Altice Europe N.V.

(formerly Altice N.V.)

Condensed Interim Consolidated Financial Statements

As of and for the nine month period ended September 30, 2018

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Consolidated Statement of Income (€m)	**Notes**	**Nine months ended September 30, 2018**	**Nine months ended September 30, 2017 (revised*)**
Revenues		**10,634.1**	**11,341.9**
Purchasing and subcontracting costs	4	(3,276.2)	(3,578.4)
Other operating expenses	4	(2,381.3)	(2,327.1)
Staff costs and employee benefits	4	(1,126.5)	(1,201.9)
Depreciation, amortization and impairment	4	(2,972.4)	(3,110.1)
Other expenses and income	4	546.5	(1,008.4)
Operating profit		**1,424.4**	**116.0**
Interest relative to gross financial debt	16	(1,287.5)	(1,642.4)
Other financial expenses	16	(344.1)	(85.1)
Finance income	16	19.9	115.7
Net result on extinguishment of a financial liability	16	(145.2)	(36.2)
Finance costs, net		**(1,756.9)**	**(1,648.0)**
Share of earnings of associates		(5.9)	(5.7)
Loss before income tax from continuing operations		**(338.4)**	**(1,537.7)**
Income tax (loss)/benefit	11	(226.8)	236.0
Loss for the period from continuing operations		**(565.2)**	**(1,301.7)**
Discontinued operations			
Profit/(loss) after tax for the period from discontinued operations[1]	3.5	657.6	(632.7)
Profit/(loss) for the period		**92.3**	**(1,934.4)**
Attributable to equity holders of the parent		(26.4)	(1,718.6)
Attributable to non-controlling interests		118.8	(215.8)
Earnings per share (basic and diluted)	8	(0.0)	(1.5)

1 Following the decision of the Board of Directors of Altice N.V. made on January 8, 2018 to separate Altice USA Inc. ("Altice USA") from Altice N.V., Altice USA was classified as discontinued operations in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations.* For more details, please refer to notes 3.1.4. and 3.5.

Consolidated Statement of Other Comprehensive Income (€m)	**Nine months ended September 30, 2018**	**Nine months ended September 30, 2017 (revised*)**
Profit/(loss) for the period	**92.3**	**(1,934.4)**
Other comprehensive income/(loss)		
Items that are reclassified to profit or loss		
Exchange differences on translating foreign operations	(154.2)	(257.6)
Revaluation of available for sale financial assets, net of taxes	20.0	0.5
(Loss)/gain on cash flow hedge, net of taxes	(89.0)	167.0
Item that is not reclassified to profit or loss		
Actuarial gain, net of taxes	13.5	1.6
Total other comprehensive loss	**(209.8)**	**(88.4)**
Total comprehensive loss for the period	**(117.4)**	**(2,022.8)**
Attributable to equity holders of the parent	(239.7)	(1,750.3)
Attributable to non-controlling interests	122.3	(272.5)

(*) Previously published information has been revised to take into account the impact following the classification of Altice USA as discontinued operation and the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments*. Please refer to note 19 for the reconciliation to previously published results.

The accompanying notes on page 7 to 49 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Financial Position (€m)	**Notes**	**As of September 30, 2018**	**As of December 31, 2017 (revised*)**
Non-current assets			
Goodwill	5.1	15,901.1	22,302.4
Intangible assets	5.4	9,134.6	24,264.0
Property, plant & equipment		10,320.0	15,161.4
Contract costs		247.4	256.7
Investment in associates		153.3	49.4
Financial assets	10	1,586.2	2,545.5
Deferred tax assets		111.8	152.3
Other non-current assets		399.3	466.9
Total non-current assets		**37,853.8**	**65,198.6**
Current assets			
Inventories		433.3	461.4
Contract assets		255.4	302.3
Trade and other receivables		4,567.2	4,932.0
Current tax assets		106.0	173.7
Financial assets		13.9	93.4
Cash and cash equivalents	6	758.3	1,239.0
Restricted cash	6	154.6	168.1
Total current assets		**6,288.7**	**7,369.8**
Assets classified as held for sale	*3.4*	*75.4*	*184.3*
Total assets		**44,217.9**	**72,752.7**
Issued capital	7.1	68.3	76.5
Treasury shares	7.2	(14.6)	(370.1)
Additional paid in capital	7.3	-	2,605.9
Other reserves	7.4	(793.1)	(811.4)
Accumulated losses	7	(3,621.6)	(3,107.3)
Equity attributable to owners of the Company		**(4,360.9)**	**(1,606.4)**
Non-controlling interests	3.3	(38.9)	1,242.9
Total equity		**(4,399.8)**	**(363.5)**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	9	34,065.6	50,059.4
Other financial liabilities	9.6	642.3	1,963.1
Provisions		1,182.7	1,479.8
Deferred tax liabilities		410.2	4,451.1
Non-current contract liabilities		491.7	471.9
Other non-current liabilities		665.9	165.8
Total non-current liabilities		**37,458.5**	**58,591.1**
Current liabilities			
Short-term borrowings, financial liabilities	9	404.6	1,792.9
Other financial liabilities	9.6	1,962.8	2,394.0
Trade and other payables		7,298.5	8,368.8
Contract liabilities		732.0	811.9
Current tax liabilities		159.0	205.4
Provisions		319.0	542.4
Other current liabilities		283.2	305.0
Total current liabilities		**11,159.1**	**14,420.4**
Liabilities directly associated with assets classified as held for sale	*3.4*	*0.1*	*104.7*
Total liabilities		**48,617.7**	**73,116.2**
Total equity and liabilities		**44,217.9**	**72,752.7**

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Consolidated Statement Changes in Equity	**Number of shares on issue** Common shares Class A	Common shares Class B	Preference shares B	**Share capital**	**Treasury Shares**	**Additional paid in capital**	**Accumulated losses**	**Currency translation reserve**	**Cash Flow hedge reserve**	**Fair value through OCI**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Equity at January 1, 2018	**1,572,352,225**	**243,035,949**		**76.5**	**(370.1)**	**2,605.9**	**(3,107.3)**	**(215.8)**	**(535.6)**	**3.6**	**(63.7)**	**(1,606.4)**	**1,242.9**	**(363.5)**
IFRS 9 transition impact				-	-	-	(11.1)	-	-	-	-	**(11.1)**	-	**(11.1)**
Equity at January 1, 2018 (*revised)	**1,572,352,225**	**243,035,949**		**76.5**	**(370.1)**	**2,605.9**	**(3,118.3)**	**(215.8)**	**(535.6)**	**3.6**	**(63.7)**	**(1,617.4)**	**1,242.9**	**(374.6)**
Gain/(loss) for the period				-	-	-	(26.4)	-	-	-	-	**(26.4)**	118.8	**92.3**
Other comprehensive profit/(loss)				-	-	-	-	(157.7)	(89.0)	20.0	13.4	**(213.2)**	3.4	**(209.8)**
Comprehensive profit/(loss)				**-**	**-**	**-**	**(26.4)**	**(157.7)**	**(89.0)**	**20.0**	**13.4**	**(239.7)**	**122.3**	**(117.4)**
Conversion common shares B to common shares A	768,528,025	(30,741,121)		-	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	(786,000,000)	(1,307,716)		(8.2)	355.6	(347.4)	-	-	-	-	-	-	-	-
Issuance of preference shares B[1]			927,832	0.0	-	-	-	-	-	-	-	**0.0**	-	**0.0**
Share based payments				-	-	-	(59.4)	-	-	-	-	**(59.4)**	1.8	**(57.6)**
Separation of Altice USA[2]				-	-	(2,258.5)	(79.6)	231.5	-	-	-	**(2,106.6)**	(974.6)	**(3,081.3)**
Transactions with non-controlling interests				-	-	-	(304.8)	-	-	-	-	**(304.8)**	(51.5)	**(356.3)**
Dividends				-	-	-	-	-	-	-	-	-	(416.2)	**(416.2)**
Other				-	-	-	(33.0)	-	-	-	-	**(33.0)**	36.4	**3.5**
Equity at September 30, 2018	**1,554,880,250**	**210,987,112**	**927,832**	**68.3**	**(14.6)**	**-**	**(3,621.6)**	**(141.9)**	**(624.6)**	**23.6**	**(50.3)**	**(4,360.9)**	**(38.9)**	**(4,399.8)**

1 Preference Shares B were issued to the Company's CEO, Mr. Alain Weil, on July 20, 2018. Please refer to notes 7.1 and 15.
2 The total impact of separation of Altice USA in the equity of non-controlling interest consisted of equity reduction of €976.3 million due to the separation of Altice USA from the Company (please refer to note 3.3) and €1.6 million increase in equity due to merger of Altice Technical Service US ("ATS US") with Altice USA.

Consolidated Statement Changes in Equity	**Number of shares on issue** *Class A*	*Class B*	**Share capital**	**Treasury Shares**	**Additional paid in capital**	**Accumulated losses**	**Currency translation reserve**	**Cash Flow hedge reserve**	**Fair value through OCI**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Equity at January 1, 2017 (revised*)	**972,363,050**	**267,035,516**	**76.5**	**-**	**738.0**	**(2,533.4)**	**148.8**	**(671.8)**	**2.9**	**(44.6)**	**(2,283.6)**	**228.9**	**(2,054.8)**
Loss for the period			-	-	-	(1,718.6)	-	-	-	-	**(1,718.6)**	(215.8)	**(1,934.4)**
Other comprehensive profit/(loss)			-	-	-	-	(203.9)	167.0	0.5	4.7	**(31.7)**	(56.7)	**(88.4)**
Comprehensive profit/(loss)			**-**	**-**	**-**	**(1,718.6)**	**(203.9)**	**167.0**	**0.5**	**4.7**	**(1,750.3)**	**(272.5)**	**(2,022.8)**
Conversion common shares B to common shares A	382,175,100	(15,287,004)	-	-	-	-	-	-	-	-	-	-	-
Share based payment			-	-	-	(63.7)	-	-	-	-	**(63.7)**	(18.4)	**(82.1)**
Transaction with non-controlling interests			-	(126.8)	3,303.9	-	-	-	-	-	**3,177.1**	(290.1)	**2,887.0**
Dividends			-	-	-	-	-	-	-	-	**-**	(265.6)	**(265.6)**
Other			-	-	(29.7)	-	-	-	-	-	**(29.7)**	(24.7)	**(54.4)**
Equity at September 30, 2017 (revised*)	**1,354,538,150**	**251,748,512**	**76.5**	**(126.8)**	**4,012.2**	**(4,315.7)**	**(55.1)**	**(504.7)**	**3.5**	**(39.9)**	**(950.1)**	**(642.4)**	**(1,592.7)**

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The accompanying notes on page 7 to 49 form an integral part of these condensed interim consolidated financial statements.

Consolidated Statement of Cash Flows (€m)	**Nine months ended September 30, 2018**	**Nine months ended September 30, 2017** (revised*)
Net (loss) including non-controlling interests	**(565.2)**	**(1,301.6)**
Adjustments for:		
Depreciation, amortization and impairment	2,972.4	3,110.1
Share in income of associates	5.9	5.7
Gain on disposals of business	(711.3)	(27.4)
Expenses related to share based payment	27.5	22.4
Other non-cash operating (losses)/gains, net[1]	(230.4)	361.0
Pension liability payments	(50.0)	(93.5)
Finance costs recognized in the statement of income	1,756.9	1,647.9
Income tax credit recognized in the statement of income	226.8	(236.0)
Income tax paid	(114.6)	(234.6)
Changes in working capital[2]	(159.0)	564.6
Net cash provided by operating activities	**3,158.8**	**3,818.5**
Payments to acquire tangible and intangible assets	(2,615.9)	(2,646.6)
Prepayments for content rights	-	(70.5)
Payments to acquire financial assets	(36.9)	(28.4)
Proceeds from disposal of businesses	730.7	336.5
Proceeds from disposal of tangible, intangible and financial assets	81.2	29.3
Payments to acquire interests in associates	(21.6)	(34.9)
Payment to acquire subsidiaries, net	(107.8)	(258.7)
Net cash used in investing activities	**(1,970.2)**	**(2,673.3)**
Share buy-backs[3]	(33.6)	-
Proceeds from issue of equity instruments by a subsidiary	-	18.0
Proceeds from issuance of debts	5,917.9	5,183.9
Transactions with non-controlling interests[4]	(161.7)	(423.9)
Payments to redeem debt instruments	(6,406.7)	(4,031.8)
Transfers to restricted cash	13.3	(302.4)
Dividend received from Altice USA	894.3	-
Dividends paid[5]	(20.7)	(8.9)
Interest paid	(1,639.6)	(1,574.9)
Other cash provided by financing activities[6]	36.5	424.1
Net cash (used)/generated in financing activities	**(1,400.4)**	**(716.0)**
Classification of cash as held for sale	(274.4)	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	5.4	(25.1)
Net change in cash and cash equivalents	**(480.8)**	**404.1**
Cash and cash equivalents at beginning of period	1,239.0	722.8
Cash and cash equivalents at end of the period	**758.3**	**1,126.9**

1 Other non-cash operating gains and losses mainly include allowances and writebacks for provisions (including those for restructuring), and gains and losses recorded on the disposal of tangible and intangible assets.
2 Changes in working capital include cash payment for the settlement of stock option plans for an amount of €37.9 million, please refer to note 14.
3 Share buy-backs relate to the purchase of Altice N.V. shares for an amount of €33.6 million which were used for a share settlement with management of OMT (also referred to as French Overseas Territory). The total settlement amounted to €58 million, with €33.6 million settled in Altice N.V.'s shares and the remainder in cash.
4 Transactions with non-controlling interest are mainly related to the buy-out of minority shareholders in Altice Content Luxembourg (ACL) for an amount of €100.0 million, Diversité TV Holding for an amount of €33.8 million, ERT Luxembourg S.A. for an amount of €4.8 million and the cash component of the share settlement with management of OMT for an amount of €24.2 million.
5 Dividends paid relate to dividends paid to non-controlling interests (please refer to note 3.3).
6 Other cash from financing activities include net receipts from the issuance of commercial paper of €75.0 million, which was more than offset by net repayments for financing related expenses of €27.5 million and net repayments of €11.1 million for factoring and securitization arrangements.

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The accompanying notes on page 7 to 49 form an integral part of these condensed interim consolidated financial statements.

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1. About Altice Europe N.V.

Altice Europe N.V., formerly known as Altice N.V., (the “Company”) is a public limited liability company (“*Naamloze vennootschap*”) incorporated in the Netherlands and is headquartered at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands. The Company is the parent entity of the Altice Europe N.V. consolidated group (the “Group” or “Altice”). The Company is ultimately controlled by Patrick Drahi (via Next Alt S.à r.l., “Next Alt”). As of September 30, 2018, Next Alt held 67.53% of the share capital of the Company.

Altice is a convergent leader in telecoms, content, media, entertainment and advertising. Altice delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 30 million customers over fiber networks and mobile broadband. Altice is also a provider of enterprise digital solutions to millions of business customers. The Group innovates with technology, research and development and enables people to live out their passions by providing original content, high-quality and compelling TV shows, and international, national and local news channels. Altice delivers live broadcast premium sports events and enables its customers to enjoy the most well-known media and entertainment.

2. Accounting policies

2.1. Basis of preparation

These condensed interim consolidated financial statements of the Group as of September 30, 2018 and for the nine month period then ended were approved by the Board of Directors and authorized for issue on November 21, 2018.

These condensed interim consolidated financial statements of the Group as of September 30, 2018 and for the nine month period then ended, are presented in millions of 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 of the Group and the notes thereto as of and for the year ended December 31, 2017 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union (“IFRS”) (the “annual consolidated financial statements”).

The accounting policies applied for the condensed interim consolidated financial statements as of September 30, 2018 do not differ from those applied in the annual consolidated financial statements as of and for the year ended December 31, 2017, except for the adoption of new standards effective as of January 1, 2018.

2.1.1. *Standards applicable for the reporting period*

The following standards have mandatory application for periods beginning on or after January 1, 2018 as described in note 2.1.4 to the annual consolidated financial statements.

- IFRS 15 *Revenue from Contracts with Customers*;
- IFRS 9 *Financial Instruments*;
- Amendments to IFRS 2: *Classification and Measurement of Share Based Payment Transactions*;
- IFRIC 22: *Foreign Currency Transactions and Advance Consideration*;
- Annual improvements cycle 2014-2016.

The application of amendments to IFRS 2, IFRIC 22 and annual improvements cycle 2014-2016 had no impact on the amounts recognised in the annual consolidated financial statements and had no impact on the disclosures in these condensed interim consolidated financial statements.

Below are described the main changes in the Group’s accounting policies relating to the first time application of IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial instruments.* Other significant revenue recognition policies remain unchanged.

2.1.1.1. Revenue recognition

Revenue from the Group’s activities is mainly composed of television, broadband internet, fixed and mobile telephony subscription, installations fees invoiced to residential and business clients and advertising revenues.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the Group.

In accordance with IFRS 15 *Revenue from Contracts with Customers*, the revenue recognition model includes five steps for analyzing transactions so as to determine when to recognize revenue and at what amount:

(1) Identifying the contract with the customer.
(2) Identifying separate performance obligations in the contract.
(3) Determining the transaction price.
(4) Allocating the transaction price to separate performance obligations.
(5) Recognizing revenue when or as the performance obligations are satisfied.

For bundled packages, the Group accounts for individual products and services separately if they are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if the product or service is distinct from other items in the bundle. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the market prices at which the Group sells the mobile devices and telecommunications services separately.

This leads to the recognition of a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position.

The contract asset is reversed over the enforceable period. Enforceable period has been determined for each agreement. It represents the period over which rights and obligation are enforceable. This period is determined not only by the commitment period as stated in the contract, but also by business practices and contracts mechanisms (early renewal, exit options, penalties and other clauses).

Revenue from mobile devices

The Group recognizes revenues when a customer takes possession of the device, which is the performance obligation. This usually occurs when the customer signs a new contract. The amount of revenue includes the sale of mobile devices and ancillary equipment for those devices. For mobile devices sold separately, customers pay in full at the point of sale or in several installments (credit agreement).

Revenue from service

Revenues from subscriptions for basic cable services, digital television pay, Internet and telephony (fixed and mobile) are recognized in revenue on a straight-line basis over the subscription period; revenues from telephone calls are recognized in revenue when the service is rendered in accordance with the term of the contract.

Installation revenue

Installation service revenue is deferred and recognized over the benefit period. For B2B customers, the benefit period is the contract term, which is defined and agreed for 2 years or more. For B2C customers, there is no commitment period and installation costs are recognized over the benefit period.

