Altice International S.à r.l.

Condensed Interim Consolidated Financial Statements

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

Table of Contents

Condensed Consolidated Statement of Income (€m)	Notes	Three months ended March 31, 2020	Three months ended March 31, 2019
Revenues	4	**990.9**	**963.5**
Purchasing and subcontracting costs	4	(246.7)	(234.9)
Other operating expenses	4	(220.9)	(210.7)
Staff costs and employee benefits	4	(115.6)	(118.3)
Depreciation, amortization and impairment	4	(302.5)	(304.3)
Other income and (expenses)	4	89.7	(278.3)
Operating profit/(loss)		**194.9**	**(183.0)**
Interest relative to gross financial debt	11	(140.1)	(147.4)
Realized and unrealized gains on derivative instruments linked to financial debt	11	192.8	46.7
Other financial expenses	11	(176.6)	(36.0)
Finance income	11	27.8	40.0
Net result on extinguishment of a financial liability	11	589.7	-
Finance income/(costs), net		**493.6**	**(96.7)**
Share of (loss)/earnings of associates		(0.8)	2.6
Profit/(loss) before income tax		**687.7**	**(277.1)**
Income tax benefit	10	16.6	66.2
Profit/(loss) for the period		**704.3**	**(210.9)**
Attributable to equity holders of the parent		706.0	(209.2)
Attributable to non-controlling interests		(1.7)	(1.7)

Condensed Consolidated Statement of Other Comprehensive Income (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019
Profit/(loss) for the period	**704.3**	**(210.9)**
Other comprehensive income/(loss)		
Items that may be reclassified subsequently to profit or loss		
Exchange differences on translating foreign operations	(0.7)	(12.7)
Cash flow hedges - effective portion of changes in fair value	37.0	5.1
Cash flow hedges - reclassified to profit or loss	89.8	1.5
Fair value of financial assets through OCI	(0.6)	(1.1)
Related taxes	(42.0)	(1.7)
Item that is not reclassified to profit or loss		
Actuarial gain/(loss)	54.5	(27.4)
Related taxes	(11.5)	8.6
Total other comprehensive gain/(loss)	**126.5**	**(27.7)**
Total comprehensive profit/(loss) for the period	**830.8**	**(238.6)**
Attributable to equity holders of the parent	832.5	(237.7)
Attributable to non-controlling interests	(1.7)	(0.9)

The accompanying notes on pages 5 to 22 form an integral part of these condensed interim consolidated financial statements.

Condensed Consolidated Statement of Financial Position (€m)	**Notes**	**As of March 31, 2020**	**As of December 31, 2019**
Non-current assets			
Goodwill		3,251.6	3,247.9
Intangible assets		1,367.3	1,438.1
Property, plant & equipment		3,514.8	3,521.3
Right-of-use assets		868.6	871.3
Contract costs		104.8	104.2
Investment in associates		13.2	16.0
Financial assets	6	2,648.0	1,805.7
Deferred tax assets		75.4	67.2
Other non-current assets		188.8	191.8
Total non-current assets		**12,032.5**	**11,263.5**
Current assets			
Inventories		136.1	130.9
Contract assets		35.2	36.5
Trade and other receivables		986.5	1,023.6
Current tax assets		52.5	50.9
Financial assets	6	64.8	38.6
Cash and cash equivalents		232.4	395.5
Restricted cash		36.5	37.5
Assets classified as held for sale		10.5	118.9
Total current assets		**1,554.5**	**1,832.4**
Total assets		**13,587.0**	**13,095.9**
Issued capital	7.1	309.3	309.3
Other reserves	7.1	(129.5)	(256.0)
Accumulated gains/(losses)	7	120.9	(583.1)
Equity attributable to owners of the Company		**300.7**	**(529.8)**
Non-controlling interests	3.3	(14.1)	(12.3)
Total equity		**286.6**	**(542.1)**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	8	8,390.2	8,155.8
Other financial liabilities	8.6	206.0	690.3
Non-current lease liabilities	8.6	844.5	840.3
Provisions		901.8	977.5
Deferred tax liabilities		89.2	86.2
Non-current contract liabilities		60.1	61.6
Other non-current liabilities		25.6	31.9
Total non-current liabilities		**10,517.4**	**10,843.6**
Current liabilities			
Short-term borrowings, financial liabilities	8	611.9	288.4
Other financial liabilities	8.6	413.5	676.5
Current lease liabilities	8.6	80.6	82.8
Trade and other payables		1,344.8	1,412.7
Contract liabilities		115.0	117.5
Current tax liabilities		118.3	115.5
Provisions		76.9	78.4
Other current liabilities		21.7	22.4
Liabilities directly associated with assets classified as held for sale		0.3	0.2
Total current liabilities		**2,783.0**	**2,794.4**
Total liabilities		**13,300.4**	**13,638.0**
Total equity and liabilities		**13,587.0**	**13,095.9**

The accompanying notes on pages 5 to 22 form an integral part of these condensed interim consolidated financial statements.

