ALTICE LUXEMBOURG S.A.

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2015

AND REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Boulevard Royal, 3
L-2449 Luxembourg
RCS B 197.134
Share Capital EUR 2,510,501,86

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To the Sole Shareholder of
Altice Luxembourg S.A.
3, boulevard Royal
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REPORT OF THE REVISEUR D'ENTREPRISES AGREE

We have audited the accompanying consolidated financial statements of Altice Luxembourg S.A., which comprise the consolidated statement of financial position as at December 31, 2015, and the consolidated statement of income, consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted in the European Union, and for such internal control the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier*. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the *réviseur d'entreprises agréé*'s judgement including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the *réviseur d'entreprises agréé* considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Altice Luxembourg S.A. as of December 31, 2015, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted in the European Union.

For Deloitte Audit, *Cabinet de révision agréé*

John Psaila, *Réviseur d'entreprises agréé*
Partner

June 6, 2016

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	Year ended December 31, 2015	Year ended December 31, 2014 (Revised)*
		(In millions €)	
Revenues	4	14,484.4	3,934.5
Purchasing and subcontracting costs	4	(4,633.9)	(1,118.2)
Other operating expenses	23	(3,220.0)	(960.0)
Staff costs and employee benefit expenses		(1,236.5)	(364.5)
Depreciation and amortization	25	(3,844.0)	(1,112.7)
Impairment losses	25	(20.9)	(13.7)
Other expenses and income	4	(416.5)	(239.6)
Operating profit		1,112.7	125.7
Interest relative to gross financial debt		(1,865.0)	(788.3)
Other financial expenses		(239.0)	(360.4)
Finance income		308.4	13.5
Gain recognized on extinguishment of a financial liability	26	643.5	-
Finance costs, net	27	(1,152.1)	(1,135.2)
Gain on disposal of businesses	4.4	27.5	-
Share of profit of associates		8.1	4.8
Gain recognized on step acquisition	26	-	256.3
Loss before income tax		**(3.9)**	**(748.4)**
Income tax (expenses)/income	22	(239.5)	168.9
Loss for the year		(243.4)	(579.5)
Attributable to equity holders of the parent		*(389.8)*	*(429.6)*
Attributable to non-controlling interests	3.1	*146.4*	(149.9)

(*) For the details of the revision see note 32

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

Consolidated statement of other comprehensive income
For the year ended December 31, 2015

	Notes	Year ended December 31, 2015	Year ended December 31, 2014 (Revised)*
		(In millions €)	
Loss for the year ………………………………..		**(243.4)**	**(579.5)**
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations		11.3	(0.1)
Revaluation of available for sale financial assets, net of taxes	18.5	0.5	2.3
Loss on cash flow hedge, net of taxes ……………..	16.9	(127.4)	(127.9)
Actuarial losses, net of taxes ………………………………….	15	(0.1)	(4.8)
Total other comprehensive loss		**(115.7)**	**(130.5)**
Total comprehensive loss for the year ………..		**(359.1)**	**(710.0)**
Attributable to equity holders of the parent ……………..		*(512.3)*	*(516.5)*
Attributable to non-controlling interests …………………	3.1	*153.2*	*(193.4)*

(*) For the details of the revision see note 32

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Consolidated statement of financial position
December 31, 2015

	Notes	December 31, 2015	December 31, 2014 (Revised)*
ASSETS		*(In millions €)*	
Non-current assets			
Goodwill	5	15,274.7	13,422.1
Intangible assets	6	10,939.8	9,508.2
Property, plant & equipment	7	10,296.9	7,348.8
Investment in associates	8	417.7	126.0
Financial assets	9	2,804.8	1,343.6
Deferred tax assets	22	497.9	875.9
Other non-current assets	21	93.6	78.7
Total non-current assets		**40,325.2**	**32,703.3**
Current assets			
Inventories	10	368.7	277.2
Trade and other receivables	11	3,664.7	3,084.4
Current tax assets	22	304.5	268.7
Financial assets	21	11.4	135.4
Cash and cash equivalents	12	625.7	1,563.6
Restricted cash	12	0.6	-
Total current assets		**4,975.5**	**5,329.4**
Assets classified as held for sale	4.4	*122.1*	*77.3*
Total assets		**45,422.9**	**38,110.0**

(*) For the details of the revision see note 32

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Consolidated statement of financial position
December 31, 2015

EQUITY AND LIABILITIES	Notes	December 31, 2015	December 31, 2014 (Revised)*
Equity			
Issued capital	13.1	2.5	2.5
Additional paid in capital	13.2	1,016.1	2,971.1
Other reserves	13.3	(215.8)	(93.3)
Accumulated losses		(1,276.2)	(934.4)
Equity attributable to owners of the Company		**(473.4)**	**1,945.9**
Non-controlling interests	3	939.0	3,278.2
Total equity		**465.6**	**5,224.1**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	16	31,032.0	20,483.2
Other non-current financial liabilities and related hedging instruments	16	412.2	907.3
Non-current provisions	14,15	1,733.4	693.1
Deferred tax liabilities	22	1,600.1	2,056.9
Other non-current liabilities	20	803.4	598.9
Total non-current liabilities		**35,581.1**	**24,739.4**
Current liabilities			
Short-term borrowings, financial liabilities	16	248.6	166.5
Other financial liabilities	16	1,236.7	1,073.9
Trade and other payables	19	6,252.9	5,111.4
Current tax liabilities		284.6	267.5
Current provisions	14,15	378.1	313.5
Other current liabilities	20	890.7	1,190.6
Total current liabilities		**9,291.6**	**8,123.4**
Liabilities directly associated with assets classified as held for sale	4.4	84.6	22.5
Total liabilities		**44,957.2**	**32,885.2**
Total equity and liabilities		**45,422.9**	**38,110.0**

(*) For the details of the revision see note 32

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

Consolidated statement of changes in equity
For the Year ended December 31, 2015

	Number of issued shares	Share capital	Invested equity	Additional paid in capital	Accumulated losses	Reserves: Currency reserve	Reserves: Cash Flow hedge reserve	Reserves: Available for sale	Reserves: Employee Benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Ordinary Shares					*(In millions €)*						
Equity at January 1, 2015 (revised *)	-	-	1,945.9	-	-	-	-	-	-	**1,945.9**	3,278.2	**5,224.1**
(Loss)/profit for the year	-	-	-	-	(389.8)	-	-	-	-	**(389.8)**	146.4	(243.4)
Other comprehensive profit/(loss)	-	-	-	-	-	10.4	(132.2)	0.5	(1.2)	**(122.5)**	6.8	(115.7)
Comprehensive profit/(loss)	**-**	**-**	**-**	**-**	**(389.8)**	**10.4**	**(132.2)**	**0.5**	**(1.2)**	**(512.3)**	**153.2**	**(359.1)**
Incorporation of Altice Luxembourg S.A.	3,100,000	0.0	-	-	-	-	-	-	-	-	-	-
Contribution by Altice S.A.	247.950.186	2.5	(1,945.9)	2,971.0	(934.4)	(7.0)	(85.4)	1.9	(2.8)	0.0	-	0.0.
Share based payment	-	-	-	-	25.9	-	-	-	-	25.9	2.1	28.0
Transactions with controlling shareholders				64.1						64.1	-	64.1
Transaction with non-controlling interests	-	-	-	(2,018.1)	-	-	-	-	-	(2,018.1)	(1,945.9)	(3,964.0)
Dividends	-	-	-	-	-	-	-	-	-	-	(555.5)	(555.5)
Other	-	-	-	(1.0)	22.1	-	-	-	-	21.1	6.9	28.0
Equity at December 31, 2015	**251,050,186**	**2.5**	**-**	**1,016.1**	**(1,276.2)**	**3.4**	**(217.6)**	**2.4**	**(4.0)**	**(473.4)**	**939.0**	**465.6**

