

**ALTICE INTERNATIONAL S.À R.L**

**SOCIETE À RESPONSABILITÉ LIMITÉE (PRIVATE LIMITED LIABILITY COMPANY)**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF AND  
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2015**

## **Table of contents**

<b>Condensed consolidated statement of income</b>	<b>2</b>
<b>Condensed consolidated statement of other comprehensive income</b>	<b>3</b>
<b>Condensed consolidated statement of financial position</b>	<b>4</b>
<b>Condensed consolidated statement of changes in equity</b>	<b>6</b>
<b>Condensed consolidated statement of cash flows</b>	<b>8</b>
<b>Notes to the condensed interim consolidated financial statements</b>	<b>9</b>
<b>Review Report of the Réviseur d'Entreprises Agréé</b>	<b>44</b>

**Condensed consolidated statement of income**  
**For the three and nine months ended September 30, 2015**

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (revised *)	Three months ended September 30, 2015	Three months ended September 30, 2014 (revised *)
<i>(In millions €)</i>					
Revenues.....	3	2,387.2	1,372.8	1,110.7	506.1
Purchasing and subcontracting costs .....		(549.3)	(324.5)	(257.8)	(113.2)
Other operating expenses.....		(519.4)	(310.9)	(222.3)	(114.9)
Staff costs and employee benefit expenses .....		(205.5)	(110.3)	(115.0)	(37.9)
Depreciation and amortization.....		(694.3)	(407.5)	(299.5)	(154.4)
Impairment losses .....	3	(20.8)	(5.4)	(1.0)	-
Other expenses and income .....	3	(64.4)	(64.0)	(36.2)	(17.6)
<b>Operating profit .....</b>		<b>333.5</b>	<b>150.1</b>	<b>179.0</b>	<b>68.1</b>
Interest relative to gross financial debt .....		(342.1)	(175.2)	(119.8)	17.8
Other financial expenses.....		(61.5)	(127.0)	(30.7)	(149.9)
Finance income.....		27.2	-	1.5	-
<b>Finance costs, net .....</b>		<b>(376.4)</b>	<b>(302.2)</b>	<b>(149.1)</b>	<b>(132.1)</b>
<b>Net gain from disposal of businesses .....</b>	3.3	<b>27.5</b>	<b>-</b>	<b>27.5</b>	
Share of profit of associates.....		0.3	-	1.1	-
<b>(Loss)/profit before income tax.....</b>		<b>(15.0)</b>	<b>(152.1)</b>	<b>58.6</b>	<b>(64.0)</b>
Income tax expenses .....	12	(54.3)	(22.3)	(29.9)	(23.7)
<b>(Loss)/profit for the period .....</b>		<b>(69.3)</b>	<b>(174.4)</b>	<b>28.8</b>	<b>(87.7)</b>
<i>Attributable to equity holders of the parent.....</i>		<i>(66.1)</i>	<i>(170.8)</i>	<i>29.5</i>	<i>(85.9)</i>
<i>Attributable to non-controlling interests .....</i>		<i>(3.2)</i>	<i>(3.6)</i>	<i>(0.7)</i>	<i>(1.9)</i>

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

(\*) For the details of the revision see note 14

**Condensed consolidated statement of other comprehensive income**  
**For the three and nine months ended September 30, 2015**

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (revised *)	Three months ended September 30, 2015	Three months ended September 30, 2014 (revised *)
<i>(In million €)</i>					
<b>(Loss)/profit for the period .....</b>		<b>(69.3)</b>	<b>(174.4)</b>	<b>28.8</b>	<b>(87.7)</b>
<b>Other comprehensive (loss)/income</b>					
Exchange differences on translating foreign operations		15.9	25.8	13.8	39.6
Revaluation of available for sale financial assets, net of taxes .....		(0.5)	(1.3)	1.8	(0.3)
Gain on cash flow hedge, net of taxes .....	5.3,6.6	(46.3)	-	17.8	-
Actuarial gains and (losses), net of taxes .....	8	31.8	0.2	-	0.2
<b>Total other comprehensive income .....</b>		<b>0.9</b>	<b>24.7</b>	<b>33.4</b>	<b>39.5</b>
<b>Total comprehensive (loss)/profit for the period .....</b>		<b>(68.4)</b>	<b>(149.7)</b>	<b>62.2</b>	<b>(48.1)</b>
<i>Attributable to equity holders of the parent .....</i>		<i>(66.2)</i>	<i>(147.1)</i>	<i>62.7</i>	<i>(47.6)</i>
<i>Attributable to non-controlling interests .....</i>		<i>(2.2)</i>	<i>(2.6)</i>	<i>(0.4)</i>	<i>(0.4)</i>

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

(\*) For the details of the revision see note 14

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

	Notes	September 30, 2015	December 31, 2014 (revised *)
<i>(In millions €)</i>			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill .....	4	5,051.1	1,856.6
Intangible assets .....		1,362.6	835.0
Property, plant & equipment .....		4,353.8	1,457.4
Investment in associates .....		9.5	-
Financial assets .....	11	381.6	57.4
Deferred tax assets .....		412.6	136.1
Other non-current assets .....		39.9	27.3
<b>Total non-current assets</b>		<b>11,611.1</b>	<b>4,369.8</b>
<b>Current assets</b>			
Inventories .....		75.9	21.6
Trade and other receivables .....		1,008.1	281.3
Current tax assets .....		63.2	17.2
Current financial assets.....		2.8	0.6
Cash and cash equivalents .....	7	515.9	188.1
<b>Total Current assets</b> .....		<b>1,665.9</b>	<b>508.7</b>
<i>Assets classified as held for sale.....</i>	3.3	<i>119.9</i>	<i>77.3</i>
<b>Total assets</b> .....		<b>13,396.8</b>	<b>4,955.9</b>

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

(\*) For the details of the revision see note 14

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

	Notes	September 30, 2015	December 31, 2014 (revised *)
<i>(In millions €)</i>			
<b>EQUITY AND LIABILITIES</b>			
<b>Equity .....</b>			
Issued capital .....	5.1	309.3	309.3
Additional paid in capital .....	5.2	318.4	318.4
Other reserves .....	5.3	639.1	(399.9)
Accumulated losses .....		(446.1)	(380.0)
<b>Equity attributable to owners of the Company .....</b>		<b>820.8</b>	<b>(152.3)</b>
Non-controlling interests .....		(4.4)	(2.6)
<b>Total equity .....</b>		<b>816.4</b>	<b>(154.9)</b>
<b>Non-current liabilities</b>			
Long term borrowings, financial liabilities and related hedging instruments	6	7,674.0	3,603.6
Other non-current financial liabilities and related hedging instruments	6	1,079.2	141.9
Non-current provisions .....	8	1,036.5	58.0
Deferred tax liabilities .....		246.5	259.0
Other non-current liabilities .....		27.2	18.0
<b>Total non-current liabilities .....</b>		<b>10,063.4</b>	<b>4,080.6</b>
<b>Current liabilities</b>			
Short-term borrowings, financial liabilities .....	6	159.7	166.6
Other financial liabilities .....	6	386.1	95.5
Trade and other payables .....		1,457.1	590.7
Current tax liabilities .....		65.0	50.2
Current provisions .....		60.1	1.0
Other current liabilities .....		304.6	103.7
<b>Total current liabilities .....</b>		<b>2,432.3</b>	<b>1,007.8</b>
<i>Liabilities directly associated with assets classified as held for sale</i>	3.3	84.6	22.5
<b>Total liabilities .....</b>		<b>12,581.0</b>	<b>5,110.7</b>
<b>Total equity and liabilities .....</b>		<b>13,396.8</b>	<b>4,955.9</b>

