

Altice Europe N.V.



Condensed Interim Consolidated Financial Statements

**As of and for the three month period ended
March 31, 2020**

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Condensed Consolidated Statement of Income	Notes	Three months ended March 31, 2020	Three months ended March 31, 2019 (*restated)
(€m)			
Revenues	4	3,625.4	3,511.1
Purchasing and subcontracting costs	4	(971.4)	(901.0)
Other operating expenses	4	(736.9)	(723.9)
Staff costs and employee benefits	4	(387.2)	(386.4)
Depreciation, amortization and impairment	4	(1,273.8)	(1,283.9)
Other (expenses) and income	4	79.7	1,761.8
Operating profit	4	335.8	1,977.8
Interest relative to gross financial debt	13	(451.0)	(501.7)
Realized and unrealized gains on derivative instruments linked to financial debt	13	595.1	38.0
Other financial expenses	13	(298.2)	(84.4)
Finance income	13	3.1	23.9
Net result on extinguishment of a financial liability	13	(171.6)	-
Finance costs, net	13	(322.6)	(524.3)
Share of loss of associates and joint ventures		(52.4)	(2.2)
(Loss)/profit before income tax		(39.2)	1,451.3
Income tax (expense)/benefit	12	(72.7)	49.0
(Loss)/profit for the period		(111.9)	1,500.3
<i>Attributable to equity holders of the parent</i>		(123.8)	1,486.7
<i>Attributable to non-controlling interests</i>		11.9	13.6
<i>Earnings per share</i>			
(Loss)/earnings per share (basic)	9	(0.10)	1.25
(Loss)/earnings per share (diluted)	9	(0.10)	1.18

Condensed Consolidated Statement of Other Comprehensive Income	Three months ended March 31, 2020	Three months ended March 31, 2019 (*restated)
(€m)		
(Loss)/profit for the period	(111.9)	1,500.3
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	10.6	(3.4)
Gain on cash flow hedge	181.0	67.9
Change of fair value of equity instruments at fair value through OCI	(112.7)	109.2
Related taxes	(45.3)	(21.5)
Other items related to associates	0.1	0.1
Item that will not be reclassified subsequently to profit or loss		
Actuarial gain/(loss)	74.2	(27.4)
Related taxes	(16.6)	8.6
Total other comprehensive income	91.3	133.5
Total comprehensive (loss)/income for the period	(20.6)	1,633.8
<i>Attributable to equity holders of the parent</i>	(32.2)	1,619.3
<i>Attributable to non-controlling interests</i>	11.6	14.5

(*) Previously published information has been restated to take into account the impact from capital gain correction of SFR FTTH. Please refer to note 18 for the reconciliation to previously published results.

The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.

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Condensed Consolidated Statement of Financial Position (€m)	Notes	As of March 31, 2020	As of December 31, 2019
Non-current assets			
Goodwill	5	14,649.0	14,655.5
Other intangible assets		7,128.5	7,458.4
Property, plant & equipment		9,972.6	9,974.6
Right-of-use assets		4,340.6	4,289.8
Contract costs		253.1	263.8
Investment in associates and joint ventures	6	1,526.9	1,567.4
Financial assets	7	2,514.6	1,626.7
Deferred tax assets		225.7	300.2
Other non-current assets		432.3	439.6
Total non-current assets		41,043.3	40,576.0
Current assets			
Inventories		523.8	479.4
Contract assets		241.6	254.1
Trade and other receivables		4,439.7	4,463.7
Current tax assets		103.8	99.8
Financial assets	7	44.2	47.8
Cash and cash equivalents		714.1	1,022.1
Restricted cash		118.6	119.5
Assets classified as held for sale		10.7	119.0
Total current assets		6,196.5	6,605.4
Total assets		47,239.8	47,181.4
Equity			
Issued capital	8.1	59.5	59.5
Treasury shares	8.2	(0.4)	(0.4)
Additional paid in capital		5.7	5.7
Other reserves	8.3	(409.0)	(500.5)
Accumulated losses		(2,241.9)	(2,098.9)
Equity attributable to owners of the Company		(2,586.1)	(2,534.7)
Non-controlling interests	3.3	232.0	213.7
Total equity		(2,354.1)	(2,321.0)
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	10	32,584.7	32,101.9
Other financial liabilities	10.6	470.1	476.2
Non-current lease liabilities	10.6	3,629.0	3,644.6
Provisions		1,363.6	1,441.8
Deferred tax liabilities		153.4	164.6
Non-current contract liabilities		599.4	588.4
Other non-current liabilities		53.8	233.0
Total non-current liabilities		38,854.0	38,650.5
Current liabilities			
Short-term borrowings, financial liabilities	10	810.6	432.7
Other financial liabilities	10.6	1,627.2	1,822.3
Current lease liabilities	10.6	794.8	758.4
Trade and other payables		6,183.8	6,486.6
Contract liabilities		631.9	614.7
Current tax liabilities		305.8	261.4
Provisions		199.6	227.9
Other current liabilities		185.9	247.9
Liabilities directly associated with assets classified as held for sale		0.3	0.3
Total current liabilities		10,739.9	10,852.0
Total liabilities		49,593.9	49,502.5
Total equity and liabilities		47,239.8	47,181.4

The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.

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Condensed Consolidated Statement of Changes in Equity	Number of shares on issue			Share capital	Treasury shares	Additional (Accumulated) paid in capital	(Accumulated) losses/retained earnings	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
	Common Shares A	Common Shares B	Preference Shares B											
Equity at January 1, 2020	1,038,014,875	196,261,727	1,391,748	59.5	(0.4)	5.7	(2,098.9)	(305.3)	(284.2)	236.5	(147.6)	(2,534.7)	213.7	(2,321.0)
(Loss)/profit for the period	-	-	-	-	-	-	(123.8)	-	-	-	-	(123.8)	11.9	(111.9)
Other comprehensive profit/(loss)	-	-	-	-	-	-	-	10.9	135.8	(112.7)	57.6	91.6	(0.3)	91.3
Comprehensive profit/(loss)	-	-	-	-	-	-	(123.8)	10.9	135.8	(112.7)	57.6	(32.2)	11.6	(20.6)
Conversion Common Shares B to Common Shares A	465,025	(18,601)	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Preference Shares B ¹	-	-	463,916	0.0	-	-	-	-	-	-	-	0.0	-	0.0
Share-based payments	-	-	-	-	-	-	4.6	-	-	-	-	4.6	-	4.6
Transactions with non-controlling interests ²	-	-	-	-	-	-	(25.6)	-	-	-	-	(25.6)	6.9	(18.7)
Other	-	-	-	-	-	-	1.8	-	-	-	-	1.8	(0.2)	1.6
Equity at March 31, 2020	1,038,479,900	196,243,126	1,855,664	59.5	(0.4)	5.7	(2,241.9)	(294.4)	(148.4)	123.8	(90.0)	(2,586.1)	232.0	(2,354.1)

1 Preference Shares B were issued to the Company's CEO, Mr. Alain Weil, on January 6, 2020. Please refer to note 8.1.

2 Transactions with non-controlling interests mainly related to the acquisition of minority stakes of Irisé S.A.S. and Rhon'Telecom S.A.S. by Altice France (please refer to note 3.3) and the change in the fair value of minority put options of Teads (please refer to note 11.1.2).

Condensed Consolidated Statement of Changes in Equity (*restated)	Number of shares on issue			Share capital	Treasury shares	Additional (Accumulated) paid in capital	(Accumulated) losses/retained earnings	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
	Common shares A	Common shares B	Preference shares B											
Equity at January 1, 2019	1,596,608,025	209,318,001	927,832	68.3	(14.6)	-	(2,401.5)	(280.1)	(473.2)	4.0	(34.2)	(3,131.4)	226.7	(2,904.7)
IFRS 16 transition impact	-	-	-	-	-	-	40.0	-	-	-	-	40.0	-	40.0
Equity at January 1, 2019¹	1,596,608,025	209,318,001	927,832	68.3	(14.6)	-	(2,361.5)	(280.1)	(473.2)	4.0	(34.2)	(3,091.4)	226.7	(2,864.7)
Profit for the period	-	-	-	-	-	-	1,486.7	-	-	-	-	1,486.7	13.6	1,500.3
Other comprehensive (loss)/profit	-	-	-	-	-	-	-	(4.3)	46.5	109.2	(18.8)	132.6	0.9	133.5
Comprehensive profit/(loss)	-	-	-	-	-	-	1,486.7	(4.3)	46.5	109.2	(18.8)	1,619.3	14.5	1,633.8
Conversion common shares B to common shares A	17,500,000	(700,000)	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of preference shares B ²	-	-	463,916	0.0	-	-	-	-	-	-	-	0.0	-	0.0
Share based payments	-	-	-	-	-	-	7.6	-	-	-	-	7.6	-	7.6
Transactions with non-controlling interests	-	-	-	-	-	-	(4.5)	-	-	-	-	(4.5)	(0.1)	(4.6)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(2.7)	(2.7)
Other	-	-	-	-	-	-	(0.2)	-	-	-	-	(0.2)	0.1	(0.1)
Equity at March 31, 2019	1,614,108,025	208,618,001	1,391,748	68.3	(14.6)	-	(871.8)	(284.4)	(426.7)	113.2	(53.0)	(1,468.9)	238.6	(1,230.4)

1 Equity as at January 1, 2019 includes the impact from the adoption of IFRS 16 *Leases* as of January 1, 2019 by the Group.

2 Preference Shares B were issued to the Company's CEO, Mr. Alain Weil, on January 9, 2019. Please refer to note 8.1.

(*) Previously published information has been restated to take into account the impact from capital gain correction of SFR FTTH.

The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.