(*) For the details of the revision see note 32

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

Consolidated statement of changes in equity
For the Year ended December 31, 2014

							Reserves					
	Number of issued shares	**Share capital**	**Invested equity**	**Additional paid in capital**	**Accumulated losses**	**Currency reserve**	**Cash Flow hedge reserve**	**Available for sale**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
						(In millions €)						
Equity at January 1. 2014	-	-	95.8	-	-	-	-	-	-	**95.8**	(0.5)	**95.3**
Loss for the year	-	-	-	-	(429.6)	-	-	-	-	**(429.6)**	(149.9)	**(579.5)**
Other comprehensive profit/(loss)	-	-	-	-	-	(0.3)	(85.4)	2.3	(3.6)	**(87.1)**	(43.5)	**(130.6)**
Total Comprehensive profit/(loss)	**-**	**-**	**-**	**-**	**(429.6)**	**(0.3)**	**(85.4)**	**2.3**	**(3.6)**	**(516.7)**	**(193.4)**	**(710.1)**
Incorporation of Altice S.A.	3,100,000	0.0	(95.8)	624.2	(522.1)	(6.7)		(0.4)	0.8	**-**	-	**-**
Contribution of Altice France and Altice International	172,900,000	1.7	-	(66.8)	-	-	-	-	-	**(65.1)**	-	**(65.1)**
Issuance of new shares	44,619,752	0.4	-	1,636.1	-	-	-	-	-	**1,636.5**	-	**1,636.5**
Share based payment	-	-	-	-	17.2	-	-	-	-	**17.2**	3.3	**20.5**
Transaction with non-controlling interests	27,330,434	0.3	-	777.6	-	-	-	-	-	**777.9**	3,468.8	**4,246.7**
												-
Equity at December 31. 2014 (revised *)	**247,950,186**	**2.5**	**-**	**2,971.1**	**(934.4)**	**(7.0)**	**(85.4)**	**1.9**	**(2.8)**	**1,945.9**	**3,278.2**	**5,224.0**

(*) For the details of the revision see note 32

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

Following the corporate restructuring as describe in Note 1 to the Consolidated Financial Statements, Altice S.A. is the Former Parent Entity of Altice Luxembourg S.A. and all the changes in equity presented in the table above corresponds to the movements of Altice S.A.. Altice S.A. itself was a successor entity of Altice France S.A. and Altice International S.à r.l..

Consolidated statement of cash flows
For the year ended December 31, 2015

	Notes	Year ended December 31, 2015	Year ended December 31, 2014 (Revised)*
		(In millions €)	
Net loss including non-controlling interests		**(243.4)**	**(579.5)**
Adjustments for:			
Depreciation, amortization and impairments		3,864.9	1,112.7
Share of profit of associates		(8.1)	(4.8)
Gains and losses on disposals		153.4	-
Gain on step acquisition	26	-	(256.3)
Expenses related to share based payment	24	28.0	20.5
Other non-cash operating gains and losses		7.4	(56.0)
Finance costs, net		1,152.1	1,135.2
Pension payments	15	(81.7)	-
Income tax expense/(benefit)	21	239.5	(168.9)
Income tax paid		(317.8)	(116.3)
Changes in working capital		(174.1)	749.1
Net cash provided by operating activities		**4,620.2**	**1,835.8**
Payments to acquire tangible and intangible assets	5, 6	(2,614.4)	(965.2)
Payments to acquire financial assets		(19.4)	(19.8)
Proceeds from disposal of tangible, intangible and financial assets		76.2	11.7
Proceeds from disposal of businesses		94.0	-
Investment in equity affiliates	8	(309.3)	-
Use of restricted cash to acquire Tricom and ODO		-	1,244.0
Payment to acquire subsidiaries, net	3.3	(114.5)	(14,726.0)
Net cash used in investing activities		**(2,887.4)**	**(14,455.3)**
Proceeds from issue of equity instruments		-	1,624.9
Other transactions with non-controlling interests		26.0	1,147.2
Proceeds from issuance of debts	16	10,335.6	15,813.3
Payments to redeem debt instruments		(4,027.7)	(3,335.6)
Payments to redeem PT outstanding debt on acquisition		(5,593.9)	-
Transactions with non-controlling interests	3.4	(1,891.7)	(166.4)
Payments to holders of convertible preferred equity certificates		-	(190.0)
Interest paid		(1,394.5)	(777.7)
Dividends paid to non-controlling interests		(555.5)	-
Flows from other financing activities [(1)]		438.0	-
Net cash (used)/provided by financing activities		**(2.663.7)**	**14,115.7**
Effects of exchange rate changes on the balance of cash held in foreign currencies		*(0.2)*	*5.9*
Cash and cash equivalents linked to assets classified as held for sale at the end of the reporting period		(6.8)	-
Net increase in cash and cash equivalents		**(937.9)**	**1,502.1**
Cash and cash equivalents at beginning of year	12	1,563.6	61.6
Cash and cash equivalents at end of year	11	**625.7**	**1,563.6**

(*) For the details of the revision see note 32

[(1)] Caption is composed of the cash received by the group in connection with the securitization agreements (€171 million), reverse factoring (€240 million) and deposit received from customer (€49 million)

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

Presentation, basis of preparation

1.1 Presentation

The consolidated financial statements of Altice Luxembourg S.A. (the “Company”, the “Group”, “Altice” or “Altice Group”) as of and for the year ended December 31, 2015 were approved by the Board of Directors and authorized for issue on June 6, 2016.

The controlling shareholder of the Company is Altice Group Luxembourg S.à r.l., which holds 100% of the share capital, and is itself controlled by Altice N.V.. The Company is headquartered at 3, Boulevard Royal, L-2449, Luxembourg, in the Grand Duchy of Luxembourg.

The controlling shareholder of the Altice N.V. is Next Alt S.à r.l., which holds 57.87% of the share capital, and is controlled by Mr. Patrick Drahi.

Altice N.V. is a multinational cable, fiber, telecommunications, content and media company with presence in several regions – Western Europe (comprising France, Portugal, Belgium, Luxembourg, and Switzerland), the United States, Israel, French Overseas Territories and the Dominican Republic. Altice provides very high speed based services (high quality pay television, fast broadband Internet and fixed line telephony) and in certain countries, mobile telephony services to residential and corporate customers.

Altice is also active in the media industry with a portfolio of channels as well as provider of premium contents on nonlinear platforms. It also produces its own original contents (Series, Movies etc.).

Corporate restructuring

On May 27, 2015, Altice S.A. incorporated a new subsidiary Altice Luxembourg S.A.

On June 26, 2015, Altice S.A. announced the proposed cross-border merger between a newly formed Dutch entity, Altice N.V. (“Parent Company”) as the acquiring company and Altice S.A. (“Former Parent Company”) as the company ceasing to exist (the "Merger").

Prior to the Merger becoming effective, Altice S.A. has transferred substantially all of its assets and liabilities to the Company (the "Transfer").

Both the Transfer and the Merger required approval by a majority of at least two third of the votes cast at an extraordinary general meeting ("EGM") in which at least half of the share capital of Altice S.A. would be present or represented.

The EGM’s were held on August 6, 2015 with an appropriate quorum. The Merger was approved by 91.54% of the votes casted, while the Transfer was approved by 90.07% of the votes casted. The Transfer was effective as of August 6, 2015, while the Merger was effective on Sunday, August 9, 2015.

The Former Parent Entity was ultimately controlled by Patrick Drahi (via Next Alt S.à r.l. “Next Alt”) prior to the Merger, while the Company remained under control of Next Alt post-Merger. The Company, at that time, was fully held by Altice N.V..

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 10, judgment has been applied in developing and applying an accounting policy that results in information that is relevant and reflect the economic substance of the transaction. As a result, the acquisition method, as defined in IFRS 3 Business Combinations (Revised 2008) (“IFRS 3”), has not been applied to reflect the Corporate Restructuring.

In the absence of specific guidance under IFRS for transactions between entities under common control, Altice considered and applied standards on business combination and transactions between entities under common control issued by the accounting standard-setting bodies in the United States (Accounting Standards Codification Topic 810-10-45-10 and Topic 810-10-55-1B Consolidation and SEC Regulation S-X Article 3A – Consolidated and Combined Financial Statements) and in the United Kingdom (FRS 6 Acquisitions and mergers) to prepare the consolidated financial statements.