Agent versus principal

The Group determines whether it is acting as a principal or as an agent. The Group is acting as a principal if it controls a promised good or service before it is transferred to a customer.

Indicators for acting as a principal include: (1) the Group is primarily responsible for fulfilling the promise to provide the specified good or service, (2) the Group has inventory risk in the specified good or service and (3) the Group has discretion in establishing the price for the specified good or service.

On the other hand, the Group is acting as an agent or an intermediary, if these criteria are not met. When the Group is acting as an agent, revenue is presented on a net basis in the statement of income. When the Group is acting as principal, revenue is presented on a gross basis.

2.1.1.2. Contract costs

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Commissions to third parties and sales incentives to employees are considered as costs to obtain a contract and are recognized under the balance sheet caption "contract costs".

Assets recognized as contract costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset may relate to goods or services to be transferred under a specific anticipated contract. The amortization charge is recognized in the statement of income, within caption "Depreciation, amortization and impairment".

As a practical expedient, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

2.1.1.3. Financial instruments

Standard IFRS 9 *Financial Instruments* allows two methods for subsequent measurement:

- amortized cost: this is the original amount minus principal repayments, cumulative amortizations and impairments. An impairment is recognized if the fair value at the end of the period is less than the carrying amount. The amortized cost must be determined by using the effective interest rate method;
- fair value: this is the amount for which an asset could be exchanged, or a liability paid, between two willing parties, in an arm's length transaction.

Classification and measurement

Except for certain trade receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI).

The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the 'SPPI criterion').

The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables, and Loans included under balance sheet caption "Financial assets" (non-current and current portion).
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. The Group has no instrument in this new category.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its quoted and unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as AFS (Available for sale) financial assets.
- Financial assets at FVPL comprise derivative instruments. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group's business models was made as of the date of initial application, January 1, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the statement of profit or loss.
Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For contract assets and trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Hedge accounting

The Group continues to apply the requirement of IAS 39 related to hedge accounting.

Financial liabilities restructuring

Based on IFRS 9, the Group removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.1.2. *Standards and interpretations not applicable as of reporting date*

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for period started from January 1, 2018 and that may impact the amounts reported.

- IFRS 16 *Leases*, effective on January 1, 2019;
- Annual improvements cycle 2015-2017, effective on or after January 1, 2019;
- IFRIC 23: *Uncertainty over Income Tax Treatments*, applicable for annual periods beginning on or after January 1, 2019;
- Amendments to IFRS 9: *Prepayments features with Negative Compensation*, effective on or after January 1, 2019;
- Amendments to IAS 28: *Long term interests in Associates and Joint ventures*, effective on or after January 1, 2019;
- Amendments to IAS 19: *Plan Amendment, Curtailment or Settlement*, effective on or after January 1, 2019.
- Amendments to IAS 1 and IAS 8: *Definition of Material*, effective on or after January 1, 2020;
- Amendments to IFRS 3: *Definition of a Business*, effective on or after January 1, 2020;
- Amendments to References to the Conceptual Framework in IFRS Standards, effective on or after January 1, 2020.

IFRS 16 Leases issued on January 13, 2016 is the IASB's replacement of IAS 17 *Leases*. IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

The Board of Directors of the Company anticipate that the application of IFRS 16 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities, especially given the different operating lease arrangements of the Group. The effects are analysed as part of a Group-wide project for implementing this new standard. During the nine month period ended September 30, 2018, the assessment phase has been finalized and implementation plan is in progress, and it is not yet practicable to provide a reasonable estimate of the quantitative effects until the projects have been completed.

2.1.3. *Significant accounting judgments and estimates*

In the application of the Group's accounting policies, the Board of Directors 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 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 key areas of judgments and estimates, as disclosed in the annual consolidated financial statements are:
- Estimations of provisions for claims and restructuring plans;
- Measurement of post-employments benefits;
- Revenue recognition;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Impairment of goodwill;
- Estimation of useful lives of intangible assets and property, plant and equipment, and
- Estimation of impairment losses for trade and other receivables.

As of September 30, 2018, there were no changes in the key areas of judgements and estimates except that, following the application of IFRS 15 *Revenue from Contracts with Customers*, judgement and estimates are made for the determination of the enforceable period that is used for the recognition of contract assets and the amortization of the contract costs.

2.1.4. *Revised information*

The comparative information as of September 30, 2017 and December 31, 2017 had been revised to reflect the impact of new accounting standards IFRS 15 *Revenue from Contracts with Customers,* IFRS 9 *Financial instruments*, applicable from January 1, 2018, and the separation of Altice USA from the Company (please refer to note 3.1.4. for more details). Please refer to note 19 for the reconciliation to previously published results.

2.1.4.1. IFRS 15 Revenue from Contracts with Customers

The Group has adopted IFRS 15 *Revenue from Contracts with Customers* for the annual period beginning on January 1, 2018, in accordance with the full retrospective method by restating each prior period and recognizing the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented (January 1, 2017).

The details of the significant changes are set out below. The quantitative impacts are presented in note 19.

Mobile activities

The most significant impact is in the mobile activities (B2C and B2B transactions) as some arrangements include multiple elements that are being bundled: a handset component sold at a discounted price and a communication service component. In application of IFRS 15, the Group has identified those items as separate performance obligations. Total revenue is allocated to both elements based on their stand-alone selling price, leading to more revenue being allocated to the handset upfront. This also impacts the timing of revenue recognition as the handset is delivered up-front, even though total revenue does not change in most cases over the life of the contract. Other IFRS 15 topics impacting the accounts include capitalization of commissions (i.e. renewal commissions) which are broader than the capitalization model in the past, along with depreciation pattern which is based on estimates relating to the contract duration in some instances (prepaid business for example).

Fixed activities

In most cases, the service and the equipment are not considered as distinct performance obligations. Other identified topics relate to connection fees, related costs and capitalization of commissions. Related estimates include the determination of capitalized assets depreciation period based on contract period and additional periods related to anticipated contract that the Group can specifically identify.

2.1.4.2. IFRS 9 Financial Instruments

IFRS 9 *Financial Instruments* issued on July 24, 2014 is the IASB's replacement of IAS 39 *Financial Instruments*: *Recognition and Measurement*. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The Group implemented the standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with no impact on 2017. The quantitative impacts are presented in note 19.

Main impact of IFRS 9 are as follows:

- Based on the IFRS 9 guidance, financial liabilities that have been renegotiated in previous period, where the renegotiated terms were considered as a non-substantial modification of the initial terms (cash flows modified in a proportion equal to or lower than 10%), requires a specific treatment upon transition to IFRS 9. Under IFRS 9, the Company should use the original effective interest rate to calculate the carrying value of the debt which is the present value of the modified future cash flows. Under IAS 39, for financial liabilities that have been renegotiated, the effective interest rate is changed on a prospective basis, with no income statement impact at the renegotiation date. For restructuring of financial liabilities that have been treated as extinguishment of debt, which is the case for most of the Group debt restructuring, there is no impact under IFRS 9.
- Based on the IFRS 9 guidance, the Group has applied the simplified model for trade receivables and contracts assets (without significant financing component) and has applied the expected credit loss model (i.e. including forward looking information) on assets (i.e. trade receivables not yet due and contract assets under IFRS 15 *Revenue from Contracts with Customers*). Under current standard, the bad debt was calculated based on incurred losses.
- The new standard also implies change of classification in financial assets.

3. Scope of consolidation

The following changes occurred during the nine month period ended September 30, 2018, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

3.1. Transactions completed in the current period

3.1.1. *Sale of telecommunications solutions business and data center operations in Switzerland*

On February 12, 2018, the Company announced the closing of the transaction to sell its telecommunications solutions business and data center operations in Switzerland, green.ch AG and Green Datacenter AG, to InfraVia Capital Partners. The transaction values the business at an enterprise value of approximately 214 million CHF (9.9x LTM Adjusted EBITDA).

The capital gain recorded during the nine month period ended September 30, 2018 amounted to €88.8 million, net of tax. The total proceeds received related to the sale amounted to €156.4 million.

3.1.2. *Acquisition by Altice France of the minority stake held by News Participations in Altice Content Luxembourg*

On April 5, 2018, Altice France acquired the minority stake held by News Participations (NP) in Altice Content Luxembourg (ACL) for the amount of €100 million by exercising the call option it held on NP's 25% stake in ACL. On May 31, 2018, Altice France increased its ownership in NextRadioTV S.A. via conversion of convertible bonds into equity. Following the transactions described above, the Group's ownership in NextRadioTV S.A. and its subsidiaries increased to 100%.

3.1.3. *Exercise of the ATS call option*

In April 2018, the Group exercised the call option for the acquisition of the remaining 49% in Altice Technical Services ("ATS") for a fixed price of €147 million, bearing interests at an annual rate of EURIBOR 1 month plus 3.5%. This amount will be paid in November 2018. As a result of the exercise of the call option, the Company's ownership in ATS increased to 100%.

3.1.4. *Altice USA separation from the Company*

On June 8, 2018, the Company and Altice USA announced that the planned separation of Altice USA from the Company (the "Separation") had been implemented. In the context of the Separation, the corporate name of the Company was changed from Altice N.V to Altice Europe N.V.

The Separation took place by way of a special distribution in kind by the Company of its 67.2% interest in Altice USA to the Company's shareholders out of the Company's share premium reserve (the "Distribution"). The Company instructed its agent to transfer to each of its shareholders 0.4163 shares of Altice USA common stock for every share held by such shareholder in the Company's capital on the Distribution record date.

As announced by the Company and Altice USA on June 7, 2018, the total number of shares of Altice USA Class A common stock and Altice USA Class B common stock that have been distributed are:

- Altice USA Class A common stock: 247,683,489
- Altice USA Class B common stock: 247,683,443

Following the Distribution, there were 489,384,523 shares of Altice USA Class A common stock and 247,684,443 shares of Altice USA Class B common stock outstanding.

As part of the Separation, on June 6, 2018, Altice USA paid a $1.5 billion of cash dividend to its shareholders, including $1.1 billion to the Company.

In connection with the Separation, on March 19, 2018, the Group sold the 30% interest held in Altice Technical Services US LLC ("ATS US") to CSC Holdings LLC, which was a US indirect subsidiary of the Company, for the price of $1. On April 23, 2018, the Group completed the sale of i24News Europe and i24News US (international 24-hour news and current affairs television channel) to Altice USA for a total consideration of $10.1 million (€8.3 million).

3.1.4.1. The accounting principles used for the transaction and accounting impact

The distribution in kind by the Company of its 67.2% interest in Altice USA to the Company's shareholders was excluded from the provisions of IFRIC 17 *Distribution of Non-cash Asset to Owners* and was treated as a common control transaction, as Altice USA is controlled by Next Alt, the ultimate company owned by Patrick Drahi before and after the distribution. Therefore, the distribution was recorded at book value through shareholders' equity, resulting in a decrease by €3,081.3 million of equity during the nine month period ended September 30, 2018.

The remaining interest in Altice USA indirectly owned through Neptune Holding US LP was recorded at fair value through the statement of income at the Separation date (June 8, 2018), which resulted in an increase in net income from discontinued operations by $268.3 million or €224.6 million (please refer to note 3.5). The remaining interest in Altice USA after the Separation date was revalued at fair value through Other Comprehensive Income, based on the requirements of IFRS 9 *Financial Instruments*, as of September 30, 2018 which resulted in an increase in fair value of €27.5 million. The fair value of Altice USA and Neptune Holding US LP shares was $474.8 million (€408.8 million) as of September 30, 2018 (please refer to note 10.1.2), composed of:

- the remaining ownership of Altice USA held directly by the Company through CVC3 B.V. is 0.92% or 6,668,259 class A shares, for a value of $121.0 million (€104.2 million).
- the investment kept in Altice USA via Neptune Holding US LP is 2.69% or 19,504,152 shares, for a fair value of $353.8 million (€304.6 million).

The Separation was treated as a discontinued operation as specified in IFRS 5 *Non-currents assets Held for sale and discontinued operations*, all the statement of income line items were restated to remove the impact of Altice USA including ATS US and their contribution to the net result was presented in the line "discontinued operation" of the statement of income. Prior year period was restated (please refer to note 19).

Information related to the impact of discontinued operation of Altice USA including ATS US in the statement of income and the statement of cash flows for the nine month period ended September 30, 2018 and September 30, 2017 is presented in note 3.5. The contribution of i24 News entities for the nine month period September 30, 2018 was not treated as discontinued operations as it was not a major line of business or segment (please refer to note 4.1).

3.1.5. *Sale of international wholesale business*

On July 18, 2018, three Sale and Purchase Agreements were signed by Altice France, Altice Dominicana and MEO with Tofane Global related to the sale of the international wholesale voice carrier business in France, the Dominican Republic and Portugal, respectively. The transaction closed on September 6, 2018. The total consideration received was €33.0 million. The capital gain recorded for the nine month period ended September 30, 2018 was €9.9 million (please refer to note 4.3.2.7).

3.1.6. *Sale and purchase agreements signed for the purchase by Altice Technical Services France S.à r.l. of the minority interests in ERT Luxembourg S.A.*

On August 29, 2018, Altice Technical Services France S.à r.l. ("ATS France") signed sale and purchase agreements with each of the five minority shareholders of ERT Luxembourg S.A. ("ERT Lux") in order to acquire 253 shares of ERT Lux for a total price of €42.0 million. Four of the five sale and purchase agreements contemplated a transfer of the ERT Lux shares to ATS France upon signing. As a result, on the date hereof, ATS France owns 84.3 % of the share capital of ERT Lux. Upon completion of the sale under the fifth sale and purchase agreement, which is expected to occur on January 31, 2019, ATS France will own 100% of the share capital of ERT Lux. The payment of this acquisition will be made in several installments from January 2019 until January 2024.

3.1.7. *Altice France acquired the minority interest in Diversité TV Holding*

On September 1, 2018, NextRadioTV S.A., a subsidiary of Altice France, acquired 49% minority interest in Diversité TV Holding ("DTV"), previously known as Pho Holding SASU, for a total consideration of €32.7 million. Following this acquisition and the take-over of DTV in the third quarter of 2017 (please refer to note 3.2.5), the ownership of NextRadioTV in DTV and its subsidiary Diversité TV France SAS became 100%.

3.1.8. *Sale of towers of Portugal*

On July 18, 2018, PT Portugal reached an agreement with a consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners for the sale of the newly formed tower company called OMTEL, that comprises 2,961 sites operated by Altice Portugal, and an acquisition of 25% of the stake of OMTEL by PT Portugal. The transaction closed on September 4, 2018, and the total consideration received was €539.5 million.

The capital gain recorded during the nine month period ended September 30, 2018 amounted to €611 million.

3.2. Transactions completed in the prior period

3.2.1. *Acquisition of a stake in SPORT TV*

On February 24, 2017, PT Portugal acquired a 25% stake in the capital of SPORT TV for €12.3 million. SPORT TV is a sports broadcaster based in Portugal. Following this investment, SPORT TV's shareholders are PT Portugal, NOS, Olivedesportos and Vodafone, each of which with a 25% stake. This new structure benefits, above all, PT Portugal's customers and the Portuguese market, guaranteeing all the operators' access to the sports content considered essential in fair and non-discriminatory market conditions.

3.2.2. *Disposal of Coditel*

As at December 31, 2016, the Group had entered into an agreement to sell its Belgian and Luxembourg (Belux) telecommunication businesses, and accordingly classified the associated assets and liabilities as a disposal group held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. On June 19, 2017, the Group completed the sale of Coditel Brabant SPRL and Coditel S.à r.l, to Telenet Group BVBA, a direct subsidiary of Telenet Group Holding N.V. After the final post-closing price adjustments, the Group received €280.8 million, and recognized a loss on sale after transactions costs of €24.0 million.

3.2.3. *Acquisition of Teads*

On June 22, 2017, Altice Teads (a company which the Group has 98.5% of the financial interest, with 1.5% attributable to the managers of Teads) closed the acquisition of Teads. Teads is the number one online video advertising marketplace in the world with an audience of more than 1.2 billion unique visitors. The acquisition values Teads at an enterprise of up to €302.3 million. The acquisition purchase price was due 75% at closing, with the remaining 25% earn-out subject to Teads obtaining defined revenue performance in 2017. As the defined revenue targets for 2017 were met, an earn-out payment of €48.6 million was made to the former owners of Teads during the period.

On July 3, 2018, the restricted cash that was held in an escrow account following the acquisition of Teads in the second quarter of 2017 has been fully released. The cash was used to pay non-reinvesting and reinvesting sellers for a total amount of €42.1 million. In addition, an earn-out payment of €13.1 million was made to certain former owners of the company, subject to Teads obtaining defined revenue performance in 2017, which targets have been met. Subsequent to the earn-out payment of €13.1 million, €5.2 million was reinvested by the former owners in the share capital of the company.

3.2.4. *Acquisition of SFR Group S.A. shares*

During the nine month period ended September 30, 2017, the Company acquired an aggregate number of 53,574,173 SFR Group shares in private off-market transactions. In consideration for these acquisitions, the Company delivered common shares A, which it held previously as treasury shares.

Following these transactions noted above, the Group held in excess of 95% of the share capital and voting rights of SFR Group. As a result, the Group filed with the French financial market authority, in September 2017, a buyout offer followed by a squeeze-out for the remaining SFR Group shares for a price of €34.50 per share.

The Group acquired 12,053,363 shares during September at the agreed price. Following these acquisitions, as at September 30, 2017, the Group held 437,356,940 SFR Group shares, representing 98.57% of the share capital and 98.53% of the voting rights of SFR Group.

Owing to the announcement to buyout the remaining SFR shares, the Group had a constructive obligation to acquire the remaining 1.43% of SFR Group shares. As at September 30, 2017 the Group recognised a liability in the Statement of Financial Position (in “other current financial liabilities”) for a total amount of €237 million with a corresponding increase in the interest in SFR to 100% and a reduction of non-controlling interests in SFR Group to zero.

On October 9, 2017, the squeeze-out of the remaining SFR Group shares occurred.

3.2.5. *Pho Holding*

On July 26, 2017, SFR Group obtained approval for the take-over of Pho Holding (owner of the Numero 23 channel) by NextRadioTV. Following the take-over, SFR Group owned 51% of Pho Holding, the consolidation method changed as of September 30, 2017 (from equity accounted to full consolidation), €8.9 million income has been recorded in the Other Expenses and Income caption in the consolidated statement of income in 2017. The purchase price allocation was finalized. The total additional goodwill resulted from the take-over was €53.4 million.

In the third quarter of 2018, Pho Holding was renamed Diversité Holding (please refer to note 3.1.7).