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Condensed Consolidated Statement of Cash Flows	Year ended March 31, 2020	Year ended March 31, 2019 (*restated)
(€m)		
(Loss)/profit for the period	(111.9)	1,500.3
<i>adjustments for:</i>		
Share of loss of associates and joint ventures	52.4	2.2
Depreciation and amortization	1,273.8	1,283.9
Charge related to share-based payment	10.1	14.4
Gain on disposal of business	-	(2,055.9)
Gain on sale of interest in associates	(97.7)	-
Other non-cash operating gain, net ¹	6.3	199.6
Pension plan liability	(25.3)	(23.7)
Finance costs recognised in the statement of income	322.6	524.3
Income tax expense/(benefit) recognised in the statement of income	72.7	(49.0)
Income tax paid	(27.2)	(20.2)
Changes in working capital ²	(20.1)	(357.9)
Net cash provided by operating activities	1,455.7	1,018.0
Payments to acquire tangible and intangible assets	(1,098.7)	(943.8)
Payments to acquire financial assets	(0.3)	(205.9)
(Payments)/proceeds from disposal of business ³	(12.1)	1,618.5
Proceeds from disposal of tangible, intangible and financial assets	5.6	3.0
Proceeds from sale of interests in associates ⁴	201.0	-
Payment to acquire subsidiaries, net ⁵	(16.6)	-
Dividend received	1.1	-
Net cash (used in)/provided by investing activities	(920.0)	471.8
Proceeds from issuance of debts	6,164.8	250.0
Payments to redeem debt instruments ⁶	(5,986.9)	(267.4)
Other transactions with non-controlling interests ⁷	(11.1)	(11.1)
Lease payment (principal) related to ROU ⁸	(238.2)	(240.8)
Lease payment (interest) related to ROU ⁸	(39.8)	-
Interest paid ⁹	(569.1)	(643.5)
Proceeds from the monetization of swaps ¹⁰	92.2	-
Dividend paid to non-controlling interests	-	(2.7)
Other cash used by financing activities ¹¹	(251.9)	(74.1)
Net cash used in financing activities	(840.0)	(989.6)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3.7)	2.3
Net change in cash and cash equivalents	(308.0)	502.5
Cash and cash equivalents at beginning of the period	1,022.1	1,837.0
Cash and cash equivalents at end of the period	714.1	2,339.5

- 1 Other non-cash items include allowances and writebacks for provisions and gains and losses recorded on the disposal of tangible and intangible assets.
- 2 Changes in working capital relate to payments and receipts related to inventories, trade and other receivables and trade and other payables.
- 3 Payments from the disposal of consolidated entities, net of cash, mainly relate to purchase price adjustments related to the sale of the international wholesale business which was closed on July 18, 2018.
- 4 Proceeds from the sale of interests in associates mainly relate to the proceeds received from the sale of PT Portugal's 25% equity interest in the tower company OMTEL to Cellnex Telecom S.A. which was closed on January 2, 2020.
- 5 Payment to acquire subsidiaries relates to participations acquired by Altice France in Rhon Telecom S.A.S. and in certain DSP's (*Délégation de service public*).
- 6 Payments to redeem debt instruments include net repayments of €57.5 million related to commercial paper and €17.1 million related to various other loans.
- 7 Transactions with non-controlling interest relate to payments made to former minority shareholders of ERT Luxembourg S.A..
- 8 Repayment of lease liabilities (IFRS 16 lease payment and the interest related to right-of-use ("ROU")) are reported under financing activities upon adoption of IFRS 16 *Leases*.
- 9 Interest paid on debt includes interest received from / paid on interest derivatives.
- 10 Proceeds from the monetization of swaps relate to the swap monetization proceeds of €92.2 million recorded in Altice Luxembourg, Altice France and Altice Financing
- 11 Other cash used in financing activities include an amount of €138.2 million of call premium and transaction costs related to the repayment of bonds resulting from the refinancing transactions which occurred during the three months ended March 31, 2020, €98.6 million of repayments related to factoring and securitization, €13.1 million related to interest on factoring arrangements and €2.0 million related to other financing related activities.

(*) Previously published information has been restated to take into account the impact from capital gain correction of SFR FTTH. Please refer to note 18 for the reconciliation to previously published results.

The accompanying notes on pages 5 to 28 form an integral part of these condensed interim consolidated financial statements.

1. About Altice Europe N.V.

Altice Europe N.V. (the “Company”) is a public limited liability company (“*Naamloze vennootschap*”) incorporated in the Netherlands and its address is Oostdam 1, 3441 EM, Woerden, 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 March 31, 2020, Next Alt held 77.58% 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 fibre 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 March 31, 2020 and for the three month period then ended were approved by the Board of Directors and authorized for issue on May 20, 2020.

These condensed interim consolidated financial statements of the Group as of March 31, 2020 and for the three 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, 2019 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 March 31, 2020 do not differ from those applied in the annual consolidated financial statements as of and for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020.

2.1.1. Standards applicable for the reporting period

The following standards have mandatory application for periods beginning on or after January 1, 2020 as described in note 1.3.2 to the annual consolidated financial statements:

- 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.

The application of amendments to IAS 1 and IAS 8, IFRS 3 and to References of the Conceptual Framework in IFRS standards had no material impact on the amounts recognised and on the disclosures in these condensed interim consolidated financial statements.

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, 2020 and that may impact the amounts reported:

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, effective date of the amendments has not yet been determined by the IASB; and
- Amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective on or after January 1, 2023.

The Board of Directors anticipates that the application of those amendments will not have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

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2.1.3. *Significant accounting judgments and estimates*

In the application of the Group's accounting policies, the Board of Directors 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:

- Revenue recognition
- Estimations of provisions for claims;
- Measurement of post-employment benefits;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Estimation of useful lives of intangible assets and property, plant and equipment;
- Impairment of intangible assets;
- Estimation of impairment losses for contract assets and trade receivables; and
- Determination of the right-of-use and lease liabilities.

As of March 31, 2020, there were no changes in the key areas of judgements and estimates.

2.1.4. *Update on the COVID-19 pandemic*

On March 11, 2020, the COVID-19 outbreak was declared by the World Health Organization (WHO) as a global pandemic, highlighting the health risks of the disease. In this context and following regulatory requirements published by governments over the last months in the countries in which the Group operates, the Group activated a response program in order to minimize the impact of the COVID-19 pandemic (please refer to note 35.9 of the annual consolidated financial statements for further detail).

The COVID-19 pandemic had a limited impact on the condensed interim consolidated financial statements of the Group as of March 31, 2020 and for the three month period then ended. Indeed, the Group has been impacted by a decline in handsets sales (low margin activity) in the context of the closure of the shops in many countries where the Group operates, a decrease in roaming revenue, some delays in the construction of FTTH homes passed in France and a decline in the advertising businesses (Teads and NextRadioTV) but the impact has been limited, since the crisis only began at the beginning of March 2020. Although the situation continues to evolve, the Company expects that the COVID-19 pandemic will have limited effects on the Group's operations and financial performance for future periods.

The Group has taken this situation into account in its estimates, notably those related to the non-current and current assets valuation as well as employee benefit provisions. The valuation of the non-current and current assets has not been adjusted as of March 31, 2020 as a result of the COVID-19 outbreak. The discount rate of the employee benefit provisions has been updated as of March 31, 2020 and as a result the employee benefit provisions decreased by €74.9 million in counterpart of an increase in Other Comprehensive Income (actuarial gain of €57.6 million, net of tax).

Based on the above and information in note 16, the Group considers that the assessment of the going concern assumption for the Group is not impacted.

3. Acquisition and divestments

The following changes occurred during the three month period ended March 31, 2020, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

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3.1. Transactions completed in the current period

3.1.1. Sale of a 25% equity stake in OMTEL

On January 2, 2020, the Company announced the sale of the 25% equity interest held by PT Portugal in Belmont Infra Holding S.A. (“Belmont”), that owns 100% in a tower company OMTEL, to Cellnex Telecom S.A.. Total cash proceeds amounted to €201.0 million. The total capital gain recorded for the three month period ended March 31, 2020 amounted to €97.7 million (please refer to note 4.3.2.2).

OMTEL is the first independent tower company in Portugal and operated approximately 3,000 tower sites in the country as at December 31, 2019. The sale by PT Portugal of its 25% equity interest in OMTEL is part of a larger transaction pursuant to which Cellnex Telecom S.A. acquired 100% of the share capital of OMTEL. In September 2018, at the time of its sale of OMTEL to a consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners, PT Portugal had reinvested €108.8 million for a 25% equity interest in OMTEL.

3.2. Transactions completed in the prior period

3.2.1. Change in consolidation method in PHI

In January 2019, HOT Mobile and Partner signed an amendment to the Network Sharing Agreement with respect to the governance of the company PHI, effective on January 1, 2019. Following this amendment, the parties have joint control over PHI (compared to significant influence before the amendment); accordingly, PHI is accounted under the provisions of IFRS 11 *Joint Arrangements* as joint operation (recognition of HOT Mobile's interests in PHI's assets, liabilities, revenues and expenses) instead of equity method.

3.2.2. Closing of the sale of 49.99% in SFR Fibre to the Home (“SFR FTTH”)

On November 30, 2018, Altice France entered into an exclusivity agreement with Allianz Capital Partners, AXA Investment Managers - Real Assets, acting on behalf of its clients and OMERS Infrastructure (together the “Partners”) regarding the sale of a 49.99% equity stake in SFR FTTH.

The transaction closed on March 27, 2019. The consideration received was €1.7 billion, based on a €3.4 billion equity value. The total capital gain recorded for the three month period ended March 31, 2019 was €2,055.9 million (please refer to note 4.3.2.3). This partnership created the leading FTTH infrastructure wholesaler in France and brought an additional €1.7 billion of cash to Altice France. Following the closing of the transaction, Altice France lost exclusive control over SFR FTTH as Altice France and the Partners have joint control over the new entity based on the provisions of IFRS 11 *Joint Arrangements*. Furthermore, as SFR FTTH is a joint venture (joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement), SFR FTTH is accounted for under the equity method based on the provisions of IAS 28 *Investments in Associates and Joint Ventures*.

3.2.3. Sale of a majority stake in Groupe L'Express S.A.

On February 12, 2019, Altice France and Groupe L'Express S.A. (“L'Express”) announced the potential sale by Altice France to News Participations S.A.S, a company controlled by Mr. A. Weill, of a majority stake in L'Express. On July 19, 2019, the Board approved the sale of a 51% equity stake to News Participations S.A.S., the remaining 49% of the share capital of L'Express being held by Altice Group Lux S.à r.l. (“Altice Group Lux”).

