed in the business to business market (B2B),
- Wholesale market,
- Mobile in the business to customer market (B2C),
- Mobile in the business to business market (B2B),
- Other

The presentation was amended for comparative purposes for the three and six months ended June 30, 2014.

Intersegment revenues are presented in the line 'adjustments' below and represent less than 0.5%.

Revenues split by activity are presented below:

Six months ended June 30, 2015							
<i>(in € millions)</i>	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed B2C	321.7	53.6	34.3	101.4	28.3	7.7	547.0
Fixed B2B	35.7	18.3	8.0	65.6	3.3	3.4	134.4
Wholesale	-	30.4	3.2	29.1	-	3.4	66.1
Mobile B2C	73.5	204.6	64.7	48.0	0.6	-	391.6
Mobile B2B	26.7	24.8	2.9	17.8	-	-	72.1
Other	-	10.1	7.0	15.1	3.1	29.9	65.3
Total	457.6	341.9	116.8	277.0	35.3	40.0	1,276.5

Three months ended June 30, 2015							
<i>(in € millions)</i>	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed B2C	164.8	27.2	16.7	78.7	14.1	3.9	305.3
Fixed B2B	17.3	9.1	4.1	52.8	1.6	1.8	86.6
Wholesale	-	16.1	1.5	25.9	-	3.4	46.9
Mobile B2C	37.5	102.8	32.4	48.0	0.3	-	221.0
Mobile B2B	13.3	12.7	1.5	17.8	-	-	45.3
Other	-	5.0	5.3	14.4	1.8	14.9	41.4
Total	232.9	172.8	61.5	237.6	17.8	24.1	746.6

Six months ended June 30, 2014

<i>(in € millions)</i>	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed B2C	307.4	22.0	58.7	50.1	29.1	6.5	473.7
Fixed B2B	35.0	7.8	38.1	29.6	3.2	3.2	116.9
Wholesale	-	11.7	2.9	13.8	-	-	28.4
Mobile B2C	61.4	87.0	8.2	-	0.7	-	157.3
Mobile B2B	28.4	9.9	3.4	-	-	-	41.7
Other	-	5.9	10.1	0.5	3.2	24.2	44.0
<i>Adjustments</i>	<i>(5.2)</i>	<i>10.4</i>	<i>(2.8)</i>	<i>(0.3)</i>	<i>0.0</i>	<i>2.6</i>	<i>4.7</i>
Total	427.0	154.6	118.6	93.8	36.2	36.6	866.8

Three months ended June 30, 2014

<i>(in € millions)</i>	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed B2C	154.3	21.4	29.3	24.6	14.6	3.3	247.5
Fixed B2B	17.6	7.5	19.1	14.8	1.6	1.6	62.2
Wholesale	-	11.6	1.5	8.1	-	-	21.2
Mobile B2C	30.8	86.9	4.1	-	0.4	-	122.1
Mobile B2B	14.1	9.9	1.7	-	-	-	25.6
Other	-	5.9	5.3	0.4	1.6	12.2	25.3
<i>Adjustments</i>	<i>(2.9)</i>	<i>3.9</i>	<i>(2.1)</i>	<i>(0.1)</i>	<i>(0.1)</i>	<i>1.7</i>	<i>0.2</i>
Total	213.8	147.0	58.8	47.8	18.0	18.7	504.2

3.3 Assets held for sale

Sale of OMT's mobile business

The Group has agreed to dispose of OMT's mobile business in the Reunion Islands and Mayotte. The Group was in negotiation with the Hiridjee Group, the owners of Telma, a Madagascar based Telecoms Company. The transaction was approved for sale by the French anti-trust authorities on June 21, 2015 and was closed on July 31, 2015.

These assets were considered as assets held for sale as per the requirements of IFRS 5, *Non-current assets held for sale and discontinued operations* as at December 31, 2014. As at December 31, 2014, OMT's mobile business were accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The same accounting treatment has been applied as at June 30, 2015 and the Board of Managers has not noted any impairment indicator as of June 30, 2015.

These assets are reported in the 'French Overseas Territories' segment.

The transaction was successfully closed on July 31, 2015 for an enterprise value of €80.0 million (excluding any eventual purchase price adjustments).

ONI and Cabovisao businesses in Portugal

In the context of Portugal Telecom acquisition, ONI and Cabovisao have been considered as assets held for sale as per the requirements of IFRS 5, *Non-current assets held for sale and discontinued operations* as at June 30, 2015. ONI and Cabovisao's businesses are accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The Board of Managers has not identified any material indicator of impairment as of June 30, 2015.

As per the requirements from the European antitrust commission, these assets were expected to be disposed off by the end of August 2015. The Group received an extension of two weeks until September 15, 2015 to conclude the sale. If the assets are not disposed off by this date, they will be handed over to an independent party that will take over control of the two assets to continue the disposal process.

The Board of Managers is of the opinion that it is more likely than not that the Group will sell the assets at a premium to the book value recorded in the condensed consolidated financial statements as of June 30, 2015. However, depending on the outcome of the sale process, the final sale price may vary significantly from the book value recorded in the condensed consolidated financial statements as of June 30, 2015.

These assets are reported in the 'Portugal' segment.

The financial data related to OMT's Indian Ocean mobile business and Portugal businesses are set out below:

Statement of financial position

<i>(In € millions)</i>	June 30, 2015				December 31, 2014
	<i>FOT</i> <i>(1) (2)</i>	<i>Cabovisao</i>	<i>ONI</i>	<i>Total</i>	<i>FOT</i> <i>(1)(2)</i>
Goodwill	35.3	-	1.3	36.6	35.3
Tangible and intangible assets	35.6	3.3	71.2	110.1	34.8
Other non-current assets	1.7	0.5	0.9	3.1	7.2
Other current assets	11.6	14.1	23.7	49.4	
Total assets held for sale	84.2	17.9	97.1	199.2	77.3
Other non-current liabilities	2.4	6.7	1.2	10.3	2.4
Current trade payables	9.0	22.3	33.7	65.0	11.1
Other current liabilities	9.3	22.3	13.0	44.7	9.0
Total liabilities related to asset held for sale	20.7	51.3	48.0	120.0	22.5

- (1) The allocation of goodwill to the available for sale assets was done based on the pro-rata contribution of these assets to the operating cash flows of the French Overseas Territories segment. The EBITDA-Capex number was used as a proxy for determining the operating cash flows.
- (2) All other assets and liabilities for the FOT assets were allocated based on carve out accounts prepared by local Management for the purpose of the sale of the assets.