3.3. Variations in non-controlling interests

Variations in non-controlling interests (€m)	Altice USA	Altice France	Altice Technical Services	Other	Group
Opening balance at January 1, 2017 (*revised)	(347.7)	551.5	49.8	(24.7)	**228.9**
Net income	426.9	(67.6)	(7.7)	(7.5)	**344.1**
Other comprehensive income	(118.9)	-	(2.2)	-	**(121.1)**
Dividends	(246.9)	(6.9)	(6.0)	-	**(259.8)**
US IPO	1,517.2	-	-	-	**1,517.2**
SFR share transfers and squeeze out	-	(544.0)	-	-	**(544.0)**
Variation in minority interest put	-	93.2	-	-	**93.2**
Other	8.0	(16.6)	(8.9)	2.0	**(15.5)**
Closing at December 31, 2017 (*revised)	**1,238.5**	**9.7**	**24.9**	**(30.1)**	**1,242.9**
Opening balance at January 1, 2018	**1,238.5**	**9.7**	**24.9**	**(30.1)**	**1,242.9**
Net income	129.1	(2.0)	(3.4)	(5.0)	**118.8**
Other comprehensive income	2.6	0.1	0.5	0.2	**3.4**
Share based payment	1.8	-	-	-	**1.8**
Dividends	(395.5)	(4.4)	(16.3)	-	**(416.2)**
Merger ATS US	(0.9)	-	-	2.5	**1.6**
Acquisition of ATS France and ACS by Altice France	-	7.2	(14.3)	7.1	-
Additional participation in ACL and GNP	-	78.8	-	-	**78.8**
Additional participation in ERT Luxembourg	-	(5.2)	-	-	**(5.2)**
Additional participation in Diversité TV	-	17.1	-	-	**17.1**
Variation in minority interest put	-	(94.8)	(4.1)	-	**(98.9)**
Separation of Altice USA from Altice Europe N.V.	(976.3)	-	-	-	**(976.3)**
Other	0.7	-	0.2	(7.6)	**(6.7)**
Closing at September 30, 2018	**-**	**6.5**	**(12.5)**	**(33.0)**	**(38.9)**

* Please refer to note 19 for details about the revised information

The main change in non-controlling interests "NCI" as at September 30, 2018 was mainly due to:

- Separation of Altice USA from the Company. The total reduction in equity during the nine month period ended September 30, 2018 consisted mainly of:
  - the dividend paid to non-controlling interest of €395.5 million,
  - the impact based on the accounting treatment mentioned in note 3.1.4.1 which amounted to €976.3 million. This amount included €38.2 million of cumulative translation adjustment after the Separation took place on June 8, 2018.
- dividend payments, reducing NCI by €416.2 million,
- acquisition by Altice France of the minority stake held by News Participations in Altice Content Luxembourg (please refer to note 3.1.2),
- the extinguishment of the put option of ACL of €94.8 million in Altice France,
- the acquisition of minority interests in ERT Luxembourg S.A. by Altice Technical Services France S.à r.l. (please refer to note 3.1.6), reducing NCI by €5.2 million,
- the acquisition of minority interests in Diversité TV ("DTV") by NextRadioTV (please refer to note 3.1.7), increasing NCI by €17.1 million.

3.4. Assets held for sale

In December 2017, the Board of Directors of the Company decided to sell the Group's International Wholesale business. The transits and international outgoing traffic business in Portugal and the Dominican Republic was classified as held for sale as of December 31, 2017, in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. On July 18, 2018, three Sale and Purchase Agreements were signed by Altice France, Altice Dominicana and MEO with Tofane Global related to the sale of the international wholesale voice carrier business in France, the Dominican Republic and Portugal, respectively. The transaction closed on September 6, 2018 (please refer to note 3.1.5). As a result, the related assets and liabilities were no longer classified as held for sale as of September 30, 2018, in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*.

On June 20, 2018, PT Portugal reached an agreement with a consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners for the sale of the newly formed tower company called OMTEL, that comprises 2,961 sites operated by Altice Portugal, and an acquisition of 25% of the stake of OMTEL by PT Portugal. The transaction closed on September 4, 2018 (please refer to note 3.1.8) and therefore the assets and liabilities were no longer classified as held for sale as of September 30, 2018.

On June 20, 2018, Altice France entered into an exclusivity with Starlight BidCo S.A.S., an entity controlled by funds affiliated with KKR for the sale of 49.99% of the shares in a newly incorporated tower company called SFR TowerCo that will comprise 10,198 sites currently operated by the Group. Altice France will continue to fully consolidate SFR TowerCo and hence the assets and liabilities related to SFR TowerCo were not classified as held for sale. The Sale and Purchase Agreement was signed on August 7, 2018 for a transaction value of €3.6 billion. The closing of the transaction, which scope is towers and does not include any telco equipment, will be subject to customary conditions precedent, including that at least 90% of the sites have been contributed to SFR TowerCo, as well as regulatory approvals and is expected to occur in the end of 2018. The consideration to be received amounts to €1.8 billion, corresponding to approximately 49.99% of the total transaction value.

On October 3, 2018, Altice Europe announced the closing of the transaction to sell 100% in the tower company Teletorres del Caribe, which comprises 1,039 sites formerly operated by its subsidiary Altice Dominicana, to Phoenix Tower International, a portfolio company of Blackstone (please refer to note 18.2). As a result, the corresponding assets and liabilities have been classified as held for sale as of September 30, 2018.

In the prior year, Green and Green Datacenter had been classified as held for sale. The sale was completed on February 12, 2018. Please refer to note 3.1.1.

Table below provides the details of assets and liabilities classified as held for sale as of September 30, 2018 and December 31, 2017:

Disposal groups held for sale	**September 30, 2018**				**December 31, 2017**			
(€m)	**Teletorres del Caribe**	**Portugal**	**Other**	**Total**	**Green**	**Wholesale Market**	**Other**	**Total**
Goodwill	-	-	-	-	18.2	-	-	18.2
Tangible and intangible assets	56.4	13.2	-	69.6	113.2	-	-	113.2
Other non-current assets	-	-	0.1	0.1	0.4	-	-	0.4
Investment in associates	-	5.6	-	5.6	-	-	4.4	4.4
Currents assets	-	-	-	-	13.6	34.4	-	48.0
Total assets held for sale	**56.4**	**18.8**	**0.1**	**75.4**	**145.4**	**34.4**	**4.4**	**184.3**
Non-current liabilities	-	-	0.1	0.1	(54.2)	-	-	(54.2)
Current liabilities	-	-	-	-	(25.0)	(25.4)	-	(50.4)
Total liabilities related to assets held for sale	**-**	**-**	**0.1**	**0.1**	**(79.2)**	**(25.4)**	**-**	**(104.7)**

3.5. Discontinued operations

Table below presents the impacts of discontinued operations of Altice USA in the statement of income of the current year up to June 8, 2018, which was the date of the Separation (please refer to note 3.1.4. for more details) and for the nine month period ended September 30, 2017:

Disposal groups held for sale	**Altice USA**	
(€m)	**June 8, 2018**	**September 30, 2017**
Revenue	3,363.3	6,353.1
Operating profit	1,315.1	327.5
Finance costs	(696.8)	(1,153.9)
Share earnings of associates	(9.0)	-
Income tax	(176.4)	193.7
Net income/(loss) related to discontinued operation	**433.0**	**(632.7)**

In addition to the net income related to discontinued operation of Altice USA mentioned above, the total net income from discontinued operation presented in the consolidated statement of income for nine month period ended September 30, 2018 also includes a gain of €224.6 million recorded in CVC 3 B.V.. This amount relates to the fair value of the investment kept in Altice USA via Neptune Holding US LP on the date of the Separation (please refer to note 3.1.4.1).

The net cash of Altice USA for the nine month periods ended September 30, 2018 and 2017 are presented in the table below. For convenience only, the disclosure of cash flow of Altice USA is provided on the basis of the six month period ended June 30, 2018 instead of up to the date of the Separation (June 8, 2018).

Disposal groups held for sale (€m)	Six months ended June 30, 2018	Nine months ended September 30, 2017
Net cash provided by operating activities	957.4	1,922.2
Net cash provided used by investing activities	(414.7)	(676.3)
Net cash provided (used) by financing activities	332.9	(1,143.9)

The amount of assets and liabilities of Altice USA on the date of the Separation is summarized below:

Discontinued operations (€m)	June 8, 2018 Altice USA
Goodwill	6,477.1
Tangible and intangible assets	20,646.9
Other non-current assets	1,342.9
Currents assets	659.3
Total assets of discontinued operations	**29,126.3**
Equity	3,484.5
Non-current liabilities	23,217.6
Current liabilities	2,424.2
Total liabilities of discontinued operations	**29,126.3**

4. Segment reporting

4.1. Definition of segments

Given the geographical spread of the entities within the Group, analysis by geographical area is fundamental in determining the Group's strategy and managing its different businesses. The Group's chief operating decision maker is the Board of Directors. This team analyses the Group's results across geographies, and certain key areas by activity. The presentation of the segments here is consistent with the reporting used internally by the senior management team to track the Group's operational and financial performance. The businesses that the Group owns and operates do not show significant seasonality, except for 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. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **France:** The Group controls Altice France S.A., the second largest telecom operator in France, which provides services to residential (B2C) and business clients (B2B) as well as wholesale customers, providing mobile and high-speed internet services using SFR and the associated brands**.** As of 2018, this segment also comprises of the French Overseas Territories (FOT), Altice Technical Services France ("ATSF") and Altice Customer Services ("ACS"). As of July 2, 2018, this segment also includes MCS following the sale of this company by AENS S.à r.l. to Altice France.
- **Portugal:** Altice owns Portugal Telecom ("PT Portugal"), the largest telecom operator in Portugal. PT Portugal caters to fixed and mobile B2C, B2B and wholesale clients using the MEO brand. As of 2018, this segment also includes the Altice Technical Services entities in Portugal.
- **Israel:** Fixed and mobile services are provided using the HOT telecom, HOT mobile and HOT net brands to B2C and B2B clients. HOT also produces award winning exclusive content that it distributes using its fixed network. As of 2018, this segment also includes the Altice Technical Services entity in Israel.
- **Dominican Republic**: The Group provides fixed and mobile services to B2C, B2B and wholesale clients using Altice brands. As of 2018, this segment also includes the Altice Technical Services entity in the Dominican Republic.
- **Teads**: Provides digital advertising solutions.
- **Altice TV:** Content business from the use of content rights.
- **Others**: This segment includes all corporate entities and i24 US LLC (please refer to note 3.1.4.). The Board of Directors believes that these operations are not substantial enough to require a separate reporting segment, and so are reported under "Others".

Following the change in segment definition as of 2018, the comparative segment information of 2017 was restated accordingly. In addition, United States is no longer defined as a segment as the result of the classification of Altice USA as discontinued operations (please refer to note 3.1.4).

4.2. Financial Key Performance Indicators ("KPIs")

The Board of Directors has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the Company. The Board of Directors believes that these indicators offer them the best view of the operational and financial efficiency of each segment and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the Group's results.

The financial KPIs tracked by the Board of Directors are:

- Adjusted EBITDA: by segment,
- Revenues: by segment and in terms of activity,
- Capital expenditure ("Capex"): by segment, and
- Operating free cash flow ("OpFCF"): by segment.

4.2.1. *Non-GAAP measures*

Adjusted EBITDA, Capex and OpFCF are non-GAAP measures. These measures are useful to readers of Altice's financial statements as they provide a measure of operating results excluding certain items that Altice's management believe are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group's operating results and cash flow generation to be more easily observable. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics. The definition of covenant has not changed with the adoption of the IFRS 15 *Revenue from Contracts with Customers* by the Group.

4.2.1.1. Adjusted EBITDA

Adjusted EBITDA is defined as operating income before depreciation and amortization, non-recurring items (capital gains, non-recurring litigation, restructuring costs) and equity-based compensation expenses. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results, which is also presented within the annual consolidated financial statements in accordance with IAS 1 - *Presentation of Financial Statements*.

4.2.1.2. Capex

Capex is an important indicator to follow, as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex is mainly related to costs incurred in acquiring content rights.

4.2.1.3. Operating free cash flow

OpFCF is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the consolidated statement of cash flows in accordance with IAS 1 - *Presentation of Financial Statements*.

4.2.2. *Revenues*

Additional information on the revenue split is presented as follows:

- Fixed in the business to consumer market (B2C),
- Mobile in the business to consumer market (B2C),
- Business to business (B2B) market,
- Wholesale, and
- Other.

Intersegment revenues represented 1.2% of total revenues for the nine month period ended September 30, 2018, compared to 4.9% of total revenues for the nine month period ended September 30, 2017 (€134.2 million compared to €554.3 million). Intersegment revenues mainly relate to services rendered by certain centralized Group functions (relating to content production, technical services and customer services) to the operational segments of the Group.

4.3. Segment results

4.3.1. *Operating profit by segment*

For the nine months ended September 30, 2018 €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Inter-segment elimination	Total
Revenues	**7,713.9**	**1,583.3**	**714.4**	**447.0**	**235.5**	**69.8**	**4.4**	**(134.2)**	**10,634.1**
Purchasing and subcontracting costs	(2,432.9)	(409.1)	(194.0)	(126.9)	0.3	(233.2)	(0.9)	120.6	**(3,276.2)**
Other operating expenses	(1,685.3)	(296.3)	(160.9)	(70.2)	(148.7)	(6.0)	(18.4)	4.4	**(2,381.3)**
Staff costs and employee benefits	(742.4)	(206.8)	(47.5)	(19.8)	(60.2)	(4.5)	(45.6)	0.3	**(1,126.5)**
Total	**2,853.3**	**671.0**	**312.0**	**230.1**	**26.9**	**(173.8)**	**(60.4)**	**(9.0)**	**3,850.2**
Stock option expense	0.2	-	0.1	-	-	-	27.2	-	**27.5**
Adjusted EBITDA	**2,853.5**	**671.0**	**312.1**	**230.1**	**26.9**	**(173.8)**	**(33.1)**	**(9.0)**	**3,877.7**
Depreciation, amortisation and impairment	(1,995.0)	(495.6)	(236.7)	(95.0)	(12.3)	(140.7)	2.9	-	**(2,972.4)**
Stock option expense	(0.2)	-	(0.1)	-	-	-	(27.2)	-	**(27.5)**
Other expenses and income	(293.0)	551.8	(10.2)	1.2	(0.2)	300.2	(4.1)	**0.9**	**546.5**
Operating profit/(loss)	**565.3**	**727.2**	**65.1**	**136.3**	**14.4**	**(14.4)**	**(61.5)**	**(8.1)**	**1,424.4**

For the nine months ended September 30, 2017 (*revised) €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Inter-segment elimination	Total
Revenues	**8,346.4**	**1,699.1**	**778.3**	**530.7**	**65.8**	**291.0**	**184.9**	**(554.3)**	**11,341.9**
Purchasing and subcontracting costs	(2,991.6)	(449.9)	(205.4)	(144.3)	-	(132.6)	(22.4)	367.8	**(3,578.4)**
Other operating expenses	(1,786.0)	(287.2)	(165.3)	(86.6)	(37.8)	(12.4)	(131.2)	179.3	**(2,327.1)**
Staff costs and employee benefits	(836.0)	(210.4)	(53.7)	(22.6)	(15.9)	(4.1)	(64.0)	4.8	**(1,201.9)**
Total	**2,732.9**	**751.7**	**353.9**	**277.2**	**12.0**	**141.8**	**(32.7)**	**(2.3)**	**4,234.7**
Stock option expense	1.1	-	-	-	-	-	21.3	-	**22.4**
Adjusted EBITDA	**2,733.9**	**751.7**	**353.9**	**277.2**	**12.0**	**141.8**	**(11.4)**	**(2.3)**	**4,257.1**
Depreciation, amortisation and impairment	(2,100.3)	(551.5)	(247.6)	(103.9)	(0.2)	(93.0)	(13.6)	-	**(3,110.1)**
Stock option expense	(1.1)	-	-	-	-	-	(21.3)	-	**(22.4)**
Other expenses and income	(975.9)	(74.3)	(13.0)	(19.8)	(0.4)	0.3	77.5	(2.8)	**(1,008.4)**
Operating profit/(loss)	**(343.4)**	**125.9**	**93.3**	**153.5**	**11.4**	**49.1**	**31.3**	**(5.1)**	**116.0**

* Please refer to note 19 for details about the revised information

4.3.2. *Other expenses and income*

Other expenses and income mainly relate to provisions for ongoing and announced restructuring, transaction costs related to acquisitions, and other non-cash expenses (gains and losses on disposal of assets, provisions for litigation, etc.).

Details of costs incurred during the nine months ended September 30, 2018 and 2017 are provided in the following table.

Other expenses and income (€m)	**For the nine months ended September 30, 2018**	**For the nine months ended September 30, 2017 (*revised)**
Stock option expense	27.5	22.4
Items excluded from adjusted EBITDA	**27.5**	**22.4**
Restructuring costs	19.7	734.2
Onerous contracts	31.9	80.8
Net (gain)/loss on disposal of assets	(14.7)	94.2
Disputes and litigation	(67.1)	48.0
Penalties	124.5	-
Net gain on sale of consolidated entities	(709.6)	(27.4)
Deal fees	23.3	4.6
Management fee	(11.0)	(20.7)
Other expenses and income (net)	56.5	94.6
Other expenses and income	**(546.5)**	**1,008.4**

* Please refer to note 19 for details about the revised information

4.3.2.1. Stock option expenses

The Group has several stock option plans across its various entities comprising of mainly the Long-Term Incentive Plan ("LTIP"), the Share Option Plan ("SOP"), the options granted to Next Alt and the preference shares granted to the Company's CEO, Mr. Alain Weill (please refer to note 15). During the nine month period ended September 30, 2018, the Group incurred stock option expenses of €27.5 million, an increase of €5.1 million compared to the nine month period ended September 30, 2017.

4.3.2.2. Restructuring costs

Restructuring costs for the nine month period ended September 30, 2018 mainly relate to the restructuring plans in PT Portugal for €7.3 million and Altice France of €12.1 million of which €7.0 million was the expense related to the departure plan in Intelcia. Restructuring costs incurred for the nine month period ended September 30, 2017 of €734.2 million mainly related to the voluntary departure plan in Altice France (€702.9 million), as well as restructuring expenses in PT Portugal (€24.5 million), FOT (€3.4 million) and HOT (€1.7 million).

4.3.2.3. Onerous contracts

For the nine month period ended September 30, 2018, the expenses recognised for onerous contracts mainly relate to the costs related to the change in office premises to the new Altice Campus (€31.9 million).