The sale closed on July 30, 2019. Following the closing of the transaction, the Group lost control over L'Express and the remaining 49% equity stake held by Altice Group Lux is accounted for under the equity method in accordance with IAS 28 *Investments in Associates and Joint Ventures* in the condensed consolidated financial statements within the caption Investment in associates and joint ventures (please refer to note 6). The capital loss recorded in the consolidated statement of income for the year ended December 31, 2019 was €67.7 million in the caption Other expenses and income, of which €23.0 million was recorded in Altice Group Lux which corresponded to the contribution by Altice Group Lux to L'Express before the closing of the sale.

3.3. Variations in non-controlling interests

Variations in non-controlling interests (€m)	Altice France	Hivory ¹	Altice Technical Services	Other	Group
Opening balance at January 1, 2019	3.3	220.7	(13.8)	16.5	226.7
Net income	9.5	36.3	(1.9)	1.8	45.7
Other comprehensive income	(0.1)	-	0.5	0.1	0.5
Transaction with NCI in ERT Lux	(2.0)	-	-	-	(2.0)
Transaction with NCI in GNP	6.1	-	-	-	6.1
Sale of SIRESP	-	-	-	(3.6)	(3.6)
Dividends	(10.1)	(37.6)	(12.1)	-	(59.8)
Other	(0.1)	-	(0.2)	0.4	0.1
Closing at December 31, 2019	6.6	219.4	(27.5)	15.2	213.7
Net income	4.1	9.5	(1.0)	(0.7)	11.9
Other comprehensive income	(0.3)	-	-	-	(0.3)
Transaction with NCI in Rhon Telecom S.A.S.	1.5	-	-	-	1.5
Transaction with NCI in Irisé S.A.S.	4.5	-	-	-	4.5
Transaction with NCI in Moselle Telecom S.A.S.	1.4	-	-	-	1.4
Sale of Tnord and Sudtel to Portugal	-	-	3.4	(3.4)	-
Other	(0.7)	-	-	-	(0.7)
Closing at March 31, 2020	17.1	228.9	(25.1)	11.1	232.0

1 This column presents the impact of the sale by Altice France of a minority stake in Hivory (an entity created by Altice France to which Altice France contributed some of its telecommunication towers) that was closed on December 18, 2018. Following the closing of the sale, Altice France keeps an exclusive control on Hivory which is consolidated in Altice France.

The main change in non-controlling interests (“NCI”) as at March 31, 2020 was mainly due to:

- net income attributable to the non-controlling interest for the three month period ended March 31, 2020 of €11.9 million, mainly in Altice France and Hivory; and
- transactions with NCI which mainly related to the acquisition of minority interests by Altice France in Irisé S.A.S., Rhon Telecom S.A.S and Moselle Telecom S.A.S., increasing NCI by €7.4 million.

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. The Board of Directors 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 Board of Directors 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 residential and business services, which can show significant changes in sales at year end and at the end of the summer season (the “back to school” period). The business services are 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. (“Altice France”), the second largest telecom operator in France, which provides residential, business, mobile and high-speed internet services using SFR and the associated brands. Additionally, the media division of Altice France includes NextRadioTV and SFR Presse companies, which cover audio-visual and press activities in France, respectively. This segment also comprises of the French Overseas Territories (“FOT”), ATS France and Altice Customer Services S.à r.l. (“ACS”).
- **Portugal:** Altice owns Portugal Telecom (“PT Portugal”), the largest telecom operator in Portugal. PT Portugal caters to fixed residential, mobile residential and business services clients using the MEO brand. 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 residential and business services clients. HOT also produces award winning exclusive content that it distributes using its fixed network, as well as content application called Next and OTT services through Next Plus. This segment also includes the Altice Technical Services entity in Israel.
- **Dominican Republic:** The Group provides fixed residential, mobile residential and business services using the Altice brand. This segment also includes the Altice Technical Services entity in the Dominican Republic.
- **Teads:** Provides digital advertising solutions.

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- **Altice TV:** Content business from the use of content rights.
- **Others:** Corporate entities are reported under “Others”.

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 the Condensed Consolidated 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 Adjusted EBITDA used in the covenants has not changed with the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases* by the Group.

4.2.1.1. Adjusted EBITDA

Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating income before depreciation and amortization, other expenses and income (capital gains, non-recurring litigation, restructuring costs) and share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases* for operating lease). 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 Adjusted EBITDA, do ultimately affect the operating results. Operating results presented in the condensed consolidated financial statements are 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 condensed consolidated statement of cash flows in accordance with IAS 7 *Statement of Cashflows*.

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4.2.2. *Revenues*

Additional information on the revenue split is presented as follows:

- Fixed residential: revenues from fixed business to B2C customers;
- Mobile residential: revenues from mobiles services and equipment business to B2C subscribers;
- Business services: revenues from B2B customers, wholesale (including the construction of the FTTH network for SFR FTTH) and other revenues; and
- Media: media, content and advertisement revenues in Altice France, Teads and Altice TV.

Intersegment revenues represented 2.0% of total revenues for the three month period ended March 31, 2020, compared to 2.0% of total revenues for the three month period ended March 31, 2019 (€71.7 million compared to €70.6 million). Intersegment revenues mainly relate to services rendered by certain centralized Group functions (relating to content production, content distribution and centralized research and development) to the operational segments of the Group. The majority of Altice TV's revenues (based on contractual terms) and activities are within the Group and therefore are eliminated.

4.3. Segment results

4.3.1. *Operating profit by segment*

For the three months ended March 31, 2020 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Inter- segment elimination	Total	
Revenues	2,642.7	522.3	246.5	132.7	89.9	62.8	0.2	(71.7)	3,625.4
Purchasing and subcontracting costs	(703.0)	(137.1)	(78.5)	(31.6)	-	(91.1)	-	69.8	(971.4)
Other operating expenses	(514.4)	(92.5)	(50.5)	(21.0)	(56.4)	(0.3)	(2.5)	0.8	(736.9)
Staff costs and employee benefit expenses	(264.5)	(65.5)	(18.3)	(8.0)	(23.9)	(0.3)	(6.8)	-	(387.2)
Total	1,160.8	227.2	99.3	72.1	9.6	(29.0)	(9.0)	(1.1)	1,529.9
Share-based expense	6.9	0.1	-	-	-	-	3.0	-	10.0
Rental expense operating lease ¹	(193.1)	(17.1)	(8.7)	(5.6)	(1.0)	-	-	-	(225.5)
Adjusted EBITDA	974.6	210.2	90.6	66.5	8.6	(29.0)	(6.0)	(1.1)	1,314.4
Depreciation, amortisation and impairment	(850.7)	(182.3)	(83.4)	(31.9)	(5.0)	(120.6)	-	-	(1,273.8)
Share-based expense	(6.9)	(0.1)	-	-	-	-	(3.0)	-	(10.0)
Other expenses and income	(18.0)	93.9	(2.4)	(1.3)	(0.1)	-	7.5	-	79.7
Rental expense operating lease ¹	193.1	17.1	8.7	5.6	1.0	-	-	-	225.5
Operating profit/(loss)	292.2	138.9	13.5	38.9	4.6	(149.6)	(1.5)	(1.1)	335.8

For the three months ended March 31, 2019 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Inter- segment elimination	Total	
Revenues	2,558.4	508.9	231.7	138.9	84.1	59.7	0.1	(70.6)	3,511.1
Purchasing and subcontracting costs	(654.7)	(126.9)	(74.1)	(34.0)	-	(80.0)	-	68.6	(901.0)
Other operating expenses	(509.8)	(88.0)	(48.8)	(20.4)	(51.8)	(0.6)	(5.8)	1.3	(723.9)
Staff costs and employee benefit expenses	(255.3)	(69.5)	(16.1)	(7.5)	(24.8)	(0.8)	(12.5)	0.1	(386.4)
Total	1,138.6	224.5	92.7	77.0	7.4	(21.6)	(18.2)	(0.6)	1,499.8
Share-based expense	0.8	-	-	-	-	-	13.7	-	14.4
Rental expense operating lease ¹	(183.7)	(18.0)	(8.2)	(6.2)	(0.9)	-	-	-	(217.1)
Adjusted EBITDA	955.7	206.5	84.5	70.8	6.5	(21.6)	(4.5)	(0.6)	1,297.2
Depreciation, amortisation and impairment	(833.2)	(178.5)	(90.5)	(30.3)	(5.1)	(146.4)	-	-	(1,283.9)
Share-based expense	(0.8)	-	-	-	-	-	(13.7)	-	(14.4)
Other expenses and income	2,023.7	(272.2)	(1.1)	(4.3)	-	-	16.0	(0.3)	1,761.8
Rental expense operating lease ¹	183.7	18.0	8.2	6.2	0.9	-	-	-	217.1
Operating profit/(loss)	2,329.2	(226.2)	1.1	42.4	2.4	(167.9)	(2.2)	(0.9)	1,977.8

¹ This line corresponds to the operating lease expenses which impacts are included in Adjusted EBITDA following the definition stated in note 4.2.1.1.

Regarding the share-based expenses, the Group has several share-based compensation 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. During the three month period ended March 31, 2020, the Group incurred share-based expenses of €10.0 million, a decrease of €4.4 million compared to the three month period ended March 31, 2019.

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4.3.2. *Other expenses and income*

Other expenses and income mainly relate to provisions for ongoing and announced restructuring and other expenses (for example gains and losses on disposal of assets, deal fees on acquisitions of entities and provisions for litigations, etc.).

Details of costs incurred during the three month periods ended March 31, 2020 and 2019 are provided in the following table:

Other expenses and income (€m)	For the three months ended March 31, 2020	For the three months ended March 31, 2019 (*restated)
Restructuring costs	3.8	260.5
Net loss on disposal of assets	2.9	4.2
Disputes and litigation	2.5	13.0
Net gain on sale of interest in associates	(97.7)	-
Net gain on sale of consolidated entities	-	(2,055.9)
Other expenses and (income), net	8.8	16.4
Other expenses and (income)	(79.7)	(1,761.8)

4.3.2.1. *Restructuring costs*

For the three month period ended March 31, 2020, restructuring costs related to restructuring costs in France of €2.4 million and in PT Portugal of €1.4 million. Restructuring costs for the three month period ended March 31, 2019 mainly related to the restructuring plans in PT Portugal for which a €252.7 million provision fully tax deductible was recorded in connection with the voluntary employee reduction program undertaken in 2019 covering approximately 850 employees (mainly in support functions) in order to improve operational flexibility of PT Portugal.