Condensed Consolidated Statement of Changes in Equity	Number of shares on issue	Share capital	Accumulated gains/(losses)	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI	Employee Benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at January 1, 2020	**30,925,700,000**	**309.3**	**(583.1)**	**(38.5)**	**(94.7)**	**1.9**	**(124.7)**	**(529.8)**	**(12.3)**	**(542.1)**
Profit/(loss) for the period		-	706.0	-	-	-	-	**706.0**	(1.7)	**704.3**
Other comprehensive profit/(loss)		-	-	(0.7)	84.8	(0.6)	43.0	**126.5**	-	**126.5**
Comprehensive profit/(loss)		**-**	**706.0**	**(0.7)**	**84.8**	**(0.6)**	**43.0**	**832.5**	**(1.7)**	**830.8**
Transactions with non-controlling interests[1]		-	(2.0)	-	-	-	-	**(2.0)**		**(2.0)**
Other		-	-	-	-	-	-	-	(0.1)	**(0.1)**
Equity at March 31, 2020	**30,925,700,000**	**309.3**	**120.9**	**(39.2)**	**(9.9)**	**1.3**	**(81.7)**	**300.7**	**(14.1)**	**286.6**

1 Transactions with non-controlling interests mainly related to the change in the fair value of minority put options of Teads.

Condensed Consolidated Statement of Changes in Equity	Number of shares on issue	Share capital	Accumulated losses	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI	Employee Benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
Equity at January 1, 2019	**30,925,700,000**	**309.3**	**(128.7)**	**(7.9)**	**(124.0)**	**2.6**	**(30.1)**	**21.0**	**4.0**	**25.0**
Loss for the period		-	(209.2)	-	-	-	-	**(209.2)**	(1.7)	**(210.9)**
Other comprehensive profit/(loss)		-	-	(13.5)	4.9	(1.1)	(18.8)	**(28.5)**	0.8	**(27.7)**
Comprehensive profit/(loss)		**-**	**(209.2)**	**(13.5)**	4.9	**(1.1)**	**(18.8)**	**(237.7)**	**(0.9)**	**(238.6)**
Transactions with non-controlling interests		-	(2.2)	-	-	-	-	**(2.2)**	(0.1)	**(2.3)**
Transactions with Altice shareholders		-	(8.6)	-	-	-	-	**(8.6)**	-	**(8.6)**
Other		-	-	-	-	-	-	-	(0.4)	**(0.4)**
Equity at March 31, 2019	**30,925,700,000**	**309.3**	**(348.7)**	**(21.5)**	**(119.1)**	**1.5**	**(48.9)**	**(227.4)**	**2.6**	**(224.8)**

The accompanying notes on pages 5 to 22 form an integral part of these condensed interim consolidated financial statements.

Condensed consolidated Statement of Cash Flows (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019
Profit/(loss) for the period	**704.3**	**(210.9)**
Adjustments for:		
Depreciation, amortization and impairment	302.5	304.3
Share of income/(loss) of associates	0.8	(2.6)
Gain on sale of interest in associates	(97.7)	-
Expenses related to share-based payment	0.1	-
Other non-cash operating gains, net[1]	18.6	224.0
Pension liability payments	(25.3)	(23.7)
Finance costs recognised in the statement of income	(493.6)	96.7
Income tax credit recognised in the statement of income	(16.6)	(66.2)
Income tax paid	(22.7)	(15.0)
Changes in working capital[2]	(25.3)	33.6
Net cash provided by operating activities	**345.1**	**340.2**
Payments to acquire tangible and intangible assets	(222.3)	(188.3)
Dividends received	0.8	-
Payments to acquire financial assets	-	0.1
Payments from disposal of business[3]	(2.9)	-
Proceeds from disposal of tangible, intangible and financial assets	5.6	-
Proceeds from sale of interests in associates[4]	201.0	-
Net cash used in investing activities	**(17.8)**	**(188.2)**
Proceeds from issuance of debts	3,455.3	-
Payments to redeem debt instruments	(3,119.5)	(4.7)
Lease payment (principal) related to ROU[5]	(20.8)	(33.6)
Lease payment (interest) related to ROU[5]	(17.7)	-
Proceeds from the monetization of swaps[6]	36.8	-
Advances to group companies[7]	(527.0)	-
Interest paid[8]	(202.2)	(157.2)
Other cash used in financing activities[9]	(92.3)	(0.6)
Net cash used in financing activities	**(487.4)**	**(196.2)**
Effects of exchange rate changes on the balance of cash held in foreign currencies	(3.0)	2.3
Net change in cash and cash equivalents	**(163.1)**	**(41.9)**
Cash and cash equivalents at beginning of period	395.5	597.3
Cash and cash equivalents at end of the period	**232.4**	**555.4**

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 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*.
6 Proceeds from the monetization of swaps relate to the swap monetization proceeds of €92.2 million recorded in Altice Luxembourg and Altice Financing S.A. ("Altice Financing").
7 Advances to Group companies mainly relate to an advance made by Altice Financing to Altice Luxembourg S.A.
8 Interest paid on debt includes interest received from / paid on interest derivatives.
9 Other cash used in financing activities include an amount of €61.8 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, €100.9 million of repayments related to reverse factoring which was partially offset by reverse factoring receipts of €77.6 million, €5.5 million related to interest on factoring arrangements and €1.7 million related to other financing related activities.