4.3.2.4. Net (gain)/loss on disposal of assets

For the nine month period ended September 30, 2018, the gain on disposal of assets was primarily related to the gain on scrapped assets in Altice France (€30.0 million). This was offset by losses on scrapped property, plant and equipment, assets in France (€10.7 million) and in PT Portugal due to forest fires damages (€1.7 million) and other disposed tangible assets (€2.8 million). The main loss on disposal in 2017 was recorded in Altice France, related to the loss on sale of Completel ADSL network to KOSC (€32 million).

4.3.2.5. Disputes and litigation

For the nine month period ended September 30, 2018, disputes and litigation mainly relate to releases of Altice France litigations provisions with Orange of €122 million, which was offset by €5.0 million of compensation to Free, and €15.0 million of settlements of operational litigation with Orange. Additionally, a €20.0 million litigation provision was recorded in PT Portugal.

4.3.2.6. Penalties

Penalties correspond to the fine imposed to the Group following the European Commission's investigation on gun jumping during the acquisition of PT Portugal by the Group. The €124.5 million fine was recorded in Portugal segment. Please refer to note 13.2.1 for more details.

4.3.2.7. Net gain on sale of consolidated entities

This relates to the gain on the sale of the tower business in PT Portugal of €611 million (please refer to note 3.1.8), the sale of telecommunications solutions business and Data Center operations in Switzerland, green.ch AG and Green Datacenter AG (please refer to note 3.1.1), the capital gain generated by the sale of the Wholesale business (please refer to note 3.1.5) recorded in France (€2.0 million), Dominican Republic (€5.4 million), PT Portugal (€2.5 million), offset by the loss of €0.3 million on the sale of i24News US to Altice USA (please refer to note 3.1.4).

4.3.2.8. Deal fees

Deal fees consisted mainly of €10.6 million deal fees in Altice France, €6.8 million expenses in PT Portugal for the financial and legal advisory fees in the ongoing sale of the tower business and €4.0 million of advisory fees related to the Separation of Altice USA from the Company.

4.3.2.9. Management fee

Management fee income corresponds to the corporate costs charged by the Group to Altice USA, which amounted to €11.0 million and €20.7 million for the nine month period ended September 30, 2018 and September 30, 2017, respectively. The Group stopped charging the management fee to Altice USA as of the third quarter of 2018 as a result of the Separation of Altice USA from the Group.

4.3.2.10.Other expenses and incomes (net)

Consisted mainly of expenses in Altice Holdings of €13.0 million related to the removal of managers and board of Altice Blue Two ("AB2", part of the French Overseas Territories) and the corresponding termination agreement. In addition, PT Portugal recorded €3.3 million of fines (mostly related to the termination fee of a real estate rental agreement of €2.4 million) and €10.1million of deferred capital gains related to the disposal of towers in PT Portugal.

4.3.3. *Revenues by activity*

The tables below provide the split of revenues by activity as defined in note 4.2.2.

To maintain comparability with historical financial results of French telecom operations, the revenues of the French Overseas Territories (FOT) were reclassed to Other revenue caption within the France segment. This reclassification is in line with the way the management looks at the business and discloses it to the market. These revenues include revenues mostly from B2B, B2C, as well as call center revenues.

For the nine months ended September 30, 2018 €m	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Total**
Revenue Fixed - B2C	1,902.6	463.9	442.7	75.3	-	-	-	**2,884.5**
Revenue Mobile - B2C	3,085.5	417.9	183.1	262.6	-	-	-	**3,949.2**
B2B	1,327.0	437.5	88.3	61.5	-	-	-	**1,914.3**
Wholesale	896.1	165.0	-	47.0	-	-	-	**1,108.2**
Other revenue	502.7	99.0	0.2	0.5	235.5	69.8	4.4	**912.1**
Total standalone revenues	**7,713.9**	**1,583.3**	**714.4**	**447.0**	**235.5**	**69.8**	**4.4**	**10,768.3**
Intersegment eliminations	(39.9)	(36.9)	(0.4)	(0.7)	(1.1)	(52.6)	(2.6)	**(134.2)**
Total consolidated revenues	**7,674.0**	**1,546.4**	**713.9**	**446.3**	**234.4**	**17.2**	**1.8**	**10,634.1**

For the nine months ended September 30, 2017 (*revised) €m	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Total**
Fixed - B2C	2,107.2	500.1	498.3	82.2	-	-	37.0	**3,224.8**
Mobile - B2C	3,199.6	427.2	176.4	313.3	-	-	0.6	**4,117.1**
B2B	1,403.4	447.5	103.2	71.3	-	-	8.5	**2,034.0**
Wholesale	1,001.3	214.6	-	61.0	-	-	5.3	**1,282.3**
Other revenue	634.9	109.8	0.4	2.9	65.8	290.9	133.4	**1,238.0**
Total standalone revenues	**8,346.4**	**1,699.1**	**778.3**	**530.7**	**65.8**	**291.0**	**184.9**	**11,896.2**
Intersegment eliminations	(134.5)	(33.2)	(0.9)	(0.4)	-	(280.7)	(104.6)	**(554.3)**
Total consolidated revenues	**8,211.9**	**1,665.9**	**777.4**	**530.3**	**65.8**	**10.3**	**80.3**	**11,341.9**

* Please refer to note 19 for details about the revised information

The table below provides the standalone and consolidated revenues in accordance to IFRS 15 *Revenue from Contracts with Customers* for the nine month periods ended September 30, 2018 and 2017.

Revenues split IFRS 15 (€m)	**September 30, 2018**	**September 30, 2017**
Mobile services	3,852.2	4,094.0
Mobile equipment sales	715.8	683.8
Fixed revenues	4,179.9	4,598.0
Wholesale revenues	1,108.2	1,282.3
Other revenues	912.1	1,238.0
Total stand-alone revenues	**10,768.3**	**11,896.2**
Intersegment elimination	(134.2)	(554.3)
Total consolidated	**10,634.1**	**11,341.9**

4.3.4. *Capital expenditure*

The table below details capital expenditure by segment and reconciles to the payments to acquire capital items (tangible and intangible assets) as presented in the consolidated statement of cash flows.

For the nine months ended September 30, 2018 €m	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Eliminations**	**Total**
Capital expenditure (accrued)	1,677.4	303.3	170.4	83.9	-	1,021.2	-	(2.8)	**3,253.4**
Capital expenditure - working capital items	55.2	56.4	13.3	(4.0)	-	(758.4)	-	-	**(637.5)**
Payments to acquire tangible and intangible assets	**1,732.7**	**359.7**	**183.6**	**79.9**	**-**	**262.8**	**-**	**(2.8)**	**2,615.9**

For the nine months ended September 30, 2017 (*revised) €m	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Eliminations**	**Total**
Capital expenditure (accrued)	1,677.0	304.9	179.1	76.0	-	30.4	26.1	(4.4)	**2,289.2**
Capital expenditure - working capital items	254.1	13.6	8.0	(7.6)	-	131.4	(42.1)	-	**357.3**
Payments to acquire tangible and intangible assets	**1,931.1**	**318.4**	**187.0**	**68.4**	**-**	**161.8**	**(16.0)**	**(4.4)**	**2,646.6**

* Please refer to note 19 for details about the revised information

The increase in accrued capital expenditure and working capital items for the nine month period ended September 30, 2018 compared to the same period in 2017 was mainly driven by the Champions League rights for France.

4.3.5. *Adjusted EBITDA less accrued Capex*

The table below details the calculation of Adjusted EBITDA less accrued Capex or operating free cash flows ("OpFCF"), as presented to the Board of Directors. This measure is used as an indicator of the Group's financial performance as the Board believes it is one of several benchmarks used by investors, analysts and peers for comparison of performance in the Group's industry, although it may not be directly comparable to similar measures reported by other companies. Adjusted EBITDA and accrued Capex are both reconciled to GAAP reported figures in this note, this measure is a calculation using these two non-GAAP figures, therefore no further reconciliation is provided.

For the nine months ended September 30, 2018 €m	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Eliminations**	**Total**
Adjusted EBITDA	2,853.5	671.0	312.1	230.1	26.9	(173.8)	(33.1)	(9.0)	**3,877.7**
Capital expenditure (accrued)	(1,677.4)	(303.3)	(170.4)	(83.9)	-	(1,021.2)	-	2.8	**(3,253.4)**
Operating free cash flow (OpFCF)	**1,176.1**	**367.7**	**141.6**	**146.3**	**26.9**	**(1,195.0)**	**(33.1)**	**(6.2)**	**624.3**

For the nine months ended September 30, 2017 (*revised) €m	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Altice TV**	**Others**	**Eliminations**	**Total**
Adjusted EBITDA	2,733.9	751.7	353.9	277.2	12.0	141.8	(11.4)	(2.3)	**4,257.1**
Capital expenditure (accrued)	(1,677.0)	(304.9)	(179.1)	(76.0)	-	(30.4)	(26.1)	4.4	**(2,289.2)**
Operating free cash flow (OpFCF)	**1,056.9**	**446.8**	**174.9**	**201.1**	**12.0**	**111.4**	**(37.5)**	**2.1**	**1,967.9**

* Please refer to note 19 for details about the revised information.

5. Goodwill and intangible assets

5.1. Goodwill

Goodwill recorded in the consolidated statement of financial position was allocated to the different groups of cash generating units ("GCGU" or "CGU" for cash generating units) as defined by the Group. Following the change in the segment structure as of 2018 (please refer to note 4.1), FOT, Altice Technical Service France and Altice Customer Service were reclassed from caption Others to France. Similarly, other Altice Technical Service entities in Portugal, Israel and the Dominican Republic were allocated to the total GCGU in respective countries.

Goodwill (€m)	December 31, 2017 (revised*)	Recognized on business combination	Changes in foreign currency translation	Held for sale	Other	September 30, 2018
France	12,594.3	0.1	0.1	(37.5)	(10.2)	12,546.9
United States	6,378.9	-	-	(6,378.9)	-	-
Portugal	1,727.4	-	-	-	-	1,727.4
Israel	746.4	-	(8.8)	-	-	737.7
Dominican Republic	800.2	-	32.1	-	(0.1)	832.3
Others	210.2	-	-	-	(0.0)	210.2
Gross value	**22,457.6**	**0.1**	**23.5**	**(6,416.4)**	**(10.3)**	**16,054.5**
France	(8.6)	-	-	-	-	(8.6)
United States	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Israel	(146.7)	-	1.8	-	-	(144.8)
Dominican Republic	-	-	-	-	-	-
Others	-	-	-	-	-	-
Cumulative impairment	**(155.2)**	**-**	**1.8**	**-**	**-**	**(153.4)**
France	12,585.8	0.1	0.1	(37.5)	(10.2)	12,538.3
United States	6,378.9	-	-	(6,378.9)	-	-
Portugal	1,727.4	-	-	-	-	1,727.4
Israel	599.8	-	(6.9)	-	-	592.8
Dominican Republic	800.2	-	32.1	-	(0.1)	832.3
Others	210.2	-	-	-	(0.0)	210.2
Net book value	**22,302.4**	**0.1**	**25.3**	**(6,416.4)**	**(10.3)**	**15,901.1**

Goodwill (€m)	December 31, 2016 (*revised)	Recognized on business combination	Changes in foreign currency translation	Held for sale	Other	December 31, 2017 (revised*)
France	12,541.7	52.9	(0.8)	-	0.4	12,594.3
United States	7,246.2	27.5	(896.1)	-	1.3	6,378.9
Portugal	1,726.9	0.5	-	-	-	1,727.4
Israel	767.2	0.9	(21.6)	-	-	746.4
Dominican Republic	904.4	0.3	(104.5)	-	-	800.2
Others	18.9	209.5	-	(18.2)	-	210.2
Gross value	**23,205.4**	**291.7**	**(1,023.1)**	**(18.2)**	**1.8**	**22,457.6**
France	(8.6)	-	-	-	-	(8.6)
United States	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Israel	(151.1)	-	4.5	-	-	(146.7)
Dominican Republic	-	-	-	-	-	-
Others	-	-	-	-	-	-
Cumulative impairment	**(159.7)**	**-**	**4.5**	**-**	**-**	**(155.2)**
France	12,533.2	52.9	(0.8)	-	0.4	12,585.8
United States	7,246.2	27.5	(896.1)	-	1.3	6,378.9
Portugal	1,726.9	0.5	-	-	-	1,727.4
Israel	616.1	0.9	(17.2)	-	-	599.8
Dominican Republic	904.4	0.3	(104.5)	-	-	800.2
Others	18.9	209.5	-	(18.2)	-	210.2
Net book value	**23,045.7**	**291.7**	**(1,018.6)**	**(18.2)**	**1.8**	**22,302.4**

* Please refer to note 19 for details about the revised information

The caption Held for sale in gross value of Altice France represents the reduction in goodwill of €23.3 million due to the sale of i24 News and Middle East News. These entities were sold to Altice USA on April 23, 2018. Following the disposal of B2B press activities, Altice France derecognized €10.2 million of goodwill as of September 30, 2018, which is captured in table above in caption Other.

5.2. 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. Goodwill was tested at the CGU/GCGU level for impairment as of December 31, 2017. The CGU/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 key assumptions for the value in use calculations are the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period. The senior management team has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable. In addition, there were no significant changes in assets or liabilities in any CGU/GCGU, while the recoverable amounts continue to significantly exceed the carrying amounts. Therefore, no updated impairment testing was performed, nor any impairment recorded, for the nine months ended September 30, 2018.

5.3. Business combinations

The Group has concluded several acquisitions during the past 12 months. In all acquisitions, the Group records the provisional value of the assets and liabilities as being equivalent to the book values in the accounting records of the entity being acquired. The Group then identifies the assets and liabilities to which the purchase price needs to be allocated. The fair value is determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition.

5.3.1. *Acquisitions where the purchase price allocations have been finalized*

5.3.1.1. Diversité TV Holding (previously known as Pho Holding)

On July 26, 2017, Altice France obtained approval for the take-over of Pho Holding, owner of the Numero 23 channel, by NextRadioTV. Following the take-over, the consolidation method changed as of September 30, 2017 (from equity accounted to full consolidation) and fair value adjustment was booked for €8.9 million gain and recorded in the Other expenses and income caption in the statement of income in 2017. The purchase price allocation was finalized. The total additional goodwill resulted from the take-over was €53.4 million.

On September 1, 2018, Altice France acquired the remaining 49% interest in Diversité TV Holding, the new name of Pho Holding, and there was no change in fair value adjustment (please refer to note 3.1.7).

5.3.1.2. Teads

On June 22, 2017, Altice Teads (a company which the Group has 98.5% of the financial interest, with 1.5% attributable to the managers of Teads) closed the acquisition of Teads. The acquisition purchase price was €302.3 million, with 75% due at closing, and the remaining 25% earn-out subject to Teads obtaining defined revenue performance in 2017, which targets have been met. As the defined revenue targets for 2017 were met, an earn-out payment of €48.6 million was made to the former owners of Teads during the second quarter of 2018, with an additional earn-out payment of €13.1 million made on July 3, 2018.

Following the preliminary purchase price allocation, the Group identified the following assets and liabilities. Their fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition as follows:

- the Teads brand was measured using the relief from royalty method using a useful life of 5 years, resulting in a fair value of €26.6 million;
- a fair value of €50.2 million was attributed to Programatic and Managed Service technology and measured using the relief from royalty method with a useful life of 5 years.

There was no change in the preliminary purchase price allocation compared to December 31, 2017 and the purchase price allocation has been finalized.

	€m
Total consideration transferred	302.3
Fair value of identifiable assets, liabilities and contingent liabilities	100.6
Goodwill	201.7

5.4. Intangible Assets

The following table summarizes information relating to the Company's acquired intangible assets as of September 30, 2018 and December 31, 2017:

Intangible Assets (€m)	**September 30, 2018** Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	4,815.4	(2,404.1)	2,411.3
Trade names	1,544.7	(983.7)	561.0
Franchise & patents	1,517.2	(376.6)	1,140.5
Software & licenses	6,002.5	(2,907.7)	3,094.8
Other amortizable intangibles	5,442.6	(3,515.5)	1,927.1
Total	**19,322.4**	**(10,187.7)**	**9,134.6**

Intangible Assets (€m)	**December 31, 2017 (revised*)** Gross carrying amount	Accumulated amortization	Net carrying amount
Customer relationships	9,790.6	(3,165.7)	6,624.9
Trade names	2,432.5	(1,380.9)	1,051.6
Franchise & patents	11,358.4	(245.7)	11,112.7
Software & licenses	6,275.9	(2,774.6)	3,501.3
Other amortizable intangibles	5,234.2	(3,260.8)	1,973.4
Total	**35,091.6**	**(10,827.6)**	**24,264.0**

* *Please refer to note 19 for details about the revised information*

The total amortization expense for the nine months ended September 30, 2018 and 2017 was €1,580.0 million and €1,802.0 million, respectively, a decrease of €222.0 million. Decrease in gross carrying amount of €15,586.0 million compared to December 31, 2017 was mainly caused by the Separation of Altice USA from the Company. In addition, higher total accumulated amortization as of December 31, 2017 was a result of the announcement made in May 2017 of the adoption of a global brand, leading to an accelerated depreciation in brand.

6. Cash and cash equivalents and restricted cash

Cash balances (€m)	**September 30, 2018**	**December 31, 2017**
Term deposits	76.6	90.8
Bank balances	681.7	1,148.2
Cash and cash equivalents	**758.3**	**1,239.0**
Restricted cash	154.6	168.1
Total	**912.9**	**1,407.1**

The restricted cash balance at September 30, 2018 included:

- €118.4 million in Altice Corporate Financing S.à r.l. for debt services purpose,
- €31.1 million in Altice Financing S.A. as collateral for a bank guarantee,
- €5.1 million across other operations in Altice TV and Altice International for various purposes.