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(\*) For the details of the revision see note 14

**Condensed consolidated statement of changes in equity  
For the nine months ended September 30, 2015**

	<b>Reserves</b>									Total equity attributable to owners of the Company €m	Non-controlling interests €m	Total equity €m
	Number of issued shares	Issued capital	Additional paid in capital	Accumulated losses	Other reserves	Currency reserve	Available for sale reserve	Cash flow hedge reserve	Employee Benefits			
	‘000	€m	€m	€m	€m	€m	€m	€m	€m			
Equity at January 1, 2015	<b>30,925,700</b>	<b>309.3</b>	<b>318.4</b>	<b>(380.0)</b>	<b>(393.8)</b>	<b>(6.6)</b>	<b>1.9</b>	<b>-</b>	<b>(1.5)</b>	<b>(152.3)</b>	<b>(2.6)</b>	<b>(154.9)</b>
Loss for the period	-	-	-	(66.1)	-	-	-	-	-	<b>(66.1)</b>	(3.2)	<b>(69.3)</b>
Other comprehensive income/(loss)	-	-	-	-	-	14.9	(0.5)	(46.3)	31.8	<b>(0.1)</b>	1.0	<b>0.9</b>
Issuance of hybrid instruments	-	-	-	-	1,040.8	-	-	-	-	<b>1,040.8</b>	-	<b>1,040.8</b>
Change in scope	-	-	-	-	0.3	-	-	-	-	<b>0.3</b>	0.4	<b>0.7</b>
Change in accounting policies	-	-	-	-	(1.2)	-	-	-	-	<b>(1.2)</b>	-	<b>(1.2)</b>
Effect of discounting of Interest Free Instruments	-	-	-	-	(0.6)	-	-	-	-	<b>(0.6)</b>	-	<b>(0.6)</b>
Equity at September 30, 2015	<b>30,925,700</b>	<b>309.3</b>	<b>318.4</b>	<b>(446.1)</b>	<b>645.4</b>	<b>8.3</b>	<b>1.4</b>	<b>(46.3)</b>	<b>30.3</b>	<b>820.8</b>	<b>(4.4)</b>	<b>816.4</b>

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

(\*) For the details of the revision see note 14

**Condensed consolidated statement of changes in equity**

**For the nine months ended September 30, 2014**

	Number of issued shares	Share capital	Additional paid in capital	Accumulated losses	Reserves				Total equity attributable to equity holders of the parent €m	Non- controlling interests €m	Total equity €m
					Other reserves	Currency reserve	Available for sale	Employee Benefits			
	‘000	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Equity at January 1, 2014 (*)	<b>743,011.5</b>	7.4	5.4	(190.6)	(76.6)	(6.7)	(0.4)	0.8	<b>(260.7)</b>	(0.5)	<b>(261.2)</b>
Loss for the period	-	-	-	(170.8)	-	-	-	-	<b>(170.8)</b>	(3.6)	<b>(174.4)</b>
Shareholder Contribution	<b>30,182,688.5</b>	301.8	313.0	-	(316.9)	-	-	-	<b>297.8</b>	-	<b>297.7</b>
Change in scope	-	-	-	-	(0.1)	-	-	-	<b>(0.1)</b>	3.8	<b>3.7</b>
Other comprehensive income	-	-	-	-	-	24.8	(1.3)	0.2	<b>23.7</b>	1.0	<b>24.7</b>
Other movements	-	-	-	-	0.1	-	-	-	<b>0.1</b>	-	<b>0.1</b>
Equity at September 30, 2014 (*)	<b>30,925,700</b>	<b>309.2</b>	<b>318.4</b>	<b>(361.4)</b>	<b>(393.6)</b>	<b>18.1</b>	<b>(1.7)</b>	<b>1.0</b>	<b>(110.0)</b>	<b>0.6</b>	<b>(109.4)</b>

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(\*) For the details of the revision see note 14



**Condensed consolidated statement of cash flows**  
**For the nine months ended September 30, 2015**

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (revised *)
<i>(In millions €)</i>			
<b>Net loss for the period, including non-controlling interests</b>		<b>(69.3)</b>	<b>(174.4)</b>
Adjustments for:			
Depreciation, amortization and impairments .....		715.1	412.9
Share of profit of associates .....		(0.3)	-
Gains and losses on disposals .....		(26.3)	1.7
Other non-cash operating losses/(gains), net .....		(0.8)	3.1
Net finance costs recognized in the statement of income .....		376.4	302.2
Income tax expense recognized in the statement of income ....		54.3	22.3
Income tax paid .....		(50.5)	(38.6)
Changes in working capital .....		113.2	(36.6)
<b>Net cash provided by operating activities .....</b>		<b>1,111.9</b>	<b>502.7</b>
Payments to acquire tangible and intangible assets .....		(483.9)	(306.6)
Payments to acquire financial assets.....	6	(250.9)	-
Proceeds from disposal of tangible, intangible and financial assets .....		1.9	1.1
Use of restricted cash to acquire subsidiaries .....		-	1,243.7
Consideration received on disposal of businesses .....	3.3	76.0	-
Transactions with non-controlling interests .....		-	(8.9)
Payment to acquire subsidiaries, net.....	2	(114.5)	(1,278.1)
<b>Net cash used in investing activities .....</b>		<b>(771.3)</b>	<b>(340.8)</b>
Proceeds from issue of equity instruments .....		-	95.3
Proceeds from issuance of hybrid instruments .....	6	2,055.0	-
Proceeds from issuance of debts.....	6	4,347.7	105.7
Payments on redemption of debt instruments .....		(564.4)	(110.7)
Payments on redemption of PT outstanding debt on acquisition .....	2	(5,593.9)	-
Net interest paid .....		(200.2)	(173.5)
Payments related to retirement benefits.....		(51.8)	-
<b>Net cash used in financing activities .....</b>		<b>(7.7)</b>	<b>(83.3)</b>
Cash and cash equivalent classified as held for sale at the end of the period .....		(5.5)	-
Effects of exchange rate changes on the balance of cash held in foreign currencies .....		0.4	0.7
<b>Net increase in cash and cash equivalents .....</b>		<b>327.7</b>	<b>79.5</b>
Cash and cash equivalents at beginning of period .....	7	188.1	61.3
<b>Cash and cash equivalents at end of the period .....</b>	7	<b>515.9</b>	<b>140.8</b>

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

(\*) For the details of the revision see note 14

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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

## **1 - Basis of preparation**

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

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

During the period, the Parent Company of the Company changed to Altice Luxembourg S.A. when Altice S.A. (former Parent Company) transferred its investments to Altice Luxembourg. The transfer occurred on August 6, 2015.

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

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

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

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

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

- (iii) Also as of December 31, 2014, brands acquired in a business combination had either definite or indefinite useful lives. During the nine months ended September 30, 2015, the Board of Managers has reviewed the useful lives of the brands currently recognized and assessed that these brands have a definite useful life, based on the Group’s strategy. This change has been applied prospectively. A total expense of €46.9 million (before tax impact) was recorded in the condensed consolidated statement of income for the nine months ended September 30, 2015.

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

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

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

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

**Revised information**

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

A summary of the changes is provided below:

Condensed consolidated statement of income:

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

Condensed consolidated statement of financial position:

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

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

The comparative information for the three and nine month ended September 30, 2014 and for the year ended December 31, 2014 has been revised to reflect the impact of the finalization of the purchase price of Tricom S.A. and Altice Hispaniola S.A. (previously Orange Dominicana S.A.) acquired during the course of FY 2014 (See note 14).