The accompanying notes on pages 5 to 22 form an integral part of these condensed interim consolidated financial statements.

1. About Altice International S.à r.l. and the Altice Group

Altice International S.à r.l. (the "Company") is a private limited liability company ("*société à responsabilité limitée*") incorporated in Luxembourg, headquartered at 5, rue Eugène Ruppert, L-2453 Luxembourg, Grand Duchy of Luxembourg. The Company is the parent company of a consolidated group (the "Group").

The direct controlling shareholder of the Company is Altice Luxembourg S.A. ("Altice Luxembourg"), which holds 100% of the share capital of the Company, and is itself indirectly controlled by Altice Europe N.V. ("Altice Europe"), whose address is Oostdam 1, 3441 EM, Woerden, the Netherlands. Altice Europe is the parent entity of the Altice Europe N.V. consolidated group (the "Altice Group"). The controlling shareholder of Altice Europe is Next Alt S.à r.l., which holds 77.58% of the share capital of Altice Europe as of March 31, 2020 and is controlled by Mr. Patrick Drahi.

The Altice Group is a convergent leader in telecoms, content, media, entertainment and advertising. The Altice Group 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. The Altice Group is also a provider of enterprise digital solutions to millions of business customers. The Altice 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. The Altice Group 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 Managers and authorized for issue on May 30, 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 Managers 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.

2.1.3. *Significant accounting judgments and estimates*

In the application of the Group's accounting policies, the Board of Managers 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 32.6 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 and a decline in the advertising businesses (Teads) 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 €54.6 million in counterpart of an increase in Other Comprehensive Income (actuarial gain of €43.0 million, net of tax).

Based on the above and information in note 14, 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.

3.1. Transactions completed in the current period

3.1.1. *Sale of a 25% equity stake in OMTEL*

On January 2, 2020, Altice Europe 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.

3.3. Variations in non-controlling interests

Variations in non-controlling interests (€m)	**Altice Technical Services**	**Other**	**Group**
Opening balance at January 1, 2019	**(13.9)**	**17.9**	**4.0**
Loss for the period	(2.0)	1.9	**(0.1)**
Other comprehensive income	0.7	0.1	**0.8**
Sale of SIRESP	-	(3.6)	**(3.6)**
Dividends	(12.2)	-	**(12.2)**
Other	-	(1.2)	**(1.2)**
Closing at December 31, 2019	**(27.4)**	**15.1**	**(12.3)**
Loss for the period	(1.0)	(0.7)	(1.7)
Sale of Tnord and Sudtel to Portugal	3.4	(3.4)	-
Other	-	(0.1)	(0.1)
Closing at March 31, 2020	**(25.0)**	**10.9**	**(14.1)**

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 Managers. The Board of Managers 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 Managers 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:

- **Portugal**: The Group 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.
- **Others**: Corporate entities are reported under "Others".

4.2. Financial Key Performance Indicators ("KPIs")

The Board of Managers 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 Managers 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 Managers 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 Interim Consolidated Financial Statements as they provide a measure of operating results excluding certain items that the Group'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 leases). 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 interim 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*.

4.2.2. *Revenues*

Additional information on the revenue split is presented as follows:

- Residential revenue
    - Fixed: revenues from fixed business to B2C customers;
    - Mobile: revenues from mobile services to B2C subscribers;
    - Equipment business to B2C subscribers;
- Business services: revenues from B2B customers, wholesale and other revenues; and
- Media: media, content and advertisement revenues in Teads.

Intersegment revenues represented 0.1% of total revenues for the three month period ended March 31, 2020, compared to 0.1% of total revenues for the three month period ended March 31, 2019 (€0.7 million compared to €1.1 million). Intersegment revenues mainly relate to services rendered by certain centralized Group functions (relating to centralized research) to the operational segments of the Group.