7. Shareholders' equity

Equity attributable to owners of the Company (€m)	**Notes**	**As of September 30, 2018**	**As of December 31, 2017 (*revised)**
Issued capital	7.1	68.3	76.5
Treasury shares	7.2	(14.6)	(370.1)
Additional paid in capital	7.3	-	2,605.9
Other reserves	7.4	(793.1)	(811.4)
Accumulated losses		(3,621.6)	(3,107.3)
Total		**(4,360.9)**	**(1,606.4)**

7.1. Issued capital

Share capital **September 30, 2018**	**Total shares authorized (number)**	**Total capital authorized (€m)**	**Number of shares issued (number)**	**Value per share (cents)**	**Total capital issued (€m)**
Common shares A	5,886,416,825	58.9	1,554,880,250	0.01	15.5
Common shares B	224,543,327	56.1	210,987,112	0.25	52.7
Preference shares A	4,700,000,000	188.0	-	0.04	-
Preference shares B	150,000,000	1.5	927,832	0.01	0.0
Total	**10,960,960,152**	**304.5**	**1,766,795,194**		**68.3**

Share capital **December 31, 2017**	**Total shares authorized (number)**	**Total capital authorized (€m)**	**Number of shares issued (number)**	**Value per share (cents)**	**Total capital issued (€m)**
Common shares A	8,899,142,150	89.0	1,572,352,225	0.01	15.7
Common shares B	269,884,872	67.5	243,035,949	0.25	60.8
Preference shares A	4,700,000,000	188.0	-	0.04	-
Preference shares B	150,000,000	1.5	-	0.01	-
Total	**14,019,027,022**	**346.0**	**1,815,388,174**		**76.5**

As at September 30, 2018, the Company had a total of 978,940,661 common shares A, 210,987,112 common shares B and 927,832 preference shares B outstanding in the market. The Company held a total of 575,939,589 common shares A with a nominal value of €0.01 as treasury shares as of September 30, 2018.

Issued capital decreased by €8.2 million during the nine month period ended September 30, 2018 to €68.3 million as the result of the cancellation of treasury shares. Please refer to note 7.2.2 for more details.

7.2. Treasury shares

The table below provides a reconciliation of treasury shares held by the Company and the movements in the period.

Reconciliation of treasury shares	**Nine months ended September 30, 2018**	**Year ended December 31, 2017**
Opening	**625,385,229**	**107,324,976**
Conversions	737,786,904	575,989,608
Shares utilised in share exchange	(4,083,374)	(80,230,333)
Purchase of treasury shares	4,158,546	-
Cancellation of treasury shares	(787,307,716)	-
Share buybacks	-	22,300,978
Closing	**575,939,589**	**625,385,229**
Common shares A	575,939,589	624,077,513
Common shares B	-	1,307,716

7.2.1. *Share conversions*

For the nine months ended September 30, 2018, the Company received and executed conversion orders amounting to a total of 30,741,121 common shares B. For each conversion, 1 common share B is converted to 25 common shares A and 24 common shares A are subsequently acquired by the Company for nil consideration and retained as treasury shares. As a result, a total of 768,528,025 common shares A was created during the period, of which 737,786,904 shares were held as treasury shares.

7.2.2. *Cancellation of treasury shares*

On December 4, 2017, the Board resolved to cancel 416,000,000 common shares A and 1,307,716 common shares B held as treasury shares. It became effective on February 10, 2018. Additionally, on January 26, 2018, Altice announced its intention to cancel 370,000,000 common A shares. It became effective on May 18, 2018.

7.3. Additional paid in capital

Changes in additional paid in capital (€m)	**September 30, 2018**	**December 31, 2017 (*revised)**
Opening balance	2,605.9	738.0
Exchange of Altice N.V. shares for Altice France shares	-	(65.2)
Recognition of put option for minority investors in Teads	-	(154.6)
Transactions with non-controlling interests of Altice France	-	(186.1)
Transactions with non-controlling interests of Altice USA[1]	(2,258.5)	2,234.1
Cancellation of treasury shares	(347.4)	-
Other	-	39.8
Total	**-**	**2,605.9**

* Please refer to note 19 for details about the revised information
1 Also referred to as the Separation of Altice USA in the consolidated statement of changes in equity.

7.4. Other reserves

The tax effects of the Group's currency, available for sale, cash flow hedge and employee benefits reserves are provided below:

Other reserves	**September 30, 2018**			**December 31, 2017 (*revised)**		
(€m)	**Pre-tax amount**	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(69.6)	19.3	(50.3)	(89.1)	25.4	(63.7)
Items not reclassified to profit or loss	**(69.6)**	**19.3**	**(50.3)**	**(89.1)**	**25.4**	**(63.7)**
Fair value through OCI	23.6	-	23.6	3.6	-	3.6
Currency translation reserve	(141.9)	-	(141.9)	(215.8)	-	(215.8)
Cash flow hedge reserve	(924.5)	299.9	(624.6)	(793.7)	258.2	(535.6)
Items potentially reclassified to profit or loss	**(1,042.8)**	**299.9**	**(742.9)**	**(1,005.9)**	**258.2**	**(747.7)**
Total	**(1,112.3)**	**319.2**	**(793.1)**	**(1,095.0)**	**283.6**	**(811.4)**

8. Earnings per share

Earnings per share (€m)	**For the nine months ended September 30, 2018**	**For the nine months ended September 30, 2017**
Loss before tax for the period from continuing operations	(338.4)	(1,537.7)
Profit/(loss) before tax for the period from discontinued operations	833.9	(826.4)
Loss for the period attributable to equity holders of the Parent	(26.4)	(1,718.6)
Weighted average number of ordinary shares (millions)	**1,190.2**	**1,169.0**
Basic earnings per share in €		
Earnings per ordinary share from continuing operations	(0.3)	(1.3)
Earnings per ordinary share from discontinued operations	0.7	(0.7)
Earnings per ordinary share	(0.0)	(1.5)
Weighted average number of ordinary shares including dilutive shares	**1,232.1**	**1,169.0**
Dilutive shares: Stock options and management investment plan	42.0	-
Diluted earnings per share from discontinued operations	0.7	(0.7)

As both common shares A and common shares B have the same economic rights, basic earnings per share is calculated using the aggregate number of shares in circulation, excluding treasury shares held by the Company. The basic and diluted earnings per share are the same due to the Group recording a loss for the nine month periods ended September 30, 2018 and 2017. On the other hand, the discontinued operations generated profit for the nine month period ended 2018, resulting in potential dilutive shares impact. The potential dilutive shares upon creation would have led to an increase of diluted earnings per share.

The preference shares B granted on July 20, 2018 to the Company's CEO (please refer to notes 7.1 and 15) are convertible into common shares and thus included in the calculation of the weighted average of dilutive shares.

9. Borrowings and other financial liabilities

Borrowings and other financial liabilities (€m)	**Notes**	**September 30, 2018**	**December 31, 2017 (revised*)**
Long term borrowings, financial liabilities and related hedging instruments		**34,065.6**	**50,059.4**
- Debentures	*9.1*	*22,056.9*	*35,251.6*
- Loans from financial institutions	*9.1*	*10,626.1*	*12,959.8*
- Derivative financial instruments	*9.3*	*1,382.6*	*1,848.0*
Other non-current financial liabilities	*9.6*	**642.3**	**1,963.1**
- Finance leases		*88.6*	*95.3*
- Other financial liabilities		*553.8*	*1,867.8*
Non-current liabilities		**34,708.0**	**52,022.5**
Short term borrowing, financial liabilities and related hedge instruments		**404.6**	**1,792.9**
- Debentures	*9.1*	*-*	*1,499.1*
- Loans from financial institutions	*9.1*	*403.5*	*230.2*
- Derivative financial instruments	*9.3*	*1.1*	*63.6*
Other financial liabilities	*9.6*	**1,962.8**	**2,394.0**
- Other financial liabilities		*1,432.7*	*1,255.0*
- Bank overdraft		*56.2*	*80.3*
- Accrued interests		*432.9*	*1,001.9*
- Finance leases		*40.9*	*56.8*
Current liabilities		**2,367.4**	**4,186.9**
Total		**37,075.4**	**56,209.4**

* Please refer to note 19 for details about the revised information

9.1. Debentures and loans from financial institutions

Debentures and loans from financial institutions (€m)	**Notes**	**September 30, 2018**	**December 31, 2017 (revised*)**
Debentures	9.1.1	22,056.9	36,750.7
Loans from financial institutions	9.1.2	11,029.6	13,190.0
Total		**33,086.5**	**49,940.7**

* Please refer to note 19 for details about the revised information

During the nine month period ended September 30, 2018, the Group refinanced its debt in Altice France and in Altice USA (please refer to note 9.2). Due to the implementation of the Separation of Altice USA from the Company as at June 8, 2018, the debentures and loans from financial institutions for Altice USA are nil as at September 30, 2018. On July 10, 2018, the Company repaid €625 million of the Altice Corporate Financing facility for certain tranches with a maturity date of 2021, using part of the proceeds received in the Altice USA dividend distribution.

During the third quarter of 2018, the Group's repaid short-term borrowings comprised of debentures of HOT Telecom for an amount of €180.6 million.

9.1.1. *Debentures*

Maturity of debentures (€m)	**Less than one year**	**One year or more**	**September 30, 2018**	**December 31, 2017**
Altice France	-	9,344.8	9,344.8	10,956.3
Altice USA	-	-	-	13,192.9
Altice Luxembourg	-	6,525.1	6,525.1	6,385.1
Altice Financing	-	4,600.0	4,600.0	4,454.7
Altice Finco	-	1,587.0	1,587.0	1,562.7
HOT Telecom	-	-	-	199.0
Total	**-**	**22,056.9**	**22,056.9**	**36,750.7**

* Please refer to note 19 for details about the revised information

9.1.2. *Loans from financial institutions*

Maturity of loans from financial institutions (€m)	**Less than one year**	**One year or more**	**September 30, 2018**	**December 31, 2017**
Altice France (including RCF)**	157.8	7,077.8	7,235.6	5,036.4
Altice USA (including RCF)**	-	-	-	3,862.5
Altice Corporate Financing	-	1,728.0	1,728.0	2,353.0
Altice Financing (including RCF)**	243.6	1,812.6	2,056.2	1,911.8
Others	2.2	7.6	9.8	26.3
Total	**403.5**	**10,626.1**	**11,029.6**	**13,190.0**

* Please refer to note 19 for details about the revised information

** RCF amounts have been classified as amounts which mature in less than one year, but can be extended till the end of the maturity date of the RCF agreement. Please refer to note 9.5 for further details regarding the credit facilities.

9.2. Refinancing activities

During the nine month period ended September 30, 2018, the Group refinanced its debt in Altice France and in Altice USA. Due to the implementation of the Separation of Altice USA from the Company as at June 8, 2018, the debentures and loans from financial institutions for Altice USA are nil as at September 30, 2018.

9.2.1. *Issuance of Cablevision's $1,500 million incremental term loans*

On January 12, 2018, CSC Holdings successfully priced, for the Cablevision credit pool, $1,500 million of 8-year incremental term loans under the 2015 Cablevision credit facility agreement. The term loans were issued at OID of 99.50 and are due to mature in January 2026. The term loans are comprised of eurodollar borrowings or alternate base rate borrowings, and bear interest at a rate per annum equal to the adjusted LIBO rate or the alternate base rate, as applicable, plus the applicable margin, where the applicable margin is (i) with respect to any alternate base rate loan, 1.50% per annum and (ii) with respect to any eurodollar loan, 2.50% per annum. The term loans were drawn on January 25, 2018. The proceeds of the term loans were used, together with proceeds from CSC Holdings' offering of new 2018 Cablevision senior guaranteed notes, borrowings under the 2015 Cablevision revolving credit facility and cash on balance sheet, to (i) refinance all of CSC Holdings' 7⅞% senior debentures due 2018, (ii) make a dividend to Cablevision, the direct parent of CSC Holdings, which used the proceeds to refinance all of Cablevision's 7¾% senior notes due 2018, (iii) temporarily repay approximately $450.0 million of outstanding borrowings under the 2015 Cablevision revolving credit facility and (iv) pay fees, costs and expenses associated with these transactions. Cablevision used the proceeds referred to above to fund a dividend to its parent, Altice USA, which proceeds in turn were used to fund the dividend to the Company.

9.2.2. *Issuance of Cablevision's $1,000 million Senior Guaranteed Notes due 2028*

On January 12, 2018, CSC Holdings successfully priced $1,000 million in aggregate principal amount of senior guaranteed notes due 2028. The 2018 Cablevision senior guaranteed notes bear interest at a rate of 5.375% and are due to mature on February 1, 2028. The offering closed on January 29, 2018. The proceeds of the 2018 Cablevision senior guaranteed notes will be used, together with proceeds from the $1,500 million of incremental term loans borrowed under the 2015 Cablevision credit facility agreement (as described above) to (i) refinance all of CSC Holdings' 7⅞% senior debentures due 2018, (ii) make a dividend to Cablevision, the direct parent of CSC Holdings, which used the proceeds to refinance all of Cablevision's 7¾% senior notes due 2018, (iii) temporarily repay approximately $450.0 million of outstanding borrowings under the 2015 Cablevision revolving credit facility and (iv) pay fees, costs and expenses associated with these transactions.

9.2.3. *Issuance of Cequel's $1,050 million Senior Note due 2028 and redemption of the $1,050 million Senior Note due 2020*

In April 2018, Cequel Communications Holding I LLC (CCHI), a Delaware limited liability company and Cequel Capital Corporation, a Delaware corporation, each an indirect, wholly owned subsidiary of Altice USA, Inc. (collectively, the "Issuers"), issued a $1,050.0 million, 7.5% senior note due 2028. On April 23, 2018 (the "Redemption Date"), the Issuers used the proceeds of the $1,050.0 million, 7.5% senior note to redeem in full the outstanding $1,050.0 million in aggregate principal amount of their 6.375% Senior Notes due 2020 (the "Notes"), which were issued pursuant to an indenture dated as of October 25, 2012, between the Issuers and U.S. Bank National Association, as trustee (the "Trustee"). The Notes were redeemed at a redemption price equal to 101.594% of the outstanding aggregate principal amount, plus accrued and unpaid interest on the Notes to the Redemption Date.

9.2.4. *Refinancing of a portion of the existing debt of the Altice France credit pool*

On July 16, 2018, the Company priced and allocated for its Altice France credit pool $2.5 billion of new 8-year Term Loans B's. The new Term Loan B will bear interest at a margin of 400bps over LIBOR. On August 14, 2018, the new financing closed and the proceeds have been used by Altice France to call a portion of its $4.0 billion May 2022 6.0% Senior Secured Notes.

9.2.5. *Refinancing of a portion of the existing debt of the Altice France credit pool*

On July 18, 2018, the Company had successfully priced and allocated for its Altice France credit pool €1.0 billion and $1.75 billion of new 8.5-year Senior Secured Notes. The new €1.0 billion and $1.75 billion Senior Secured Notes have a coupon of 5.875% and 8.125% respectively. The proceeds from this transaction, in conjunction with the proceeds raised through the $2.5 billion of new Term Loans priced earlier in July 2018, have been used by Altice France to redeem in full its $4.0 billion May 2022 6.0% Senior Secured Notes and €1.0 billion May 2022 5.375% Senior Secured Notes.

Following the consummation of this refinancing, and pro forma for the $2.5 billion of new 8-year Term Loans priced in July 2018, the average maturity of Altice France's capital structure has been extended from 6.4 to 7.1 years as at September 30, 2018 and the weighted average cost of Altice France's debt is 5.0%.

As a result of the refinancing transactions of the Altice France credit pool, a net loss on extinguishment of debt of €145.2 million has been recorded for the nine months ended September 30, 2018.

9.3. Derivatives and hedge accounting

As part of its financial risk management strategy, the Group enters certain hedging operations. The main instruments used are fixed to fixed or fixed to floating cross-currency and interest rate swaps (CCIRS) that cover against foreign currency and interest rate risk related to the Group's debt obligations. The Group applies hedge accounting for the operations that meet the eligibility criteria as defined by IAS 39 (the Group continues to apply the requirement of IAS 39 related to hedge accounting, as allowed under IFRS 9).

9.3.1. *CCIRS*

The following table provides a summary of the Group's CCIRS.

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment[1]**
Altice France S.A.					
February 2027	USD 1,736	EUR 1,290	8.13%	6.60%	CFH / FVPL
August 2026	USD 2,514	EUR 2,073	LIBOR +4.00%	5.50%	CFH / FVPL
July 2022	USD 550	EUR 498	3m LIBOR+3.25%	3m EURIBOR+2.73%	FVPL
January 2023	USD 1,240	EUR 1,096	3m LIBOR+4.00%	3m EURIBOR+4.15%	FVPL
January 2024	USD 1,425	EUR 1,104	3m LIBOR+4.25%	3m EURIBOR+4.45%	FVPL
May 2024	USD 1,375	EUR 1,028	6.25%	5.36%	CFH
April 2024	USD 2,790	EUR 2,458	7.38%	5.75%	CFH
July 2024	USD 2,400	EUR 1,736	7.38%	6.78%	CFH
January 2026	USD 350	EUR 298	3m LIBOR+3.00%	3m EURIBOR+2.76%	CFH
Altice Luxembourg S.A.					
May 2022	USD 2,900	EUR 2,097	7.75%	7.38%	CFH
February 2023	USD 1,480	EUR 1,308	7.63%	6.50%	CFH
Altice Financing S.A.					
November 2018	USD 75	ILS 275	3m LIBOR+4.50%	3m TELBOR+5.565%	FVPL
November 2018	ILS 275	USD 75	3m TELBOR + 5.565%	3m LIBOR + 4.5%.	FVPL
February 2023	USD 2,060	EUR 1,821	6.63%	5.30%	CFH
May 2026[2]	USD 930	EUR 853	7.50%	7.40%	FVPL
July 2025	USD 485	EUR 449	3m LIBOR+2.75%	3m EURIBOR+2.55%	FVPL
July 2024	USD 1,820	EUR 1,544	7.50%	6.02%	CFH
Altice Finco S.A.					
February 2025	USD 385	EUR 340	7.63%	6.25%	CFH

1. The derivatives are all measured at fair value. The change in fair value of derivatives classified as cash flow hedges (CFH) in accordance with IAS 39 is recognized in the cash flow hedge reserve. The derivatives not hedge accounted have the change in fair value recognised immediately in profit or loss (FVPL).
2. Due to a change in the effectiveness of the derivative, the derivative has been reclassified as FVPL for the period ended September 30, 2018.

The change in fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the nine month period ended September 30, 2018. Before the impact of taxes, losses of €130.7 million were recorded in other comprehensive income (€89.0 million net of taxes).

9.3.2. *Interest rate swaps*

The Group enters interest rate swaps to cover its interest rate exposure in line with its treasury policy. These swaps cover the Group's debt portfolio and do not necessarily relate to specific debt issued by the Group.

The details of the instruments are provided in the following table.