The Company also refers to the existing accounting policy on Acquisition under common control (See Note 2.7 *Goodwill and Business Combination* in the consolidated financial statements of Altice S.A. as at December 31, 2014 and for the year then ended). Acquisition under common control uses the following methods and principles:

Carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value on consolidation, although appropriate adjustments should be made to achieve uniformity of accounting policies in the combining entities;

The results and cash flows of all the combining entities should be brought into the consolidated financial statements of the combined entity from the beginning of the financial year in which the combination occurred, adjusted so as to achieve uniformity of accounting policies;

The difference, if any, between the nominal value of the shares issued plus the fair value of any other consideration given, and the nominal value of the shares received in exchange should be shown as a movement in Additional Paid in Capital in the consolidated financial statements;

Any existing balance on the share premium account of the new subsidiary undertaking should be brought in by being shown as a movement on Additional Paid in Capital. These movements should be shown in the reconciliation of movements in shareholders' equity.

On December 21, 2015, Altice N.V. transferred all its investment in Altice Luxembourg S.A. to Altice Group Luxembourg S.à r.l..

As a consequence of the Corporate Restructuring described above, the comparative figures included in the consolidated financial statements as at and for the year-end December 31, 2015 reflect the historical assets, liabilities, revenues, expenses and cash flows of Altice S.A. as Altice Luxembourg S.A. was only incorporated on May 27, 2015.

1.2 Basis of presentation of the consolidated financial statements

They have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and as adopted in the European Union.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies (See Note 2 below).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Furthermore, where the accounting treatment of a specific transaction is not addressed by any accounting standard and interpretation, the Board of Directors applies its judgment to define and apply accounting policies that provide information consistent with the general IFRS concepts: faithful representation and relevance.

1.3 Application of new and revised International Financial Reporting Standards (IFRSs)

i) New and revised IFRSs that are mandatorily effective for the year ending December 31, 2015

In the current year, the Group has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) and adopted in the European Union that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

(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.

- IFRIC 21 has mainly affected the timing of recognition of certain levies in France such as “C3S” and the flat-rate levy on French network operators (“IFER”) during the quarters. The impact on shareholders equity as of January 1, 2015 is €13.0 million after taxes. The impact on the statement of income of IFER and C3S for the year ended December 31, 2014 is not significant due to the fact that SFR only entered the scope at the end of November 2014.

(ii) Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*. The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans,

(iii) 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.

(iv) Annual improvements 2010-2012 which include amendments to the following standards:
- IFRS 2 Share-based Payment - Definition of 'vesting condition'
- IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination
- IFRS 8 Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets
- IFRS 13 Fair Value Measurement Short-term receivables and payables
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation
- IAS 24 Related Party Disclosures - Key management personnel

The application of these amendments presented in ii); iii) and iv) has had no material impact on the amounts recognised in the Group's consolidated financial statements or has had an impact on the disclosures in the Group's consolidated financial statements.

ii) Standards issued but not yet effective for the year ended December 31, 2015

In its consolidated financial statements, the Company has not anticipated the following standards and interpretations, for which application is not mandatory for periods started from January 1, 2015.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue,* IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Board of Directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the consolidated financial statements. The new standard will mainly impact revenue recognition for Mobile activities as some arrangements include a handset component with a discounted price and a communication service component: the total revenue will not change but its allocation between the handset sold and the communication service will change (more equipment revenue and less service revenue) and the timing of the revenue recognition will change. In addition, extensive disclosure should be provided.

The standard is effective for annual periods beginning on or after January 1, 2018 (as amended in September 2015). The Group is required to retrospectively apply IFRS 15 to all contracts that are not complete on the date of initial application and have the option to either:

• restate each prior period and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented; or

• retain prior period figures as reported under the previous standards and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application. This approach will also require additional disclosures in the year of initial application to explain how the relevant financial statement line items would be affected by the application of IFRS 15 as compared to previous standards.

It is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

IFRS 15 has not yet been endorsed in the European Union.

IFRS 16 Leases

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

IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. The Group has the option to either:

• apply IFRS 16 with full retrospective effect; or

• recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

The Board of Directors of the Company anticipate that the application of IFRS 16 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities, especially given the different operating lease arrangements of the Group. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

IFRS 16 has not yet been endorsed by the European Union.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments issued on July 24, 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting.

With respect to the classification and measurement under IFRS 9, all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The standard is applicable for annual periods beginning on or after January 1, 2018.

The Board of Directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group performs a detailed review.

IFRS 9 has not yet been endorsed in the European Union.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016.

Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Board of Directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Board of Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

In addition, the following standards were issued but are not yet effective:

- Amendments to IFRS 11 *Accounting for Acquisitions in Joint Operations*. The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 *Business Combinations*,
- Amendments to IAS 1 *Disclosure initiative*
- Amendments to IAS 7 *Disclosure initiative*
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealized Losses*
- Annual improvements cycle 2012-2014.

The amendments mentioned above might affect the Company’s future consolidated financial statements and the Board of Directors is still finalizing its detailed review to be able to conclude on the impact on the consolidated financial statements.

2 Significant accounting policies

The principal accounting policies are set out below.

2.1 Basis of consolidation

Subsidiaries

Entities are fully consolidated if the Group has all the following:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;

- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of income and other comprehensive income from the date the Company gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

Joint ventures

In accordance with IFRS 11 Joint Arrangements, arrangements subject to joint control are classified as either a joint venture or a joint operation. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Investment in which the Group is a joint operator recognizes its shares in the assets, liabilities, revenues and expenses.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investment in which the Company is a joint venturer recognizes its interest in the joint venture in accordance with the equity method.

Associates

Investments, over which the Company exercises significant influence, but not control, are accounted for under the equity method. Such investees are referred to as "associates" throughout these consolidated financial statements.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. Associates are initially recognized at cost at acquisition date. The consolidated financial statements include the Group's share of income and expenses, from the date significant influence commences until the date that significant influence ceases.

The interest income and expenses recorded in the consolidated financial statements of the Group on loans with associates have not been eliminated in the consolidated statements of income and therefore are still recorded in the consolidated financial statements.

2.2 Foreign currencies

The presentation currency of the consolidated financial statements is euros.

The functional currency, which is the currency that best reflects the economic environment in which the Components operate and conduct their transactions, is separately determined for subsidiaries and associates accounted for using the equity method, and is used to measure their financial position and operating results.

Monetary transactions

Transactions denominated in foreign currencies other than the functional currency of the entity are translated at the exchange rate on the transaction date. At each balance sheet date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognized in the statement of income.

Translation of financial statements denominated in foreign currencies

Assets and liabilities of foreign entities are translated into euros on the basis of the exchange rates at the end of the reporting period. The income and cash flow statements are translated using the average exchange rates for the period. Foreign exchange differences resulting from such translations are either recorded in shareholders' equity under "Currency translation reserve" (for the Group share) or under "Non-controlling interests" (for the share of non-controlling interests) as deemed appropriate.

The exchange rate of the main currencies are as follows:

	Annual average rate		Rate at the reporting date	
	2015	2014	Dec 31, 2015	Dec 31, 2014
		(In €)		
1 CHF....................................	0.9364	0.8234	0.9229	0.8317
1 ILS	0.2319	0.2108	0.2354	0.2116
1 USD	0.9013	0.7528	0.9185	0.8258
100 DOP................................	2.0013	1.7850	2.0165	1.8736

2.3 Revenue recognition

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

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

Revenue is recognized as follows, in accordance with IAS 18 Revenue:

Revenues from the sale of equipment

Revenues from the sale of equipment includes the sale of mobile devices and ancillary equipment for those devices. The revenues from the sales are recognized where all of the significant risk and yields that are derived from the ownership of the equipment are transferred to the purchaser and the seller does not retain continuing managerial involvement. Generally, the time of the delivery is the time at which ownership is transferred.

Revenues on separable components of bundle packages

Revenues from telephone packages are recorded as a sale with multiple components. Revenues from sales of handsets (mobile phones and other) are recorded upon activation of the line, net of discounts granted to the customer via the point of sale and the costs of activation.