4.3.2.2. *Net gain on sale of interest in associates*

For the three month period ended March 31, 2020, this related to the capital gain of €97.7 million from the sale of Portugal's 25% equity stake in Belmont (please refer to note 3.1.1).

4.3.2.3. *Net gain on sale of consolidated entities*

For the three month period ended March 31, 2019, this relates to the capital gain from the sale of a 49.99% equity stake in SFR FTTH and the remeasurement at fair value of residual interest in SFR FTTH of €2,055.9 million (please refer to note 3.2.2).

4.3.3. *Revenues by activity*

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

For the three months ended March 31, 2020 €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Total
Fixed	640.8	155.1	146.0	25.2	-	-	-	967.1
Mobile	899.9	117.6	54.0	75.3	-	-	-	1,146.8
Residential service	1,540.7	272.7	200.0	100.5	-	-	-	2,113.9
Residential equipment	134.8	23.4	15.2	9.1	-	-	-	182.5
Total Residential	1,675.5	296.1	215.2	109.6	-	-	-	2,296.4
Business services	871.6	226.2	31.3	23.1	-	-	0.2	1,152.4
Media	95.6	-	-	-	89.9	62.8	-	248.3
Total standalone revenues	2,642.7	522.3	246.5	132.7	89.9	62.8	0.2	3,697.1
Intersegment elimination	(16.1)	(14.3)	(0.1)	-	(0.4)	(40.8)	-	(71.7)
Total consolidated	2,626.6	508.0	246.4	132.7	89.5	22.0	0.2	3,625.4

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For the three months ended March 31, 2019	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Total
€m							
Fixed	627.7	153.6	139.5	25.3	-	-	946.2
Mobile	878.6	115.6	44.9	76.8	-	-	1,115.8
Residential service	1,506.3	269.2	184.4	102.1	-	-	2,062.0
Residential equipment	133.1	20.4	18.8	10.3	-	-	182.6
Total Residential	1,639.4	289.6	203.2	112.4	-	-	2,244.6
Business services	806.8	219.3	28.4	26.5	-	0.1	1,081.1
Media	112.2	-	-	-	84.1	59.7	256.0
Total standalone revenues	2,558.4	508.9	231.7	138.9	84.1	59.7	3,581.7
Intersegment elimination	(21.2)	(10.2)	(0.1)	-	(0.8)	(38.4)	(70.6)
Total consolidated	2,537.2	498.7	231.6	138.9	83.3	21.3	3,511.1

The table below provides the standalone and consolidated revenues in accordance to IFRS 15 *Revenue from Contracts with Customers* for the three month periods ended March 31, 2020 and 2019.

Revenues split IFRS 15 (€m)	March 31, 2020	March 31, 2019
Fixed residential	967.1	946.2
Mobile residential	1,146.8	1,115.8
Business services	1,084.5	1,044.1
Total telecom excluding equipment sales	3,198.4	3,106.1
Equipment sales	250.3	219.7
Media	248.3	256.0
Total standalone revenues	3,697.1	3,581.7
Intersegment elimination	(71.7)	(70.6)
Total consolidated	3,625.4	3,511.1

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 condensed consolidated statement of cash flows.

For the three months ended March 31, 2020	France	Portugal	Israel Dominican Republic	Teads	Altice TV ¹	Others	Eliminations	Total
€m								
Capital expenditure (accrued)	518.6	104.3	63.0	35.2	2.3	-	(1.1)	722.3
Capital expenditure - working capital items	182.1	20.4	(1.6)	(1.2)	-	178.4	(1.7)	376.4
Payments to acquire tangible and intangible assets	700.7	124.7	61.4	34.0	2.3	178.4	(2.8)	1,098.7

For the three months ended March 31, 2019	France	Portugal	Israel Dominican Republic	Teads	Altice TV ¹	Others	Eliminations	Total
€m								
Capital expenditure (accrued)	581.4	100.5	57.7	28.2	0.6	3.2	(0.9)	770.6
Capital expenditure - working capital items	(10.7)	7.9	(0.4)	(6.0)	-	182.4	-	173.2
Payments to acquire tangible and intangible assets	570.7	108.3	57.3	22.2	0.6	185.6	(0.9)	943.8

¹ The capital expenditure – working capital items in Altice TV for the three months ended March 31, 2020 and 2019 corresponded to the payments of Champions League rights for France acquired by the Group in 2018.

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 of Directors 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.

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For the three months ended March 31, 2020	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Adjusted EBITDA	974.6	210.2	90.6	66.5	8.6	(29.0)	(6.0)	(1.1)	1,314.4
Capital expenditure (accrued)	(518.6)	(104.3)	(63.0)	(35.2)	(2.3)	-	-	1.1	(722.3)
Operating free cash flow (OpFCF)	456.0	105.9	27.6	31.3	6.3	(29.0)	(6.0)	-	592.1

For the three months ended March 31, 2019	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Adjusted EBITDA	955.7	206.5	84.5	70.8	6.5	(21.6)	(4.5)	(0.6)	1,297.2
Capital expenditure (accrued)	(581.4)	(100.5)	(57.7)	(28.2)	(0.6)	(3.2)	-	0.9	(770.6)
Operating free cash flow (OpFCF)	374.3	106.0	26.8	42.6	5.9	(24.8)	(4.5)	0.3	526.7

5. Goodwill

5.1. Impairment of goodwill

Goodwill is reviewed at the level of each different group of cash generating units (“GCGU” or “CGU” for cash generating units) 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, 2019. 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 Group determined to calculate value in use for purposes of its impairment testing and, accordingly, did not determine the fair value of the GCGUs. The key assumptions for the value in use calculations are primarily the post-tax discount rates, the terminal growth rate, revenue, Adjusted EBITDA and capital expenditures.

The Board of Directors and the Group’s senior executives have 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 material impairment recorded, for the three month period ended March 31, 2020.

6. Associates and joint ventures

6.1. Investment in associates and joint ventures

Investments in associates and joint ventures (€m)	As of March 31, 2020	As of December 31, 2019
Associates and joint ventures of Altice France	1,513.6	1,551.4
Associates and joint ventures of PT Portugal	13.3	16.0
Total	1,526.9	1,567.4

6.2. Share of earnings of associates and joint ventures

Share of earnings/(loss) of associates and joint ventures (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019
Associates and joint ventures of Altice France	(42.3)	(4.8)
Associates and joint ventures of PT Portugal	-	1.6
L’Express	(9.4)	-
Other	(0.7)	1.0
Total	(52.4)	(2.2)

Share of earnings of associates and joint ventures for the three month period ended March 31, 2020 amounted to €52.4 million loss, a decrease of €50.2 million compared to the same period in 2019. The decrease was mainly related to the share of loss related to SFR FTTH (please refer to note 3.2.2) and L’Express (please refer to note 3.2.3).

7. Financial assets

Financial assets (€m)	Note	As of March 31, 2020	As of December 31, 2019
Derivative financial assets	7.1	1,738.6	746.0
Loans and receivables		161.6	160.1
Call options with non-controlling interests	7.2	131.3	142.1
Equity instruments at fair value through OCI	7.3	501.7	601.0
Other financial assets		25.7	25.3
Total		2,558.8	1,674.5
Current		44.2	47.8
Non-current		2,514.6	1,626.7

7.1. Derivative financial assets

The Group has a significant debt book and executes derivative contracts to hedge its position in compliance with its treasury policy. All derivatives are measured at their fair value at the balance sheet date. The total asset position as of March 31, 2020 was €1,738.6 million (2019: €746.0 million) and the increase was mainly caused by the increase in the fair value of derivative assets in Altice France of €670.4 million and in Altice Financing of €325.7 million. Refer also to note 10.3 for details on each of these derivatives held by the Group and to note 11 for information on the fair value of the derivatives, including the fair value hierarchy.

7.2. Call options with non-controlling interests

Through the various acquisitions that the Group has completed in recent years, the Group signed agreements whereby it has a call option to acquire certain residual non-controlling interests in entities that it has not acquired 100%. The call options are derivative financial instruments and must be re-measured to their fair value at the balance sheet date. The carrying amount of the call options is detailed in note 11.1.

7.3. Equity instrument at fair value through OCI

As of March 31, 2020, the decrease in the equity instruments at fair value through OCI mostly correspond to the fair value of investments of the Group held by Altice CVC Lux S.à r.l. in Altice USA. This amounted to \$545.6 million (€497.3 million) as of March 31, 2020. Additionally, the Group also recorded €4.4 million of investments in Partner Co. Ltd (please refer to note 11.1.1). These investments in equity instruments are not held for trading. Instead, they are held for medium term. Accordingly, the directors of the Company have elected to designate these as equity instruments at fair value through other comprehensive income (“FVTOCI”).

8. Shareholders’ equity

Equity attributable to owners of the Company (€m)	Notes	As of March 31, 2020	As of December 31, 2019
Issued capital	8.1	59.5	59.5
Treasury shares	8.2	(0.4)	(0.4)
Additional paid in capital		5.7	5.7
Other reserves	8.3	(409.0)	(500.5)
Accumulated losses		(2,241.9)	(2,098.9)
Total		(2,586.1)	(2,534.7)

8.1. Issued capital

Share capital	Total shares authorized (number)	Total capital authorized (€m)	Number of shares issued (number)	Value per share (cents)	Total capital issued (€m)
March 31, 2020					
Common Shares A	4,755,016,475	47.6	1,038,479,900	0.01	10.4
Common Shares B	209,799,341	52.4	196,243,126	0.25	49.1
Preference Shares A	4,000,000,000	160.0	-	0.04	-
Preference Shares B	150,000,000	1.5	1,855,664	0.01	0.0
Total	9,114,815,816	261.5	1,236,578,690		59.5

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Share capital	Total shares authorized (number)	Total capital authorized (€m)	Number of shares issued (number)	Value per share (cents)	Total capital issued (€m)
December 31, 2019					
Common Shares A	4,754,551,450	47.5	1,038,014,875	0.01	10.4
Common Shares B	209,817,942	52.5	196,261,727	0.25	49.1
Preference Shares A	4,000,000,000	160.0	-	0.04	-
Preference Shares B	150,000,000	1.5	1,391,748	0.01	0.0
Total	9,114,369,392	261.5	1,235,668,350		59.5

As at March 31, 2020, the Company had a total of 1,194,011,147 common shares outstanding (997,768,021 common shares A and 196,243,126 common shares B) and 1,855,664 preference shares B outstanding in the market. The Company held a total of 40,711,879 common shares A with a nominal value of €0.01 as treasury shares as of March 31, 2020. The preference shares B were issued to the Company's CEO (927,832 shares issued on July 20, 2018, 463,916 shares issued on January 9, 2019 and 463,916 shares issued on January 6, 2020).