Statement of financial income (from January 1, 2015 or from the date of classification as held for sale)

<i>(In € millions)</i>	June 30, 2015			December 31, 2014
	<i>FOT</i>	<i>Cabovisao</i>	<i>ONI</i>	<i>FOT</i>
Revenues	25.2	22.2	14.0	
Operating income	7.2	6.9	3.6	6.1
Finance costs, nets	-	(0.7)	(1.2)	-
Income tax	(2.6)	-	-	(2.4)
Net income attributed to asset held for sale	4.6	6.2	2.4	3.8

Statement of cash flows

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

<i>(In € millions)</i>	June 30, 2015			December 31, 2014
	<i>FOT</i>	<i>Cabovisao</i>	<i>ONI</i>	<i>FOT</i>
Net cash provided by operating activities	7.2	7.9	6.0	13.7
Net cash used in investing activities	(2.5)	(3.8)	(7.1)	(3.6)
Net cash used in financing activities	-	(1.7)	1.1	-
Net change in cash and cash equivalents	4.7	2.4	(0.1)	10.1

4 - Goodwill

Goodwill recorded in the statement of financial position of the Group was allocated to the different groups of cash generating units (“GCGU”) (except for Green.ch which is a CGU in its own) as defined by the Group. Summary of goodwill recognized on the different acquisitions is provided below:

	December 31, 2014 (*revised)	Recognized on business combina- tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	June 30, 2015
<i>(In millions €)</i>								
Dominican Republic	767.3	-	-	-	66.2	-	-	833.4
Israel	627.2	-	-	-	75.0	-	-	702.2
FOT	281.1	-	-	-	-	-	-	281.1
Belux	295.5	-	-	-	-	-	-	295.5
Green.ch ...	18.3	-	-	-	0.1	-	-	18.3
Portugal	1.3	3,095.7	-	-	-	(1.3)	-	3,095.7
Total Gross Value	1,990.6	3,095.7	-	-	141.3	(1.3)	-	5,226.3
Dominican Republic	-	-	-	-	-	-	-	-
Israel	(129.4)	-	-	-	(15.5)	-	-	(144.9)
FOT	(4.6)	-	-	-	-	-	-	(4.6)
Belux	-	-	-	-	-	-	-	-
Green.ch	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Total Cumulative impairment	(134.0)	-	-	-	(15.5)	-	-	(149.5)
Dominican Republic	767.3	-	-	-	66.2	-	-	833.4
Israel	497.8	-	-	-	59.5	-	-	557.3
FOT	276.5	-	-	-	-	-	-	276.5
Belux	295.5	-	-	-	-	-	-	295.5
Green.ch	18.3	-	-	-	0.1	-	-	18.3
Portugal	1.3	3,095.7	-	-	-	(1.3)	-	3,095.7
Total Net book value	1,856.6	3,095.7	-	-	125.8	(1.3)	-	5,076.8

(*) For the revision impact please see note 13

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

	December 31, 2013	Recognized on business combina- tions	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2014 (*revised)
<i>(In millions €)</i>							
Dominican Republic	-	668.0	-	99.3	-	-	767.3
Israel	620.3	-	-	6.9	-	-	627.2
FOT	298.5	17.9	-	-	(35.3)	-	281.1
Belux	295.5	-	-	-	-	-	295.5
Green.ch	17.8	0.5	-	0.0	-	-	18.3
Portugal	1.3	-	-	-	-	-	1.3
Total Gross Value	1,233.4	686.3	-	106.2	(35.3)	-	1,990.6
Dominican Republic	-	-	-	-	-	-	-
Israel	(128.0)	-	-	(1.4)	-	-	(129.4)
FOT	(4.6)	-	-	-	-	-	(4.6)
Belux	-	-	-	-	-	-	-
Green.ch	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-
Total Cumulative impairment	(132.6)	-	-	(1.4)	-	-	(134.0)
Dominican Republic	-	668.0	-	99.3	-	-	767.3
Israel	492.3	-	-	5.5	-	-	497.8
FOT	293.9	17.9	-	-	(35.3)	-	276.5
Belux	295.5	-	-	-	-	-	295.5
Green.ch	17.8	0,5	-	0.0	-	-	18.3
Portugal	1.3	-	-	-	-	-	1.3
Total Net book value	1,100.7	686.3	-	104.8	(35.3)	-	1,856.6

(*) For the revision impact please see note 13

4.1 Impairment of goodwill

Goodwill is reviewed at the level of each GCGU or CGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. For 2014, goodwill was tested at the GCGU level for impairment as of December 31, 2014. The GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. The Group determined to calculate value in use for purposes of its impairment testing and, accordingly, did not determine the fair value of the GCGUs. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period.

The Board of Managers has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable and therefore no updated impairment model analysis has been carried out nor any impairment recorded for the six months ended June 30, 2015.

4.2 Purchase price allocation

During the six months period ended June 30, 2015, the Group has finalised the purchase price allocation of acquisitions completed during the year 2014. The final fair values attributed to various class of assets for Altice Hispaniola S.A. and Tricom S.A. are given below:

4.2.1 Dominican Entities

4.2.1.1 Tricom S.A. ("Tricom") and Global Interlinks ("GLX")

As mentioned in note 3.2.1 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed as per the provisions of IFRS 3 in the six months period ended June 30, 2015.

Total consideration paid to the vendors for the shares of the acquired entities amounted to €302.9 million (including purchase price adjustments) on a cash-free, debt-free basis.

The final fair values attributed to the identifiable assets of Tricom and GLX were as follows:

- a) Property plant and equipment: A final value of €22.3 million (€16.3 million net of taxes) was attributed to the property, plant and equipment of Tricom and GLX.
- b) Brand: An additional value of €5.5 million (€4.0 million net of taxes) was attributed to the Tricom brand
- c) Licences: Tricom's mobile licences were valued at €53.0 million (€38.7 million net of taxes).
- d) Client relationships: €33.5 million was attributed to customer relationships (€24.5 million net of taxes).

Following the purchase price allocation, the residual amount of €72.7 million over the consideration paid was recognised as goodwill in the Group's condensed consolidated financial statements for the six months period ended June 30, 2015.

4.2.1.2 Altice Hispaniola ("ODO" or "Orange Dominicana S.A.")

As mentioned in note 3.2.1 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed as per the provisions of IFRS 3 in the six months period ended June 30, 2015.

Total consideration paid to the vendors for the shares of the acquired entity amounted to €1,032.3 million on a cash free, debt free basis.

The final fair values attributed to the identifiable assets of ODO were as follows:

- a) Property plant and equipment: A final value of €5.2 million (€ 3.7 million net of taxes) was attributed to the property, plant and equipment of ODO.
- b) Licences: ODO's existing mobile licences were valued at €59.1 million (€43.2 million net of taxes).
- c) Client relationships: €79.2 million was attributed to customer relationships (€57.8 million net of taxes).

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

Following the purchase price allocation, the residual amount of €595.3 million over the consideration paid was recognised as goodwill in the Group's condensed consolidated financial statements for the six month period ended June 30, 2015.

Thus, after the final purchase price allocation for the Dominican Republic segment, the residual value between the fair value of identifiable assets and liabilities and the consideration transferred was recognised as goodwill as shown below:

Total consideration transferred	€1,335.2 million
Fair value of identifiable assets, liabilities and contingent liabilities	€667.2 million
Goodwill	€668.0 million

5 - Partner's equity (including non-controlling interests)

5.1 Issued capital

As of June 30, 2015, total issued capital of the Company amounted to €309.3 million, and was composed of 30,925,700,000 outstanding ordinary shares, with a nominal value of € 0.01 each.

There were no changes in the issued capital of the Group for the six month period ended June 30, 2015.