4.3. Segment results

4.3.1. *Operating profit by segment*

For the three months ended March 31, 2020 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**522.3**	**246.5**	**132.7**	**89.9**	**0.2**	**(0.7)**	**990.9**
Purchasing and subcontracting costs	(137.1)	(78.5)	(31.6)	-	-	0.5	**(246.7)**
Other operating expenses	(92.5)	(50.5)	(21.0)	(56.4)	(0.7)	0.2	**(220.9)**
Staff costs and employee benefits	(65.5)	(18.2)	(8.0)	(23.9)	-	-	**(115.6)**
Total	**227.2**	**99.3**	**72.1**	**9.6**	**(0.5)**	**-**	**407.7**
Share-based expense	0.1	-	-	-	-	-	**0.1**
Rental expense operating lease[1]	(17.1)	(8.7)	(5.6)	(1.0)	-	-	**(32.4)**
Adjusted EBITDA	**210.2**	**90.6**	**66.5**	**8.6**	**(0.5)**	**-**	**375.4**
Depreciation, amortisation and impairment	(182.2)	(83.4)	(31.9)	(5.0)	-	-	**(302.5)**
Share-based expense	(0.1)	-	-	-	-	-	**(0.1)**
Other expenses and income	93.9	(2.4)	(1.3)	(0.1)	(0.4)		**89.7**
Rental expense operating lease	17.1	8.7	5.6	1.0	-	-	**32.4**
Operating profit/(loss)	**138.9**	**13.5**	**38.9**	**4.5**	**(0.9)**	**-**	**194.9**

For the three months ended March 31, 2019 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Inter-segment elimination**	**Total**
Revenues	**508.9**	**231.7**	**138.9**	**84.1**	**1.0**	**(1.1)**	**963.5**
Purchasing and subcontracting costs	(126.9)	(74.1)	(34.0)	-	(0.5)	0.6	**(234.9)**
Other operating expenses	(88.0)	(48.8)	(20.4)	(51.8)	(2.2)	0.5	**(210.7)**
Staff costs and employee benefits	(69.5)	(16.1)	(7.5)	(24.8)	(0.4)	-	**(118.3)**
Total	**224.5**	**92.7**	**77.0**	**7.4**	**(2.1)**	**(0.1)**	**399.5**
Rental expense operating lease[1]	(18.0)	(8.2)	(6.2)	(0.9)	-	-	**(33.4)**
Adjusted EBITDA	**206.5**	**84.5**	**70.8**	**6.5**	**(2.1)**	**(0.1)**	**366.1**
Depreciation, amortisation and impairment	(178.5)	(90.5)	(30.3)	(5.1)	-	-	**(304.3)**
Other expenses and income	(272.2)	(1.1)	(4.3)	-	(0.5)	(0.2)	**(278.3)**
Rental expense operating lease	18.0	8.2	6.2	0.9	-	-	**33.4**
Operating profit	**(226.2)**	**1.1**	**42.4**	**2.4**	**(2.5)**	**(0.2)**	**(183.0)**

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

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
Restructuring costs	1.4	252.7
Net (gain)/loss on disposal of assets	(1.5)	0.9
Disputes and litigation	2.1	13.2
Net gain on sale of interest in associates	(97.7)	-
Management fee	1.3	4.0
Other expenses and income, (net)	4.7	7.5
Other expenses and (income)	**(89.7)**	**278.3**

4.3.2.1. *Restructuring costs*

For the three month period ended March 31, 2020, restructuring costs related to the voluntary employee reduction program of €1.4 million in PT Portugal.

Restructuring costs for the three month period ended March 31, 2019 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).

4.3.3. *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	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	155.1	146.0	25.2	-	-	**326.3**
Mobile	117.6	54.0	75.3	-	-	**246.9**
Residential service	272.7	200.0	100.5	-	-	**573.2**
Residential equipment	23.4	15.2	9.1	-	-	47.7
Total residential	296.1	215.2	109.6	-	-	**620.9**
Business services	226.2	31.3	23.1	-	0.2	**280.8**
Media	-	-	-	89.9	-	**89.9**
Total standalone revenues	**522.3**	**246.5**	**132.7**	**89.9**	**0.2**	**991.6**
Intersegment elimination	(0.4)	-	(0.1)	(0.2)	-	**(0.7)**
Total consolidated	**521.9**	**246.5**	**132.6**	**89.7**	**0.2**	**990.9**

For the three months ended March 31, 2019 €m	Portugal	Israel	Dominican Republic	Teads	Others	Total
Fixed	153.6	139.5	25.3	-	-	**318.5**
Mobile	115.6	44.9	76.8	-	-	**237.2**
Residential service	269.2	184.4	102.1	-	-	**555.7**
Residential equipment	20.4	18.8	10.3	-	-	**49.6**
Total residential	289.6	203.2	112.4	-	-	**605.3**
Business services	219.3	28.4	26.5	-	1.0	**275.2**
Media	-	-	-	84.1	-	**84.1**
Total standalone revenues	**508.9**	**231.7**	**138.9**	**84.1**	**1.0**	**964.6**
Intersegment elimination	(0.9)	-	-	(0.2)	-	**(1.1)**
Total consolidated	**508.0**	**231.7**	**138.9**	**83.9**	**1.0**	**963.5**

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	326.3	318.5
Mobile residential	246.9	237.2
Business services	260.6	255.5
Total telecom excluding equipment sales	**833.8**	**811.2**
Equipment sales	67.9	69.3
Media	89.9	84.1
Total standalone revenues	**991.6**	**964.6**
Intersegment elimination	(0.7)	(1.1)
Total consolidated	**990.9**	**963.5**