8.2. 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	Three months ended March 31, 2020	Year ended December 31, 2019
Opening	40,265,455	615,998,253
Conversions	446,424	313,350,576
Cancellation of treasury shares	-	(885,000,000)
Share transfer	-	(4,083,374)
Closing	40,711,879	40,265,455
Common shares A	40,711,879	40,265,455
Common shares B	-	-

8.2.1. Shares conversions

For the three month period ended March 31, 2020, the Company received and executed conversion orders, amounting to a total of 18,601 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 465,025 common shares A was created during the period, of which 446,424 shares were held as treasury shares.

8.3. Other reserves

The tax effects of the Group's currency, fair value through OCI, cash flow hedge and employee benefits reserves are provided below:

Other reserves (€m)	March 31, 2020			December 31, 2019		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(118.9)	28.9	(90.0)	(193.1)	45.5	(147.6)
Items not reclassified to profit or loss	(118.9)	28.9	(90.0)	(193.1)	45.5	(147.6)
Fair value through OCI	123.8	-	123.8	236.5	-	236.5
Currency translation reserve	(294.4)	-	(294.4)	(305.3)	-	(305.3)
Cash flow hedge reserve	(257.7)	109.3	(148.4)	(438.8)	154.6	(284.2)
Items potentially reclassified to profit or loss	(428.3)	109.3	(319.0)	(507.6)	154.6	(353.0)
Total	(547.2)	138.2	(409.0)	(700.7)	200.1	(500.6)

9. Earnings per share

Earnings per share (€m)	For the three months ended March 31, 2020	For the three months ended March 31, 2019 (*restated)
(Loss)/profit for the period attributable to equity holders of the parent	(123.8)	1,486.7
Basic earnings per share		
Weighted average number of ordinary shares	1,195.8	1,191.3
<i>Basic (loss)/earnings per ordinary share (in €)</i>	(0.10)	1.25
Diluted earnings per share		
Dilutive shares: stock options and management investment plan	89.9	66.4
Weighted average number of ordinary shares including dilutive shares	1,285.7	1,257.7
<i>Diluted (loss)/earnings per ordinary share (in €)</i>	(0.10)	1.18

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 preference shares B issued on January 6, 2020, January 9, 2019 and July 20, 2018 to the Company's CEO (please refer to note 8.1) are convertible into common shares A and thus included in the calculation of the weighted average of dilutive shares as of March 31, 2020.

10. Borrowings, other financial liabilities and lease liabilities

Borrowings, other financial liabilities and lease liabilities (€m)	Notes	March 31, 2020	December 31, 2019
Long term borrowings, financial liabilities and related hedging instruments		32,584.7	32,102.0
- <i>Debentures</i>	10.1	20,944.2	20,627.3
- <i>Loans from lenders</i>	10.1	10,902.8	10,767.9
- <i>Derivative financial instruments</i>	10.3	737.7	706.8
Other non-current financial liabilities	10.6	470.1	476.2
- <i>Other financial liabilities</i>		470.1	476.2
Lease liabilities non-current	10.6	3,629.0	3,644.6
Non-current liabilities		36,683.8	36,222.8
Short term borrowing, financial liabilities and related hedging instruments		810.6	432.8
- <i>Debentures</i>	10.1	-	257.5
- <i>Loans from lenders</i>	10.1	800.9	163.5
- <i>Derivative financial instruments</i>	10.3	9.7	11.8
Other financial liabilities	10.6	1,627.2	1,822.2
- <i>Other financial liabilities</i>		1,223.4	1,274.4
- <i>Bank overdraft</i>		8.8	6.7
- <i>Accrued interests</i>		395.0	541.1
Lease liabilities current	10.6	794.8	758.4
Current liabilities		3,232.6	3,013.4
Total		39,916.4	39,236.2

10.1. Debentures and loans from lenders

Debentures and loans from lenders (€m)	Notes	March 31, 2020	December 31, 2019
Debentures	10.1.1	20,944.2	20,884.8
Loans from lenders	10.1.2	11,703.7	10,931.4
Total		32,647.9	31,816.2

10.1.1. Debentures

Maturity of debentures (€m)	Less than one year	One year or more	March 31, 2020	December 31, 2019
Altice France	-	10,335.4	10,335.4	9,671.9
Altice France Holding	-	4,319.5	4,319.5	-
Altice Luxembourg	-	-	-	4,839.6
Altice Financing	-	5,268.5	5,268.5	4,750.8
Altice Finco	-	1,020.8	1,020.8	1,622.5
Total	-	20,944.2	20,944.2	20,884.8

10.1.2. *Loans from lenders*

Maturity of loans from lenders (€m)	Less than one year	One year or more	March 31, 2020	December 31, 2019
Altice France (including RCF) *	208.4	7,300.2	7,508.6	7,340.4
Altice Finco	498.0	-	498.0	-
Altice Corporate Financing	-	1,728.0	1,728.0	1,728.0
Altice Financing (including RCF) *	94.5	1,874.3	1,968.8	1,861.4
Others	-	0.3	0.3	1.6
Total	800.9	10,902.8	11,703.7	10,931.4

* RCF amounts have been classified as amounts which mature in less than one year but can be extended till the maturity date of the RCF agreement. Please refer to note 10.5 for further details regarding the credit facilities.

10.2. Refinancing activities

During the three months ended March 31, 2020, the following refinancing transactions have been closed.

10.2.1. *Redemption of notes*

The Group has undertaken the following redemptions of notes since January 1, 2020:

- On January 13, 2020, Altice Finco redeemed in full the outstanding 2013 Altice Finco Euro Senior Notes, in an aggregate principal amount of €250 million, in accordance with the 2013 Altice Finco Euro Senior Notes Indenture;
- On February 10, 2020, Altice Finco redeemed in full the outstanding 2013 Altice Finco Dollar Senior Notes, in an aggregate principal amount of \$400 million, in accordance with the 2013 Altice Finco Dollar Senior Notes Indenture;
- On February 18, 2020, Altice Financing redeemed in full the outstanding 2015 Altice Financing Senior Secured Notes, in an aggregate principal amount of €2,400.0 million equivalent, in accordance with the 2015 Altice Financing Senior Secured Notes Indenture;
- On February 24, 2020 and March 9, 2020, Altice Luxembourg redeemed in full the outstanding 2015 Altice Luxembourg Senior Notes, in two parts, in an aggregate principal amount of €2,108.0 million equivalent, in accordance with the 2015 Altice Luxembourg Senior Notes Indenture;
- On March 6, 2020, Altice Luxembourg redeemed in full the outstanding 2019 Altice Luxembourg Euro Senior Notes, in an aggregate principal amount of €82,626,000, in accordance with the 2019 Altice Luxembourg Senior Notes Indenture; and
- On March 6, 2020, Altice Luxembourg redeemed in full the outstanding 2019 Altice Luxembourg Dollar Senior Notes, in an aggregate principal amount of \$37,995,000, in accordance with the 2019 Altice Luxembourg Senior Notes Indenture.

10.2.2. *Issuance of the 2020 Altice Financing Senior Secured Notes*

On January 22, 2020, Altice Financing issued \$1,200 million aggregate principal amount of 5.000% Senior Secured Notes due January 15, 2028, €1,100 million aggregate principal amount of 3.000% Senior Secured Notes due January 15, 2028 and €600 million aggregate principal amount of 2.250% Senior Secured Notes due January 15, 2025 (together, the “2020 Altice Financing Senior Secured Notes”).

10.2.3. *Exchange offer completed by Ypso Finance Bis*

On January 24, 2020, Ypso Finance Bis, a subsidiary of the Group, commenced an exchange offer to noteholders of Altice Luxembourg’s (i) 2019 Altice Luxembourg Dollar Senior Notes and (ii) 2019 Altice Luxembourg Euro Senior Notes, to exchange the 2019 Altice Luxembourg Dollar Senior Notes for an equal aggregate principal amount of corresponding dollar denominated 10.500% senior notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Dollar Notes”) and the 2019 Altice Luxembourg Euro Senior Notes for an equal aggregate principal amount of corresponding euro denominated 8.000% senior notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Euro Notes”).

At the expiration of the exchange offer, a total of \$1,562,005,000 (accounting for 97.63% of the outstanding aggregate principal) of the 2019 Altice Luxembourg Dollar Senior Notes and €1,317,374,000 (accounting for 94.10% of the outstanding aggregate principal) of the 2019 Altice Luxembourg Euro Senior Notes were tendered and accepted. On February 27, 2020, \$1,562,005,000 of Ypso Finance Bis Exchange Dollar Notes and €1,317,374,000 of Ypso Finance Bis Exchange Euro Notes were issued by Ypso Finance Bis.

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On March 6, 2020, Altice Luxembourg redeemed the remaining €82,626,000 aggregate principal amount of the 2019 Altice Luxembourg Euro Senior Notes and the remaining \$37,995,000 aggregate principal amount of the 2019 Altice Luxembourg Dollar Senior Notes, in each case not tendered in and exchanged in connection with the exchange offer.

10.2.4. Issuance of the 2020 Altice France Senior Secured Notes

On February 6, 2020, Altice France issued €500 million aggregate principal amount of its euro denominated 2.125% Senior Secured Notes due February 15, 2025.

10.2.5. Issuance of the 2020 Ypso Finance Bis Senior Notes

On February 6, 2020, Ypso Finance Bis issued \$1,225 million aggregate principal amount of its dollar denominated 6.000% Senior Notes due February 15, 2028 (the “2020 Ypso Finance Bis Dollar Senior Notes”) and €500 million aggregate principal amount of its euro denominated 4.000% Senior Notes due February 15, 2028 (the “2020 Ypso Finance Bis Euro Senior Notes” and, together with the 2020 Ypso Finance Bis Dollar Senior Notes, the “2020 Ypso Finance Bis Senior Notes”).