5.2 Additional paid in capital

As of June 30, 2015, total additional paid-in capital of the Group amounted to €318.4 million.

There were no changes in the additional paid in capital of the Group for the six month period ended June 30, 2015.

5.3 Reserves

5.3.1 Other reserves

The increase in the other reserves of €1,040.8 million is due to the issuance of Mandatory Convertible Notes ("MCNs"), a compound financial instrument issued by the Company to finance the acquisition of PT. See note 6.5 for more details.

5.3.2 Currency, available for sale, cash flow hedge and employee benefits reserves

The components of the Group's reserves with their respective tax effects is provided below:
(in € millions)

	June 30, 2015			December 31, 2014 (*revised)		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	39.5	(9.2)	30.3	(1.5)	-	(1.5)
Items not potentially reclassified to profit and loss	39.5	(9.2)	30.3	(1.5)	-	(1.5)
Available for sale	(0.4)	-	(0.4)	1.9	-	1.9
Currency reserve	(5.2)	-	(5.2)	(6.6)	-	(6.6)
Cash flow hedge	(90.6)	26.5	(64.1)	-	-	-
Items potentially reclassified to profit and loss	(96.2)	26.5	(69.7)	(4.8)	-	(4.8)
Total	(56.7)	17.3	(39.4)	(6.3)	-	(6.3)

Variations of the amount of the cash flow hedge reserve are further explained in note 6.6.

6 - Borrowings and other financial liabilities

Total borrowings and other financial liabilities are broken down as follows:

	June 30, 2015	December 31, 2014
	<i>(In millions €)</i>	
Long term borrowings. Financial liabilities and related hedging instruments	7,328.6	3,603.6
- <i>Debentures</i>	5,541.3	2,729.8
- <i>Loans from financial institutions</i>	1,737.5	846.1
- <i>Derivative financial instruments</i>	49.8	27.7
Other non-current financial liabilities:	1,096.7	141.9
- <i>Finance leases</i>	73.6	16.8
- <i>Other financial liabilities</i>	1,023.2	125.1
Non-current liabilities	8,425.3	3,729.4
Short term borrowing, liabilities and related hedging instruments...	488.2	166.6
- <i>Debentures</i>	29.8	26.7
- <i>Loans from financial institutions</i>	458.5	139.9
Other financial liabilities:	362.9	95.5
- <i>Other financial liabilities</i>	168.1	27.9
- <i>Bank overdraft</i>	0.1	0.1
- <i>Accrued interests</i>	168.3	58.9
- <i>Finance leases</i>	26.4	8.6
Current liabilities	851.2	262.1
Total	9,276.3	3,991.5

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

6.1 Debentures and loans from financial institutions

As at June 30, 2015, the details of the loans from financial institutions and debentures are given below:

	June 30, 2015	December 31, 2014
Debentures.....	5,571.2	2,756.5
Loans from financial institutions	2,195.9	986.0
Total.....	7,767.1	3,742.5

6.2 Debentures

Issuance of debt to finance the acquisition of Portugal Telecom and additional RCF

Compared to the year ended December 31, 2014, in relation with its acquisition of the Portuguese assets of PT S.G.P.S, the Group issued the following new debentures.

- (i) €750 million in aggregate principal amount of its 6¼% Senior Notes due 2025 and \$1,480 million aggregate principal amount of its 7½% Senior Notes due 2025 (the "Senior Notes");
- (ii) \$2,060 million aggregate principal amount of Altice Financing S.A.'s 6½% Senior Secured Notes due 2023 and €500 million aggregate principal amount of Altice Financing S.A.'s 5¼% Senior Secured Notes due 2023 (the "Altice Financing Senior Secured Notes");
- (iii) \$385 million aggregate principal amount of Altice Finco S.A.'s 7½% Senior Notes due 2025 (the "Altice Finco Senior Notes", and together with the Altice Financing Senior Secured Notes and the Senior Notes, the "Notes")

During the six months ended June 30, 2015, there was no significant reimbursement of debentures.

6.3 Covenants

The debt issued by the Group is subject to certain restrictive covenants, which apply in the case of debt issued by Altice Financing S.A. and Altice Finco S.A., to the Company and its restricted subsidiaries.

Other than the HOT Debentures and the revolving credit facilities described in the note 14.3 of the consolidated financial statements as of December 31, 2014, such debt issued by the Company and its subsidiaries is subject to incurrence based covenants, which do not require ongoing compliance with financial ratios, but place certain limitations on the relevant restricted group's ability to, among other things, incur or guarantee additional debt (including to finance new acquisitions), create liens, pay dividends and other distributions to shareholders or prepay subordinated indebtedness, make investments, sell assets, engage in affiliate transactions or engage in mergers or consolidations.

The financial covenants related to the borrowings are described in the consolidated financial statements as of December 31, 2014 (see Note 14.3). As at June 30, 2015, the Group is not in breach of any of its financial covenants.

6.4 Loans from financial institutions

Compared to the year ended December 31, 2014, the increase in the loans from financial institutions is mainly explained by the issuance of new term loans by the Company's subsidiary, Altice Financing S.A., the proceeds from which were used to finance the Portugal Telecom acquisition:

- (i) A €400 million term loan facility with a maturity of seven years and bearing interest at Euribor (3m)+4.25%, with a Euribor floor of 1%, and
- (ii) A \$500 million (€464.7 million equivalent) term loan facility with a maturity of seven years and bearing interest at Libor (3m)+4.25%, with a Libor floor of 1%.
- (iii) Draw down on the Revolving Credit Facility for a total of €356 million.

A mandatory quarterly repayment of 0.25% of the nominal amount is effective from the first full quarter following the acquisition of Portugal Telecom for both the term loans listed above.

As of June 30, 2015, the loans from financial institutions are composed of the following:

	June 30, 2015	< 1 year	One year or more	December 31, 2014
		<i>(In millions €)</i>		
Altice Financing Term Loans	1,716.3	17.2	1,699.1	820.1
Altice Financing RCF (*)	436.0	436.0	-	126.2
Others	43.6	5.3	38.3	39.8
Total.....	2,195.9	458.5	1,737.4	986.0

(*) Refer to note 14, RCF have been refinanced after June 30, 2015. The increase of the amounts drawn during the period is linked to the acquisition of Portugal Telecom.

Available credit facilities:

As of June 30, 2015, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €998.0 million:

- Revolving credit facilities:

- Altice Financing S.A.: €80 million, €501 million and €330 million;
- Altice Financing S.A.: \$80 million, equivalent to €72.0 million as at June 30, 2015;

- Guarantee facilities:

- Altice Financing S.A.: €15 million.

Following the closing of the PT acquisition, Altice Financing S.A. has access to an additional RCF of €330 million, as specified above.

As of June 30, 2015, compared to December 31, 2014, the €80 million RCF facility remained fully drawn, and the Group has repaid the partially drawn portion of the \$80 million RCF (\$56 million/€52.0 million equivalent). Altice Financing S.A. fully drew on its €330 million facility and drew €26.0 million on its €501 million facility to partly finance the acquisition of PT.