When elements of these transactions cannot be identified or analyzed separately from the main offer, they are considered as related elements and the associated revenues are recognized in full over the duration of the contract or the expected duration of the customer relationship.

Revenue from service

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

The Group sells certain telephone subscriptions based on plans under which the call minutes for a given month can be carried over to the next month if they are not used. The minutes carried over are recorded based on the proportion of total telephone subscription revenues they represent, when the minutes are used or when they expire.

Revenues relative to incoming and outgoing calls and off-plan calls are recorded when the service is provided.

Revenues generated by vouchers sold to distributors and by prepaid mobile cards are recorded each time use is made by the end customer, as from when the vouchers and cards are activated. Any unused portion is recorded in deferred revenues at the end of the reporting period. Revenues are in any case recognized upon the expiry date of the cards, or when the use of the vouchers is statistically unlikely.

Sales of services to subscribers managed by the Group on behalf of content providers (principally special numbers and SMS+) are recorded on a gross basis, or net of repayments to the content providers in accordance with IAS 18, and in particular when the content providers are responsible for the content and determine the pricing applied to the subscriber.

The costs of access to the service or installation costs principally billed to operator and corporate clients in relation to DSL connection services, bandwidth services, and IP connectivity services, are recognized over the expected duration of the contractual relationship and the provision of the principal service.

Installation and set-up fees (including connection) for residential customers are accounted for as revenues when the service is rendered.

Revenues linked to switched services are recognized each time traffic is routed.

Revenues from bandwidth, IP connectivity, high-speed local access and telecommunications services are recorded as and when the services are delivered to the customers.

Access to telecommunications infrastructures

The Group provides its operator clients with access to its telecommunications infrastructures by means of different types of contracts: rental, hosting contracts or concessions of Indefeasible Rights of Use (‘‘IRU’’). The IRU contracts grant the use of an asset (ducting, fiber optic or bandwidth) for a specified— period. The Group remains the owner of the asset. Proceeds generated by rental contracts, hosting contracts in Netcenters, and infrastructure IRUs are recognized over the duration of the corresponding contracts, except where these are defined as a finance lease, in which case the equipment is considered as having been sold on credit.

In the case of IRUs, and sometimes rentals or service agreements, the service is paid in advance in the first year. These prepayments, which are non-refundable, are recorded in prepaid income and amortized over the expected term of the related agreements.

Sales of infrastructure

The Group builds infrastructure on behalf of certain clients. Since the average duration of the construction work is less than one year, the revenues are taken into account when ownership is transferred. Revenues relative to sales of infrastructures are taken into account when ownership is transferred. A provision is recognized when any contracts are expected to prove onerous.

Income from credit arrangements

Revenues deriving from long-term credit arrangements (such as the sale of devices in installments) are recorded on the basis of the present value of the future cash flows (against long-term receivables) and are discounted in accordance with interest rates. The difference between the original amount of the credit and the present value, as aforesaid, is spread over the length of the credit period and recorded as interest income over the length of the credit period

2.4 Finance costs, net

Finance costs, net primarily comprise:

- Interest charges and other expenses paid for financing operations recognized at amortized costs ;
- Changes in the fair value of interest rate derivative instruments that do not qualify as hedges for accounting purposes;
- Interest income relating to cash and cash equivalents; and
- Gains/losses on extinguishment of financial liability.
- Ineffective portion of cash flow hedges

2.5 Taxation

Taxes on income in the income statement include current taxes and deferred taxes. The tax expenses or income in respect of current taxes or deferred taxes are recognized in profit or loss unless they relate to items that are recorded directly in equity, in these cases the tax effect is reflected under the relevant equity item.

Current tax

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period as well as adjustments required in connection with the tax liability in respect of previous years.

Deferred tax

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor income tax profit or loss.

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy.

Taxable temporary differences arising from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

All deferred tax assets and liabilities are presented in the statement of financial position as non-current assets and non-current liabilities, respectively. Deferred taxes are offset if an enforceable legal right exists, which enables the offsetting of a current tax asset against a current tax liability and the deferred taxes relate to the same entity, which is chargeable to tax, and to the same tax authority.

2.6 Site dismantling and restoration

The Company has a contractual obligation to dismantle and restore the sites of its mobile and fixed network upon expiry of a lease, if the lease is not renewed. In light of this obligation, site restoration costs are capitalized on the basis of:

- an average unit cost of restoring sites;
- assumptions concerning the lifespan of the dismantling asset; and
- a discount rate.

2.7 Goodwill and business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Acquisition under common control

As Altice S.A. before the corporate restructuring and Altice N.V. after this event (refer to note 1) were and remained entities under common control (controlled by Patrick Drahi through Next Alt S.à r.l.), the transaction does not constitute an acquisition within the meaning of IFRS 3 *Business Combination*. The company has opted to account for this transaction using the following method.

In the absence of specific guidance under IFRS for transactions between entities under common control, the Company considered and applied standards on business combination and transactions between entities under common control issued by the accounting standard-setting bodies in the United States (Accounting Standards Codification Topic 810-10-45-10 and Topic 810-10-55-1B Consolidation and SEC Regulation S-X Article 3A – Consolidated and Combined Financial Statements) and in the United Kingdom (FRS 6 Acquisitions and mergers) to prepare the consolidated financial statements.

Acquisition under common control uses the following methods and principles:

- Carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value on consolidation, although appropriate adjustments should be made to achieve uniformity of accounting policies in the combining entities;
- The results and cash flows of all the combining entities should be brought into the consolidated financial statements of the combined entity from the beginning of the financial year in which the combination occurred, adjusted so as to achieve uniformity of accounting policies;
- The difference, if any, between the nominal value of the shares issued plus the fair value of any other consideration given, and the nominal value of the shares received in exchange should be shown as a movement on Additional Paid in Capital in the consolidated financial statements;

Any existing balance on the share premium account of the new subsidiary undertaking should be brought in by being shown as a movement on Additional Paid in Capital. These movements should be shown in the reconciliation of movements in shareholders' equity.

2.8 Intangible assets

Intangible assets acquired separately are recorded at cost on initial recognition, with the addition of direct acquisition costs. Intangible assets acquired in a business combination are measured at fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and less any accumulated impairment losses. Intangible assets have either definite or indefinite useful lives.

Assets with definite useful lives are amortized over their useful lives and assessed for impairment signs which would indicate impairment in value. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least once a year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits that are expected to derive from the asset are treated as a change in an accounting estimate which is treated prospectively.

The useful lives of the intangible assets are as follows:

	Duration
Software	3 to 6 years
Brands	5 to 15 years
Customer relations	4 to 17 years
Licences	Period of licences
Indefeasible Right of use	3-30 years
Subscriber purchase costs	based on average duration of subscriptions

Other intangible assets with indefinite useful lives are tested for impairment annually as well as where there is an indication that it may be impaired by comparing their carrying amount with their recoverable amount.

Operating licenses for telephony services are recorded based on the fixed amount paid upon acquisition of the license.

Investments made in the context of concessions or public service contracts, and linked to the rollout of the telecommunications network, are recorded in intangible assets in accordance with interpretation IFRIC 12. The ‘‘intangible asset’’ model stipulated by this interpretation applies when the concession holder receives a right to bill users of the public service and the concession holder is essentially paid by the user. These intangible assets are amortized over the shorter of the estimated useful life of the categories of assets in question and the duration of the concession.

Intangible assets also comprise rights of way or access rights obtained. Amortization is generally calculated on a straight-line basis over the shorter of the contractual term and 30 years.

Research costs are expensed as incurred. Development expenses are capitalised as intangible assets when the following can be demonstrated:

- the technical feasibility of the project and the availability of the adequate resources for the completion of the intangible assets;
- the ability of the asset to generate future economic benefit;
- the ability to measure reliably the expenditures attributable to the asset; and
- the feasibility and intention of the Group to complete the intangible asset and use or sell it.