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment**
Altice France S.A.					
April 2019	USD 1.406	USD 1.406	1m LIBOR+2.75%	3m LIBOR+2.5475%	FVPL
April 2019	USD 2.139	USD 2.139	1m LIBOR	3m LIBOR-0.15%	FVPL
August 2019	USD 2.500	USD 2.500	1m LIBOR+4.00%	3m LIBOR+3.90%	FVPL
January 2023	EUR 4,000	EUR 4,000	3m EURIBOR	-0.12%	FVPL
Altice Financing S.A.					
April 2019	USD 901	USD 900	1m LIBOR	3m LIBOR -0.15%	FVPL
April 2019	USD 896	USD 896	1m LIBOR	3m LIBOR -0.15%	FVPL
May 2026	USD 720	USD 720	1.81%	6m LIBOR	FVPL
January 2023	EUR 750	EUR 750	3m EURIBOR	-0.13%	FVPL

9.4. Reconciliation to swap adjusted debt

The various hedge transactions mitigate interest and foreign exchange risks on the debt instruments issued by the Group. Such instruments cover both the principal and the interest due. A reconciliation from the carrying amount of the debt as per the statement of financial position and the due amount of the debt, considering the effect of the hedge operations (i.e. the, "swap adjusted debt"), is provided below:

Reconciliation to swap adjusted debt (€m)	**September 30, 2018**	**December 31, 2017 (revised*)**
Debentures and loans from financial institutions	**33,086.5**	**49,940.7**
Transaction costs	360.4	546.9
Fair value adjustments	-	150.0
Total (excluding transaction costs and fair value adjustments)	**33,446.9**	**50,637.6**
Conversion of debentures and loans in foreign currency (at closing spot rate)	(34,808.6)	(25,971.6)
Conversion of debentures and loans in foreign currency (at hedged rates)	33,759.3	25,470.7
Total swap adjusted value	**32,397.6**	**50,136.7**

9.5. Available credit facilities

Available credit facilities (€m)	**Total facility**	**Drawn**
Altice France S.A.	1,125.0	75.0
Altice Financing S.A.	831.0	225.0
Altice Luxembourg S.A.	200.0	-
Revolving credit facilities	**2,156.0**	**300.0**

As at September 30, 2018, the facility at Altice Financing was drawn for an amount of €225.0 million for various purposes.

As at September 30, 2018, an amount of €75.0 million was drawn by Altice France to fund the departure plan and other working capital related expenditures.

9.6. Other financial liabilities

Other financial liabilities	September 30, 2018			December 31, 2017 (revised*)		
(€m)	**Current**	**Non-current**	**Total**	**Current**	**Non-current**	**Total**
Collateralised debt - Comcast	-	-	-	-	1,122.5	1,122.5
Reverse factoring and securitisation	1,011.1	-	1,011.1	1,032.7	-	1,032.7
Accrued interest	432.9	-	432.9	1,001.9	-	1,001.9
Put options with non-controlling interests	52.1	208.0	260.1	-	301.6	301.6
Deposits received	37.1	154.5	191.6	52.0	148.0	200.0
Finance leases	40.9	88.6	129.5	56.8	95.3	152.1
Bank overdraft	56.2	-	56.2	80.3	-	80.3
Commercial paper	109.5	-	109.5	34.0	-	34.0
Other	222.9	191.3	414.1	136.3	295.7	432.0
Total	**1,962.8**	**642.3**	**2,605.1**	**2,394.0**	**1,963.1**	**4,357.1**

The current portion of €1,962.8 million as at September 30, 2018 decreased by €431.2 million compared to a current portion of €2,394.0 million as at December 31, 2017. The non-current portion decreased by €1,320.8 million to €642.3 million as at September 30, 2018 compared to €1,963.1 million as at December 31, 2017. Details of the main items within the caption, and the movements from the prior period, are detailed below.

9.6.1. *Collateralised debt – Comcast*

This indebtedness in Altice USA was collateralized by the investment in the listed stock of Comcast. Due to the implementation of the Separation of Altice USA from the Company as at June 8, 2018, the Comcast collateralized debt is nil as at September 30, 2018.

9.6.2. *Put options with non-controlling interests*

The Group executes agreements with the non-controlling interests in certain acquisitions whereby the non-controlling interests have the option to sell their non-controlling interests to the Group. These instruments are measured at their fair value at the balance sheet date (please refer to note 10.1.2 for further information).

On August 27, 2015, Altice Content Luxembourg (a company 75% owned by Altice and 25% owned by News Participations, a company controlled by Alain Weill) acquired Groupe News Participations SAS ("GNP"), the holding company of NextradioTV (the "NextradioTV Transaction"). In May 2016, Altice transferred its participation in Altice Content Luxembourg to Altice France. In the context of the NextradioTV transaction, News Participations has granted to Altice a call option on the Altice Content Luxembourg securities held by News Participations. In addition, Altice has granted to News Participations a put option on the Altice Content Luxembourg securities held by News Participations. On April 5, 2018, the call option has been exercised for an amount of €100.0 million, resulting in the derecognition of the put option.

The current portion of Put options with non-controlling interests relates to a put option agreement entered into with previous minority shareholders of HOT on November 2, 2012. During the third quarter of 2018 the final price was agreed for an amount of €52.1 million. On November 2, 2018, the liability was settled (please refer to note 18.6).

9.6.3. *Deposits received*

Altice France receives deposits from customers largely in relation to equipment that it provides customers that Altice France retains ownership of.

9.6.4. *Finance leases*

Please refer to note 2.1.2 for further information regarding the implementation of IFRS 16 *Leases*, which becomes effective on January 1, 2019.

9.6.5. *Reverse factoring and securitization*

Through the use of reverse factoring structures, the Group improves the financial efficiency of its supply chain by reducing requirements for working capital. The decrease of €21.6 million is due to the combination of changes in spending with existing suppliers, new suppliers having joined the various reverse factoring programs that the Group maintains and due to Altice France securing certain B2B receivables, also reducing need of working capital flows.

9.6.6. *Commercial paper*

During the nine month period ended September 30, 2018, Altice France made additional borrowings under its commercial paper program.

9.6.7. *Bank overdraft*

Bank overdrafts consist of temporary overdrafts on bank accounts.

10. Fair value of financial assets and liabilities

10.1. Fair value of assets and liabilities

The table below shows the carrying value compared to fair value of financial assets and liabilities.

Fair values of assets and liabilities	**September 30, 2018**		**December 31, 2017 (revised*)**	
(€m)	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Cash and cash equivalents	758.3	758.3	1,239.0	1,239.0
Restricted cash	154.6	154.6	168.1	168.1
Derivatives	10.4	10.4	88.8	88.8
Other financial assets	3.5	3.5	4.6	4.6
Current assets	**926.8**	**926.8**	**1,500.5**	**1,500.5**
Investment in Comcast	-	-	1,431.0	1,431.0
Derivatives	974.1	974.1	884.8	884.8
Call options on non-controlling interests	20.5	20.5	50.6	50.6
Other financial assets	591.6	591.6	179.1	179.1
Non-current assets	**1,586.2**	**1,586.2**	**2,545.5**	**2,545.5**
Short term borrowings and financial liabilities	403.5	403.5	1,729.3	1,729.3
Put options with non-controlling interests	52.1	52.1	-	-
Derivatives	1.1	1.1	63.6	63.6
Other financial liabilities	1,910.6	1,910.6	2,394.0	2,394.0
Current liabilities	**2,367.4**	**2,367.4**	**4,186.9**	**4,186.9**
Long term borrowings and financial liabilities	32,683.6	32,409.4	48,211.4	48,544.0
Collateralised debt - Comcast	-	-	1,122.5	1,122.5
Put options with non-controlling interests	208.0	208.0	301.6	301.6
Derivatives	1,382.6	1,382.6	1,848.0	1,848.0
Other financial liabilities	433.7	433.7	539.0	539.0
Non-current liabilities	**34,708.0**	**34,433.7**	**52,022.5**	**52,355.1**

* Please refer to note 19 for details about the revised information

During the nine month period ended September 30, 2018, there were 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 as their carrying amounts approximate their fair values.

10.1.1. *New put and call options*

During the nine month period ended September 30, 2018, the Group did not enter into new put-call contracts.

10.1.2. *Fair value hierarchy*

The following table provides information about the fair values of the Group's financial assets and liabilities and which level in the fair value hierarchy they are classified.

Fair value measurement (€m)	Fair value hierarchy	Valuation technique	September 30, 2018	December 31, 2017 (revised*)
Financial Liabilities				
Collateralised Debt - Comcast	Level 2	Discounted cash flows	-	1,122.5
Derivative financial instruments	Level 2	Discounted cash flows	1,383.7	1,911.6
Minority Put Option - Other	Level 3	Discounted cash flows	52.1	-
Minority Put Option - Teads	Level 3	Discounted cash flows	165.6	160.4
Minority Put Option - Intelcia	Level 3	Discounted cash flows	42.4	41.2
Minority Put Option - GNP	Level 3	Discounted cash flows	-	100.0
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	984.5	973.7
Investment in Comcast shares	Level 1	Quoted share price	-	1,431.0
Minority Call option - Teads	Level 3	Black and Scholes model	4.6	10.6
Minority Call option - Parilis	Level 3	Black and Scholes model	-	18.8
Minority Call option - Intelcia	Level 3	Black and Scholes model	15.9	21.2
Neptune US Holding shares	Level 2	Share price	304.6	-
Altice USA shares	Level 1	Quoted share price	104.2	-
Available for sale assets - Wananchi	Level 3	Discounted cash flows	1.2	1.3
Available for sale assets - Partner Co. Ltd.	Level 1	Quoted share price	5.8	6.7

* Please refer to note 19 for details about the revised information

The caption other minority put options relates to a put option agreement entered into with previous minority shareholders of HOT on November 2, 2012. During the third quarter of 2018 the final price was agreed for an amount of €52.1 million. On November 2, 2018, the liability was settled (please refer to note 18.6).

10.2. Level 3 financial instruments

Change in fair value of level 3 instruments (€m)	Available for sale unlisted shares	Minority put options	Minority call options	September 30, 2018
Opening balance	**1.2**	**(301.6)**	**50.6**	**(249.8)**
Additions	-	(52.1)	-	(52.1)
Exercises	-	100.0	(18.8)	81.2
Change in value of minority put options recorded in equity	-	(6.4)	-	(6.4)
Gains or losses recognised in profit or loss	-	-	(11.3)	(11.3)
Closing balance	**1.2**	**(260.1)**	**20.5**	**(238.4)**

Change in fair value of level 3 instruments (€m)	Available for sale unlisted shares	Minority put options	Minority call options	December 31, 2017
Opening balance	**1.3**	**(2,913.1)**	**28.4**	(2,883.4)
Additions	-	(160.4)	10.6	(149.8)
US put and call options cancelled	-	2,812.3	(1.7)	2,810.6
Re-measurement (variation)	-	(40.4)		(40.4)
Gains or losses recognised in profit or loss	(0.1)	-	13.3	13.2
Closing balance (revised*)	**1.2**	**(301.6)**	**50.6**	**(249.8)**

* Please refer to note 19 for details about the revised information

11. Taxation

Tax expense (€m)	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Loss before income tax and share of earnings of associates	(332.5)	(1,532.0)
Income tax (loss)/benefit	(226.8)	236.0
Effective tax rate	**-68%**	**15%**

The Group is required to use an estimated annual effective tax rate to measure the income tax benefit or expense recognized in an interim period.

The Group recorded an income tax expense of €226.8 million for the nine month period ended September 30, 2018, reflecting a negative effective tax rate of 68% compared to an income tax benefit of €236.0 million for the nine month period ended September 30, 2017, reflecting an effective tax rate of 15%. Without the effect of the taxable capital gain in Portugal related to the disposal of the tower business division on September 4, 2018 (please refer to note 3.1.8), the effective tax rate for the nine month period ended September 30, 2018 would have been a negative effective tax rate of 8%. Non-deductible financial expenses and provisions (mainly penalties related to gun jumping in Portugal, please refer to note 13.2.1) as well as non-recognition of tax losses as deferred tax assets had the impact of lowering the Group's effective tax rate for the nine month periods ended September 30, 2018 and 2017.

11.1. Income tax litigation

There was no significant development in existing tax litigations since the publication of the annual consolidated financial statements that have had, or that may have, a significant effect on the financial position of the Group.

12. Contractual obligations and commercial commitments

During the nine month period ended September 30, 2018, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2017, except the additional commitments described below:

- Master Service Agreement (MSA) signed between MEO and OMTEL (see note 3.1.8), in accordance with which OMTEL will provide (1) turn-key hosting services, allowing MEO to host its telco equipment (mainly antennas) on the passive infrastructure (mainly towers) existing in the 2,961 sites under the scope of the transaction, and (2) ancillary services, including preventive and corrective maintenance of the passive infrastructure, engineering services, technical studies, among other. The MSA has an initial term of 20 year, automatically renewed for 5-year periods unless terminated by either party with a 24 months' prior notice. Amount of the commitments for the initial term is €1.2 billion.
- Master Service Agreement (MSA) signed on September 28, 2018, between Altice Dominicana and Teletorres Del Caribe (see note18.2), in accordance with which Teletorres del Caribe will provide (1) turn-key hosting services, allowing Altice Dominicana to host its telco equipment (mainly antennas) on the passive infrastructure (mainly towers) existing in the 1,039 sites under the scope of the transaction, and (2) ancillary services, including preventive and corrective maintenance of the passive infrastructure, engineering services, technical studies, among other. The MSA has an initial term of 20 year, with renewal options of 5-years. Amount of the commitments for the initial term is €0.4 billion.

13. Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative law suits. Provisions are recognised by the Group when management believe that it is more likely than not that such lawsuits will result in an expense being recognized by the Group, and the magnitude of the expenses can be reliably estimated. The magnitude of the provisions recognised is based on the best estimate of the level of risk on a case-by-case basis, considering that the occurrence of events during the legal action involves constant re-estimation of this risk.

The Group is not aware of other disputes, arbitration, governmental or legal action or exceptional fact (including any legal action of which the Group is aware, which is outstanding or by which it is threatened) that may have been, or is in, progress during the last months and that has a significant effect on the financial position, the earnings, the activity and the assets of the Company and the Group, other than those described below.

This note describes the new proceedings and developments in existing litigations that have occurred since the publication of the annual consolidated financial statements and that have had or that may have a significant effect on the financial position of the Group.

13.1. France

13.1.1. *CLCV's summons and complaint against SFR*

On January 7, 2013, the consumer association CLCV filed a complaint against SFR in the Paris Commercial Court. CLCV claimed that some of the clauses in SFR's general terms of subscription, and those of some other telephone operators, were unfair. It also asked for compensation for the collective loss suffered. On February 24, 2015, the Paris District court ruled that eight clauses included in the general terms of subscription were unfair and ordered SFR to publish the ruling on its website and three daily print publications. SFR was also asked to pay € 30,000 in damages to the CLCV. This decision was not executory, and SFR appealed this ruling on April 16, 2015. The case was pleaded before the court of appeals of Paris on October 19, 2017.

On March 30, 2018, the court of appeals of Paris ruled that seven (of the fifty or so clauses which the CLCV claimed were unfair/abusive) were unfair and demanded that SFR publish the entire ruling on its website preceded by the phrase 'legal communiqué' and ordered SFR to remove said clauses from the general terms of subscription with a penalty of up to 300 euros per day of delay.

13.1.2. *SFR against Iliad, Free and Free mobile: unfair competition by disparagement*

On May 27, 2014, SFR filed a complaint against Iliad, Free and Free Mobile in the Paris Commercial Court for unfair competition claiming that when Free Mobile was launched and afterwards, Iliad, Free and Free Mobile were guilty of disparaging SFR services. SFR claimed €493 million in damages.

On September 9, 2016, by pleadings on counterclaims, Free requested the court to judge that SFR denigrated their capacities and services and claimed €475 million in damages. The Paris Commercial Court rendered its judgment on January 29, 2018. The Court sentenced Free Mobile to pay to SFR €20 million as moral damage as a result of unfair competition made by disparagement.

In addition, the court sentenced SFR to pay to Free Mobile €25 million as moral and material damage as a result of unfair competition made by disparagement.

Accordingly, the court sentences, as compensation, SFR to pay to Free Mobile €5 million as damages. This decision was executed and the Group paid the €5 million net amount to Free Mobile in June 2018. SFR appealed this decision. The case is still pending.

13.1.3. *Canal Plus Group (GCP) against SFR and SFR Fibre (ex-NC Numericable)*

On October 4, 2017, GCP summoned SFR and SFR Fibre before Paris Commercial Court. GCP claimed that both SFR and NC Numericable breached their contractual obligations and notably:

- the marketing of substitute products to the GCP allowing customer poaching from GCP offers to the benefit of « Altice » offers;
- the decrease of GCP's offers promotions;
- the promotion of migration of the subscriber base in favour of FTTB offer, which does not allow access to Canalsat offer;
- misleading advertising on contents (ex: « Le Grand Football est chez SFR »);
- the refusal to set up new offers;
- the modification of the GCP channels numbering;
- the GCP channels denigration on SC platforms.

GCP requested the termination of the above under financial penalty of thirty thousand euros per day, and damages in the amount of €174 million.

On September 18, 2018, the two parties signed a contract allowing GCP to distribute sports channels produced by the Group via satellite. As part of this agreement, both parties decided to mutually desist from all open legal proceedings, thus ending the aforementioned litigation.

13.1.4. *Bouygues Telecom against SFR (Faber CCI)*

On October 19, 2017, Bouygues Telecom submitted a request for arbitration to the secretary of the International Chamber of Commerce ("ICC") relating to a disagreement regarding the Faber Agreement between Bouygues Telecom and SFR.

Bouygues Telecom claims that SFR breached certain contractual duties and commitments made before the French Competition Authority relating to the Faber Agreement (namely, certain delays and not having connected certain categories of buildings, thereby causing damage to Bouygues Telecom).

The Arbitration court has been setup and proceeding began in May 2018.

In a document dated June 15, 2018 Bouygues Telecom alleged that it has suffered prejudices amounting to €164.9 million. The Group fully disputes these claims.

The Group presented its counter claim on October 15, 2018 and is preparing the estimate of its own prejudice suffered and analysing the prejudice mentioned by Bouygues Telecom in collaboration with an independent expert. As of September 30, 2018, the Group considers that the risk is difficult to estimate reliably and is hence considered to be a contingent liability under IAS 37 Provision, Contingent Liabilities and Contingent Assets.

13.1.5. *Complaint by Orange Réunion and Orange Mayotte against SRR and SFR*

Differential on-net/off-net pricing in the mobile telephony market in Mayotte and La Réunion

Orange Réunion, Orange Mayotte and Outremer Telecom filed a complaint with the French Competition Authority in June 2009 alleging unfair differential on-net/off-net pricing by SRR in the mobile telephony market in Mayotte and La Réunion seeking conservatory measures from the French Competition Authority.