6.5 Other financial liabilities

On June 2, 2015, the Company issued Mandatory Convertible Notes for an aggregate amount of €2,055 million, which were entirely subscribed by the Company's sole Partner, Altice S.A. (and subsequently assumed by Altice Luxembourg S.A. as part of the corporate restructuring announced by Altice S.A. in July 2015, see note 14). These instruments are compound financial instruments that contains both a liability and an equity component.

As per the terms and conditions of the instruments, the notes bear interest at the weighted average blended rate of the senior debt issued by Altice S.A. to finance the acquisition of PT and an arm's length margin. As per the guidelines of IAS39, the net present value of future coupon payments has been recorded as a financial liability. The difference between the nominal amount and the liability has been recorded as equity (see note 5.3.1).

The following parameters were used to calculate the debt portion:

- Coupon: 7.12%
- Maturity: 9.7 years
- Coupon frequency: semi-annual

The present value of future payments was recorded as *other financial liabilities* and amounted to €1,014.2 million as of June 30, 2015. Out of this amount, €139.3 million has been recognized as current liabilities.

There were no other significant changes in the other financial liabilities of the Group for the six months ended June 30, 2015 compared to the year ended December 31, 2014.

6.6 Derivatives and hedge accounting

On February 4, 2015, the Group issued debt to finance the acquisition of Portugal Telecom. A part of this debt was issued in USD, which is different from the functional currency of the underlying entities. In order to mitigate risks arising from the variations in foreign exchange rates (the benefiting operating entities generate cash flows in euros which will be used to service this debt), the Group has entered into cross currency swaps for interest and principal payments in order to secure future cash flows in its functional currency. This is the first time that the Group has applied hedge accounting.

As part of this operation, a hedging transaction was implemented to swap the entire amount of the USD tranche into € at a fixed exchange rate. Additionally, the fixed coupon on the USD tranche was swapped into a fixed rate to match the swap into EUR. The Company has decided to apply hedge accounting to record this hedging transaction. In addition to the fixed/fixed cross currency swaps, the Group has also entered into a floating/floating cross-currency swap for its USD nominated term loans, which swap a Libor indexed interest rate into a Euribor indexed interest rate. As per analysis performed by the Group, these hedge transactions were not eligible to be designated as cash flow hedges as per the provisions of IAS 39, as these debts include a minimum interest rate floor of 1%.

The Group has decided to designate the following instruments as a cash flow hedge. The features of the hedge are given below:

- Hedged items: \$2,060 million bonds bearing interest at a coupon of 6.625%, \$385 million bonds bearing interest at 7.625%.
- Hedging instruments: Cross currency swaps, swapping fixed USD coupon payments into fixed euro payments. The fixed EUR/USD rate was fixed at 1.1312.

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

The table below summarizes the details of the new swaps:

Nominal USD <i>(In millions)</i>	Nominal EUR <i>(In millions)</i>	Effective date	Termination date	USD coupon	EUR coupon
Fixed/Fixed cross currency swap					
2,060.0	1,821.1	04/02/2015	15/02/2023	6.625%	5.236% to 5.306%
385.0	340.3	04/02/2015	15/02/2023	7.625%	6.184% to 6.245%
LIBOR/EURIBOR Interest rate swap					
500.0	442.0	04/02/2015	04/02/2022	L+4.25%	E+4.163% to E+4.233%

The fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the period ended June 30, 2015. Before the impact of taxes, a loss of €90.6 million was recorded as other comprehensive income (€64.1 million net of taxes).

6.6.1 Reconciliation to swap adjusted debt

As mentioned in the note above, the Group has entered into various hedge transactions in order to mitigate interest rate and FX risks on the different debt instruments issued by the Group.

Such instruments cover both the principal and the interests due on different debts (both debentures and loans from financial institutions).

A reconciliation between the carrying amount of the Group's financial debt and the due amount of the debts after taking into account the effect of the hedge operations are given below:

	June 30, 2015		
	<i>In million €</i>		
	Nominal amount as recorded in statement of financial position	Transaction Costs	Nominal Amount Excl. impact of transaction costs
Total debenture and loans from financial institutions	7,767.1	139.5	7,906.6
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-	(4,082.3)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-	4,045.2
Total swap adjusted value of debentures and loans from financial institutions	7,767.1	142.9	7,869.5

6.7 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities is presented below:

	June 30, 2015		December 31, 2014	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
	<i>(In millions €)</i>			
Current assets				
Cash and cash equivalents.....	316.2	316.2	188.1	188.1
Non-current assets				
Restricted cash	-	-	0.6	0.6
Available for Sale	39.6	39.6	42.0	42.0
Loans and other receivables	101.4	101.4	15.4	15.4
Investment in associates	8.9	8.9	-	-
Other financial assets	2.5	2.5	-	-

	June 30, 2015		December 31, 2014	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
	<i>(In millions €)</i>			
Current liabilities				
Short term borrowings, financial liabilities and related hedging instruments	488.2	488.2	166.6	166.6
Other financial liabilities	362.9	362.9	95.5	95.5
Non-current liabilities				
Long term borrowings, financial liabilities and related hedging instruments	7,328.6	7,533.6	3,603.6	3,603.6
Other financial liabilities	1,096.7	1,096.8	141.9	141.9

During the six months ended June 30, 2015, there have been no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

The Group's trade and other receivables and trade and other payables are not shown in the table above. The carrying amounts of both categories approximate their fair values.

7 - Cash and cash equivalents

	June 30, 2015	December 31, 2014
	<i>(In millions €)</i>	
Term deposits	165.6	-
Bank balances	150.6	188.1
Cash and cash equivalents	316.2	188.1

The increase in cash and cash equivalents as at June 30, 2015 was mainly due to the acquisition of Portugal Telecom in June 2015.

8 – Employee benefits and pensions

The note below describes the most significant changes in the post-retirement benefits, pension and employee benefits compared to the year ended December 31, 2014. The changes mainly relate to pension liabilities and assets acquired by the Group with the closing of the PT acquisition. Pension liabilities and related employee benefits at PT are recorded in the caption, ‘non-current provisions’ and are described below.

PT sponsors defined benefit plans, under which it is responsible for the payment of pension supplements to retired and active employees and healthcare services to retired employees and eligible relatives. In addition, PT and other subsidiaries of PT Portugal are also responsible for the payment of salaries to suspended and pre-retired employees until retirement age. A detailed nature of these benefits is presented below

- Pension supplements - Retirees and employees of Companhia Portuguesa Rádio Marconi, S.A. (“Marconi”, a company merged into PT in 2002) hired prior to February 1, 1998 and retirees and employees of Telefones de Lisboa e Porto, S.A. (“TLP”, a company merged into PT in 1994) and Teledifusora de Portugal, S.A. (“TDP”, a company merged into PT in 1994) hired prior to June 23, 1994 are entitled to received a supplemental pension benefit, which complements the pension paid by the Portuguese social security system. In addition, on retirement, PT pays a lump sum gratuity of a fixed amount which depends on the length of service completed by the employee and its salary. Employees hired by PT or any of its predecessor companies after the dates indicated above are not entitled to these benefits and are thus covered only by the general Portuguese Government social security system.
- Healthcare benefits - PT sponsors the payment of post-retirement health care benefits to certain suspended employees, pre-retired employees and retired employees and their eligible relatives. Health care services are rendered by PT - Associação de Cuidados de Saúde (“PT ACS”), which was incorporated with the only purpose of managing PT’s Health Care Plan. This plan, sponsored by PT, includes all employees hired by PT until December 31, 2000 and by Marconi until February 1, 1998. The financing of the Health Care Plan comprises defined contributions made by participants to PT ACS and the remainder by PT, which incorporated an autonomous fund in 2004 for this purpose.
- Salaries to suspended and pre-retired employees - PT and other subsidiaries of PT Portugal are also responsible for the payment of salaries to suspended and pre-retired employees until the retirement age, which result from agreements between both parties. These liabilities are not subject to any legal funding requirement and therefore the monthly payment of salaries is made directly by each of the subsidiaries of PT Portugal.