Exclusive content

The costs of exclusive in-house content and external content are recognised as an intangible assets. The cost of the rights is recognized at the cost of production of the shows and is amortized on the basis of the actual screenings. The amortisation charge is recorded in the caption “depreciation and amortisation” in the income statement.

Sports broadcasting rights are recognised on the balance sheet from the point at which the legally enforceable licence period begins. Rights for which the licence period has not started are disclosed as contractual commitments in note 30. Payments made to acquire broadcasting rights in advance of the legal right to broadcast the programmes are classified as prepayments in the caption “other financial assets” in the statement of financial position. Broadcasting rights are initially recognised at cost and are amortised from the point at which they are available for use, on a straight line basis over the broadcasting period. The amortisation charge is recorded in the caption “depreciation and amortisation” in the income statement.

2.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Property, plant and equipment

Property, plant and equipment are presented at cost with the addition of direct purchase costs less accumulated depreciation and accumulated losses on impairment and they do not include routine maintenance expenses. The cost includes spare parts and ancillary equipment that can only be used in connection with the plant and machinery.

Depreciation is calculated using the straight line method over the estimated useful lives of the assets, as follows:

	Duration
Buildings	5 to 50 years
Cable Network	5 to 40 years
Converters and modems	3 to 5 years
Computers and ancillary equipment	2 to 8 years
Office furniture and equipment	3 to 15 years
Communication network infrastructure	3 to 15 years
Leasehold contracts	see below

Leasehold contracts are depreciated according to the straight line method during the rental period.

Elements of a fixed asset item, having a cost that is significant in comparison to the overall cost of the item, are depreciated separately, using the components method. The depreciation is calculated in accordance with the straight line method at annual rates that are considered to be sufficient in order to depreciate the assets over the length of their estimated useful lives.

The useful life, depreciation method and residual value of an asset are reviewed at least annually and any changes are accounted for prospectively as a change in accounting estimate.

2.11 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated in an accounting period so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (see note 2.12 below). Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as a deduction of the related asset in the consolidated statement of financial position and amortized over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.14 Financial assets

The Company classifies financial assets in four categories: available-for-sale, loans and receivables, held-to-maturity and financial assets at fair value through profit and loss. They are classified as current assets and non-current assets according to IAS 1 “Presentation of financial statements”.

Purchases and sales of all financial assets are recognized on a trade date basis.

Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition, they are reported at their fair value. Gains and losses arising from changes in their fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

Available-for-sale financial assets consist mainly of shares in non-consolidated companies. Fair value corresponds to quote price for listed securities. For non-listed securities, and when a reliable estimate of fair value cannot be made using valuation techniques, the Company values financial assets at historical cost, less any impairment losses.

When there is objective evidence that available-for-sale assets are impaired, the cumulative impairment loss included in equity is reclassified from other comprehensive income to income. Objective evidence that an available-for-sale financial asset is impaired includes, among other things, a decrease in the estimated future cash flows arising from these assets, as a result of significant financial difficulty of the issuer, a material decrease in expected future profitability or a prolonged decrease in the fair value of the security. Impairment losses recognized in profit or loss for equity instruments classified as available-for-sale are never reversed through income statement.

Loans and receivables

Loans and receivables are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition. After initial recognition, they are measured at amortized cost using the effective interest rate method.

This category mainly includes trade receivables and other receivables as well as loan to associate and to non-consolidated entities.

If there is objective evidence that an impairment loss has occurred, the amount of this loss, measured as the difference between the financial assets’ carrying value and its recoverable amount is recognized in the income statement. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

Held-to-maturity financial assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturity that the Company has both the intention and ability to hold to maturity. Financial assets that are designated as held-to-maturity are measured at amortized cost, in accordance with the effective interest rate method.

They are reviewed for impairment on an individual basis if there is any indication that they may be impaired.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short term profit-taking;

- it is a derivative that is not designated and effective a s hedge instrument.

Financial assets at FVTPL are stated at fair value, with any gains and losses arising on remeasurement recognised in the caption “Other Financial expense” or “Other Financial income” in the income statements.

2.15 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.

Cost of inventories is determined using the weighted average cost method.

The Company periodically evaluates the condition and age of inventories and makes provisions for slow moving inventories accordingly.

2.16 Cash and cash equivalents

Cash consists of cash in banks and deposits.

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of acquisition or with a maturity of more than three months, but which are redeemable on demand without penalty and which form part of the Group's cash management.

2.17 Restricted cash

Restricted cash can consist of balances dedicated to the repayment of the Company’s liabilities to banking entities in accordance with the Company’s credit agreement and therefore amounts that the Group cannot use at its discretion.

Restricted cash can also consist of cash held in escrow to finance certain acquisitions (in the period between the agreement to acquire and the actual closing of the acquisition and the transfer of shares and cash and other considerations). Restricted cash may also consist of guarantees provided by different group companies to financial institutions related to financing or other activities. Restricted cash is not considered as a component of cash and cash equivalents since such balances are not held for the purposes of meeting short-term cash commitments.

2.18 Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently reassessed at their fair value.

The Company has entered into various forward and interest rate swaps (cross currency and fixed/floating) in order to mitigate risks associated with making investments in currencies other than the functional currency of the underlying component.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.19 Hedge accounting

The Group may designate certain hedging instruments, (which may include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk), as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the line 'other financial expense'.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.20 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the value of the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.21 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortized cost:

Financial liabilities at amortized cost

These financial liabilities are measured at amortized cost calculated based on the effective interest rate method. The effective interest rate is the internal yield rate that exactly discounts future cash flows through the term of the financial liability. Fees, debt issuance and transaction costs are included in the calculation of the effective interest rate over the expected life of the instrument.

Financial liabilities that are measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities classified as held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on liabilities held for trading are recognized in profit or loss.

Derivatives, including bifurcated embedded derivatives, are classified as held for trading unless they are designated as effective hedging instruments. In the event of a financial instrument that contains one or more embedded derivatives, the entire combined instrument may be designated as a financial liability at fair value through profit or loss only upon initial recognition.

The Group assesses whether embedded derivatives are required to be bifurcated from host contracts when the Group first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

The fair value of financial instruments that are traded in an active market is determined by reference to quoted market prices at the close of business on the balance sheet date. For financial instruments for which there is no active market, fair value is determined by the use of valuation techniques. Such techniques include evaluation based on transactions that have been executed recently under market terms, reference to the current market value of another instrument, which is substantially the same, discounted cash flow analysis or other valuation models.

Liabilities related to put options granted to non-controlling interests

The Group granted put options to third parties with non-controlling interests in certain consolidated subsidiaries, with these options giving the holders the right to sell part or all of their investment in these subsidiaries. These financial liabilities do not bear interest.

At inception, in accordance with IAS 32, Financial instruments: presentation, when non-controlling interests hold put options enabling them to sell their investment in the Group, a financial liability is recognized for an amount corresponding to the present value of liability assumed and the counterpart of the liability arising from these obligations is:

• on the one hand, the reclassification as debt of the carrying amount of the corresponding non-controlling interests;

• on the other, a reduction in the equity – Group share: the difference between the present value of the strike price of the options granted and the carrying amount of non-controlling interests is presented as a reduction of other reserves attributable to equity holders of the parent. This item is adjusted at the end of each reporting period to reflect changes in the strike price of the options and the carrying amount of non-controlling interests.

At each closing date, the Group, in the absence of specific IFRS guidance has elected to recognise future changes of the fair value of put option in equity, as an increase to (a deduction from) other reserves attributable to equity holders of the parent. The Group is closely monitoring the work of the IASB and the IFRIC, which could lead to a revision of the treatment of put options granted to non-controlling interests.

2.22 Provisions

A provision is recognized in the statement of financial position when the Group has a present obligation (legal or implicit) as the result of a past event and it is expected that the use of economic resources will be required in order to settle the obligation and it is possible to reliably estimate it. Where the impact is significant, the provision is measured by discounting the forecasted future cash flows, using a pre-tax interest rate that reflects the expectations of the market in respect of the time frame of the money and in certain cases, the risks that are specific to the liability.