## **2 – Main changes in the scope of consolidation**

### **2.1 Changes in consolidation scope for the nine month period ended September 30, 2015**

#### ***PT Portugal ("PT Portugal" ; "PT")***

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

Since June 2, 2015, PT contributed €780.3 million to Group revenues and €124.2 million to Group operating profit for the nine months ended September 30, 2015.

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

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

The provisional value of assets transferred in consideration for the values mentioned above amounted to €4,922.4 million, comprising mainly of intangible assets for a net value of €644.3 million, property, plant and equipment for a total value of €2,956.2 million and trade and other receivables for a total amount of €1,110.9 million. Total liabilities amounted to €7,819.6 million, comprising of €5,433.0 million of non-current liabilities and €2,386.6 million of current liabilities. The residual value of € 3,092.3 million was recognised provisionally as goodwill.

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

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

Fair value of Consideration transferred	€195.1 million
Fair value of identifiable assets, liabilities and contingent liabilities	€ (2,897.2) million
Goodwill	€3,092.3 million

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

The profit and loss statement for Portugal Telecom for period that it was not integrated in the Group is given below.

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

As part of the purchase agreement entered into with the vendor, the Group is protected against any cash claims that claimants might have or might obtain as a result of rulings on on-going litigations. In the event that such litigation existed prior to the acquisition of PT by Altice, the Group can claim indemnities from the vendor to cover cash payments that it might be directed to make.

## **2.2 Transactions in progress as of September 30, 2015**

### ***Strategic partnership with Next RadioTV media group***

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

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

This new company will then launch in a second step a voluntary tender offer for 100% of NextRadioTV share capital at a price of 37 euros per share, representing a premium of 30.5% to the last-6-months volume weighted average share price as at July 27, 2015. This represents an enterprise value of c.€590 million and will be financed through a combination of available RCFs and cash on balance sheet. The new entity will be placed under the Altice International group and will be integrated into the existing content silo.

The filing of the tender offer with the French Autorité des Marchés Financiers (« AMF ») will occur after the presentation of the transaction to the relevant regulatory and antitrust authorities (“*Conseil Supérieur de l’Audiovisuel et Autorité de la Concurrence*”). The filing of the tender offer is expected by the end of 2015.

Through this new partnership, Mr. Weill will ultimately become a 24% shareholder of a subsidiary of the Group dedicated to investments in media companies, with an on-going focus on international diversification outside of France, where growth and consolidation opportunities are numerous. Mr. Weill will join Altice’s Executive Committee as Managing Director of Altice Media responsible for all the media activities of Altice.

On November 24, 2015, NextRadioTV announced that it had received the required regulatory approval from the regulatory and antitrust authorities to proceed with the transaction as described above.

***Disposal of Cabovisao and ONI***

On September 15, 2015, Altice NV announced that it had reached an agreement with Apax Partners to sell the Portuguese entities Cabovisao and ONI, a condition imposed by the European commission when approving the purchase of Portugal Telecom by Altice. As of September 30, 2015, the assets and liabilities of Cabovisao and ONI were classified as held for sale in the condensed interim consolidated financial statements of the company. On November 18, 2015, Portugal's Regulatory Authority for the Media (ERC) notified the Group of its approval for the sale of Cabovisao and ONI to Apax Partners.

**3 – Segment reporting**

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

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

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

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

**3.1 Segment information**

**3.1.1 Reconciliation of information with condensed interim consolidated financial statements**

A reconciliation between operating profit, EBITDA (as defined the Management) (Earnings before Interest, Taxes, Depreciation Amortisation and other expenses & income) and adjusted EBITDA is presented below:

*(In € millions)*

	<b>Nine months ended September 30, 2015</b>		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	2,387.2	-	2,387.2
Purchasing and subcontracting costs	(549.3)	-	(549.3)
Other operating expenses	(519.4)	0.2	(519.2)
Staff costs and employee benefit expenses	(205.5)	-	(205.5)
<b>EBITDA</b>	<b>1,113.1</b>	<b>0.2</b>	<b>1,113.3</b>
Depreciation and amortisation	(694.3)		
Impairment losses	(20.8)		
Other expenses and income	(64.4)		
<b>Operating income</b>	<b>333.5</b>		

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

(In € millions)

	<b>Three months ended September 30, 2015</b>		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	1,110.7	-	1,110.7
Purchasing and subcontracting costs	(257.8)	-	(257.8)
Other operating expenses	(222.3)	-	(222.3)
Staff costs and employee benefit expenses	(115.0)	-	(115.0)
<b>EBITDA</b>	<b>515.6</b>	<b>-</b>	<b>515.6</b>
Depreciation and amortisation	(299.5)		
Impairment losses	(1.0)		
Other expenses and income	(36.2)		
<b>Operating income</b>	<b>179.0</b>		

(In € millions)

	<b>Nine months ended September 30, 2014</b>		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	1,372.8	-	1,372.8
Purchasing and subcontracting costs	(324.5)	-	(324.5)
Other operating expenses	(310.9)	-	(310.9)
Staff costs and employee benefit expenses	(110.3)	-	(110.3)
<b>EBITDA</b>	<b>627.0</b>	<b>-</b>	<b>627.0</b>
Depreciation and amortisation	(407.5)		
Impairment losses	(5.4)		
Other expenses and income	(64.0)		
<b>Operating income</b>	<b>150.1</b>		

(In € millions)

	<b>Three months ended September 30, 2014</b>		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	506.1	-	506.1
Purchasing and subcontracting costs	(113.2)	-	(113.2)
Other operating expenses	(114.9)	-	(114.9)
Staff costs and employee benefit expenses	(37.9)	-	(37.9)
<b>EBITDA</b>	<b>240.0</b>	<b>-</b>	<b>240.0</b>
Depreciation and amortisation	(154.4)		
Other expenses and income	(17.6)		
<b>Operating income</b>	<b>68.1</b>		



### 3.1.2 Non-recurring items and other adjustments

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

	Nine months ended September 30, 2015	Nine months ended September 30, 2014	Three months ended September 30, 2015	Three months ended September 30, 2014
	<i>(In € millions)</i>			
<b><u>Non-recurring items and other adjustments in EBITDA</u></b>				
CVAE (Business value added contribution)	0.2	-	-	-
<b>Total non-recurring items and other adjustments in EBITDA</b>	<b>0.2</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Non-recurring items and other adjustments below EBITDA</u></b>				
Restructuring costs <sup>(2)</sup>	10.1	15.1	4.2	0.6
Agreement negotiation	2.4	26.1	2.4	14.8
Management fees <sup>(3)</sup>	20.8	-	6.3	-
Deal fees <sup>(1)</sup>	21.2	7.0	19.8	(9.8)
Other expenses, net	8.7	15.8	3.3	11.9
Loss on disposals of assets	1.2	-	0.2	-
<b><u>Non-recurring items and other adjustments below EBITDA</u></b>	<b>64.4</b>	<b>64.0</b>	<b>36.2</b>	<b>17.6</b>
<b>Total non-recurring items and other adjustments</b>	<b>64.6</b>	<b>64.0</b>	<b>36.2</b>	<b>17.6</b>