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

The last actuarial valuations of PT's defined benefit plans were dated December 31, 2014 and were computed based on the projected unit credit method. The table below presents the main financial and demographic actuarial assumptions considered in the 2014 actuarial valuation, which were maintained as at June 2, 2015 for purposes of the opening statement of financial position, and the actuarial assumptions as at June 30, 2015 that reflect only a change in discount rates:

	June 30, 2015
<i>In million €</i>	
Financial assumptions	
Discount rate:	
Pension supplements	2.00%
Salaries to suspended and pre-retired	0.75%
Healthcare	2.50%
Salary growth rate	0% - 1.75%
Pension growth rate	GDP linked
Social Security sustainability factor	Applicable
Inflation rate	2.00%
Healthcare cost trend growth rate	3.00%
Demographic assumptions	
Mortality tables for active and non-active beneficiaries:	
Males	PA (90)m adjusted
Females	PA (90)f adjusted
Retirement age	66
Disability table (Swiss Reinsurance Company)	25%
Active employees with spouses under the plan	35%
Turnover of employees	Nil

During the period from June 2, 2015 to June 30, 2015, changes in post-retirement benefits obligations, net of the fair value of plan assets, were as follows:

	Pension supplements	Healthcare benefits	Salaries due to pre-retired and suspended employees	June 30, 2015
<i>In million €</i>				
June 2, 2015 (acquisition date)	27.5	237.8	709.5	974.8
Periodic post-retirement benefits costs	0.1	0.7	0.3	1.1
Actuarial losses/(gains), gross of tax	1.1	(31.2)	(10.9)	(41.0)
Payments, contributions and reimbursements	(0.2)	(1.4)	(10.0)	(11.6)
Closing balance	28.6	205.8	688.9	923.3

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

As at June 30, 2015, the breakdown of unfunded obligations between projected benefits obligations and fund assets is as follows:

	June 30, 2015
<i>In million €</i>	
Unfunded pension supplements obligations	
Projected benefits obligations	120.7
Pension funds at fair value	92.2
	28.6
Unfunded healthcare benefits obligations	
Projected benefits obligations	366.9
Pension funds at fair value	161.1
	205.8
Salaries due to pre-retired and suspended employees	688.9
Total unfunded obligations	923.3
Plans with a deficit position (recorded in non-current provisions)	925.3
Plans with a surplus position	(2.1)

Detail of post-retirement benefits costs during period from June 2, 2015 to June 30, 2015 is as follows:

	June 30, 2015
<i>In million €</i>	
Periodic service cost ^(a)	0.4
Net interest cost ^(a)	0.7
Total post-retirement benefits costs	1.1

(a) Prior to the acquisition of PT by Altice, service and interest costs were recorded as other expenses and not as staff costs and employee benefits. Following the acquisition, service costs have been restated to the line 'staff costs and employee benefits', thus impacting the EBITDA indicator as reported by the Group. Net interest costs have been recorded as 'other financial expenses'.

	June 30, 2015
<i>In million €</i>	
Differences between actual data and actuarial assumptions	
(i)	(1.2)
Changes in actuarial assumptions (ii)	42.2
Net changes in actuarial assumptions, excl tax impacts (recorded in OCI)	41.0

Net actuarial gains recorded in the Condensed Consolidated Statement of Comprehensive Income during the period from June 2, 2015 to June 30, 2015 amounted to €41.0 million, and include the impact of the change in the discount rates mentioned above (gain of €42.2 million) and the difference between actual and expected return on plan assets (loss of €1.2 million).

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

Net cash out flows relating to post retirement benefits during the period from June 2, 2015 to June 30, 2015 are as follows:

	June 30, 2015
<i>In million €</i>	
Payments of salaries to pre-retired and suspended employees	10.0
Payments of healthcare expenses	1.4
Payments of pension complements benefits	0.2
	11.6
Service cost related to liabilities transferred to the Portuguese State (a)	1.7
Net payments on employee benefits	13.3

- (a) Prior to the acquisition of PT by Altice, these service costs were recorded as other expenses and not as staff costs and employee benefits. Following the acquisition, service costs have been restated to the line, 'staff costs and employee benefits', thus impacting the EBITDA indicator as reported by the Group.

PT has three funds of assets that were incorporated for the purpose of the financing of pension supplements obligations. These funds are subject to the regulation of the Insurance and Pension Funds Supervision Authority, mainly in relation to the investment policy and composition of the fund assets. As at June 30, 2015, the fair value of the portfolio of pension plan assets is as follows:

	June 30, 2015	
	Amount	%
<i>In million €</i>		
Equities (i)	21.7	23.5%
Bonds (i)	58.8	63.8%
Property	2.3	2.5%
Other (ii)	9.4	10.2%
	92.2	100.0%

- (i) The fair value of equity investments and bonds is quoted on active markets.
(ii) This caption includes deposits amounting to €2.4 million.

The financing of healthcare benefits obligations comprises defined contributions made by participants to PT-ACS and the remainder is assured by PT that incorporated an autonomous fund in 2014 for this purpose. This fund is managed by PT Prestações and is not subject to the regulation of the Insurance and Pension Funds Supervision Authority as the pension fund assets. As at June 30, 2015, the fair value of the portfolio of this autonomous fund is as follows:

	June 30, 2015	
	Amount	%
<i>In million €</i>		
Equities	4.3	4.3%
Bonds	3.5	3.5%
Other (i)	93.3	92.3%
	101.1	100.0%

- (i) The fair value of equity investments and bonds is quoted on active markets.

As at June 30, 2015, this caption includes investments in the private equity funds "Ongoing International Capital Markets" and "Ongoing International Private Equity" totalling €17 million, which are managed by Global Investment Opportunities SICAV, investments in other private equity funds, amounting to €27 million, and receivables from customers of PT totalling €48 million, following agreements entered into with that entity for the transfer of those receivables to the fund assets

9 – Litigations

Provisions for litigations are mainly relating to litigations that have been brought against the Group for which the Board of Managers believes that a significant risk of cash out is probable.

This note describes the new proceedings and developments in existing litigations that have occurred since the publication of the consolidated financial statements for the year ended December 31, 2014 and that have had or that may have a significant effect on the financial position of the Group.