10.2.6. Amendment of 2014 Altice Financing Revolving Credit Facility Agreement

On February 20, 2020, all of the lenders under the 2014 Altice Financing Revolving Credit Facility Agreement agreed to amend the 2014 Altice Financing Revolving Credit Facility Agreement to extend the maturity date to February 20, 2025, reduce the margin and make certain other changes.

10.2.7. Bridge facility

On March 3, 2020, Altice Finco entered into a term loan credit agreement providing for, among other things, a euro denominated term loan in an aggregate principal amount of €500 million (the “2020 Altice Finco Bridge Credit Facility”). The term loan bears interest at a rate per annum equal to the weighted average rate of 2-month and 3-month EURIBOR for the period between the funding date of the 2020 Altice Finco Bridge Credit Facility (March 5, 2020) and the maturity date of the 2020 Altice Finco Bridge Credit Facility (May 29, 2020), plus the applicable margin of 2.5% per annum. The proceeds from the term loan borrowed under the 2020 Altice Finco Bridge Credit Facility were used to fund in part the redemption of the 2015 Altice Luxembourg Senior Notes. On April 17, 2020, Altice Finco fully repaid the 2020 Altice Finco Bridge Credit Facility (please refer to note 17.1).

10.2.8. New revolving credit facility at Altice France Holding

On March 26, 2020, all of the lenders under the 2014 Altice Luxembourg Revolving Credit Facility Agreement agreed to amend and restate the 2014 Altice Luxembourg Revolving Credit Facility Agreement to replace Altice Luxembourg as borrower thereunder with Altice France Holding, and make certain other related changes.

10.2.9. Automatic Exchange

On March 26, 2020, upon satisfaction of certain conditions, comprising full discharge, cancellation and/or redemption of the 2019 Altice Luxembourg Senior Notes and the 2015 Altice Luxembourg Senior Notes, (i) the Ypso Finance Bis Exchange Dollar Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 10.500% senior notes due 2027 issued by Altice France Holding, (ii) the Ypso Finance Exchange Euro Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 8.000% senior notes due 2027 issued by Altice France Holding, (iii) the 2020 Ypso Finance Bis Dollar Senior Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 6.000% senior notes due 2028 issued by Altice France Holding and (iv) the 2020 Ypso Finance Bis Euro Senior Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 4.000% senior notes due 2028 issued by Altice France Holding (the actions described in sub-clauses (i)-(iv) collectively, the “Automatic Exchange”).

After the Automatic Exchange, the Altice Luxembourg group does not hold any third party debentures or loans from lenders and therefore does not have any reporting requirements towards lenders anymore.

10.3. 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 *Financial Instruments: Recognition and Measurement* (the Group continues to apply the requirement of IAS 39 related to hedge accounting, as allowed under IFRS 9 *Financial Instruments*).

For calculating the value of the derivatives, the future cash flows are estimated using market observable data at the end of the reporting period (namely, forward exchange rates and interest rates) and the contracted rates of the derivative discounted at a rate that reflects the counterparty credit risk.

10.3.1. 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.					
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+4.46%	FVPL
April 2024	USD 2,349	EUR 2,069	5.76%	5.76%	CFH
July 2024	USD 1,989	EUR 1,518	7.38%	6.53%	FVPL
January 2025	USD 1,150	EUR 1,046	6.00%	4.04%	FVPL
January 2026	USD 350	EUR 298	LIBOR+3.00%	3m EURIBOR+2.76%	FVPL
May 2026	USD 852	EUR 768	7.38%	5.74%	CFH
August 2026	USD 2,514	EUR 2,073	LIBOR+4.00%	5.50%	FVPL
February 2027	USD 654	EUR 588	8.13%	5.78%	FVPL
February 2027	USD 1,082	EUR 846	8.13%	6.41%	FVPL
January 2028	USD 1,100	EUR 996	5.50%	3.32%	FVPL
Altice Financing S.A.					
May 2022	USD 350	EUR 305	7.50%	5.25%	FVPL
May 2026	USD 1,150	EUR 1,004	10.50%	7.91%	FVPL
May 2026	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	7.5%	6.02%	FVPL
February 2022	EUR 94	USD 107	3m EURIBOR+4.13%	3m LIBOR+4.25%	FVPL
January 2028	USD 1,200	EUR 1,079	5.00%	3.04%	FVPL

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”).

The change in fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the three month period ended March 31, 2020. Before the impact of taxes, gains of €181.0 million were recorded in other comprehensive income (€135.8 million net of taxes).

10.3.2. 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.

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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.					
August 2020	USD 2,481	USD 2,481	1m LIBOR+0.14%	3m LIBOR	FVPL
April 2020	USD 3,510	USD 3,510	1m LIBOR	3m LIBOR-0.10%	FVPL
July 2024	EUR 1,400	EUR 1,400	6.68%	6m EURIBOR + 3.0%	FVPL
April 2024	EUR 2,000	EUR 2,000	5.76%	6m EURIBOR + 3.0%	FVPL
January 2030	EUR 3,400	EUR 3,400	6m EURIBOR+3.0%	4.63%	FVPL
January 2023	EUR 4,000	EUR 4,000	3m EURIBOR	-0.12%	FVPL
Altice Financing S.A.					
April 2020	USD 892	USD 892	1m LIBOR	3m LIBOR-0.105%	FVPL
April 2020	USD 886	USD 886	1m LIBOR	3m LIBOR-0.105%	FVPL
January 2030	EUR 750	EUR 750	3m EURIBOR	-0.44%	FVPL

10.4. 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 amount due 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)	March 31, 2020	December 31, 2019
Debentures and loans from lenders	32,647.9	31,816.2
Transaction costs	285.0	300.9
Total (including transaction costs)	32,932.9	32,117.1
Conversion of debentures and loans in foreign currency (at closing spot rate)	(43,173.8)	(35,837.1)
Conversion of debentures and loans in foreign currency (at hedged rates)	41,990.7	34,992.7
Total swap adjusted value	31,749.8	31,272.6

10.5. Available credit facilities

Available credit facilities (€m)	Total facility	Drawn
Altice France S.A.	1,601.0	150.0
Altice Financing S.A.	581.0	75.0
Revolving credit facilities	2,182.0	225.0

Compared to December 31, 2019, the available credit facilities in Altice France increased by €186.0 million due to new revolving credit facility at Altice France Holding, please also refer to note 10.2.8. Altice France has drawn €150.0 million and Altice Financing €75.0 million, which was mainly used for working capital related expenditures. Altice Financing repaid the drawn credit facility of €75.0 million on April 21, 2020, please refer to note 17.3.

10.6. Other financial liabilities and lease liabilities

Other financial liabilities and lease liabilities (€m)	March 31, 2020			December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Lease liabilities	794.8	3,629.0	4,423.8	758.4	3,644.6	4,403.0
Reverse factoring and securitisation	1,070.0	-	1,070.0	1,046.1	-	1,046.1
Accrued interest	395.0	-	395.0	541.1	-	541.1
Put options with non-controlling interests	-	195.5	195.5	-	193.4	193.4
Deposits received	31.0	168.6	199.6	33.9	167.3	201.2
Bank overdraft	8.8	-	8.8	6.7	-	6.7
Commercial paper	91.5	-	91.5	149.0	-	149.0
Buy out minority interest ERT Lux	10.0	20.0	30.0	11.1	30.0	41.1
Perpetual subordinated notes ("TSDI") - Altice France	-	57.7	57.7	-	56.8	56.8
Other	20.9	28.3	49.2	34.3	28.7	63.0
Total	2,422.0	4,099.1	6,521.1	2,580.6	4,120.8	6,701.4

The current portion of other financial liabilities and lease liabilities amounted to €2,422.0 million as at March 31, 2020, a decrease of €158.7 million compared to the current portion of €2,580.6 million as at December 31, 2019. The non-current portion decreased by €21.7 million to €4,099.1 million as at March 31, 2020 compared to €4,120.8 million as at December 31, 2019. Details of the main items within the caption, and the movements from the prior period, are detailed below.

10.6.1. *Leases*

Leases relate to the current and non-current lease liabilities recorded in accordance with IFRS 16 *Leases*, which standard was adopted as from as at January 1, 2019. The amount of finance lease existing under IAS 17 *Leases* as at December 31, 2019 have been reclassified under the caption lease liabilities in the statement of financial position and amounts to €95.5 million as of March 31, 2020 compared to €105.9 million as at December 31, 2019. The amounts of non-current and current finance lease existing under IAS 17 *Leases* (before the adoption of IFRS 16 *Leases*) as at March 31, 2020 were €60.6 million and €34.9 million, respectively.

10.6.2. *Reverse factoring and securitisation*

Through the use of reverse factoring structures, the Group extends its payment terms up to 360 days, reducing its requirements for working capital. The contractual arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment term with the amounts paid by the banks that participate in the reverse factoring structure. The Group will repay the banks the full invoice amount, with interest, on the scheduled payment date as required by the reverse factoring agreement. Based on the scheduled payment dates, the amounts payable under this arrangement are accounted for as current liabilities. As the amounts are payable to the participating banks, the amounts have been presented under Other financial liabilities. In the condensed consolidated statement of cash flows, the cash flows related to reverse factoring are presented under Changes in working capital for the movement in Trade payable and Other cash provided by financing activities relating to the net payment to the banks. The increase in reverse factoring and securitisation as at March 31, 2020 compared to December 31, 2019 is due to the combination of timing of reverse factoring capacity with the banks and a reduction of secured business services receivables resulting from recovery efforts in Altice France.

10.6.3. *Accrued interest*

The decrease of the accrued interest is largely explained by Altice France due to the timing of the interest payments as certain interest payments are either due on a quarterly basis or on a semi-annual basis.

10.6.4. *Commercial paper*

During the three month period ended March 31, 2020, Altice France decreased its borrowings under its commercial paper program by €57.5 million.

10.6.5. *Buyout of minority interest in ERT Luxembourg S.A.*

On August 29, 2018, ATS France signed sale and purchase agreements with each of the five minority shareholders of ERT Lux in order to acquire 253 shares of ERT Luxembourg S.A. (“ERT Lux”) for a total price of €57.0 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 thereof and as at December 31, 2018, ATS France owned 84.3 % of the share capital of ERT Lux. Upon completion of the sale under the fifth sale and purchase agreement, which occurred on January 31, 2019, ATS France owned 100% of the share capital of ERT Lux. The payment of this acquisition will be made in several instalments until January 2023, of which €11.1 million has been paid during the three month period ended March 31, 2020.