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 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Eliminations**	**Total**
Capital expenditure (accrued)	104.3	63.0	35.2	2.3	-	(0.1)	**204.7**
Capital expenditure - working capital items	20.4	(1.6)	(1.2)	-	-	-	**17.6**
Payments to acquire tangible and intangible assets	**124.7**	**61.4**	**34.0**	**2.3**	**-**	**(0.1)**	**222.3**

For the three months ended March 31, 2019 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Eliminations**	**Total**
Capital expenditure (accrued)	100.5	57.7	28.2	0.6	-	(0.1)	**186.8**
Capital expenditure - working capital items	7.9	(0.4)	(6.0)	-	-	-	**1.6**
Payments to acquire tangible and intangible assets	**108.3**	**57.3**	**22.2**	**0.6**	**-**	**(0.1)**	**188.3**

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 Managers. This measure is used as an indicator of the Group's financial performance as the Board of Managers believes it is one of several benchmarks used by investors, analysts and peers for comparison of performance in the Group's industry, although it may not be directly comparable to similar measures reported by other companies. Adjusted EBITDA and accrued Capex are both reconciled to GAAP reported figures in this note; this measure is a calculation using these two non-GAAP figures, therefore no further reconciliation is provided.

For the three months ended March 31, 2020 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Eliminations**	**Total**
Adjusted EBITDA	210.2	90.6	66.5	8.6	(0.5)	-	**375.4**
Capital expenditure (accrued)	(104.3)	(63.0)	(35.2)	(2.3)	-	0.1	**(204.7)**
Operating free cash flow (OpFCF)	**105.9**	**27.6**	**31.3**	**6.3**	**(0.5)**	**0.1**	**170.7**

For the three months ended March 31, 2019 €m	**Portugal**	**Israel**	**Dominican Republic**	**Teads**	**Others**	**Eliminations**	**Total**
Adjusted EBITDA	206.5	84.5	70.8	6.5	(2.1)	(0.1)	**366.1**
Capital expenditure (accrued)	(100.5)	(57.7)	(28.2)	(0.6)	-	0.1	**(186.8)**
Operating free cash flow (OpFCF)	**106.0**	**26.8**	**42.6**	**5.9**	**(2.1)**	**-**	**179.3**

5. 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 Managers 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 impairment recorded, for the three month period ended March 31, 2020.

6. Financial assets

Financial assets (€m)	**Note**	**As of March 31, 2020**	**As of December 31, 2019**
Derivative financial assets	6.1	433.7	107.6
Loans and receivables	6.2	2,127.9	1,598.2
Call options with non-controlling interests	6.3	102.8	113.6
Equity instruments at fair value through OCI		4.4	5.1
Other financial assets		44.0	19.7
Total		**2,712.8**	**1,844.2**
Current		64.8	38.6
Non-current		2,648.0	1,805.7

6.1. 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 €433.7 million (2019: €107.6 million) and the increase was mainly caused by the increase in the fair value of derivative assets in Altice Financing of €326.1 million. Refer also to note 8.3 for details on each of these derivatives held by the Group and to note 9 for information on the fair value of the derivatives, including the fair value hierarchy.

6.2. Loans and receivables

The increase in loans and receivables mainly related to the cash advanced to Altice Luxembourg of €527.0 million.

6.3. 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 in which 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. Please also refer to note 9.1.2.

7. Shareholders' equity

Equity attributable to owners of the Company (€m)	**Notes**	**As of March 31, 2020**	**As of December 31, 2019**
Issued capital	7.1	309.3	309.3
Other reserves	7.2	(129.5)	(256.0)
Accumulated gains/(losses)		120.9	(583.1)
Total		**300.7**	**(529.8)**

7.1. Issued capital

For the three month period ended March 31, 2020, there were no changes in the issued capital of the Group. Total issued capital of the Company as at March 31, 2020 was €309.3 million, comprising 30,925,700,000 outstanding ordinary shares, with a nominal value of € 0.01 each.

7.2. 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	**March 31, 2020**			**December 31, 2019**		
(€m)	**Pre-tax amount**	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(102.9)	21.2	(81.7)	(157.5)	32.8	(124.7)
Items not reclassified to profit or loss	**(102.9)**	**21.2**	**(81.7)**	**(157.5)**	**32.8**	**(124.7)**
Fair value through OCI	1.3	-	1.3	1.9	-	1.9
Currency translation reserve	(39.2)	-	(39.2)	(38.5)	-	(38.5)
Cash flow hedge reserve	(13.2)	3.3	(9.9)	(140.0)	45.5	(94.6)
Items potentially reclassified to profit or loss	**(51.1)**	**3.3**	**(47.8)**	**(176.6)**	**45.5**	**(131.2)**
Total	**(154.0)**	**24.5**	**(129.5)**	**(334.1)**	**78.2**	**(255.9)**