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

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

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

3.1.3 Operating income per geographical segment

<i>(in € millions)</i>	Nine months ended September 30, 2015						
	Portugal	Israel	Dominican Republic	French Overseas Territories	Belgium and Luxembourg	Other	Total
<b>Revenue</b>	891.7	691.1	516.6	165.5	54.0	68.4	2,387.2
Purchasing and subcontracting costs	(189.1)	(165.9)	(105.8)	(58.0)	(7.5)	(23.0)	(549.3)
Other operating expenses	(193.0)	(167.3)	(122.6)	(20.8)	(6.5)	(9.3)	(519.4)
Staff costs and employee benefit expenses	(123.9)	(35.2)	(20.7)	(13.6)	(2.4)	(9.6)	(205.5)
<b>Total</b>	<b>385.7</b>	<b>322.7</b>	<b>267.5</b>	<b>73.2</b>	<b>37.5</b>	<b>26.5</b>	<b>1,113.1</b>
Non-recurring items and other adjustments in EBITDA	-	-	-	0.2	-	-	<b>0.2</b>
<b>Adjusted EBITDA</b>	<b>385.7</b>	<b>322.7</b>	<b>267.5</b>	<b>73.4</b>	<b>37.5</b>	<b>26.5</b>	<b>1,113.3</b>
Depreciation and amortisation	(241.6)	(233.1)	(124.1)	(38.2)	(17.3)	(40.0)	(694.3)
Impairment losses <sup>(1)</sup>	-	-	-	(20.8)	-	-	(20.8)
Non-recurring items and other adjustment in EBITDA	-	-	-	(0.2)	-	-	(0.2)
Non-recurring items and other adjustments	(30.8)	(17.6)	(9.9)	(5.8)	(4.6)	4.2	(64.4)
<b>Operating profit</b>	<b>113.4</b>	<b>72.0</b>	<b>133.5</b>	<b>8.4</b>	<b>15.5</b>	<b>(9.2)</b>	<b>333.5</b>

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

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

(2)

	<b>Three months ended September 30, 2015</b>						
<i>(in € millions)</i>	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Other</b>	<b>Total</b>
<b>Revenue</b>	614.7	233.5	174.6	45.4	18.6	23.9	1,110.7
Purchasing and subcontracting costs	(123.7)	(57.7)	(36.4)	(29.1)	(2.7)	(8.1)	(257.8)
Other operating expenses	(127.0)	(56.6)	(43.9)	11.1	(2.1)	(3.8)	(222.3)
Staff costs and employee benefit expenses	(87.3)	(11.7)	(6.7)	(4.9)	(1.1)	(3.2)	(115.0)
<b>Total</b>	<b>276.7</b>	<b>107.5</b>	<b>87.6</b>	<b>22.4</b>	<b>12.7</b>	<b>8.7</b>	<b>515.6</b>
Non-recurring items and other adjustments in EBITDA	-	-	-	-	-	-	-
<b>Adjusted EBITDA</b>	<b>276.7</b>	<b>107.5</b>	<b>87.6</b>	<b>22.4</b>	<b>12.7</b>	<b>8.7</b>	<b>515.6</b>
Depreciation and amortisation	(150.3)	(80.4)	(40.7)	(16.7)	(5.4)	(6.0)	(299.5)
Impairment losses	-	-	-	(1.0)	-	-	(1.0)
Non-recurring items and other adjustment in EBITDA				-			-
Non-recurring items and other adjustments	(26.6)	(4.3)	(3.7)	0.9	(0.8)	(2.0)	(36.2)
<b>Operating profit</b>	<b>99.6</b>	<b>22.7</b>	<b>43.2</b>	<b>5.5</b>	<b>6.6</b>	<b>0.6</b>	<b>179.0</b>

	<b>Nine months ended September 30, 2014</b>						
<i>(in € millions)</i>	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Other</b>	<b>Total</b>
<b>Revenue</b>	<b>140.4</b>	<b>645.9</b>	<b>300.5</b>	<b>178.7</b>	<b>54.0</b>	<b>53.2</b>	<b>1,372.8</b>
Purchasing and subcontracting costs	(60.2)	(128.7)	(66.4)	(42.7)	(8.8)	(17.7)	(324.5)
Other operating expenses	(23.9)	(147.3)	(76.2)	(45.9)	(6.2)	(11.5)	(310.9)
Staff costs and employee benefit expenses	(12.1)	(55.3)	(13.0)	(17.5)	(2.6)	(9.9)	(110.3)
<b>Total</b>	<b>44.3</b>	<b>314.6</b>	<b>145.0</b>	<b>72.7</b>	<b>36.3</b>	<b>14.1</b>	<b>627.0</b>
<b>Adjusted EBITDA</b>	<b>44.3</b>	<b>314.6</b>	<b>145.0</b>	<b>72.7</b>	<b>36.3</b>	<b>14.1</b>	<b>627.0</b>
Depreciation and amortisation	(54.4)	(217.6)	(70.0)	(38.0)	(14.0)	(13.5)	(407.5)
Impairment losses <sup>(2)</sup>	-	-	-	-	(5.4)	-	(5.4)
Non-recurring items and other adjustments in EBITDA	(7.8)	(25.4)	(18.4)	(9.8)	(5.7)	3.1	(64.0)
<b>Operating profit</b>	<b>(18.0)</b>	<b>71.6</b>	<b>56.6</b>	<b>24.9</b>	<b>11.3</b>	<b>3.7</b>	<b>150.1</b>

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

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

	<b>Three months ended September 30, 2014</b>						
<i>(in € millions)</i>	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Other</b>	<b>Total</b>
<b>Revenue</b>	46.6	218.9	146.0	60.1	17.8	16.7	506.1
Purchasing and subcontracting costs	(20.9)	(44.5)	(27.0)	(13.2)	(3.3)	(4.7)	(113.2)
Other operating expenses	(7.6)	(49.1)	(36.3)	(15.9)	(2.0)	(4.2)	(114.9)
Staff costs and employee benefit expenses	(3.8)	(18.0)	(6.0)	(5.9)	(0.9)	(3.3)	(37.9)
<b>Total</b>	<b>14.4</b>	<b>107.5</b>	<b>76.7</b>	<b>25.4</b>	<b>11.6</b>	<b>4.5</b>	<b>240.3</b>
<b>Adjusted EBITDA</b>	<b>14.4</b>	<b>107.5</b>	<b>76.7</b>	<b>25.4</b>	<b>11.6</b>	<b>4.5</b>	<b>240.3</b>
Depreciation and amortisation	(17.3)	(76.9)	(37.3)	(14.2)	(5.0)	(3.7)	(154.4)
Non-recurring items and other adjustments in EBITDA	(2.6)	(4.9)	(8.4)	(4.0)	(1.6)	4.0	(17.6)
<b>Operating profit</b>	<b>(5.6)</b>	<b>25.6</b>	<b>31.0</b>	<b>7.2</b>	<b>5.0</b>	<b>4.9</b>	<b>68.1</b>

(\*) For the revision impact please see note 13

### **3.2 Revenue split by activities**

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

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

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

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

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

Revenues split by activity are presented below:

<b>Nine months ended September 30, 2015</b>							
<i>(in millions) €</i>	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Others</b>	<b>Total</b>
Fixed B2C	296.1	483.8	79.7	52.7	42.7	11.5	966.5
Fixed B2B	183.0	54.1	28.0	11.5	4.9	5.2	286.8
Wholesale	100.6	-	47.6	4.8	-	22.8	175.8
Mobile B2C	198.4	112.0	306.7	74.6	1.0	-	692.7
Mobile B2B	70.7	41.1	38.2	3.6	-	-	153.7
Other	42.9	-	16.3	18.1	5.3	28.9	111.5
<b>Total</b>	<b>891.7</b>	<b>691.1</b>	<b>516.6</b>	<b>165.5</b>	<b>54.0</b>	<b>68.4</b>	<b>2,387.2</b>