The following types of provisions are recorded in the consolidated financial statements:

Legal claims

A provision regarding legal claims is recognized when the Group has a present legal commitment or an implicit commitment resulting from a past event; when it is more likely than not that the Group will be required to expand economic resources to clear the commitment, when it is possible to estimate it reliably and when the effect of time is significant, the provision is measured according to the present value.

Warranty

The Group recognizes a provision for warranty for the sale of its products. The warranty is limited to malfunctions as defined by the Group and does not include warranty for damages incurred by the customer.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructuring

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

2.23 Liabilities for employment benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement.

The Group presents the service cost and the net interest expense in profit or loss in the line item “Staff cost and employee benefit expenses” and “Other financial expenses” respectively.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.24 Share based payments

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

2.25 Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 “Non-current assets held for sale and discontinued operations”, assets and liabilities of affiliates that are held for sale are presented separately on the face of the statement of financial position. Depreciation of assets ceases from the date of classification in “Non-current assets held for sale”. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group for which cash flows are independent. It represents a major line of business or geographical area of operations which has been disposed of or is currently being held for sale. If the Group reports discontinuing operations, net income from discontinued operations is presented separately on the face of the statement of income. Therefore, the notes to the consolidated financial statements related to the statement of income only refer to continuing operations.

2.26 Critical accounting judgments and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Management of the Company is required to make judgements, 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.

i) Legal claims

In estimating the likelihood of outcome of legal claims filed against the Group and its investees, the group companies rely on the opinion of their legal counsel. These estimates are based on the legal counsel's best professional judgment, taking into account the stage of proceedings and historical legal precedents in respect of the different issues. Since the outcome of the claims will be determined via settlement or court’s decision, the results could differ from these estimates.

ii) Post-employment benefits

The liability in respect of post-employment defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about, among others, discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

iii) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group’s activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the group. Where the Group acts as an agent in a transaction, it recognises revenue net of directly attributable costs.

iv) Fair value of financial instruments

Fair value is determined by reference to the market price at the end of the period, when the data is available. For financial instruments for which there is no active market such as interest rate swaps (which the Company currently may use to hedge its interest rate risk), call options and put options granted to non-controlling interests fair value is estimated based on models that rely on observable market data or by the use of various valuation techniques, such as discounted future cash flows.

v) Deferred tax assets

Deferred tax assets relate primarily to tax loss carried forwards and to deductible temporary differences between reported amounts and the tax bases of assets and liabilities. The assets relating to the tax loss carried forwards are recognized if it is probable that the Group will generate future taxable profits against which these tax losses can be set off. Evaluation of the Group’s capacity to utilize tax loss carried forward relies on significant judgment. The Group analyses past events, and the positive and negative elements of certain economic factors that may affect its business in the foreseeable future to determine the probability of its future utilization of these tax loss carried forward.

vi) Intangible assets and Property, plant and equipment

Estimates of useful lives are based in particular on the effective obsolescence of fixed assets and the use made of these assets.

vii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

viii) Trade receivables and other receivables

Allowance for trade receivables are recorded i) based on experience of recoverability of the customers and/or ii) based on a specific analysis of the recoverability of the customers

In addition to the above, during the year ended December 31, 2015, the Board of Directors applied a specific accounting treatment to the Corporate Restructuring as described in Note 2.7 to the consolidated financial statements.

2.27 Revised information

The comparative information for the year ended December 31, 2014 has been revised to reflect the impact of the finalization of the purchase price allocation of Numericable Group S.A., SFR S.A., Virgin Mobile S.A., Tricom S.A. and Altice Hispaniola S.A. (previously Orange Dominicana S.A.) acquired during the course of the year ended December 31, 2014 (See note 32).

In addition, in preparing these consolidated financial statements, the Board of Directors has decided to enhance the presentation of the consolidated statement of income and the consolidated statement of financial position. The Board of Directors believes that the revised presentation further enhanced the presentation of the Group's result and financial position, providing additional details to the users. The enhancement mentioned above did not affect the reported results or the Group's financial position. The comparative information for the year ended and as of December 31, 2015 has been enhanced to reflect the new presentation.

A summary of the changes is provided below:

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.
4. The classification of the French Tax CVAE has been reclassified from "Other operating expense" line to the "Income tax expense" line item.

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 €27.8 million from Other financial liabilities to long term borrowings, financial liabilities and related hedging instruments)

The Board of Directors has concluded that the impact of these changes on the comparative information for the year ended December 31, 2014 is non material.

3. Scope of consolidation

The parent company of the Group is Altice Luxembourg S.A., an entity incorporated in Luxembourg. A full list of entities included in the scope of consolidation and their method of consolidation is provided in note 35.

3.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

The details of the main non-controlling interests in the Company's subsidiaries is given below.

		Proportion of ownership interests and voting rights held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
Name of subsidiary	**Place of incorporation and operation**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Numericable-SFR S.A.	France	21.9%	39.7%	150.4	(143.8)	944.6	3,280.8
Altice Bahamas S.à r.l.	Luxembourg	2.8%	2.8%	(1.2)	(0.2)	1.9	2.0
Altice Blue Two S.A.S.	France	0.15%	0.15%	0.1	0.3	0.7	0.7
Deficom Telecom S.à r.l.	Luxembourg	26.0%	26.0%	(3.1)	(6.2)	(18.4)	(15.3)
Green.ch	Switzerland	0.43%	0.44%	-	-	0.1	0.2
Green Datacenter AG	Switzerland	1.37%	1.37%	-	-	0.2	0.1
Cool Holding Ltd	Israel	-	-	-	-	9.4	9.4
Altice Content Luxembourg S.à r.l.	Luxembourg	25.0%	-	0.2	-	(0.4)	-
Winreason S.A.	Portugal	-	-	-	-	0.9	0.4
Total				**146.4**	**(149.9)**	**939.0**	**3,278.2**

The variation in non-controlling interests was mainly due to the acquisition of an additional stake in NSFR via the buyout of Vivendi's 20% stake (€ 2.3 billion).

3.1.2 Variations in non-controlling interests

The variations of non-controlling interests based on the nature of the transaction is given below:

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Balance at beginning of year	**3,278.2**	**(0.5)**
Share of profit/(loss) for the period/year	146.4	(149.9)
Other comprehensive income	6.8	(43.6)
Transactions with non-controlling interests in NSFR S.A.	(2,492.2)	3,468.8
Transactions with non-controlling interests in Dominican entities	-	2.5
Non-controlling interests on acquisition of Portugal Telecom	0.5	-
Transactions with non-controlling interests in Altice Blue Two S.A.S.	-	0.3
Other variations	(0.7)	0.6
Balance at end of year	**939.0**	**3,278.2**

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

The summary financial information below represents amounts before intragroup elimination:

Numericable-SFR S.A.

Numericable-SFR S.A.	For the year ended December 31, 2015
	(In millions €)
Non-current assets	26,445
Current assets	3,637
Net Equity	4,267
Non-current liabilities	18,981
Current liabilities	6,833

Numericable-SFR S.A.	For the year ended December 31, 2015
	(In millions €)
Revenues	11,039
Net income for the period	682
Total comprehensive income	708

Numericable-SFR S.A.	For the year ended December 31, 2015
	(In millions €)
Net cash inflows from operating activities	3,135
Net cash outflows from investing activities	(1,732)
Net cash inflows from financing activities	(1,758)

3.2 *Modification of the scope of consolidation*

3.2.1 Main changes in consolidation scope in 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 €1,353.0 million to Group revenues and €129.9 million to Group operating profit and €74.0 million to Group net loss.

A purchase price allocation has been recorded in the consolidated statement of financial position for the year ended December 31, 2015. Details are provided in note 5.1.

The profit and loss statement for Portugal Telecom for the period not consolidated in the Group is presented is note 3.3

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.

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.

The Company, through its indirect subsidiary, Altice Content Luxembourg, is a co-investor in Groupe News Participations S.A.S ('GNP'), of which it owned 49% of the economic and voting rights as of December 31, 2015. Mr. Alain Weill owns the remaining 51% through his holding, News Participations ('NP'). On December 17, 2015, GNP notified the *Autorité de marchés financiers* (the "AMF") of its intention to file a public tender for the outstanding shares of Next Radio TV. The public tender offer was successfully closed on February 1, 2016.