9.1 Portugal

As of June 30, 2015, the PT Group had the following outstanding litigations pending against it. A brief summary of the pending legal actions is provided below:

9.1.1 Litigations

(a) Optimus - Interconnection agreement

This legal action is dated from 2001 and relates to the price that Telecomunicações Móveis Nacionais (“TMN”, PT Portugal’s mobile operation at that time) charged Optimus - Comunicações S.A. (“Optimus”, one of MEO’s mobile competitors at that time, currently NOS) for mobile interconnection services, price that Optimus did not agree with. TMN transferred to PT Comunicações (PT Portugal’s fixed operation at that time, currently named MEO) the receivables from Optimus, and subsequently PT Comunicações offset those receivables with payables due to Optimus. NOS argues for the cancellation of the offset made by PT Comunicações and accordingly claims from PT Comunicações the settlement of the payables due before the offset plus accrued interest, totalling €25 million.

In August 2015, the court ruled that the transfer of the interconnection receivables from TMN to PT Comunicações and consequently the offset of those receivables with payables due by PT Comunicações to Optimus were not legal and therefore condemned PT to settle those payables plus interest up to date in the total amount of about €35 million. PT plans to appeal this decision before the Court of appeals of Lisbon before the deadline of October 10, 2015. The decision rendered by the court request PT to settle the payables due by PT Comunicações to Optimus before the offset and as a result PT would still be entitled to the interconnection receivables due from Optimus. As per the terms of the sale and purchase agreement signed between Oi and the Group, any negative outcome resulting in penalties or cash outflows for Altice would be reimbursed by Oi.

(b) TV Tel - Restricted access to the telecommunication ducts

In March 2004, TV TEL Grande Porto - Comunicações, S.A. (“TVTEL”, subsequently acquired by NOS), a telecommunications company based in Oporto, filed a claim against PT Comunicações in the Lisbon Judicial Court. TV TEL alleged that, since 2001, PT Comunicações has unlawfully restricted and/or refused access to its telecommunication ducts in Oporto, thereby undermining and delaying the installation and development of TV TEL’s telecommunications network. TV TEL is claiming an amount of approximately Euro 15 million from MEO for damages and losses allegedly caused and yet to be sustained by that company as a result of the delay in the installation of its telecommunications network in Oporto. PT Comunicações submitted its defence to these claims in June 2004, stating that (1) TV TEL did not have a general right to install its network in PT Comunicações’s ducts, (2) all of TV TEL’s requests were lawfully and timely responded to by PT Comunicações according to its general infra-structure management policy, and (3) TV TEL’s claims for damages and losses were not factually sustainable. After an initial trial and based in a judicial decision, a new trial is yet to be scheduled to appreciate new facts on this matter.

(c) Anacom litigation

MEO has several outstanding proceedings filed from Anacom, for some of which MEO has not yet received

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

formal accusations. This litigation includes matters such as the violation of rules relating to the pre-selection, portability, TDT, the non-compliance of obligations under the universal service (fixed voice, and public phones) and restricting the access to phone numbers starting at 760. Historically, Meo paid amounts significantly lower than the administrative fines set by Anacom in final decisions. The initial value of the proceedings are normally set at the maximum applicable amount of the administrative fine until the final decision is formally issued. A provision of €2.3 million has been recorded in the condensed consolidated financial statements of the Group ended June 30, 2015.

(d) Zon TV Cabo Portugal – Violation of portability rules

Zon TV Cabo Portugal (currently NOS) claims that Meo has not complied with the applicable rules for the portability of fixed numbers, as a result of which claims for an indemnity of €22 million corresponding to profits lost due to unreasonable rejections and the delay in providing the portability of the number. Meo has also filed a claim against NOS regarding portability compensations. No provision is booked in the condensed consolidated financial statements as at June 30, 2015 with respect to this litigation.

(e) Optimus - Abuse of dominant position in the wholesale market

In March 2011, Optimus filed a claim against MEO in the Judicial Court of Lisbon for the payment of approximately €11 million, as a result of an alleged abuse of dominant position by MEO in the wholesale offer. Optimus sustained its position by arguing that they suffered losses and damages as a result of MEO's conduct. No provision is booked in the condensed consolidated financial statements as at June 30, 2015 with respect to this litigation.

(f) Municipal taxes and rights-of-way

Pursuant to a statute enacted on August 1, 1997, as an operator of a basic telecommunications network, Meo was exempt from municipal taxes and rights-of-way and other fees with respect to its network in connection with its obligations under the Concession. The Portuguese Government has advised Meo in the past that this statute confirmed the tax exemption under Meo's former Concession and that it will continue to take the necessary actions in order for Meo Comunicações to maintain the economic benefits contemplated by the former Concession.

Law 5/2004, dated February 10, 2004, established a new rights-of-way regime in Portugal whereby each municipality may establish a fee, up to a maximum of 0.25% of each wireline services bill, to be paid by the customers of those wireline operators whose network infra-structures are located in each such municipality. Meanwhile, Decree-Law 123/2009, dated 21 May 2009, clarified that no other tax should be levied by the municipalities in addition to the tax established by Law 5/2004. This interpretation was confirmed by the Supreme Administrative Court of Portugal in several legal actions.

Some municipalities however, continue to interpret that the Law 5/2004 does not expressly revoke other taxes that the municipalities wish to establish, because Law 5/2004 is not applicable to the public municipality domain. Currently, there are legal actions with some municipalities regarding this matter. No provision is booked in the condensed consolidated financial statements as at June 30, 2015 with respect to this litigation. The value of the claim is estimated to be €7.1 million.

(g) Zon TV Cabo Portugal – Acquisition of SAP licenses

In connection with the spin-off of Zon TV Cabo Portugal ("Zon") from PT Group in 2007, Zon acquired from entities of PT Group licenses and specific developments for SAP for an amount that it believes to be excessive, claiming that it is entitled to receive back an amount of approximately €5.5 million.

(h) Invesfundo II - Disposal of plots of land

Invesfundo II acquired from one of Meo's former pension fund assets a group of plots of land for a total amount of €41 million, including one plot of land that Invesfundo II argues that it was not Meo's property, as a result of which Investfund II had to acquire that plot of land from a third party for €4 million, amount that it is claiming from Meo. No provision is booked in the condensed consolidated financial statements as at June 30, 2015 with respect to this litigation.

(i) Disposal of PrimeSys

In 2005, Portugal Telecom Brasil ("PT Brasil"), a subsidiary of PT Portugal, disposed of its investment in PrimeSys Soluções Empresariais, S.A. to Embratel. Under this disposal, it was agreed that PT Brasil had to indemnify Embratel for any future tax contingencies up to R\$103 million (€27.4 million equivalent), corresponding to 30% of the disposal price. In December 2008, PT Brasil was notified that PrimeSys had been fined for a total amount of R\$288 million (€76.6 million equivalent) in relation to the period 2004-2008 regarding the payment of Value Added Tax. PT Brasil is responsible only for the period until the disposal of the investment (2005) and limited to the above mentioned amount. The legal action is still taking place. No provision is booked in the condensed consolidated financial statements as at June 30, 2015 with respect to this litigation.