11. Fair value of financial assets and liabilities

11.1. Fair value of assets and liabilities

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

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Fair values of assets and liabilities (€m)	March 31, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	714.1	714.1	1,022.1	1,022.1
Restricted cash	118.6	118.6	119.5	119.5
Derivatives	27.6	27.6	31.0	31.0
Other financial assets	16.7	16.7	16.8	16.8
Current assets	877.0	877.0	1,189.4	1,189.4
Derivatives	1,711.0	1,711.0	715.0	715.0
Call options on non-controlling interests	131.3	131.3	142.1	142.1
Equity instruments at fair value through OCI	501.7	501.7	601.0	601.0
Other financial assets	170.6	170.6	168.6	168.6
Non-current assets	2,514.6	2,514.6	1,626.7	1,626.7
Short term borrowings and financial liabilities	800.9	800.9	421.0	421.0
Derivatives	9.7	9.7	11.8	11.8
Lease liabilities	794.8	794.8	758.4	758.4
Reverse factoring and securitisation	1,070.0	1,070.0	1,046.1	1,046.1
Accrued interest	395.0	395.0	541.1	541.1
Commercial paper	91.5	91.5	149.0	149.0
Bank overdrafts	8.8	8.8	6.7	6.7
Other financial liabilities	61.9	61.9	79.4	79.4
Current liabilities	3,232.6	3,232.6	3,013.4	3,013.4
Long term borrowings and financial liabilities	31,847.0	30,398.1	31,395.2	33,039.6
Put options with non-controlling interests	195.5	195.5	193.4	193.4
Derivatives	737.7	737.7	706.8	706.8
Lease liabilities	3,629.0	3,629.0	3,644.6	3,644.6
Other financial liabilities	274.6	274.6	282.8	282.8
Non-current liabilities	36,683.8	35,234.9	36,222.7	37,867.2

During the three month period ended March 31, 2020, 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.

11.1.1. New put and call options

During the three month period ended March 31, 2020, the Group did not enter into new put-call option contracts.

11.1.2. 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	March 31, 2020	December 31, 2019
Financial Liabilities				
Derivative financial instruments	Level 2	Discounted cash flows	747.3	718.5
Minority Put Option - Teads	Level 3	Discounted cash flows	155.5	153.4
Minority Put Option - Intelcia	Level 3	Discounted cash flows	40.0	40.0
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	1,738.6	746.0
Minority Call option - Teads	Level 3	Black and Scholes model	102.8	113.6
Minority Call option - Intelcia	Level 3	Black and Scholes model	28.5	28.5
Altice USA shares ¹	Level 1	Quoted share price	497.3	595.9
Equity instruments at FVOCI - Partner Co. Ltd.	Level 1	Quoted share price	4.4	5.1

¹ The interest in Altice USA was revalued at fair value through Other Comprehensive Income, based on the requirements of IFRS 9 *Financial Instruments*.

11.1.3. Information on valuation techniques

11.1.3.1. Investments in listed entities

Quoted prices directly available from an active market are used to source the fair value, i.e. the quoted share price of the listed investments in Altice USA and Partner Co. These valuations are directly observable in an open market and therefore the Group has concluded that these instruments should be classified within Level 1 of the fair value hierarchy.

11.1.3.2. Derivative financial instruments

Future cash flows are estimated using market observable data at the end of the reporting period (namely, forward exchange rates and interest rates) and the contracted rates of the derivative discounted at a rate that reflects the counterparty credit risk. Since model inputs can generally be verified and do not involve significant management judgement, the Company has concluded that these instruments should be classified within Level 2 of the fair value hierarchy.

11.1.3.3. Put options

Each contract has specific terms and conditions, and the valuation is performed using the contracted terms and assessment against market comparable information where appropriate. For example, the exercise price in the option may be determined based on an EBITDA multiple minus the net financial debt. In all instances, the probabilities of the option being exercised is determined using management's best estimate and judgement. The resulting fair value is discounted using appropriate discount rates of the related funding pool (4.0%). These models use a variety of inputs that use judgements not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

11.1.3.4. Call options

The valuation is derived by calculating the intrinsic value, being the difference in the value of the underlying asset and the options exercise price, and time value of the option, which accounts for the passage of time until the option expires. Various inputs are used, including the price of the underlying asset and its volatility (50.0%), the strike price and maturity in the contract, and the risk-free rate (ranging between -0.593% and -0.524%) and dividend yield (0%). The model calculates the possible prices of the underlying asset and their respective probability of occurrence, given these inputs. These models use a variety of inputs that use judgements not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

11.2. Level 3 financial instruments

11.2.1. Assumptions with management judgement used in fair value measurement

The instruments in Level 3 are the put and call options with the non-controlling interests in acquired entities. The valuation methods used to determine the fair value of these instruments include certain inputs that do not use publicly available information and therefore require management's judgement. Those with significant impact on the fair value of the instruments concerned are deemed to be categorized as Level 3 of the fair value hierarchy. Further details on these valuation methods and the associated inputs using judgements and which can have a significant impact on the fair value are presented below.

Valuation method	Inputs with significant judgement	How management determines inputs	Relationship to fair value
Black and Scholes model (call options)	Price of the underlying asset	Based on EBITDA multiple approach using business plans prepared by management to derive an appropriate EBITDA of the company to use in the valuation	An increase in projected EBITDA used in isolation would result in increase in the fair value
	Volatility of underlying asset	Based on analysis of peers' volatility to derive an appropriate volatility rate	A significant increase in the volatility used in isolation would result in significant increase in the fair value
Multiples approach (put options)	Projected group net sales	Projected sales are determined using internally produced budgets using management's best estimates of future operations of the entities concerned	A slight increase in the projected group net sales used in isolation would result in significant increase in the fair value
	Projected group financial net debt	Projected net debt is determined using internally produced budgets using management's best estimates of future operations of the entities concerned	An increase in the projected net debt used in isolation would result in decrease in the fair value
	Discount rate	Based upon the cost of debt of the funding pool	An increase in the discount rate used in isolation would result in decrease in the fair value

11.2.2. *Reconciliation of movement in fair value of Level 3 financial instruments*

Change in fair value of level 3 instruments (€m)	Available for sale unlisted shares	Minority put options	Minority call options	March 31, 2020
Opening balance	-	(193.4)	142.1	(51.3)
Change in value of minority put options recorded in equity	-	(2.1)	-	(2.1)
Gains or losses recognised in profit or loss	-	-	(10.8)	(10.8)
Closing balance	-	(195.5)	131.3	(64.2)

Change in fair value of level 3 instruments (€m)	Available for sale unlisted shares	Minority put options	Minority call options	December 31, 2019
Opening balance	-	(161.6)	63.5	(98.1)
Change in value of minority put options recorded in equity	-	(31.8)	-	(31.8)
Gains or losses recognised in profit or loss	-	-	78.6	78.6
Closing balance	-	(193.4)	142.1	(51.3)

12. Taxation

Tax expense (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019 (*restated)
Profit before income tax and share of earnings of associates and joint ventures	13.2	1,453.5
Income tax (expense)/benefit	(72.7)	49.0
Effective tax rate	550%	-3%

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 €72.7 million for the three month period ended March 31, 2020, reflecting an effective tax rate of 550% compared to an income tax benefit of €49.0 million for the three month period ended March 31, 2019, reflecting a negative effective tax rate of 3%. Without the effect of the capital gain in France related to the disposal of a 49.99% equity stake in SFR FTTH on March 27, 2019 (please refer to note 3.2.2), the effective tax rate for the three month period ended March 31, 2019 would have been an effective tax rate of 9%.

Non-deductible expenses and the effect of the difference between the statutory tax rate of the parent Company (25%) and the subsidiaries' tax rates had the impact of increasing the Group's effective tax rate for the three month period ended March 31, 2020.

12.1. 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.

13. Net finance costs

Net finance costs (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019
Interest relative to gross financial debt	(451.0)	(501.7)
Realized and unrealized gains on derivative instruments linked to financial debt	595.1	38.0
Interest on lease liabilities	(40.1)	(48.4)
Net foreign exchange losses	(224.3)	-
Impairment of available for sale financial assets	4.2	-
Other	(37.9)	(36.0)
Other financial expenses	(298.2)	(84.4)
Interest income	3.1	5.4
Net foreign exchange gains	-	18.4
Finance income	3.1	23.9
Net result on extinguishment of financial liabilities	(171.6)	-
Finance costs, net	(322.6)	(524.3)

The net finance costs for the three month period ended March 31, 2020 decreased to €322.6 million compared to €524.3 million for the same period in 2019. The decrease was mainly attributed to:

- lower interest relative to gross financial debt mainly in Altice Luxembourg and Altice France following the refinancing activities in 2018, 2019 and in the first quarter of 2020 (please refer to note 10.2);

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- higher realized and unrealized gains on derivative instruments due to higher gains in variation in the mark to market of the swaps of Altice Financing and Altice France;
- a decrease in interest expenses related to lease liabilities, included in the caption Other financial expenses, that amounted to €40.1 million (2019: €48.4 million);
- higher net foreign exchange loss, amounting to a €224.3 million loss (2019: €18.4 million gain) mainly in Altice Financing and Altice Luxembourg; and
- a higher loss on extinguishment of financial liability that amounted to €171.6 million (2019: nil), which resulted from redemptions of the Group's notes in Altice Luxembourg, Altice Financing and Altice Finco (please refer to note 10.2.1).

14. Contractual obligations and commercial commitments

During the three month period ended March 31, 2020, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2019.

15. Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative lawsuits. 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.

During the three month period ended March 31, 2020, there was no significant new proceedings or developments in existing litigations that have occurred since the publication of the annual consolidated financial statements as of December 31, 2019 and that have had or that may have a significant effect on the financial position of the Group.

16. Going concern

As at March 31, 2020, the Group had net current liability position of €4,543.4 million (mainly due to trade payables amounting to €6,183.8 million) and a negative working capital of €1,220.3 million. During the three month period ended March 31, 2020, the Group registered a net loss of €111.9 million and generated cash flows of €1,455.7 million from operating activities.

As at March 31, 2020, the Group had a negative equity position of €2,354.1 million compared to negative equity position of €2,321.0 million as at December 31, 2019. The negative equity position decreased from the prior period largely due to the net loss and the Other Comprehensive Income for the three month period ended March 31, 2020.