<b>Three months ended September 30, 2015</b>							
<i>(in millions) €</i>	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Others</b>	<b>Total</b>
Fixed B2C	194.7	162.1	26.0	18.4	14.4	3.8	419.6
Fixed B2B	117.4	18.4	9.7	3.6	1.6	1.7	152.4
Wholesale	71.5	-	17.2	1.6	-	19.4	109.7
Mobile B2C	150.4	38.6	102.1	9.9	0.4	-	301.4
Mobile B2B	52.9	14.4	13.5	0.7	-	-	81.5
Other	27.8	-	6.2	11.2	2.1	(1.1)	46.2
<b>Total</b>	<b>614.7</b>	<b>233.5</b>	<b>174.6</b>	<b>45.4</b>	<b>18.6</b>	<b>23.9</b>	<b>1,110.7</b>

<b>Nine months ended September 30, 2014</b>							
<i>(in € millions)</i>	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Others</b>	<b>Total</b>
Fixed B2C	73.9	463.2	45.1	56.8	43.5	9.7	692.3
Fixed B2B	43.6	52.8	16.3	12.1	4.8	4.8	134.4
Wholesale	22.4	-	25.0	4.4	-	-	51.9
Mobile B2C	-	95.9	179.6	88.7	1.0	-	365.3
Mobile B2B	-	42.5	20.7	5.1	-	-	68.3
Other	0.9	-	11.3	16.5	4.6	34.3	67.7
<i>Adjustments</i>	(0.4)	(8.6)	2.5	(4.8)	(0.0)	4.4	(6.9)
<b>Total</b>	<b>140.4</b>	<b>645.9</b>	<b>300.5</b>	<b>178.7</b>	<b>54.0</b>	<b>53.2</b>	<b>1,372.8</b>

**Three months ended September 30, 2014**

<i>(in millions)</i> €	<b>Portugal</b>	<b>Israel</b>	<b>Dominican Republic</b>	<b>French Overseas Territories</b>	<b>Belgium and Luxembourg</b>	<b>Others</b>	<b>Total</b>
Fixed B2C	23.7	155.9	23.2	18.6	14.5	3.2	239.1
Fixed B2B	14.0	17.8	8.6	3.8	1.6	1.6	47.4
Wholesale	8.6	-	13.4	1.5	-	-	23.5
Mobile B2C	-	34.6	93.0	29.5	0.3	-	157.4
Mobile B2B	-	14.0	10.9	1.7	-	-	26.5
Other	0.4	-	5.4	7.0	1.4	10.1	24.3
<i>Adjustments</i>	(0.2)	(3.3)	(8.4)	(2.1)	(0.0)	1.8	(12.2)
<b>Total</b>	<b>46.6</b>	<b>218.9</b>	<b>146.0</b>	<b>60.1</b>	<b>17.8</b>	<b>16.7</b>	<b>506.1</b>

### **3.3 Assets held for sale**

#### ***Sale of OMT's mobile business***

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

These assets were considered as assets held for sale as per the requirements of IFRS 5, *Non-current assets held for sale and discontinued operations* as at December 31, 2014. As at December 31, 2014, OMT's mobile business were accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The same accounting treatment was applied until completion of the sale. These assets were reported in the 'French Overseas Territories' segment.

The divestiture was successfully closed on July 31, 2015 for an enterprise value of €80.0 million (excluding any eventual purchase price adjustments). Thus, following the sale, this business was de-consolidated from the condensed consolidated accounts of the Group ended September 30, 2015.

The net book value of the business sold amounted to €53.8 million, thus generating a gain on disposal of €27.5 million, which is presented as a separate line item on the consolidated statement of income, given the non-recurring nature of this transaction.

#### ***ONI and Cabovisao businesses in Portugal***

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

On September 15, 2015, the Group has entered into a sale and purchase agreement with Apax France to sell the two companies. On November 18, 2015, Portugal's Regulatory Authority for the Media (ERC) notified the Group of its approval for the sale of Cabovisao and ONI to Apax Partners. The sale is expected to close by year end 2015.

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

These assets are reported in the 'Portugal' segment.

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

**Statement of financial position**

<i>(In € millions)</i>	<b>September 30, 2015</b>			<b>December 31, 2014</b>
	<i>Cabovisao</i>	<i>ONI</i>	<i>Total</i>	<i>FOT (1)</i>
Goodwill	-	1.3	1.3	35.3
Tangible and intangible assets	8.5	77.8	86.3	34.8
Other non-current assets	-	-	-	7.2
Other current assets	13.6	18.7	32.3	
<b>Total assets held for sale</b>	<b>22.1</b>	<b>97.8</b>	<b>119.9</b>	<b>77.3</b>
Other non-current liabilities	7.0	2.4	9.4	2.4
Current trade payables	21.8	19.6	41.3	11.1
Other current liabilities	21.9	11.9	33.8	9.0
<b>Total liabilities related to asset held for sale</b>	<b>50.7</b>	<b>33.9</b>	<b>84.6</b>	<b>22.5</b>

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

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

<i>(In € millions)</i>	<b>September 30, 2015</b>		<b>December 31, 2014</b>
	<i>Cabovisao</i>	<i>ONI</i>	<i>FOT</i>
Revenues	43.0	26.6	-
Operating income	11.8	6.3	6.1
Finance costs, nets	(1.5)	(2.4)	-
Income tax	0.0	(0.1)	(2.4)
<b>Net income attributed to assets held for sale</b>	<b>10.3</b>	<b>3.9</b>	<b>3.8</b>

**Statement of cash flows**

<i>(In € millions)</i>	<b>September 30, 2015</b>		<b>December 31, 2014</b>
	<i>Cabovisao</i>	<i>ONI</i>	<i>FOT</i>
Net cash provided by operating activities	11.2	6.3	13.7
Net cash used in investing activities	(8.5)	(9.5)	(3.6)
Net cash provided by financing activities	-	3.3	-
<b>Net change in cash and cash equivalents</b>	<b>2.7</b>	<b>0.2</b>	<b>10.1</b>

#### **4 - Goodwill**

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

	December 31, 2014 (*revised)	Recognized on business combina- tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	September 30, 2015
<i>(In millions €)</i>								
Dominican Republic ....	767.3	-	-	-	66.6	-	-	833.8
Israel .....	627.2	-	-	-	46.5	-	-	673.7
FOT .....	281.1	-	-	-	-	-	-	281.1
Belux .....	295.5	-	-	-	-	-	-	295.5
Green.ch ...	18.3	-	-	-	0.0	-	-	18.3
Portugal .....	1.3	3,092.3	-	-	-	(1.3)	-	3,092.3
<b>Total Gross Value .....</b>	<b>1,990.6</b>	<b>3,092.3</b>	<b>-</b>	<b>-</b>	<b>113.1</b>	<b>(1.3)</b>	<b>-</b>	<b>5,194.7</b>
Dominican Republic ....	-	-	-	-	-	-	-	-
Israel .....	(129.4)	-	-	-	(9.6)	-	-	(139.0)
FOT .....	(4.6)	-	-	-	-	-	-	(4.6)
Belux .....	-	-	-	-	-	-	-	-
Green.ch ....	-	-	-	-	-	-	-	-
Portugal .....	-	-	-	-	-	-	-	-
<b>Total Cumulative impairment</b>	<b>(134.0)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9.6)</b>	<b>-</b>	<b>-</b>	<b>(143.6)</b>
Dominican Republic ....	767.3	-	-	-	66.6	-	-	833.8
Israel .....	497.8	-	-	-	36.9	-	-	534.6
FOT .....	276.5	-	-	-	-	-	-	276.5
Belux .....	295.5	-	-	-	-	-	-	295.5
Green.ch ....	18.3	-	-	-	-	-	-	18.3
Portugal .....	1.3	3,092.3	-	-	-	(1.3)	-	3,092.3
<b>Total Net book value</b>	<b>1,856.6</b>	<b>3,092.3</b>	<b>-</b>	<b>-</b>	<b>103.5</b>	<b>(1.3)</b>	<b>-</b>	<b>5,051.1</b>