8. 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		**8,390.2**	**8,155.8**
- Debentures	*8.1*	*6,289.4*	*6,115.8*
- Loans from lenders	*8.1*	*1,874.5*	*1,843.9*
- Derivative financial instruments	*8.3*	*226.3*	*196.1*
Other non-current financial liabilities	*8.6*	**206.0**	**690.3**
Lease liabilities non-current	*8.6*	**844.5**	***840.3***
Non-current liabilities		**9,440.7**	**9,686.3**
Short term borrowing, financial liabilities and related hedging instruments		**611.9**	**288.4**
- Debentures	*8.1*	*-*	*257.5*
- Loans from lenders	*8.1*	*592.5*	*19.1*
- Derivative financial instruments	*8.3*	*19.4*	*11.8*
Other financial liabilities	*8.6*	**413.5**	**676.5**
- Other financial liabilities		*330.1*	*437.5*
- Bank overdraft		*-*	*0.5*
- Accrued interests		*83.4*	*238.5*
Lease liabilities current	*8.6*	**80.6**	***82.8***
Current liabilities		**1,106.0**	**1,047.7**
Total		**10,546.7**	**10,734.0**

8.1. Debentures and loans from lenders

Debentures and loans from lenders (€m)	**Notes**	**March 31, 2020**	**December 31, 2019**
Debentures	8.1.1	6,289.4	6,373.3
Loans from lenders	8.1.2	2,467.0	1,863.0
Total		**8,756.4**	**8,236.3**

8.1.1. *Debentures*

Maturity of debentures (€m)	**Less than one year**	**One year or more**	**March 31, 2020**	**December 31, 2019**
Altice Financing	-	5,268.5	5,268.5	4,750.8
Altice Finco	-	1,020.9	1,020.9	1,622.5
Total	-	**6,289.4**	**6,289.4**	**6,373.3**

8.1.2. *Loans from lenders*

Maturity of loans from lenders (€m)	**Less than one year**	**One year or more**	**March 31, 2020**	**December 31, 2019**
Altice Finco	498.0	-	498.0	-
Altice Financing	94.5	1,874.3	1,968.8	1,861.4
Others	-	0.2	0.2	1.6
Total	**592.5**	**1,874.5**	**2,467.0**	**1,863.0**

8.2. Refinancing activities

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

8.2.1. *Redemption of notes*

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

- On January 13, 2020, Altice Finco S.A. ("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; and
- 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.

8.2.2. *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").

8.2.3. *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.

8.2.4. *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 15.1).

8.3. 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*).

8.3.1. *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 Financing					
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
May 2026	USD 1,400	EUR 1,223	10.50%	7.91%	FVPL

2 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 recognised 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 €126.8 million were recorded in other comprehensive income (€84.8 million net of taxes).

8.3.2. *Interest rate swaps*

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

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

Entity Maturity	**Notional amount due from counterparty (millions)**	**Notional amount due to counterparty (millions)**	**Interest rate due from counterparty**	**Interest rate due to counterparty**	**Accounting treatment**
Altice Financing					
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

8.4. 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	**8,756.4**	**8,236.3**
Transaction costs	46.9	50.0
Total (excluding transaction costs and fair value adjustments)	**8,803.3**	**8,286.3**
Conversion of debentures and loans in foreign currency (at closing spot rate)	(9,097.5)	(10,845.3)
Conversion of debentures and loans in foreign currency (at hedged rates)	8,979.2	10,793.3
Total swap adjusted value	**8,685.0**	**8,234.3**

8.5. Available credit facilities

Available credit facilities (€m)	**Total facility**	**Drawn**
Altice Financing	581.0	75.0
Revolving credit facilities	**581.0**	**75.0**

Altice Financing has drawn down €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 15.3.

8.6. 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	80.6	844.5	925.1	82.8	840.3	923.1
Reverse factoring	277.7	-	277.7	292.0	-	292.0
Accrued interest	83.4	-	83.4	238.5	-	238.5
Put options with non-controlling interests	-	155.5	155.5	-	153.4	153.4
Deposits received	-	0.4	0.4	-	0.4	0.4
Bank overdraft	0.1	-	0.1	0.5	-	0.5
Mandatory Convertible Notes	47.3	-	47.3	139.9	489.9	629.7
Debts and liabilities with Altice Group companies	-	46.8	46.8	-	46.0	46.0
Other	5.0	3.3	8.3	5.7	0.6	6.3
Total	**494.1**	**1,050.5**	**1,544.6**	**759.3**	**1,530.5**	**2,289.9**

The current portion of other financial liabilities amounts to €494.1 million as at March 31, 2020, a decrease of €265.2 million compared to December 31, 2019. The non-current portion of other financial liabilities amounts to €1,050.5 million as at March 31, 2020, a decrease of €480.0 million compared to December 31, 2019. Details of the main items within the caption, and the movements from the prior period, are detailed below.

8.6.1. *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 €35.0 million as of March 31, 2020 compared to €39.1 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 €21.9 million and €13.1 million, respectively.

8.6.2. *Reverse factoring*

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 decrease in reverse factoring 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 utilization of the capacity.