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; €4,439.7 million compared to €6,183.8 million as at March 31, 2020, as compared to €4,463.7 million and €6,486.6 million as at December 31, 2019. Payables due the following month are covered by revenues and cash flows from operations (if needed).

As at March 31, 2020, the Group's short-term borrowings comprised mainly of short-term loans of €498.0 million for Altice Finco, €208.4 million for Altice France and €94.5 million for Altice Financing. As at December 31, 2019, the Group's short-term borrowings amounted to €421.0 million. The short-term obligations are covered by the proceeds of the refinancing transaction in Altice France and the operating cash flows of the operating subsidiaries. The expected interest payments for the 12 months period ending March 31, 2021 amount to approximately €1,520.0 million.

As at March 31, 2020, the amount drawn on the revolving credit facilities at Altice France and Altice Financing amounted to €225.0 million. A listing of available credit facilities by silo is provided in note 10.5 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 for the three month period ended March 31, 2020 amounted to €1,314.4 million, an increase of 1.3% compared to the same period last year. This increase in Adjusted EBITDA is mainly linked to a better performance in the France, Portugal, Israel and Teads segments, which was partially offset by a decrease in performance in the Dominican Republic and Altice TV segments.
 - Operating cash flows for the three month period ended March 31, 2020 were €1,455.7 million.
- The Group had unrestricted cash reserves of €714.1 million as at March 31, 2020, a decrease of €308.0 million compared to €1,022.1 million as at December 31, 2019. The unrestricted cash reserves as at March 31, 2020 will 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: €382.2 million
 - Altice International: €232.4 million
- Additionally, as of March 31, 2020, the Group had access to revolving credit facilities of up to €2,182.0 million (of which €225.0 million were drawn as of March 31, 2020) and has access to an equity market where it can issue additional equity.

The Group's senior executives track operational KPIs on a weekly basis, thus tracking top line trends closely. This allows the Group's senior executives 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.

On April 17, 2020, the Group closed the transaction to sell 49.99% interest in the Portuguese fibre business to Morgan Stanley Infrastructure Partners. On April 17, 2020, the Group received €1,573.1 million of proceeds from this transaction. The Group continues to review its fibre infrastructure to further accelerate its deployment and is exploring financial partnerships. No final decision with respect to any additional strategic transaction involving its fibre infrastructure has been taken. In case a transaction will be closed, it is expected that this will result in a material inflow of funds.

On March 11, 2020, the COVID-19 outbreak was declared by the World Health Organization (WHO) as a global pandemic, highlighting the health risks of the disease. The COVID-19 pandemic had a limited impact on the condensed interim consolidated financial statements of the Group as of March 31, 2020 and for the three month period then ended. Although the situation continues to evolve, the Company expects that the COVID-19 pandemic will have limited effects on the Group's operations and financial performance for future periods. Please refer to note 2.1.4 for more details.

Management expects the available cash on hand at March 31, 2020 together with the proceeds from the sale of a 49.99% interest in the Portuguese fibre business and the expected limited impact of COVID-19 on the Group's cash flows to be sufficient to continue the Group's operations and to repay all contractual obligations that fall due in the next 12 months. Accordingly, 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.

17. Events after the reporting period

17.1. Repayment of the 2020 Altice Finco Bridge Credit Facility

On April 17, 2020, Altice Finco repaid the 2020 Altice Finco Bridge Credit Facility in an aggregate principal amount of €500 million which was entered into on March 3, 2020 (please refer to note 10.2.7).

17.2. Closing of the partnership with Morgan Stanley Infrastructure Partners and the sale of 49.99% interest in Fastfiber (formerly known as Altice Portugal FTTH)

On December 12, 2019, PT Portugal entered into an agreement with Morgan Stanley Infrastructure Partners regarding the sale of a 49.99% interest in the Portuguese fibre business to be carved-out into a dedicated wholesale vehicle, Fastfiber (formerly known as Altice Portugal FTTH), comprising of the fibre passive infrastructure assets and rights, related contracts and underlying agreements, thereby creating a nationwide fibre wholesaler in Portugal. On April 17, 2020, the transaction was closed and the Group received €1,573.1 million of proceeds from this

transaction.

Fastfiber will sell wholesale services to all operators at the same financial terms. MEO will sell technical services to Fastfiber for the construction, the subscriber connection and the maintenance of its fibre network.

17.3. Repayment of the Revolving Credit Facility of Altice Financing S.A.

On April 21, 2020, Altice Financing S.A. repaid €75.0 million of Revolving Credit Facility that was drawn in the first quarter of 2020. Please refer to note 10.5.

17.4. Transfer of Libération by Altice France to a foundation

On May 14, 2020, Altice France announced that it would transfer Libération, the daily newspaper, to a non-profit foundation. Altice France would provide this foundation with the financial means to repay Libération's debts and finance its future operations, thus ensuring its editorial, economic and financial independence in the long term.

17.5. Restructuring plan at NextRadioTV

On May 19, 2020, NextRadioTV announced the launch of a restructuring plan to take into account the changing media environment and the impact of the COVID-19 pandemic on the advertising market. This plan, based on voluntary adherence in the first stage, aims at reducing the employee workforce and notably by 50% the use of occasional workers, freelancers and consultants.

17.6. Partial repayment and extension of the maturity of the Altice Corporate Financing facility

On May 19, 2020, the Company announced that it would repay €668 million of Altice Corporate Financing facility with cash available on balance sheet. After this repayment, the Altice Corporate Financing facility will be reduced from €1,728 million to €1,060 million. The maturity of the remaining facility has been extended from June 30, 2021 to June 30, 2023.

18. Restated information

The Company had reassessed the application of paragraph IAS 36.86 with respect to goodwill allocation related to the SFR FTTH transaction, which was included in the group of CGUs Altice France. In 2018, the goodwill associated with SFR FTTH was not measured on the basis of the relative values of the operation disposed of and the portion of the group of CGUs retained and therefore no goodwill was allocated to SFR FTTH Assets held for sale. As a consequence of this reassessment, based on the provisions of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the Company restated the condensed consolidated statement of income for the three month period ended March 31, 2019 and restated the capital gain from the sale of SFR FTTH by €1,118.2 million.

Condensed Consolidated Statement of Income	Three months ended March 31, 2019 reported	Adjustment SFR FTTH	Three months ended March 31, 2019 restated
(€m)			
Revenues	3,511.1	-	3,511.1
Purchasing and subcontracting costs	(901.0)	-	(901.0)
Other operating expenses	(723.9)	-	(723.9)
Staff costs and employee benefits expenses	(386.4)	-	(386.4)
Depreciation, amortization and impairment	(1,283.9)	-	(1,283.9)
Other (expenses) and income	2,880.0	(1,118.2)	1,761.8
Operating profit/(loss)	3,096.0	(1,118.2)	1,977.8
Interest relative to gross financial debt	(501.7)	-	(501.7)
Realized and unrealized gains on derivative instruments linked to financial debt	38.0	-	38.0
Other financial expenses	(84.4)	-	(84.4)
Finance income	23.9	-	23.9
Finance costs, net	(524.3)	-	(524.3)
Share of earnings of associates	(2.2)	-	(2.2)
Gain/(loss) before income tax from continuing operations	2,569.5	(1,118.2)	1,451.3
Income tax benefit	49.0	-	49.0
Gain/(loss) for the period	2,618.5	(1,118.2)	1,500.3
<i>Attributable to equity holders of the parent</i>	2,604.9	(1,118.2)	1,486.7
<i>Attributable to non-controlling interests</i>	13.6	-	13.6

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The condensed consolidated statement of cash flows had been restated as of and for the three month period ended March 31, 2019 to take into account the adjustment in the capital gain from the sale of SFR FTTH and reclassifications in net cash used in investing activities and net cash used in financing activities.

Condensed Consolidated Statement of Cash Flows (€m)	Three months ended March 31, 2019 Reported	Reclassifications	Adjustment SFR FTTH	Three months ended March 31, 2019 Restated
Profit/(loss) for the period	2,618.5	-	(1,118.2)	1,500.3
<i>adjustments for:</i>				
Share of profit of associates and joint ventures	2.2	-	-	2.2
Depreciation and amortization	1,283.9	-	-	1,283.9
Charge related to share-based payment	14.4	-	-	14.4
Gain on disposal of business	(3,174.1)	-	1,118.2	(2,055.9)
Other non-cash operating gain/(loss), net	199.6	-	-	199.6
Pension plan liability	(23.7)	-	-	(23.7)
Finance costs recognised in the statement of income	524.3	-	-	524.3
Income tax (benefit)/expense recognised in the statement of income	(49.0)	-	-	(49.0)
Income tax paid	(20.2)	-	-	(20.2)
Changes in working capital	(357.9)	-	-	(357.9)
Net cash provided by operating activities	1,018.0	-	-	1,018.0
Payments to acquire tangible and intangible assets	(949.1)	5.3	-	(943.8)
Payment on content right	-	-	-	-
Proceeds (Payments) to acquire financial assets	(205.9)	-	-	(205.9)
Proceeds from disposal of business	1,618.5	-	-	1,618.5
Proceeds from disposal of tangible, intangible and financial assets	3.0	-	-	3.0
Net cash used in investing activities	466.5	5.3	-	471.8
Proceeds from issuance of debts	250.0	-	-	250.0
Payments to redeem debt instruments	(273.9)	6.5	-	(267.4)
Other transactions with non-controlling interests	(11.1)	-	-	(11.1)
Lease payment (principal) related to ROU	(235.5)	(5.3)	-	(240.8)
Lease payment (interest) related to ROU	-	-	-	-
Interest paid	(695.0)	51.5	-	(643.5)
Dividend paid to non-controlling interests	(2.7)	-	-	(2.7)
Other cash provided by financing activities	(16.1)	(58.0)	-	(74.1)
Net cash used in financing activities	(984.3)	(5.3)	-	(989.6)
Effects of exchange rate changes on the balance of cash held in foreign currencies	2.3	-	-	2.3
Net change in cash and cash equivalents	502.5	-	-	502.5
Cash and cash equivalents at beginning of the period	1,837.0	-	-	1,837.0
Cash and cash equivalents at end of the period	2,339.5	-	-	2,339.5