(\*) For the revision impact please see note 14



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

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

(\*) For the revision impact please see note 14

#### **4.1 Impairment of goodwill**

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

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

#### **4.2 Purchase price allocation**

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

##### *4.2.1 Dominican Entities*

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**5.1 Issued capital**

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

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

**5.2 Additional paid in capital**

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

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

**5.3 Reserves**

**5.3.1 Other reserves**

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

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

The components of the Group's reserves with their respective tax effects is provided below:

(in € millions)	September 30, 2015			December 31, 2014 (*revised)		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	39.5	(9.2)	30.3	(1.5)	-	(1.5)
<b>Items not potentially reclassified to profit and loss</b>	<b>39.5</b>	<b>(9.2)</b>	<b>30.3</b>	<b>(1.5)</b>	<b>-</b>	<b>(1.5)</b>
Available for sale	1.4	-	1.4	1.9	-	1.9
Currency reserve	8.3	-	8.3	(6.6)	-	(6.6)
Cash flow hedge	(65.4)	19.1	(46.3)	-	-	-
<b>Items potentially reclassified to profit and loss</b>	<b>(55.6)</b>	<b>19.1</b>	<b>(36.6)</b>	<b>(4.8)</b>	<b>-</b>	<b>(4.8)</b>
<b>Total</b>	<b>(16.2)</b>	<b>9.9</b>	<b>(6.3)</b>	<b>(6.3)</b>	<b>-</b>	<b>(6.3)</b>

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

## 6 - Borrowings and other financial liabilities

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

	September 30, 2015	December 31, 2014
	<i>(In millions €)</i>	
Long term borrowings. Financial liabilities and related hedging instruments .....	<b>7,674.0</b>	<b>3,603.6</b>
- <i>Debentures</i> .....	5,509.5	2,729.8
- <i>Loans from financial institutions</i> .....	2,162.7	846.1
- <i>Derivative financial instruments</i> .....	1.8	27.7
Other non-current financial liabilities: .....	<b>1,079.2</b>	<b>141.9</b>
- <i>Finance leases</i> .....	67.2	16.8
- <i>Other financial liabilities</i> .....	1,012.0	125.1
<b>Non-current liabilities</b> .....	<b>8,753.2</b>	<b>3,745.4</b>
Short term borrowing, liabilities and related hedging instruments ...	<b>159.7</b>	<b>166.6</b>
- <i>Debentures</i> .....	28.6	26.7
- <i>Loans from financial institutions</i> .....	131.1	139.9
Other financial liabilities: .....	<b>386.1</b>	<b>95.5</b>
- <i>Other financial liabilities</i> .....	166.5	27.9
- <i>Bank overdraft</i> .....	0.4	0.1
- <i>Accrued interests</i> .....	191.7	58.9
- <i>Finance leases</i> .....	27.5	8.6
<b>Current liabilities</b> .....	<b>545.8</b>	<b>262.1</b>
<b>Total</b> .....	<b>9,299.0</b>	<b>4,007.6</b>

### 6.1 Debentures and loans from financial institutions

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

	September 30, 2015	December 31, 2014
Debentures .....	5,538.2	2,756.5
Loans from financial institutions .....	2,293.8	986.0
<b>Total</b> .....	<b>7,832.0</b>	<b>3,742.5</b>

### 6.2 Debentures

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

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

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

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

During the nine months ended September 30, 2015, there was no significant reimbursement of debentures.

**6.3 Covenants**

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

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

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

**6.4 Loans from financial institutions**

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

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

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

In addition to the facilities listed above, in July 2015, the RCFs drawn by Altice Financing S.A. were refinanced through the issuance of a new term loan, the details of which are given below:

- (i) A €450 million term loan facility with a maturity of seven years and bearing interest at Euribor 3m+3.5% (with a 1% floor) issued by Altice Financing S.A..

The new term loan is amortised at the rate of 0.25% of the nominal amount per quarter.

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

	<b>September 30, 2015</b>	<b>&lt; 1 year</b>	<b>One year or more</b>	<b>December 31, 2014</b>
		<i>(In millions €)</i>		
Altice Financing Term Loans .....	2,153.7	26.0	2,127.7	820.1
Altice Financing RCF .....	100.0	100.0	-	126.2
Others .....	40.1	5.1	35.0	39.8
<b>Total.....</b>	<b>2,293.8</b>	<b>131.1</b>	<b>2,162.7</b>	<b>986.0</b>

*Available credit facilities:*

As of September 30, 2015, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €997.4 million:

- Revolving credit facilities:
  - Altice Financing S.A.: €80 million, €501 million and €330 million;
  - Altice Financing S.A.: \$80 million, equivalent to €72.0 million as at September 30, 2015;
- Guarantee facilities:
  - Altice Financing S.A.: €15 million.

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

As of September 30, 2015, compared to December 31, 2014, all previously drawn credit facilities had been fully repaid, with the exception of the €501 million facility at Altice Financing S.A., which remained drawn for an aggregate amount of €100 million.

**6.5 Other financial liabilities**

On June 2, 2015, the Company issued Mandatory Convertible Notes for an aggregate amount of €2,055 million, which were entirely subscribed by the Company's sole Partner, Altice S.A. (and subsequently assumed by Altice Luxembourg S.A. as part of the corporate restructuring announced by Altice S.A. in June 2015, see note 1). These instruments are compound financial instruments that contains both a liability and an equity component.

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

The following parameters were used to calculate the debt portion:

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

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

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

**6.6 Derivatives and hedge accounting**

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

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

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

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

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

The table below summarizes the details of the new swaps:

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

The fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the period ended September 30, 2015. Before the impact of taxes, a loss of €65.4 million was recorded as other comprehensive income (€46.3 million net of taxes).

#### **6.6.1 Reconciliation to swap adjusted debt**

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

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

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

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

	September 30, 2015		
	<i>In million €</i>		
	Nominal amount as recorded in statement of financial position	Transaction Costs	Nominal Amount Excl. impact of transaction costs
Total debenture and loans from financial institutions	7,832.0	143.6	7,975.6
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-	(4,077.4)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-	4,003.1
<b>Total swap adjusted value of debentures and loans from financial institutions</b>	<b>7,832.0</b>	<b>143.6</b>	<b>7,901.3</b>

**6.7 Fair value of financial assets and liabilities**

Fair value of financial assets and liabilities is presented below:

	September 30, 2015		December 31, 2014	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(In millions €)</i>			
<b>Current assets</b>				
Cash and cash equivalents .....	515.9	515.9	188.1	188.1
<b>Non-current assets</b>				
Restricted cash .....	-	-	0.6	0.6
Available for Sale .....	41.0	41.0	42.0	42.0
Loans and other receivables .....	295.1	295.1	15.4	15.4
Investment in associates .....	9.5	9.5	-	-
Derivative assets.....	36.0	36.0		
Other financial assets .....	9.5	9.5	-	-