8.6.3. *Accrued interest*

Accrued interest is the amount of interest due at the reporting date regarding the Company's outstanding debentures and loans from financial institutions.

8.6.4. *Put options with non-controlling interests*

The Group executes agreements with the non-controlling interests in certain acquisitions whereby the non-controlling interests have the option to sell their non-controlling interests to the Group. These instruments are measured at their fair value at the reporting date.

8.6.5. *Mandatory Convertible Notes*

The Mandatory Convertible Notes ("MCN") were issued for an aggregate amount of €2,055 million, which were entirely subscribed by the Company's sole shareholder, Altice Luxembourg. These instruments are compound financial instruments that contain both a liability and an equity component. As a result of the full reimbursement of Altice Luxembourg senior debt in the first quarter of 2020, the Company obtained the right to convert all or part of the MCN issued into shares with no limitation in time up until the maturity date. The Company has no obligation to pay the MCN interest beyond the conversion date. As a result, the net present value of future interest payments for the period after March 31, 2020 was released from Other financial liabilities to Net result on extinguishment of a financial liability in the condensed consolidated statement of income. Please also refer to note 11. The non-current portion of the MCN liability recorded at March 31, 2020 and December 31, 2019 are nil and €489.9 million respectively. The current portion of the MCN liability recorded at March 31, 2020 and December 31, 2019 are €47.3 million and €139.9 million respectively. The balance of the current portion of the MCN liability at March 31, 2020 consisted entirely of interest accrued on the MCN up to that date.

8.6.6. *Debts and liabilities with Altice Group companies*

Debts and liabilities with Altice Group companies relate to debts and liabilities which the Company has with Altice Group companies outside of the Group.

8.6.7. *Other*

Other consists mainly of various other debts and liabilities recorded by Group companies.

9. Fair value of financial assets and liabilities

9.1. Fair value of assets and liabilities

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

Fair values of assets and liabilities	**March 31, 2020**		**December 31, 2019**	
(€m)	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Cash and cash equivalents	232.4	232.4	395.5	395.5
Restricted cash	36.5	36.5	37.5	37.5
Derivatives	27.6	27.6	27.2	27.2
Other financial assets	37.2	37.2	11.3	11.3
Current assets	**333.7**	**333.7**	**471.5**	**471.5**
Derivatives	406.1	406.1	80.4	80.4
Call options on non-controlling interests	102.8	102.8	113.6	113.6
Equity instruments at fair value through OCI	4.4	4.4	5.1	5.1
Loans and receivables with group companies	2,112.5	2,112.5	1,605.2	1,605.2
Other financial assets	22.2	22.2	1.4	1.4
Non-current assets	**2,648.0**	**2,648.0**	**1,805.7**	**1,805.7**
Short term borrowings and financial liabilities	592.5	592.5	276.6	276.6
Derivatives	19.4	19.4	11.8	11.8
Lease liabilities	80.6	80.6	82.8	82.8
Reverse factoring and securitisation	277.7	277.7	292.0	292.0
Accrued interest	83.4	83.4	238.5	238.5
Mandatory Convertible Notes	47.3	47.3	139.9	139.9
Other financial liabilities	5.1	5.1	6.2	6.2
Current liabilities	**1,106.0**	**1,106.0**	**1,047.7**	**1,047.7**
Long term borrowings and financial liabilities	8,163.9	7,479.6	7,959.7	8,526.5
Put options with non-controlling interests	155.5	155.5	153.4	153.4
Derivatives	226.3	226.3	196.1	196.1
Lease liabilities	844.5	844.5	840.3	840.3
Mandatory Convertible Notes	-	-	489.9	489.9
Debts and liabilities with Altice Group companies	46.8	46.8	46.0	46.0
Other financial liabilities	3.7	3.7	1.0	1.0
Non-current liabilities	**9,440.7**	**8,756.4**	**9,686.3**	**10,253.1**

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.

9.1.1. *New put and call options*

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

9.1.2. *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	245.7	207.8
Minority put option - Teads	Level 3	Discounted cash flows	155.5	153.4
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	433.7	107.6
Minority call option - Teads	Level 3	Black and Scholes model	102.8	113.6
Equity instruments at FVOCI - Partner Co. Ltd.	Level 1	Quoted share price	4.4	5.1

9.1.3. *Information on valuation techniques*

9.1.3.1. *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 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.

9.1.3.2. *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.

9.1.3.3. *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.

9.1.3.4. *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.