9.1.2 Tax assessments

The following tax assessments for PT Portugal are currently pending with Portuguese tax authorities. The Company believes that these the risk of a cash out on these litigations is very low and hence these are classified as 'remote contingencies':

- (a) Tax assessments received from the tax authorities questioning the deductibility for income tax purposes of certain financial costs incurred between 2004 and 2010, and
- (b) Tax assessments received from the tax authorities claiming that Meo should have paid Value Added Tax on certain indemnities invoiced to its customers as a result of the violation of loyalty contracts.

10 – Commitments

For the first six months of 2015, the Board of Managers has not identified any significant changes to the commitments of the subsidiaries of the Group as compared to the year ended December 31, 2014 (with the exception of commitments at the PT Portugal, which are described below). The commitments regarding the February 2015 issuance have been disclosed in the notes to the consolidated financial statements as at December 31, 2014.

10.1 Portugal

As of June 30, 2015, PT had the following commitments:

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

FINANCIAL COMMITMENTS	June 30, 2015	N+1	N+2	N+3	N+4	>N+5
	<i>(in millions €)</i>					
For the acquisition of fixed assets	21.5	15.9	3.8	1.9	-	-
For the acquisition of stocks	25.9	25.9	-	-	-	-
For services (mainly maintenance contracts)	50.6	42.4	4.3	2.9	1.0	-
For broadcasting rights of pay-tv channels	112.0	73.0	29.0	9.5	0.5	-
Total	210.0	157.2	37.0	14.2	1.5	-

GOODS & SERVICE PURCHASE AND INVESTMENT COMMITMENTS	June 30, 2015	N+1	N+2	N+3	N+4	>N+5
	<i>(in millions €)</i>					
Goods and services purchase commitments	188.5	141.2	33.3	12.4	1.5	-
Investment commitments	21.5	15.9	3.8	1.9	-	-
Total	210.0	157.2	37.0	14.2	1.5	-

This table includes off-balance sheet financial commitments, reflecting purchase orders already made but not yet satisfied, thus not including those for which an accrual was recorded in the balance sheet.

Goods and service purchase commitments include (1) commitments for the acquisition of stocks, mainly mobile phones, set-top-boxes and Home Gateways, (2) commitments under contracts entered into with channels included in our pay-tv offer, and (3) commitments for other services, primarily related to maintenance contracts.

Investment commitments are related mainly to the acquisition of network equipment, software licenses and evolving/upgrading maintenance contracts.

In addition, bank guarantees for a total amount of €18.3 million were contracted by PT and issued by several bank institutions in relation to if favour of tax authorities.

11 – Related party disclosure

During the first six months of 2015, no operations had significant effect on the amounts of the transactions with related parties as compared to the year ended December 31, 2014, except the operations described below:

- On June 2, 2015, the Company issued Mandatory Convertible Notes for an aggregate amount of €2,055 million, which were entirely subscribed by the Company's sole Partner, Altice S.A. (see description in note 6.5) and related interests for €10.6 million
- For the six month period ended June 30, 2015, €13.4 million have been invoiced by Altice S.A. to the Group as management fees in the frame of a services agreement signed between both parties.
- As of June 30, 2015, the Group has advanced a total of €45.0 million towards its sole Partner Altice S.A..

12 – Income Taxes

For the six month period ended June 30, 2015 the group registered income tax expenses amounting to €24.4 million, compared to an income tax income of €1.4 million for the six months ended June 30, 2014. The variation can be explained by the higher tax expenses generated by the Group in June 2015 (€42.3 million compared to €23.4 million for the six months ended June 30, 2014), offset by deferred tax income of €20.7 million and €24.8 million for the six month periods ended June 30, 2015 and 2014 respectively. Such deferred tax income was mainly recognized on the fair value of derivative instruments and on the additional depreciation expense on assets recognized as part of the purchase price allocation of Altice Hispaniola and Tricom S.A..

13 - Going concern

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

As of June 30, 2015, the Group had net current liabilities position of €1,172.0 million (mainly due to trade payables of €1,442.3 million) and a negative working capital of €235.2 million. During the 6 months period ended June 30, 2015, the Group registered a net loss of €98.1 million (compared to a loss of €86.7 million for the 6 month period ended June 30, 2014) and generated cash flows from operations of €578.4 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short DSOs (Days of Sales Outstanding) and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€1,120.2 million vs. €1,442.3 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

As of June 30, 2015, the Group's short term borrowings mainly comprised of accrued interests for €168.3 million on the debenture and loans from financial institutions which are repaid on a semi-annual basis and some local bonds, amortization on certain term loans and drawdowns on RCF amounting to €488.2 million. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries. The Altice Financing RCFs were repaid in full in July 2015, following the issuance of new term loans (see note 14).

The long term debt of the Group commences to mature in 2019, except for the Israeli bonds which matures in September 2018 for which nominal is repaid semiannually.

In determining the appropriateness of the use of the going concern assumption, the Board of Managers has considered the following elements:

- The Group has a strong track record of generating positive EBITDA and generated strong positive operating cash flows for the 6 month period ended 30 June 2015 (€578.4 million). EBITDA amounted to €597.4 million, an increase of 55% compared to June 30, 2014. This increase in EBITDA is mainly due to the integration of newly acquired entities (see note 3) which contributed to this increase compared to prior year. The Board of Managers is of the view that such EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.
- The Group had healthy unrestricted cash reserves as of June 30, 2015 (€316.2 million vs. €188.1 million as of December 31, 2014), which would allow it to cover any urgent cash needs. Additionally, as of June 30, 2015, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €998 million (out of which €436 million has been drawn as at June 30, 2015).
- As of June 30, 2015, the Group had a positive equity position of €754.1 million, of which €758.1 million attributable to the equity owners of the Company.

In addition to the points enumerated above, the Group has implemented a budgeting exercise, with monthly account reviews with CFOs of operating companies to track budget accuracy. This exercise is complemented by a mid-year reforecast based on real first semester numbers.

The Board of Managers also tracks operational key performance indicators (KPIs) on a weekly basis, thus closely tracking top line trends very closely. This allows the Board of Managers and local CEOs to ensure proper alignment with budget targets and respond with speed and flexibility to counter any unexpected events and ensure that the budgeted targets are met.

On the basis of the above, the Board of Managers is of the view that the Group will continue to act as a going concern for 12 months from the date of approval of these condensed consolidated financial statements and has hence deemed it appropriate to prepare these condensed consolidated financial statements using the going concern assumption.

13 – Revised information

As per the provisions of IFRS 3 Business Combination, the impact of the recognition of the identifiable tangible and intangible assets of the Numericable Group, Tricom and ODO at their fair value was revised for the six months ended June 30, 2014 and for the year ended December 31, 2014.