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

	<b>September 30, 2015</b>		<b>December 31, 2014</b>	
	<u><b>Carrying value</b></u>	<u><b>Fair value</b></u>	<u><b>Carrying value</b></u>	<u><b>Fair value</b></u>
	<i>(In millions €)</i>			
<b>Current liabilities</b>				
Short term borrowings, financial liabilities and related hedging instruments .....	159.7	159.7	166.6	166.6
Other financial liabilities .....	386.1	386.1	95.5	95.5
<b>Non-current liabilities</b>				
Long term borrowings, financial liabilities and related hedging instruments .....	7,674.0	7,729.6	3,603.6	3,603.6
Other financial liabilities .....	1,079.2	1,079.2	141.9	141.9

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

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

## **7 - Cash and cash equivalents**

	<b>September 30, 2015</b>	<b>December 31, 2014</b>
	<i>(In millions €)</i>	
Term deposits .....	268.1	-
Bank balances .....	247.8	188.1
<b>Cash and cash equivalents</b>	<b>515.9</b>	<b>188.1</b>

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

## **8 – Employee benefits and pensions**

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

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

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

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

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

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

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

	<b>Pension supplements</b>	<b>Healthcare benefits</b>	<b>Salaries due to pre-retired and suspended employees</b>	<b>September 30, 2015</b>
<i>In million €</i>				
<b>June 2, 2015 (acquisition date)</b>	<b>27.5</b>	<b>297.9</b>	<b>709.5</b>	<b>1,034.9</b>
Periodic post retirement benefits costs	0.3	2.8	1.2	<b>4.2</b>
Net actuarial losses (gains)	4.2	(30.5)	(10.9)	<b>(37.2)</b>
Payments, contributions and reimbursements	(0.5)	(5.4)	(45.9)	<b>(51.8)</b>
<b>Closing balance</b>	<b>31.6</b>	<b>264.7</b>	<b>653.9</b>	<b>950.2</b>

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

	<b>September 30, 2015</b>
<i>In million €</i>	
<b>Unfunded pension supplements obligations</b>	
Projected benefits obligations	118.6
Pension funds at fair value	87.0
	<b>31.6</b>
<b>Unfunded healthcare benefits obligations</b>	
Projected benefits obligations	365.9
Pension funds at fair value	101.1
	<b>264.7</b>
<b>Salaries due to pre-retired and suspended employees</b>	<b>653.9</b>
<b>Total unfunded obligations</b>	<b>950.2</b>
Plans with a deficit position (recorded in non-current provisions)	952.2
Plans with a surplus position	(2.1)

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

	<b>September 30, 2015</b>
<i>In million €</i>	
Periodic service cost (a)	1.5
Net interest cost (a)	2.7
<b>Total post retirement benefits costs</b>	<b>4.2</b>

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

	<b>September 30, 2015</b>
<i>In million €</i>	
Differences between actual data and actuarial assumptions	(5.0)
Changes in actuarial assumptions	42.2
<b>Net changes in actuarial assumptions, excl tax impacts (recorded in OCI)</b>	<b>37.2</b>

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

Net actuarial gains recorded in the Consolidated Statement of Comprehensive Income during the period from June 2, 2015 to September 30, 2015 amounted to €37.2 million, and include the impact of the change in the discount rates mentioned above (gain of €42.2 million) and the difference between actual and expected return on plan assets (loss of €5.0 million).

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

	<b>September 30, 2015</b>
<i>In million €</i>	
Payments of salaries to pre-retired and suspended employees	45.9
Payments of healthcare expenses	5.4
Payments of pension complements benefits	0.5
<b>Net payments on employee benefits</b>	<b>51.8</b>

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

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

	<b>September 30, 2015</b>	
	<b>Amount</b>	<b>%</b>
<i>In million €</i>		
Equities (i)	16.6	19.0%
Bonds (i)	58.8	67.6%
Property	2.3	2.6%
Other (ii)	9.4	10.8%
	<b>87.0</b>	<b>100.0%</b>

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

(ii) This caption includes deposits amounting to €3.9 million.

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

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

	<b>September 30, 2015</b>	
	<b>Amount</b>	<b>%</b>
<i>In million €</i>		
Equities (i)	3.9	3.9%
Bonds (i)	3.5	3.5%
Other (ii)	93.7	92.6%
	<b>101.1</b>	<b>100.0%</b>

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

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

## **9 – Litigations**

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

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

### **9.1 Portugal**

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

#### **9.1.1 Litigations**

##### **(a) Optimus - Interconnection agreement**

This legal action is dated from 2001 and relates to the price that Telecomunicações Móveis Nacionais (“TMN”, PT Portugal’s mobile operation at that time) charged Optimus - Comunicações S.A. (“Optimus”, one of MEO’s mobile competitors at that time, currently NOS) for mobile interconnection services, price that Optimus did not agree with. TMN transferred to PT Comunicações (PT Portugal’s fixed operation at that time, currently named MEO) the receivables from Optimus, and subsequently PT Comunicações offset those receivables with payables due to Optimus. NOS argues for the annulment of the offset made by PT Comunicações and accordingly claims from PT Comunicações the settlement of the payables due before the offset plus accrued interest. In August 2015, the court decided that the transfer of the interconnection receivables from TMN to PT Comunicações and consequently the offset of those receivables with payables due by PT Comunicações to Optimus were not legal and therefore sentenced MEO to settle those payables plus interest up to date in the total amount of approximately €35 million. MEO appealed from this decision in October 2015 to the Court of Appeal of Lisbon.

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

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

(c) Anacom litigation

MEO has several outstanding proceedings filed from Anacom, for some of which MEO has not yet received formal accusations. This litigation includes matters such as the violation of rules relating to the pre-selection, portability, TDT, the non-compliance of obligations under the universal service (fixed voice, and public phones) and restricting the access to phone numbers starting at 760. Historically, MEO paid amounts significantly lower than the administrative fines set by Anacom in final decisions. The initial value of the proceedings are normally set at the maximum applicable amount of the administrative fine until the final decision is formally issued.

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

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

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

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

(f) Municipal taxes and rights-of-way

Pursuant to a statute enacted on August 1, 1997, as an operator of a basic telecommunications network, MEO was exempt from municipal taxes and rights-of-way and other fees with respect to its network in connection with its obligations under the Concession. The Portuguese Government has advised MEO in the past that this statute confirmed the tax exemption under MEO's former Concession and that it will continue to take the necessary actions in order for MEO Comunicações to maintain the economic benefits contemplated by the former Concession Law 5/2004, dated February 10, 2004, established a new rights-of-way regime in Portugal whereby each municipality may establish a fee, up to a maximum of 0.25% of each wireline services bill, to be paid by the customers of those wireline operators whose network infra-structures are located in each such municipality. Meanwhile, Decree-Law 123/2009, dated 21 May 2009, clarified that no other tax should be levied by the municipalities in addition to the tax established by Law 5/2004. This interpretation was confirmed by the Supreme Administrative Court of Portugal in several legal actions.

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

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

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

(h) Invesfundo II - Disposal of plots of land

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

(i) Disposal of PrimeSys

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

#### 9.1.2 Tax assessments

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

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

## **10 – Commitments**

For the nine months ended September 30, 2015, the Board of Directors has not identified any significant changes to the commitments of the subsidiaries of the Group as compared to the year ended December 31, 2014 (with the exception of commitments at PT Portugal, which are described below). The commitments regarding the February 2015 issuance have been disclosed in the notes to the consolidated financial statements as at December 31, 2014.