On September 15, 2009, the French Competition Authority announced provisional measures against SRR, pending its decision on the merits. SRR had to discontinue any price spread exceeding its actual "off-net/on-net" costs in the network concerned.

As the French Competition Authority found that SRR had not fully complied with its injunction, it fined SRR €2 million on January 24, 2012. In the proceedings on the merits, with regard to the “Consumers” component of the case, SRR requested and obtained a “no contest” on the complaints on July 31, 2013. On June 13, 2014, the French Competition Authority rendered its decision for the “Consumers” component of the case, fining SFR and its subsidiary SRR €45.9 million.

On June 18, 2018, the Group agreed on a settlement with Orange, whereby both parties mutually agreed to desist from certain ongoing legal actions.

Compensation disputes

Following the French Competition Authority's decision of September 15, 2009 (provisional measures) and pending the Authority's decision on the merits, on June 17, 2013, Outremer Telecom filed a suit against SRR and SFR in the Commercial Court seeking remedy for the loss it believes it suffered as a result of SRR’s practices.

Outremer Telecom claimed €23.5 million in damages subject to adjustment for unfair practices by SRR in the consumer market in mobile telephony in La Réunion and Mayotte, and €1 million as damages in full for unfair practices by SRR in the business market in mobile telephony in La Réunion and Mayotte.

Outremer withdrew from the proceedings against SRR and SFR on May 10, 2015.

On October 8, 2014, Orange Reunion sued SRR and SFR jointly and severally to pay €135.3 million for the loss suffered because of the practices sanctioned by the French Competition Authority. Various procedural issues have been raised, on which a judgment is pending. The Court rendered its ruling on June 20, 2016 stating that the petitions of Orange Réunion cannot relate to the period preceding October 8, 2009 and therefore refused to exonerate SFR.

On December 20, 2016, following the Court’s judgment, Orange updated its estimate of the loss it believes it suffered after October 8, 2009 and reached the amount of €88 million (which represents the non-time-barred portion of the alleged loss).

As part of the agreement described above, on June 18, 2018, Orange has agreed to drop this litigation.

13.1.6. *Orange suit against SFR in the Paris Commercial Court (overflows case)*

Orange filed a claim on August 10, 2011 with the Paris Commercial Court asking the Court to order SFR to immediately cease its unfair "overflow" practices and to order SFR to pay €309.5 million in contractual penalties. It accused SFR of deliberately organizing overflows onto the Orange network for the purpose of economically optimizing its own network (under designing the Primary Digital Block (PBN)). In a ruling of December 10, 2013, the Court ordered SFR to pay Orange €22.1 million. SFR and Orange both appealed the ruling. On January 16, 2015 the Paris Court of Appeals upheld the Commercial Court’s ruling and SFR paid the €22.1 million. On January 13, 2017, SFR appealed the ruling.

On August 11, 2014, SFR also petitioned the District Court enforcement judge, who rendered his decision on May 18, 2015, by ordering SFR to pay €0.6 million (assessment of penalty for 118 abusive overflows).

On July 24, 2017, Orange summoned SFR before the Paris Commercial Court in order to obtain the payment of €11.8 million by application of contractual penalty clauses concerning misbehaviors between July 2011 and July 2014. At the same date, Orange summoned Completel before the same Court, for the same reasons and basis, but for an amount of €9.7 million.

By pleadings dated January 30, 2018, SFR and Completel asked for a ruling deferment in order to await the Court of Cassation judgment.

As part of the agreement described above, on June 18, 2018, Orange has agreed to drop this litigation.

13.1.7. *SFR against Orange: abuse of dominant position in the second homes market*

On April 24, 2012, SFR filed a complaint against Orange with the Paris Commercial Court for practices abusing its dominant position in the retail market for mobile telephony services for non-residential customers.

On February 12, 2014, the Paris Commercial Court ordered Orange to pay to SFR €51 million for abuse of dominant position in the second homes market.

On April 2, 2014, Orange appealed the decision of the Commercial Court on the merits. On October 8, 2014, the Paris Court of Appeals overturned the Paris Commercial Court's ruling of February 12, 2014 and dismissed SFR's requests. The Court of Appeals ruled that it had not been proven that a pertinent market limited to second homes exists. In the absence of such a market, there was no exclusion claim to answer, due to the small number of homes concerned. On October 13, 2014 SFR received notification of the judgment of the Paris Court of Appeal of October 8, 2014 and repaid the €51 million to Orange in November 2014. On November 19, 2014, SFR appealed the ruling. On April 12, 2016, the French Supreme Court overturned the Court of Appeal's decision and referred the case back to the Paris Court of Appeal. Orange returned €52.7 million to SFR on May 31, 2016. Orange refiled the case before the Paris Court of Appeal on August 30, 2016.

On June 8, 2018, the Paris Court of Appeal rejected Orange's appeal. Orange retains the possibility of refiling an appeal with the French Supreme Court.

13.1.8. *Non-compliance with the commitments entered into by Altice France, in the context of the SFR Acquisition, relating to the agreement concluded between SFR and Bouygues Telecom on November 9, 2010 (Faber)*

Following a complaint by Bouygues Telecom, the French Competition Authority took legal action on October 5, 2015, to examine whether SFR fulfilled its commitments made to the French Competition Authority, in connection with the SFR Acquisition, under its co-investment agreement with Bouygues Telecom for the deployment of optical fiber in very densely populated areas (the "Faber Agreement"). A session before the French Competition Authority board was held on November 22, and then on December 7, 2016.

On March 8, 2017, the French Competition Authority imposed a financial sanction of €40 million against Altice Europe and the Group for not having complied with the commitments set out in the Faber Agreement at the time of the SFR Acquisition. This amount was recognized as of March 31, 2017 and was paid during the second quarter of 2017.

The French Competition Authority also imposed injunctions, including mandating a new schedule to supply all outstanding access points with progressive penalties imposed in the event of non-compliance.

A summary was lodged on April 13, 2017 before the Council of State. The judge in chambers of the Council of State said there is no matter to be referred. On September 28, 2017, the Council of State rejected the application of Altice Europe and the Group for cancellation of the decision of the French Competition Authority.

The French Competition authority is currently controlling the compliance by SFR of the commitment set out in the Faber Agreement.

As of September 30, 2018, the Group considers that the risk is difficult to estimate reliably and is hence considered to be a contingent liability under IAS 37 *Provision, Contingent Liabilities and Contingent Assets*.

13.2. Portugal

13.2.1. *European Commission Investigation*

After having approved the acquisition of PT Portugal by the Group on April 20, 2015, the European Commission initiated an investigation into infringement by the Group of the obligation of prior notification of concentrations under Article 4(1) of the Merger Regulation and/or of the stand-still obligation laid down in Article 7(1) of the Merger Regulation. The European Commission issued a statement of objections on May 18, 2017, informing the Group of the objections raised against it.

On April 24, 2018, the European Commission has notified the Group of its decision to impose upon it a fine for an amount of €124.5 million. The Commission found that the Group infringed the prior notification obligation of a concentration under Article 4(1) of the EU Merger Regulation, and the stand-still obligation under Article 7(1) of the EU Merger Regulation. The Group fully disagrees with the Commission's decision, and in particular, it considers that this case differs entirely from the French Numéricable/Altice France/Virgin gun jumping case, in which the Group had agreed not to challenge the allegations brought against it. In the Group's opinion, the Commission's decision relies on a wrongful definition of the notion of "implementation" of a concentration. Further, the transaction agreement governing the management of the target during the pre-closing period provided the Group with a consultation right on certain exceptional matters relating to PT Portugal aimed at preserving the value and integrity of the target prior to closing and was in accordance with well-established M&A market practice.

In any event, the Group considers that the elements in the Commission's file do not establish the exercise of influence, as alleged by the Commission, by the Group over PT Portugal's business conduct neither prior to the merger notification to the Commission nor prior to the Commission's clearance.

On July 5, 2018, the Group filed a request for annulment against the Commission's decision before the EU General Court to request that the decision as a whole be annulled or, at the very least, that the sanction be significantly reduced. The Commission's decision does not affect the approval granted by the European Commission on April 20, 2015 for the acquisition of PT Portugal by the Group.

As of September 30, 2018, a liability of €124.5 million is recorded at Altice Portugal, as it is the acquiring entity of PT Portugal. On July 25, 2018, Altice issued a bank guarantee to the European Commission.

13.2.2. *Vodafone – Network Sharing Agreement*

Vodafone and PT Comunicações (currently MEO) signed, on July 21, 2014, an agreement for the acquisition of exclusive rights of use of the PON Network, which consisted in the possibility of access to the installed infrastructure owned by each of the parties to offer new generation services and integrated offerings (voice, internet and television) autonomously in the retail market. On November 4, 2015, MEO informed Vodafone that it has decided to individually develop a new, ambitious plan for the expansion of its fiber optic network, both in geographical areas already covered by a new generation network and in other geographical areas, while continuing to comply with the agreed. Notwithstanding Vodafone states that this was a breach of the agreement and is claiming an amount of approximately €132 million from MEO for damages and losses allegedly caused by that non-compliance with the agreed.

MEO submitted its defense to these claims in June 2018, stating that (i) Vodafone did not have a contractual right to prevent MEO from developing its network autonomously and independently from the agreement, (ii) all of Vodafone rights, resulting from the agreement, were respected by MEO, and Vodafone was in no way limited by MEO in the investment in the construction of its own network, which it developed freely and voluntarily, choosing to invest where it found greater profitability for its business, and (iii) Vodafone´s claims for damages and losses were not factually sustainable.

13.2.3. *TV Tel - Restricted access to the telecommunication ducts*

In March 2004, TV TEL Grande Porto - Comunicações, S.A. ("TVTEL", subsequently acquired by NOS), a telecommunication 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 €15 million from MEO for damages and losses allegedly caused and yet to be sustained as a result of the delay in the installation of its telecommunications network in Oporto. PT Comunicações submitted its defense 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.

In the end of 2016, MEO was notified to present the list of witnesses, which it did, and the witnesses were heard in the trial that took place in April and May 2017. In September 2017, MEO was notified of a unfavourable decision (for an amount significantly lower than the gross claim and for which there is a provision), as a result of which it has filed an appeal. In June 2018, MEO was notified of the unfavourable decision of the appeal to the Lisbon Court of Appeal, which confirmed the previous decision from the first instance court. MEO filed an appeal to the Supreme Court in July 2018.

13.2.4. *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 annulment 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. In August 2015, the court decided 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 sentenced MEO to settle those payables plus interest up to date in the total amount of approximately €35 million. MEO appealed this decision in October 2015 to the Court of Appeal of Lisbon. In September 2016, MEO was notified of the decision from the Court of Appeal of Lisbon, which confirmed the initial ruling against MEO, as a result of which MEO decided to appeal to the Supreme Court. On March 13, 2017, MEO was notified of the Supreme Court's decision of dismissal of its appeal and as a result MEO decided to appeal to the Constitutional Court. In January 8, 2018, MEO was notified of the Constitutional Court decision of dismissal of the appeal, after which MEO appealed to the Constitutional Court Conference. MEO was notified that the Constitutional Court Conference did not accept and consequently will not analyse the appeal. In July 2018, MEO paid €41 million to settle the action which had been accrued for in 2015.

14. Equity based compensation

14.1.1. *Stock option plan – impact of Altice USA spin off.*

On April 30, 2018 the Board decided to amend the stock option plans and this decision was approved in the extraordinary general meeting (EGM) on June 11, 2018. The EGM approved the modification for the Board members, but same principles are applicable for all employees in the plans. In addition, for the performance SOP, a decision has been taken on July 10, 2018 by the EGM.

The modification has been treated based on the provisions of IFRS 2 *Share based Payments*:

(1) For the Altice Europe part of the stock option plans:
The part of the Altice Europe plans was repriced in order to take into account the spin-off of Altice USA and has been considered as a replacement of cancelled options. Altice Europe continues to expense the portion of the initial fair value not yet recognized over the original vesting period, after taking into account the decrease related to the Altice USA stock option part (based on 24.33% ratio).

(2) For the Altice USA part of the stock option plans:
For specific reasons related to market regulations in the USA, it was decided to replace Altice USA stock option by payment in cash based on vesting dates of existing plans (no change in vesting conditions).

The treatment of a change from equity settled to cash settled is treated by IFRS 2 B43:

(1) The vested part of the liability was recognized as a liability with a corresponding reduction of equity. The vested portion amounts to $96.7 million (€82.9 million) as of September 30, 2018. Of this $32.9 million

relates to Patrick Drahi/Next Alt, $32.9 million relates to Dexter Goei and $10.2 million relates to the other key management personnel. Cash payment was executed in the third quarter of 2018 for a total of €37.9 million.

(2) The unvested liability will be recorded in the statement of income over the vesting period.

15. Related party transactions and balances

Following the changes in the Altice organizational structure that also impacts Altice Management International ("AMI"), Altice management decided to cancel the Altice Way fee from December 31, 2017 onwards. Instead AMI will recharge corporate costs plus markup to Altice France, PT Portugal, HOT and Altice Dominicana based on their revenue contribution in 2017.

On July 10, 2018, the General Meeting determined the remuneration of the Company's. CEO, Mr. Alain Weill, as follows:

- an aggregate annual fixed compensation of €2.0 million;
- a discretionary annual cash bonus of up to €1.0 million, which shall be determined by the Board upon a proposal of the Remuneration Committee;
- in connection with the proposed Separation, an adjustment of the terms and conditions governing his current right to acquire in aggregate 1,855,664 Preference Shares B, as follows:
    - 1,103,096 Preference Shares B, each upon vesting convertible into one newly to be issued Common Share A as well as 0.4163 existing shares of Class A Common Stock in Altice USA;
    - 752,568 Preference Shares B, each upon vesting convertible into a number of newly to be issued Common Shares A depending on the share price of the Common Shares A during the 5 trading days preceding the conversion request;
    - a gross cash compensation of a maximum aggregate amount of USD 839,991.15;

  As of September 30, 2018, 50% of the total number of Preference Shares B (927,832 shares) was vested and therefore included in the calculation of the weighted average of common shares and the earnings per common shares (please refer to note 8).
- the right to acquire in aggregate up to 50,000,000 Preference Shares B (the "New Preference Shares B"), with the following characteristics:
    - granted number of New Preference Shares B: 25,000,000 which were included in the calculation of diluted earnings per share (please refer to note 8);
    - vesting period: earliest of four years and the Company's annual General Meeting held in 2022;
    - performance criteria: the Company having generated an annual consolidated EBITDA (as reported on a consolidated basis and with constant perimeter and accounting standards) equal or in excess of the projected annual consolidated EBITDA in the 4-year business plan adopted by the Company;
    - number of New Preference Shares B, each convertible into one Common Share A, ranging between 0% and 200% of number of granted preference shares, to be assessed at the end of the vesting period, according to a predetermined allocation key linked to performance criteria.

The Preference Shares B granted to Mr. Alain Weill meet the definition of equity settled transaction under IFRS 2 *Share-based* Payment, and the related expense was recorded in the statement of income for the nine month period ended September 30, 2018 for €13.4 million.

16. Net finance cost

Net finance cost **(€m)**	**Nine months ended September 30, 2018**	**Nine months ended September 30, 2017 (revised*)**
Interest relative to gross financial debt	(1,287.5)	(1,642.4)
Other financial expenses	(344.1)	(85.1)
Finance income	19.9	115.7
Net result on extinguishment of a financial liability	(145.2)	(36.2)
Finance costs, net	**(1,756.9)**	**(1,648.0)**

The net finance costs for the nine month period ended September 30, 2018 increased to €1,756.9 million compared to €1,648.0 million for the same period in 2017. The increase was attributed to a higher net foreign exchange loss recorded in the nine month period of 2018, amounting to €136.7 million loss, mostly linked to the change in the effectiveness of Altice Financing's derivative (please refer to note 9.3.1), whilst a €21.0 million gain was recorded in the same period in 2017. In addition, the refinancing transactions of the Altice France credit pool resulted in a net loss on extinguishment of debt of €145.2 million for the nine months ended September 30, 2018 (please refer to note 9.2.5).

17. Going concern

As of September 30, 2018, the Group had net current liability position of €4,870.4 million (mainly due to trade payables amounting to €7,298.5 million) and a negative working capital of €2,298.0 million. During the nine month period ended September 30, 2018, the Group registered a net loss of €565.2 million from continued operations and generated cash flows of €3,158.8 million from continued operations.

As of September 30, 2018, the Group had a negative equity position of €4,399.8 million compared to €363.5 million as at December 31, 2017. The equity position decreased from the prior period mainly due to the special distribution in kind of the Group's 67.2% interest in Altice USA to the Company's shareholders out of the Company's share premium reserve.

The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short days of sales outstanding and suppliers are paid under standard commercial terms, thus generating a negative working capital. This is evidenced by the difference in the level of receivables and payables; €4,567.2 million compared to €7,298.5 million for the nine month period ended September 30, 2018, as compared to €4,932.0 million and €8,368.8 million for the year ended December 31, 2017. Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of September 30, 2018, the Group's short-term borrowings comprised mainly loans from financial institutions for Altice France and Altice Financing for €157.8 million and €243.6 million respectively. As of December 31, 2017, the Group's short-term borrowings amounted to €1,792.9 million, of which €1,379.3 million was related to Altice USA. The short-term obligations are expected to be covered by the operating cash flows of the operating subsidiaries. As at September 30, 2018, the revolving credit facilities at Altice France and Altice Financing were drawn in an aggregate of €300.0 million. A listing of available credit facilities by silo is provided in note 9.5 and the amounts available per segments are sufficient to cover the short-term debt and interest expense needs of each of these segments if needed.

Given the above, the Board of Directors has considered the following elements in determining that the use of the going concern assumption is appropriate:

- The Group's performance on adjusted EBITDA and operating cash flows:
  - Adjusted EBITDA amounted to €3,877.7 million, a decrease of 8.9% compared to the same period last year. This decrease in adjusted EBITDA is mainly linked to lower performance in the France, Portugal, Israel and the Dominican Republic segments.
  - Operating cash flows for the nine months ended September 30, 2018 were €3,158.8 million.
- The Group had unrestricted cash reserves of €758.3 million as of September 30, 2018, compared to €1,239.0 million as of December 31, 2017, which would allow it to cover any urgent cash needs. The Group can move its cash from one segment to another under certain conditions as allowed by its debentures and debt covenants. Cash reserves in operating segments carrying debt obligations were as follows:
  - France: €362.8 million
  - Altice International: €247.9 million
- Additionally, as of September 30, 2018, the Group had access to revolving credit facilities of up to €2,156.0 million (of which €300.0 million was drawn as of September 30, 2018) and has access to an equity market where it can issue additional equity.