The total impact for the statement of financial position and income statement as of December 31, 2014 is:

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
	<i>(In millions €)</i>		
Goodwill	1,856.3	0.3	1,856.6
Intangible asset	837.1	(2.1)	835.0
Property plant and equipment	1,456.7	0.7	1,457.4
Other non-current assets	85.2	(0.4)	84.8
Deferred tax assets	98.0	38.1	136.1
Non-current assets	4,333.3	36.6	4,369.8
Current assets	508.2	0.5	508.7
<i>Assets classified as held for sale</i>	<i>77.3</i>	<i>-</i>	<i>77.3</i>
Total assets	4,918.8	37.0	4,955.9
 Equity	 (154.3)	 (0.6)	 (154.9)
Other non-current liabilities	3,821.5	-	3,821.5
Deferred tax liabilities	221.3	37.7	259.0
Non-current liabilities	4,042.8	37.7	4,080.6
Current liabilities	1,007.8	-	1,007.8
<i>Liabilities directly associated with assets classified as held for sale</i>	<i>22.5</i>	<i>-</i>	<i>22.5</i>
Total liability and equity	4,918.8	37.0	4,955.9

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
		<i>(In millions €)</i>	
Revenue	1,893.2	-	1,893.2
Other expenses	(1,024.4)	-	(1,024.4)
Depreciation, amortisation and impairment losses	(596.5)	(0.9)	(597.5)
Other expenses and income	(109.6)	-	(109.6)
Operating profit	162.8	(0.9)	161.8
Net Finance costs	(345.2)	-	(345.2)
Loss before taxes	(182.4)	(0.9)	(183.4)
Income tax expense	(12.4)	0.3	(12.1)
Loss for the period	(194.8)	(0.6)	(195.3)
Comprehensive loss	(195.0)	(0.6)	(195.6)

The total impact for the condensed statement of financial position and income statement as of June 30, 2014 is:

	June 30, 2014 (previously reported)	Revision	June, 2014 (revised)
		<i>(In millions €)</i>	
Goodwill	1,974.5	(168.8)	1,805.8
Intangible asset	659.9	195.2	855.2
Property plant and equipment	1,452.9	33.4	1,486.2
Other non-current assets	74.1	(1.0)	73.1
Deferred tax assets	116.1	0.9	117.0
Non-current assets	4,277.6	59.7	4,337.3
Current assets	459.2	1.1	460.3
Total assets	4,736.8	60.8	4,797.6
Equity	(55.5)	(6.4)	(62.0)
Other non-current liabilities	3,736.2	3.1	3,739.4
Deferred tax liabilities	173.2	67.7	240.9
Non-current liabilities	3,909.5	70.8	3,980.3
Current liabilities	882.9	(3.7)	879.3
Total liability and equity	4,736.8	60.8	4,797.6

Altice International S.à r.l.
Notes to the condensed consolidated financial statements

	Six months ended June 30, 2014 (previously reported)	Revision	Six months ended June June 30, 2014 (revised)
		<i>(In millions €)</i>	
Revenue	866.8	-	866.8
Other expenses	(479.8)	-	(479.8)
Depreciation, amortisation and impairment losses	(252.4)	(6.1)	(258.5)
Other expenses and income	(43.5)	(3.0)	(46.5)
Operating profit	91.0	(9.1)	82.0
Net Finance costs	(170.1)	-	(170.1)
Profit before taxes	(79.1)	(9.1)	(88.1)
Income tax (expense)/income	(1.2)	2.6	1.4
Loss for the period	(80.3)	(6.4)	(86.7)
Comprehensive loss	(95.3)	(6.4)	(101.7)

	Three months June 30, 2014 (previously reported)	Revision	Three months June 30, 2014 (revised)
		<i>(In millions €)</i>	
Revenue	504.2	-	504.2
Other expenses	(275.4)	-	(275.4)
Depreciation, amortisation and impairment losses	(137.2)	(6.1)	(143.3)
Other expenses and income	(28.5)	(3.0)	(31.5)
Operating profit	63.0	(9.1)	54.0
Net Finance costs	(47.1)	-	(47.1)
Profit before taxes	15.9	(9.1)	6.9
Income tax expense	(6.2)	2.6	(3.6)
Profit for the period	9.7	(6.4)	3.3
Comprehensive loss	(5.1)	(6.4)	(11.5)

14- Events after the reporting period

Closing of the sale of Indian Ocean entities

On July 31, 2015, the Group concluded the sale of Outremer's mobile business based in the Indian Ocean to Telma, a Madagascar based mobile operator, for an enterprise value of €80 million (prior to purchase price adjustments, if any).

Refinancing of RCFs

On July 24, 2015, the Group refinanced the RCFs drawn at Altice Financing through the issuance of term loans for an aggregate amounts of €450 million at Altice Financing. The Altice Financing term loans bear interest at Euribor 3m+3.5% (with a 1% floor) and have a maturity of 7 years.

Acquisition of NextRadioTV media group

On July 27, 2015, Alain Weill, the Chairman, CEO, Founder and main shareholder of NextRadioTV and Patrick Drahi, the Chairman and Founder of Altice S.A. announced the signing of a strategic partnership of their groups to invest in and to accelerate the development of multimedia projects in both France and other international markets.

Alain Weill and Altice will be partners in a joint company (“Next Media TV”) in which Mr. Weill will control 51% of the economic and voting rights and assume the role of Executive Chairman. In a first step, Mr. Weill’s current stake in NextRadioTV representing 37.77% of economic rights and 48.59% of voting rights will be transferred to Next Media TV.

This new company will then launch in a second step a voluntary tender offer for 100% of NextRadioTV share capital at a price of 37 euros per share, representing a premium of 30.5% to the last-6-months volume weighted average share price as at July 27, 2015.

The filing of the tender offer with the Autorité des Marchés Financiers (« AMF ») will occur after the presentation of the transaction to the relevant regulatory and antitrust authorities (“*Conseil Supérieur de l’Audiovisuel et Autorité de la Concurrence*”). The closing of the tender offer is expected by the end of 2015. Through this new partnership, Mr. Weill will ultimately become a 24% shareholder of a subsidiary of the Group dedicated to investments in media companies, with an on-going focus on international diversification outside of France, where growth and consolidation opportunities are numerous. Mr. Weill will join Altice’s Executive Committee as Managing Director of Altice Media responsible for all the media activities of Altice.

Corporate restructuring

On August 6, 2015, Altice Luxembourg S.A. (“Altice Luxembourg”) became the new parent company of Altice International S.à r.l. following the transfer of substantially all assets and liabilities of Altice S.A. to Altice Luxembourg.

To the sole Partner of
Altice International S.à r.l.
3, boulevard Royal
L-2449 Luxembourg

REVIEW REPORT OF THE REVISEUR D'ENTREPRISES AGREE ON CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Altice International S.à r.l. as of June 30, 2015, the related condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the three and six month periods then ended and the other explanatory notes (collectively, the "Interim Financial Statements"). The Board of Managers is responsible for the preparation and fair presentation of the Interim Financial Statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union. Our responsibility is to express a conclusion on these Interim Financial Statements based on our review.

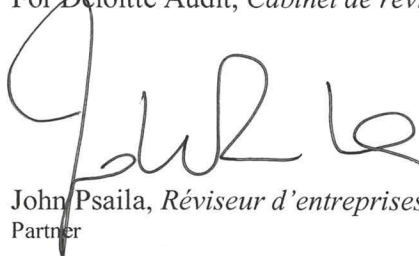
Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Statements are not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union.

For Deloitte Audit, *Cabinet de révision agréé*



John Psaila, *Réviseur d'entreprises agréé*
Partner

September 7, 2015