The acquisition of a stake in GNP was completed on December 9, 2015 and is accounted for in accordance with the equity method as of December 31, 2015, as the Company has determined that it exercised a significant influence over GNP by virtue of the economic rights and governance rights that it has obtained as a result of its investment. For more information, see note 8.

Sale of OMT's mobile business

During the year ended December 31, 2014, the Group has agreed to dispose of OMT's mobile business in the Reunion Island and Mayotte as part of the acquisition of SFR by the Group.
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"(see note 4.4 Assets held for sale).

The Group entered into an exclusivity agreement with Hiridjee Group, owner of Telma, a Madagascar based Telecoms Company on March 6, 2015 and the offer was filed for approval with the French anti-trust authorities, who subsequently approved the sale on June 21, 2015. The transaction was closed on July 31, 2015.

The divesture was closed for an enterprise value of €80.0 million. The net gain on the disposal amounts to €27.5 million recorded under the caption 'net result on disposal of businesses' in the consolidated statement of income.

Transfer of U.S. businesses to Altice N.V.

On June 12, 2015, indirect subsidiaries of Altice S.A., issued debt amounting to an aggregate amount of $1,720 million, to finance the contemplated acquisition of Cequel Corporation. Prior to the closing of this transaction, the aforementioned entities were transferred at their acquisition cost by the Company to subsidiaries of Altice N.V.. This transfer gave rise to a shareholder contribution of €52.9 million, the impact of which was recorded in the equity of the Group for the year ended December 31, 2015.

3.2.2 Transactions in progress as of December 31, 2015

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 December 31, 2015, the assets and liabilities of Cabovisao and ONI were classified as held for sale in the consolidated financial statements of the company. The sale was concluded on January 20, 2016, after regulatory approval were obtained. Refer to Note 34 on subsequent events.

3.3 Acquisitions of businesses

Business combinations that occurred during the reporting period are described in note 3.2.
The major classes of assets acquired and liabilities assumed at the acquisition date are:

	PT
	(In millions €)
Consideration transferred	195.1
ASSETS	
Intangible assets	2,138.3
Property, plant and equipment	3,154.8
Non-current financial assets	32.0
Deferred tax assets	421.3
Investments in associates	9.0
Other non-current assets	4.1
Inventories	58.1
Trade receivables and others	844.1
Tax receivables	20.1
Cash and cash equivalents	80.6
Other current assets	-
Total assets	**6,762.4**
EQUITY AND LIABILITIES	
Non-current liabilities	5,892.9
Current liabilities	2,380.1
Total liabilities	**8,273.0**
Net assets	(1,511.0)
Goodwill	***1,706.2***

Refer to note 5.1 for description of the fair value recognized.

Profit and loss before acquisition by the Group

The profit and loss of those new subsidiaries not consolidated from January 1, 2015, for the period from January 1, 2015 to the date of their entry into the Group's accounts is given below:

	PT
	In € millions
Revenues	**983.4**
Purchases and subcontracting services	(208.1)
Other operating expenses	(244.1)
Staff costs and employee benefits	(157.9)
Depreciation and amortisation	(243.1)
Other expenses and income	(98.7)
Operating profit	**31.5**
Profit for the period	**(74.9)**

Had the acquisitions listed above all been completed as of January 1, 2015, on a pro-forma basis, the Group would have had revenues of €15,398.6 million (after net intercompany eliminations of €69.2 between various Group companies on a pro-forma basis) for the year ended December 31, 2015.

3.4 Change in the Company's ownership interest in 2015

Buy-out of minorities in Numericable-SFR

On May 6, 2015, the Company, through its subsidiaries Altice France Bis S.à r.l., and Numericable-SFR successfully concluded the acquisition of an additional 20% stake in Numericable-SFR, for a price of 40 euros per share. Numericable-SFR ("NSFR") acquired half of Vivendi's stake through a share buyback program while the remainder of Vivendi's stake was acquired by Altice France Bis S.à .r.l., a wholly owned subsidiary of Altice France S.A..

NSFR financed its portion of the share purchase partly using cash on balance sheet for an amount of €897 million and drawing on its revolving credit facility for the remainder (€1,050 million). The purchase of the NSFR shares by Altice France Bis S.à r.l. was financed by a vendor loan from Vivendi to Altice France Bis S.à r.l. for an amount of €1,948 million. Initially this vendor loan bore interests at 3.8% annually, which was reduced in August 2015 to 1.2% annually and was due by April 7, 2016. This loan was paid in December 2015, refer to note 16.5.

This transaction has in particular resulted in the termination of the shareholders' agreement and the call options agreements entered into between Altice France and Vivendi in connection with the SFR acquisition. Upon this transaction, Altice's stake in the share capital and voting rights of NSFR increased from 60.4% to 78.2% following the cancellation of the treasury shares acquired by NSFR as approved by NSFR Board of Directors on May 28, 2015.

Furthermore, the Group and Vivendi agreed on a purchase price adjustment (as per the sale and purchase agreement) of €120 million payable by Vivendi (related to net debt adjustments at closing), related to the acquisition of SFR (see note 4.2.3).

As part of this agreement, the earn-out of €750 million due to Vivendi and contingent upon the completion of certain financial and operational KPIs was extinguished resulting in a gain of €643.5 million (See note 26.2).

On July 31, 2015, the Group acquired 1,298,398 shares in Numericable-SFR at a price per share of €49.75. The total consideration paid for the transaction was €64.6 million.

On August 5, 2015, the Group acquired 16,197 additional shares in Numericable-SFR at a price per share of

€50.11. The total consideration of the transaction was €0.8 million. The Group acquired another lot of 29,338 shares of NSFR at €51 per share, with a total consideration paid of €1.5 million.

In November 2015, various managers of NSFR exercised part of their stock options that had partially vested. NSFR issued new shares to finance the operation, leading to the issuance of shares totalling €26.0 million.

Following these three transaction, Altice's stake in NSFR decreased to 78.14%.

New shares issued to the managers of Outremer Telecom and Altice

In July 2015, Altice S.A. performed capital increases for an aggregate amount of €11.1 million in order to issue new shares to certain managers and co-owners of Outremer Telecom as part of an earn out linked to the initial acquisition of Outremer Telecom and also to issue new shares to new members of the Group's management team who have made equity investments in the Group as part of the management investment plan put in place by the Company.

4. Segment reporting

4.1 Definitions of segments

Given the geographical spread of the various Group entities, it follows that an analysis and control by geographical areas is inalienable to the Group strategy of managing its different businesses. It has thus been decided by the senior management to analyse the business across geographies and then by activity. Other activities such as content, datacenters and holding company operations are classified as others. Such presentation is consistent with the reporting used internally by the executive management of the Group to track operational and financial performance.

The following geographies have been identified:

- France,
- Portugal,
- Israel,
- Dominican Republic,
- Others (French Overseas Territories / Belgium and Luxembourg / Switzerland / Content / Corporate entities).

In addition, in order to better reflect the evolving business lines of the Group, the Board of Directors has decided to provide additional information on the revenue split as follows:

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

We operate high-speed cable, fiber or DSL based fixed line networks in all our operating segments. Consistent with our strategy to invest in convergent networks, we also operate 4G/LTE and 3G networks in our France, Portugal, Israel, Dominican Republic and French Overseas Territories segments.

- France: This represents our largest segment, where we provide mobile and high speed internet services using our SFR and associated brands. We own Numericable-SFR, the second telecoms operator in France and provide services to residential (B2C) clients, business clients (B2B) and wholesale customers.
- Portugal: In Portugal, we own Portugal Telecom, the largest telecom operator in the country. As of December 31, 2015, we also owned Cabovisao and ONI (classified as held for sale). Portugal Telecom caters to fixed and mobile B2C, B2B and wholesale clients using the Meo brand.
- Israel: In Israel, we provide fixed and mobile services using our HOT and HOT Mobile brands to B2C, B2B clients. HOT also produces award winning exclusive content that it distributes using its fixed network.
- Dominican Republic: In the Dominican Republic, we provide fixed and mobile services to B2C, B2B and wholesale clients using the Tricom (cable network) and Orange (under licence) brands.