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

Altice Europe has undertaken a strategic review of its fiber infrastructure to further accelerate its deployment and is exploring financial partnerships. No final decision with respect to any strategic transaction involving its fiber infrastructure has been taken (please refer to note 18.1). In case a transaction will be closed, it is expected that this will result in a material inflow of funds.

In addition, on June 20, 2018, Altice France entered into an exclusivity and put option agreement with Starlight BidCo S.A.S., an entity controlled by funds affiliated with KKR for the sale of 49.99% of the shares in a newly incorporated tower company SFR TowerCo that will comprise 10,198 sites currently operated by the Group. The envisaged transaction values SFR TowerCo at an enterprise value of €3.6 billion. In addition, a build-to-suit agreement for 1,200 new sites between the Group and SFR TowerCo is expected to generate approximately €250 million in additional proceeds to the Group within the next four years. The closing of the towers transaction will be subject to customary conditions precedent, including that at least 90% of the sites have been contributed to SFR TowerCo (this threshold was reached at the end of October), as well as regulatory approvals and is expected to occur in the financial year ending December 31, 2018. The consideration to be received amounts to €1.8 billion, corresponding to approximately 49.99% of the total transaction value.

On October 3, 2018, Altice Europe announced the closing of the transaction to sell 100% in the tower company Teletorres del Caribe, which comprises 1,039 sites formerly operated by its subsidiary Altice Dominicana, to Phoenix Tower International, a portfolio company of Blackstone. The consideration received was $168.0 million (€148.6 million).

Based on the above, the Board of Directors 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 financial statements and has hence deemed it appropriate to prepare these condensed interim consolidated financial statements using the going concern assumption.

18. Events after the reporting period

18.1. Strategic review of its fiber infrastructure

On October 3, 2018, the Company announced that it had undertaken a strategic review of its fiber infrastructure to further accelerate its deployment and is exploring financial partnerships. No final decision with respect to any strategic transaction involving its fiber infrastructure has been taken, and it is yet uncertain that any such transaction will be concluded.

18.2. Closing of transaction to sell telecommunication towers business in the Dominican Republic

On October 3, 2018, Altice Europe announced the closing of the transaction to sell 100% in the tower company Teletorres del Caribe, which comprises 1,039 sites formerly operated by its subsidiary Altice Dominicana, to Phoenix Tower International, a portfolio company of Blackstone. The capital gain recorded amounted to DOP 4,300 million (€71.2 million). The consideration received was $168.0 million (€148.6 million).

18.3. PT Portugal acquired the shares of SIRESP

On October 31, 2018, PT Móveis ("PT – Móveis – Serviços de Telecomunicações, SGPS, S.A."), a subsidiary of PT Portugal, purchased the shares of SIRESP and thus became majority stakeholder with 52.1% ownership. The number of shares purchased was 4,775 shares (equal to 9.55% shares capital of SIRESP) from Datacomp S.A. for the price of €0.8 million and 6,000 shares (equal to 12% shares capital of SIRESP) from Esegur S.A. for the price of €1.0 million.

18.4. Altice West Europe purchased shares and preferred equity certificates of Deficom Invest S.à r.l.

On November 2, 2018, a sale and purchase agreement was signed by Altice West Europe and Deficom Invest S.à r.l. to acquire 44,793 shares held by Deficom Invest in Deficom Telecom and 20,756,575 preferred equity certificates ("PEC"). The total transaction value was €22.5 million. As a result of the purchase, Altice West Europe's ownership in Deficom Telecom increase to 100%.

18.5. Group reorganisation

On October 31, 2018, the Group announced strengthening of the Group's Board of Directors (the "Board") and evolution of Group management.

Changes in the group management:

- Malo Corbin is appointed the Company's CFO;
- Dennis Okhuijsen will serve as an advisor to the Group and will be advising on all financing and capital structure activity. Dennis will continue to work closely with management and remains committed to the Group;

- Jérémie Bonnin will also serve as an advisor to Altice Europe and continue to work closely with management on specific ongoing projects and explore continuous business opportunities.

New Board of Directors of the Company:

- Nicolas Paulmier and Philippe Besnier will be appointed as non-executive directors of the Board by the EGM that will take place on November 20, 2018, increasing the number of non-executive directors to 4 in total;
- Dennis Okhuijsen is appointed as the representative of A4 S.A, the Vice President of the Board;
- As of October 31, 2018, Dexter Goei is no longer a member of the Board.

18.6. Settlement of put option with minority shareholders of HOT

On November 2, 2018, the Company paid a put option agreement with minority shareholders of HOT for an amount of €52.1 million.

19. Revised information

The statement of income had been revised as of and for the nine month period ended September 30, 2017 to take into account the impacts of the classification of Altice USA as discontinued operations as per IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the adoption of IFRS 15 *Revenue from Contracts with Customers* by the Group, as well as adjustments made in tax benefits in Altice Management International ("AMI") due to the reversal of the intercompany sales of intellectual property rights of SFR and PT Portugal to AMI.

The impact of the Separation of Altice USA amounted to €642.9 million, of which €632.7 million was classified as discontinued operations (please refer to note 3.5) and €10.2 million remained in the comparative statement of income. The €10.2 million relates to the profit generated for the nine months period ended September 30, 2017 by the Company for the services sold to entities in Altice USA group that was previously eliminated by intercompany elimination prior to the Separation.

Consolidated Statement of Income (€m)	**Nine months ended September 30, 2017 reported**	**Adjustment**	**Revision IFRS 5 discontinued operation**	**Revision IFRS 15**	**Nine months ended September 30, 2017 revised**
Revenues	**17,679.7**	**-**	**(6,232.0)**	**(105.9)**	**11,341.9**
Purchasing and subcontracting costs	(5,568.9)	-	2,028.6	(38.1)	(3,578.4)
Other operating expenses	(3,163.5)	-	793.5	42.9	(2,327.1)
Staff costs and employee benefits	(2,232.5)	-	1,030.6	-	(1,201.9)
Depreciation, amortization and impairment	(5,027.2)	-	1,923.8	(6.7)	(3,110.1)
Other expenses and income	(1,155.3)	-	146.9	-	(1,008.4)
Operating profit/(loss)	**532.3**	**-**	**(308.6)**	**(107.8)**	**116.0**
Interest relative to gross financial debt	(2,682.4)	-	1,040.0	-	(1,642.4)
Other financial expenses	(236.1)	-	151.0	-	(85.1)
Finance income	218.5	-	(102.8)	-	115.7
Net result on extinguishment of a financial liability	(101.8)	-	65.7	-	(36.2)
Finance costs, net	**(2,801.8)**	**-**	**1,153.9**	**-**	**(1,648.0)**
Net result on disposal of business	-	-	-	-	-
Share of earnings of associates	(5.7)	-	-	-	(5.7)
Loss before income tax from continuing operations	**(2,275.2)**		**845.4**	**(107.8)**	**(1,537.7)**
Income tax benefit/(expense)	400.3	7.5	(202.5)	30.7	236.0
Loss for the period from continuing operations	**(1,874.9)**	**7.5**	**642.9**	**(77.1)**	**(1,301.7)**
Discontinued operations					
Profit/loss after tax for the period from discontinued operations	-	-	(632.7)	-	(632.7)
Loss for the period	**(1,874.9)**	**7.5**	**10.2**	**(77.1)**	**(1,934.4)**
Attributable to equity holders of the parent	(1,661.7)	7.5	5.8	(70.2)	(1,718.6)
Attributable to non-controlling interests	(213.2)	-	4.4	(7.0)	(215.8)

Table below presents the revised statement of financial position as of December 31, 2017 to take into account the adjustments to reflect the impact of new accounting standards IFRS 15 *Revenue from Contracts with Customers,* IFRS 9 *Financial instruments* and a reclassification adjustment. With regards to IFRS 9, as stated in note 2.1.4.2, the Group adopted the IFRS 9 standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with no impact in 2017.

The adjustment was made in Altice TV to reclassify the balance in current tax assets by €61.3 million to the caption trade and other receivable as it was incorrectly booked as current tax assets as of December 31, 2017.

Consolidated Statement of Financial Position (€m)	**As of December 31, 2017 Reported**	**Adjustment**	**Revision IFRS 15**	**As of December 31, 2017 Revised**	**Adjustment IFRS 9**	**As of January 1, 2018 Adjusted IFRS 9**
Non-current assets						
Goodwill	22,302.4	-	-	22,302.4	-	22,302.4
Intangible assets	24,502.3	-	(238.3)	24,264.0	-	24,264.0
Property, plant & equipment	15,161.4	-	-	15,161.4	-	15,161.4
Contract costs	-	-	256.7	256.7	-	256.7
Investment in associates	49.4	-	(0.0)	49.4	-	49.4
Financial assets	2,545.5	-	-	2,545.5	-	2,545.5
Deferred tax assets	157.3	-	(5.0)	152.3	19.6	172.0
Other non-current assets	466.9	-	-	466.9	(4.1)	462.7
Total non-current assets	**65,185.2**	**-**	**13.4**	**65,198.6**	**15.5**	**65,214.1**
Current assets						
Inventories	461.4	-	-	461.4	-	461.4
Contract assets	-	-	302.3	302.3	(13.3)	289.0
Trade and other receivables	4,870.6	61.3	-	4,932.0	(43.6)	4,888.4
Current tax assets	235.0	(61.3)	-	173.7	-	173.7
Financial assets	93.4	-	-	93.4	-	93.4
Cash and cash equivalents	1,239.0	-	-	1,239.0	-	1,239.0
Restricted cash	168.1	-	-	168.1	-	168.1
Total current assets	**7,067.5**	**-**	**302.3**	**7,369.8**	**(56.9)**	**7,312.9**
Assets classified as held for sale	*184.3*	-	-	*184.3*	-	*184.3*
Total assets	**72,437.0**	**-**	**315.7**	**72,752.7**	**(41.4)**	**72,711.3**
Issued capital	76.5	-	-	76.5	-	76.5
Treasury shares	(370.1)	-	-	(370.1)	-	(370.1)
Additional paid in capital	2,572.8	-	33.1	2,605.9	-	2,605.9
Other reserves	(807.7)	-	(3.7)	(811.4)	-	(811.4)
Accumulated losses	(3,296.7)	-	189.4	(3,107.3)	(11.4)	(3,118.7)
Equity attributable to owners of the Company	**(1,825.2)**	**-**	**218.8**	**(1,606.4)**	**(11.4)**	**(1,617.8)**
Non-controlling interests	1,244.2	-	(1.3)	1,242.9	-	1,242.9
Total equity	**(581.0)**	**-**	**217.4**	**(363.5)**	**(11.4)**	**(374.9)**
Non-current liabilities						
Long term borrowings, financial liabilities and related hedging instruments	50,059.4	-	-	50,059.4	(56.0)	50,003.4
Other financial liabilities	1,963.1	-	-	1,963.1	11.2	1,974.3
Provisions	1,484.0	-	(4.1)	1,479.8	-	1,479.8
Deferred tax liabilities	4,355.2	-	95.9	4,451.1	14.9	4,466.0
Contract liabilities	-	-	471.9	471.9	-	471.9
Other non-current liabilities	637.7	-	(471.9)	165.8	-	165.8
Total non-current liabilities	**58,499.4**	**-**	**91.7**	**58,591.1**	**(30.0)**	**58,561.1**
Current liabilities						
Short-term borrowings, financial liabilities	1,792.9	-	-	1,792.9	-	1,792.9
Other financial liabilities	2,394.0	-	-	2,394.0	-	2,394.0
Trade and other payables	8,368.8	-	-	8,368.8	-	8,368.8
Contract liabilities	-	-	811.9	811.9	-	811.9
Current tax liabilities	205.4	-	-	205.4	-	205.4
Provisions	542.4	-	-	542.4	-	542.4
Other current liabilities	1,110.4	-	(805.4)	305.0	-	305.0
Total current liabilities	**14,413.8**	**-**	**6.6**	**14,420.4**	**-**	**14,420.4**
Liabilities directly associated with assets classified as held for sale	*104.7*	-	-	*104.7*	-	*104.7*
Total liabilities	**73,018.0**	**-**	**98.2**	**73,116.2**	**(30.0)**	**73,086.2**
Total equity and liabilities	**72,437.0**	**-**	**315.7**	**72,752.7**	**(41.4)**	**72,711.4**

The following table provides the impact of IFRS 15 in the statement of financial position as of December 31, 2016 and the reconciliation to the published figures.

Consolidated Statement of Financial Position (€m)	**As of December 31, 2016 Published**	**Revision IFRS 15**	**As of January 1, 2017 Revised**
Non-current assets			
Goodwill	23,045.7	-	23,045.7
Intangible assets	29,412.1	(206.4)	29,205.7
Property, plant & equipment	16,256.8	-	16,256.8
Contract costs	-	232.9	232.9
Investment in associates	65.7	-	65.7
Financial assets	3,615.8	-	3,615.8
Deferred tax assets	113.6	-	113.6
Other non-current assets	182.4	-	182.4
Total non-current assets	**72,692.1**	**26.5**	**72,718.6**
Current assets			
Inventories	394.8	-	394.8
Contracts assets	-	398.0	398.0
Trade and other receivables	4,600.5	-	4,600.5
Current tax assets	179.2	-	179.2
Financial assets	758.6	-	758.6
Cash and cash equivalents	1,109.1	-	1,109.1
Restricted cash	202.0	-	202.0
Total current assets	**7,244.2**	**398.0**	**7,642.2**
Assets classified as held for sale	476.0	-	476.0
Total assets	**80,412.3**	**424.5**	**80,836.8**
Issued capital	76.5	-	76.5
Treasury shares	-	-	-
Additional paid in capital	738.0	-	738.0
Other reserves	(564.8)	-	(564.8)
Accumulated losses	(2,779.5)	246.1	(2,533.4)
Equity attributable to owners of the Company	**(2,529.8)**	**246.1**	**(2,283.7)**
Non-controlling interests	190.2	38.7	228.9
Total equity	**(2,339.6)**	**284.8**	**(2,054.8)**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	52,826.3	-	52,826.3
Other financial liabilities	4,480.0	-	4,480.0
Provisions	1,876.2	(4.1)	1,872.1
Deferred tax liabilities	8,074.3	138.1	8,212.4
Contract liabilities	-	394.0	394.0
Other non-current liabilities	878.4	(394.0)	484.4
Total non-current liabilities	**68,135.2**	**134.0**	**68,269.2**
Current liabilities			
Short-term borrowings, financial liabilities	1,342.3	-	1,342.3
Other financial liabilities	3,491.9	-	3,491.9
Trade and other payables	7,713.4	-	7,713.4
Contract liabilities	-	818.5	818.5
Current tax liabilities	298.4	-	298.4
Provisions	658.8	-	658.8
Other current liabilities	1,022.7	(812.8)	209.9
Total current liabilities	**14,527.5**	**5.7**	**14,533.2**
Liabilities directly associated with assets classified as held for sale	89.2	-	89.2
Total liabilities	**82,751.9**	**139.7**	**82,891.6**
Total equity and liabilities	**80,412.3**	**424.5**	**80,836.8**

The statement of cash flow had been revised for the nine month period ended September 30, 2017 following the discontinued operation of Altice USA and IFRS 15 adjustments.

Consolidated Statement of Cash Flows (€m)	**Nine months ended September 30, 2017 Reported**	**Adjustments Nine months ended September 30, 2017**	**Elimination Altice USA For the nine months ended September 30, 2017**	**IFRS 15 adjustment For the nine months ended September 30, 2017**	**Nine months ended September 30, 2017 revised**
Net (loss) including non-controlling interests	**(1,874.9)**	**7.5**	**642.9**	**(77.1)**	**(1,301.6)**
Adjustments for:					
Depreciation, amortization and impairment	5,027.2	-	(1,923.8)	6.7	3,110.1
Share in income of associates	5.7	-	-	-	5.7
Gains and losses on disposals	(27.4)	-	-	-	(27.4)
Expenses related to share based payment	311.5	-	(289.1)	-	22.4
Other non-cash operating (losses)/gains, net1	176.4	-	184.6	-	361.0
Pension liability payments	(93.5)	-	-	-	(93.5)
Finance costs recognized in the statement of income	2,801.8	-	(1,153.9)	-	1,647.9
Income tax credit recognized in the statement of income	(400.3)	(7.5)	202.5	(30.7)	(236.0)
Income tax paid	(258.3)	-	23.7	-	(234.6)
Changes in working capital	70.3	-	391.0	103.3	564.6
Net cash provided by operating activities	**5,738.6**	**-**	**(1,922.2)**	**2.2**	**3,818.5**
Payments to acquire tangible and intangible assets and contract costs	(3,281.6)	-	637.2	(2.2)	(2,646.6)
Prepayments for content rights	(70.5)	-	-	-	(70.5)
Payments to acquire financial assets	(28.4)	-	-	-	(28.4)
Proceeds from disposal of businesses	336.5	-	-	-	336.5
Proceeds from disposal of tangible, intangible and financial assets	29.3	-	-	-	29.3
Payments to acquires interests in associates	(34.9)	-	-	-	(34.9)
Payment to acquire subsidiaries, net	(297.8)	-	39.1	-	(258.7)
Net cash used in investing activities	**(3,347.5)**	**-**	**676.3**	**(2.2)**	**(2,673.3)**
Proceeds from issue of equity instruments by a subsidiary	331.8	-	(313.8)	-	18.0
Proceeds from issuance of debts	10,212.6	-	(5,028.7)	-	5,183.9
Transactions with non-controlling interests	(423.9)	-	-	-	(423.9)
Payments to redeem debt instruments	(8,891.5)	-	4,859.7	-	(4,031.8)
Transfers to restricted cash	(342.7)	-	40.3	-	(302.4)
Dividends paid	(265.6)	-	256.7	-	(8.9)
Interest paid	(2,904.6)	-	1,329.7	-	(1,574.9)
Other cash provided by financing activities	424.1	-	0.0	-	424.1
Net cash (used)/generated in financing activities	**(1,859.9)**	**-**	**1,143.9**	**-**	**(716.0)**
Classification of cash as held for sale	-	-	-	-	-
Effects of exchange rate changes on the balance of cash held in foreign currencies	23.6	-	(48.8)	-	(25.1)
Net change in cash and cash equivalents	**554.9**	**-**	**(150.8)**	**-**	**404.1**
Cash and cash equivalents at beginning of the year	1,109.1	-	(386.3)	-	722.8
Cash and cash equivalents at end of the period	**1,664.0**	**-**	**(537.1)**	**-**	**1,126.9**