9.2. Level 3 financial instruments

9.2.1. *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

9.2.2. *Level 3 financial instruments*

Change in fair value of level 3 instruments (€m)	Minority put options	Minority call options	Total
Opening balance at January 1, 2020	**(153.4)**	**113.6**	**(39.8)**
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 at March 31, 2020	**(155.5)**	**102.8**	**(52.7)**

Change in fair value of level 3 instruments (€m)	Minority put options	Minority call options	Total
Opening balance at January 1, 2019	**(133.6)**	**53.8**	**(79.8)**
Change in value of minority put options recorded in equity	(19.8)	-	(19.8)
Gains or losses recognised in profit or loss	-	59.8	59.8
Closing balance at December 31, 2019	**(153.4)**	**113.6**	**(39.8)**

10. Taxation

Tax expense (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019
Profit/(loss) before income tax and share of earnings of associates	688.5	(279.6)
Income tax benefit	16.6	66.2
Effective tax rate	**-2%**	**24%**

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

The Group recorded an income tax benefit of €16.6 million for the three month period ended March 31, 2020, reflecting a negative effective tax rate of 2% compared to an income tax benefit of €66.2 million for the three month period ended March 31, 2019, reflecting an effective tax rate of 24%. Without the effect of the capital gain in Portugal related to the disposal of a 25% equity stake in OMTEL on January 2, 2020 (please refer to note 3.1.1) and the gain resulting from the derecognition of the net present value of future interest payments for the MCN (please refer to note 8.6.5), the effective tax rate for the three month period ended March 31, 2020 would have been 24%.

10.1. 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.

11. Net finance income/(costs)

Net finance income/(costs) (€m)	Three months ended March 31, 2020	Three months ended March 31, 2019
Interest relative to gross financial debt	**(140.1)**	**(147.4)**
Realized and unrealized gains on derivative instruments linked to financial debt	**192.8**	**46.7**
Interest on lease liabilities	(18.0)	(16.8)
Net foreign exchange losses	(144.7)	-
Reversal of impairment of equity instruments at fair value through OCI	0.2	-
Other	(14.1)	(19.2)
Other financial expenses	**(176.6)**	**(36.0)**
Interest income	27.8	28.3
Net foreign exchange gains	-	11.7
Finance income	**27.8**	**40.0**
Net result on extinguishment of a financial liability	**589.7**	**-**
Finance income/(costs), net	**493.6**	**(96.7)**

The net finance income for the three month period ended March 31, 2020 was €493.6 million compared to net costs of €96.7 million for the same period in 2019. The change was mainly attributed to:

- 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;
- higher net foreign exchange losses that amounted to €144.7 million loss (2019: 11.7 million gain), mainly related to the redemption of the 2015 Altice Financing Senior Secured Notes and 2013 Altice Finco Dollar Senior Notes (please refer to note 8.2.1); and
- a higher gain on extinguishment of financial liability that amounted to €589.7 million (2019: nil), which resulted from the derecognition of the net present value of future interest payments for the MCN (please refer to note 8.6.5) and redemptions of the Group's notes in Altice Financing and Altice Finco (please refer to note 8.2.1).

12. 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.

13. 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 recognised 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 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.

14. Going concern

As at March 31, 2020, the Group had net current liability position of €1,228.5 million (mainly due to trade payables amounting to €1,344.8 million) and a negative working capital of €222.2 million. During the three month period ended March 31, 2020, the Group registered a net profit of €704.3 million and generated cash flows of €345.1 million from operating activities.

As at March 31, 2020, the Group had an equity position of €286.6 million compared to negative equity position of €542.1 million as at December 31, 2019. The equity position changed from the prior period largely due to the net profit 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; €986.5 million compared to €1,344.8 million as at March 31, 2020, as compared to €1,023.6 million and €1,412.7 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 and €94.5 million for Altice Financing. As at December 31, 2019, the Group's short-term borrowings amounted to €276.6 million. The short-term obligations are covered by the proceeds of the refinancing transaction in Altice Financing 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 €353.0 million.

As at March 31, 2020, the amount drawn on the revolving credit facilities at Altice Financing amounted to €75.0 million. A listing of available credit facilities is provided in note 8.5 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 Managers 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 €375.4 million, an increase of 2.5% compared to the same period last year. This increase in Adjusted EBITDA is mainly linked to a better performance in the Portugal, Israel and Teads segments, which was partially offset by a decrease in performance in the Dominican Republic.
    - Operating cash flows for the three month period ended March 31, 2020 were €345.1 million.
- The Group had unrestricted cash reserves of €232.4 million as at March 31, 2020, a decrease of €163.0 million compared to €395.5 million as at December 31, 2019, which would allow it to cover any urgent cash needs. The Group can move its cash from one segment to another under certain conditions as allowed by its debentures and debt covenants.
- Additionally, as of March 31, 2020, the Group had access to revolving credit facilities of up to €581.0 million, of which €75.0 million were drawn as of March 31, 2020.

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

15. Events after the reporting period

15.1. 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 8.2.4).

15.2. 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.

15.3. Repayment of the Revolving Credit Facility of Altice Financing

On April 21, 2020, Altice Financing repaid €75.0 million of Revolving Credit Facility that was drawn in the first quarter of 2020. Please refer to note 8.5.

15.4. Upstream of cash to Altice Group Lux S.à r.l.

On May 26, 2020, the Company upstreamed €602 million of cash to Altice Group Lux S.à r.l..