### **10.1 Portugal**

As of September 30, 2015, Portugal Telecom had the following commitments:

<b>GOODS &amp; SERVICE PURCHASE AND INVESTMENT COMMITMENTS</b>	<b>September 30, 2015</b>	<b>N+1</b>	<b>N+2</b>	<b>N+3</b>	<b>N+4</b>
	<i>(in millions €)</i>				
Goods and services purchase commitments	164.8	114.1	36.0	12.3	2.4
Investment commitments	23.8	16.5	4.6	2.4	0.3
<b>Total</b>	<b>188.6</b>	<b>130.6</b>	<b>40.6</b>	<b>14.7</b>	<b>2.7</b>

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

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

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

### **10.2 Other**

In addition, during the quarter ended September 30, 2015, the Group acquired the rights to broadcast games of the French National Basketball league. Total commitments amount to €50 million over five years.

## **11 – Related party disclosures**

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

- On June 2, 2015, the Company issued Mandatory Convertible Notes for an aggregate amount of €2,055 million, which were entirely subscribed by the Company's sole Partner, Altice Luxembourg S.A. (see description in note 6.5).
- For the nine month period ended September 30, 2015, €20.1 million have been invoiced by Altice Luxembourg S.A. to the Group as management fees in the frame of a services agreement signed between both parties.
- As of September 30, 2015, the Group has advanced a total of €242.1 million towards its sole Partner Altice Luxembourg S.A., which is recorded in the caption Financial Assets in the consolidated statement of financial position. These advances are short term advances and do not bear interests.



## **12 – Income Taxes**

For the nine month period ended September 30, 2015, the Group registered income tax expenses amounting to €54.3 million, compared to an income tax expense of €22.3 million for the nine months ended September 30, 2014. The increase in the income tax expense can be mainly explained by the increase of operating profit resulting from acquisition of entities in Dominican Republic in March and April 2014 and from the acquisition of PT in June 2015.

## **13 - Going concern**

As of September 30, 2015, the Group had net current liabilities position of €767.1 million (mainly due to trade payables of €1,457.1 million) and a negative working capital of €373.1 million. During the 9 months period ended September 30, 2015, the Group registered a net loss of €69.3 million (compared to a loss of €174.4 million for the 9 month period ended September 30, 2014) and generated cash flows from operations of €1,111.9 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short DSOs (Days of Sales Outstanding) and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€1,008.1 million vs. €1,457.1 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of September 30, 2015, the Group's short term borrowings mainly comprised of accrued interests for €191.7 million on the debenture and loans from financial institutions which are repaid on a semi-annual basis and some local bonds, amortization on certain term loans and drawdowns on RCF amounting to €100.0 million. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries. The Altice Financing RCFs were repaid in full in July 2015, following the issuance of new term loans (see note 6).

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

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

- The Group has a strong track record of generating positive EBITDA and generated strong positive operating cash flows for the 9 month period ended September 30, 2015 (€1,111.9 million). EBITDA amounted to €1,113.0 million, an increase of 77.5% compared to September 30, 2014. This increase in EBITDA is mainly due to the integration of newly acquired entities (see note 2 & 4) which contributed to this increase compared to prior year. The Board of Managers is of the view that such EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.
- The Group had healthy unrestricted cash reserves as of September 30, 2015 (€515.9 million vs. €188.1 million as of December 31, 2014), which would allow it to cover any urgent cash needs. Additionally, as of September 30, 2015, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €997.4 million (out of which €100 million has been drawn as at September 30, 2015).
- As of September 30, 2015, the Group had a positive equity position of €816.4 million, of which €820.8 million attributable to the equity owners of the Company.

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

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

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

**14 – Revised information**

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

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

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

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

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

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

	<b>September 30, 2014 (previously reported)</b>	<b>Revision</b>	<b>September 30, 2014 (revised)</b>
		<i>(In millions €)</i>	
Goodwill	2,050.0	(176.9)	1,873.1
Intangible asset	665.8	194.5	860.3
Property plant and equipment	1,441.7	33.6	1,475.3
Other non-current assets	75.7	(1.4)	74.1
Deferred tax assets	98.7	0.9	99.6
<b>Non-current assets</b>	<b>4,331.8</b>	<b>50.7</b>	<b>4,382.4</b>
<b>Current assets</b>	<b>470.9</b>	<b>1.0</b>	<b>472.0</b>
<b>Total assets</b>	<b>4,802.7</b>	<b>51.8</b>	<b>4,854.5</b>
<b>Equity</b>	<b>(93.3)</b>	<b>(16.3)</b>	<b>(109.8)</b>
Other non-current liabilities	3,840.8	-	3,840.8
Deferred tax liabilities	169.5	68.0	237.5
<b>Non-current liabilities</b>	<b>4,010.3</b>	<b>68.0</b>	<b>4,078.3</b>
<b>Current liabilities</b>	<b>885.7</b>	<b>-</b>	<b>885.7</b>
<b>Total liability and equity</b>	<b>4,802.7</b>	<b>51.8</b>	<b>4,854.5</b>

	<b>Nine months ended September 30, 2014 (previously reported)</b>	<b>Revision</b>	<b>Nine months ended June September 30, 2014 (revised)</b>
		<i>(In millions €)</i>	
Revenue	1,372.8	-	1,372.8
Other expenses	(745.8)	-	(745.8)
Depreciation, amortisation and impairment losses	(392.7)	(20.2)	(412.9)
Other expenses and income	(64.0)	-	(64.0)
<b>Operating profit</b>	<b>170.3</b>	<b>(20.2)</b>	<b>150.1</b>
Net Finance costs	(302.2)	-	(302.2)
<b>Profit before taxes</b>	<b>(132.0)</b>	<b>(20.1)</b>	<b>(152.1)</b>
Income tax (expense)/income	(27.6)	5.4	(22.3)
<b>Loss for the period</b>	<b>(159.6)</b>	<b>(14.8)</b>	<b>(174.4)</b>
<b>Comprehensive loss</b>	<b>(133.4)</b>	<b>(16.3)</b>	<b>(149.7)</b>

	<b>Three months September 30, 2014 (previously reported)</b>	<b>Revision</b>	<b>Three months September 30, 2014 (revised)</b>
		<i>(In millions €)</i>	
Revenue	506.1	-	506.1
Other expenses	(266.0)	-	(266.0)
Depreciation, amortisation and impairment losses	(143.2)	(11.1)	(154.4)
Other expenses and income	(17.6)	-	(17.6)
<b>Operating profit</b>	<b>79.2</b>	<b>(11.1)</b>	<b>68.1</b>
Net Finance costs	(132.1)	-	(132.1)
<b>Profit before taxes</b>	<b>(52.9)</b>	<b>(11.1)</b>	<b>(64.0)</b>
Income tax expense	(26.4)	2.7	(23.7)
<b>Profit for the period</b>	<b>(79.3)</b>	<b>(8.4)</b>	<b>(87.7)</b>
<b>Comprehensive loss</b>	<b>(38.5)</b>	<b>(9.6)</b>	<b>(48.1)</b>

## **15- Events after the reporting period**

### **Regulatory approval for the NextRadioTV partnership**

On November 24, 2015, NextRadioTV announced that it had obtained the approval of the French broadcasting and media regulator (*Conseil supérieur de l'audiovisuel*, “CSA”) and the French anti-trust authorities (*l'Autorité de la concurrence*, “ADLC”) for the proposed strategic partnership with the Group, which was previously announced on July 27, 2015. The filing of the tender offer with the AMF is expected to be completed before the end of 2015.

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

### *Introduction*

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

### *Scope of Review*

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

### *Conclusion*

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

For Deloitte Audit, *Cabinet de révision agréé*



John Psaila, *Réviseur d'entreprises agréé*  
Partner

November 30, 2015