The presentation was amended for comparative purposes for the year ended December 31, 2014.

Given the constantly evolving nature of the Group and the increase in intersegment transactions, the Board of Directors has decided to modify the presentation of segment reporting and include intersegment transactions relating to revenues. The Board of Directors expects that such intersegment transactions will increase over time, as the Group becomes more integrated.

Intersegment revenues represented less than 0.5% of total revenues for the years ended December 31, 2015 and 2014, respectively, amounting to €69.2 million and €19.6 million respectively.

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

4.2 Financial KPIs

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

-Revenues (by segment and also in terms of activity),

-Adjusted EBITDA (by segment),

- Capital expenditure (capex) (by segment and also in terms of activity).

Adjusted EBITDA is defined as operating income before depreciation and amortization, and non-recurring items (capital gain, non-recurring litigation, restructuring costs) and other adjustment (equity based compensation expenses).

These measures are useful to readers of Altice's financial as it provides them with a measure of the operating results which excludes certain items that Altice management consider outside of its recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in its financial performance.

This non-IFRS GAAP measure is used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel.

The Group's subtotal within operating income may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from this measure do ultimately affect the operating results, which is also presented within the consolidated financial statements in accordance with IAS 1 "Presentation of Financial Statements".

Capital expenditure (Capex) is an important indicator to follow, as the profile varies greatly between the two activities:

The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable Capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc).

Mobile Capex are mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate. Once Capex are engaged and operational, there are limited Capex requirement.

The Board of Directors believes with the inclusion of SFR and Portugal Telecom, the operations in the French Overseas Territories, Belgium & Luxemburg, Switzerland and in the Content industry are not substantial enough to require a separate reporting segment, and will be reported under "Other".

4.3 Segment information

4.3.1 Operating income per geographical segment

	December 31, 2015					
(in € millions)	**France (**)**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Standalone revenues	**11,039.0**	**1,496.1**	**923.3**	**694.4**	**400.5**	**14,553.3**
Intersegment eliminations	(21.2)	(3.9)	-	-	(44.1)	(69.2)
Group consolidated revenues	**11,017.9**	**1,492.3**	**923.3**	**694.4**	**356.4**	**14,484.4**
Purchasing and subcontracting costs	(3,862.0)	(324.8)	(221.8)	(141.3)	(84.0)	(4,633.9)
Other operating expenses	(2,447.0)	(327.6)	(197.2)	(166.0)	(82.2)	(3,220.0)
Staff costs and employee benefit expenses	(877.0)	(201.2)	(73.7)	(27.1)	(57.6)	(1,236.5)
Total	**3,831.9**	**638.7**	**430.5**	**360.4**	**132.6**	**5,394.1**
Non-recurring items and other adjustments in EBITDA	54.8	-	-	-	18.5	73.3
Adjusted EBITDA	**3,886.7**	**638.7**	**430.5**	**360.4**	**151.1**	**5,467.4**
Depreciation and amortisation	(2,643.4)	(574.7)	(326.1)	(176.3)	(123.4)	(3,844.0)
Impairment losses (1)	-	-	-	-	(20.9)	(20.9)
Non-recurring items and other adjustments in EBITDA	(54.8)	-	-	-	(18.5)	(73.3)
Non-recurring items and other adjustments	(340.6)	(52.6)	(19.6)	(8.1)	4.3	(416.5)
Operating profit	**847.9**	**11.4**	**84.8**	**176.0**	**(7.4)**	**1,112.7**

	December 31, 2014 (Revised)*					
(in € millions)	**France (**)**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Revenue	**2,057.7**	**183.0**	**857.4**	**464.5**	**391.6**	**3,954.1**
Intersegment eliminations	**(8.1)**	**(0.2)**	**-**	**-**	**(11.5)**	**(19.6)**
Group consolidated revenues	**2,049.6**	**182.8**	**857.4**	**464.5**	**380.1**	**3,934.5**
Purchasing and subcontracting costs	(676.8)	(77.9)	(173.5)	(100.9)	(89.1)	(1,118.2)
Other operating expenses	(530.8)	(31.7)	(191.4)	(118.6)	(87.5)	(960.0)
Staff costs and employee benefit expenses	(191.3)	(15.6)	(80.7)	(19.3)	(57.6)	(364.5)
Total	**650.7**	**57.7**	**411.8**	**225.7**	**145.9**	**1,491.7**
Non-recurring items and other adjustments in EBITDA	7.4	-	-	-	12.2	19.7
Adjusted EBITDA	**658.1**	**57.7**	**411.8**	**225.7**	**158.2**	**1,511.3**
Depreciation and amortisation	(546.2)	(74.2)	(293.8)	(106.5)	(92.0)	(1,112.7)
Impairment losses (2)	-	(8.3)	-	-	(5.4)	(13.7)
Non-recurring items and other adjustments in EBITDA	(7.4)	-	-	-	(12.2)	(19.7)
Non-recurring items and other adjustments	(101.3)	(14.6)	(17.1)	(66.6)	(40.0)	(239.6)
Operating profit	**3.2**	**(39.4)**	**100.9**	**52.6**	**8.5**	**125.7**

(*) For the revision impact please see note 32

*** The France segment includes the results of SRR, a direct subsidiary of SFR, which operates in the French Overseas Territories of La Reunion and Mayotte. Management has decided to leave SRR in the France segment given it reports separately from the rest of the FOT business and it is fully integrated in the France business, operationally and in terms of reporting.*

(1) - Includes an expense of €20.9 million relating to the discontinued use of the ONLY brand in the Antilles-Guyane region of the French Overseas Territories segment, following the replacement of the ONLY brand with the SFR brand.

(2) - Includes an expense of €5.4 million related to the impairment of the Numericable brand used in the Belgium and Luxembourg segment following the acquisition of a controlling stake in the Numericable Group in February 2014 and an impairment of the ONI brand in Portugal for €8.3 million.

4.3.2 Non-recurring items and other adjustments

Restructuring, deal fees and related expenses incurred during the year ended December 31, 2015 and December 31, 2014 pertain mainly to transaction costs and one-off payment made to parties involved in the acquisitions or other similar operations. Details are given below:

(In € millions)	**December 31, 2015**	**December 31, 2014**
Non-recurring items and other adjustments in EBITDA		
Stock option expenses	28.0	19.7
Other adjustments (1)	45.3	-
Total non-recurring items and other adjustments in EBITDA	**73.3**	**19.7**
Non-recurring items and other adjustments below EBITDA		
Restructuring costs (3)	116.7	67.5
Deal fees (2)	57.0	109.4
Other expenses net	59.0	43.1
Loss on disposals of tangible assets(4)	183.8	19.7
Non-recurring items and other adjustments below EBITDA	**416.5**	**239.6**
Total non-recurring items and other adjustments	**489.8**	**259.3**

(1) Other adjustments relate to costs of renegotiated contracts with suppliers in France which are recorded under new contract terms in the consolidated statement of income.
(2) Deal fees do not include any financing costs, as these are capitalised and amortised as per the requirements of IAS 39, financial instruments. Thus the deal fees shown above only include discretionary fees paid to legal counsel, M&A counsel and any other parties consultants whose services the Group might have employed in order to facilitate various acquisitions performed during the course of the year.
(3) Restructuring costs mainly include costs related to provisions for employee redundancies and contract termination fees
(4) Loss on disposals of tangible assets: Mainly related to a loss recognized on the disposal of the network of Sequalum in France for an amount of €116 million, refer to note 31

4.3.3 Revenue split by activities

Intersegment revenues represent less than 0.5% of total revenues.

Revenues split by activity are presented below:

	December 31, 2015					
(in € millions)	**France(*)**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	2,873.1	484.6	645.3	106.9	141.3	**4,251.2**
Fixed - B2B	1,402.8	299.7	72.9	37.8	28.8	**1,842.0**
Wholesale	1,328.1	170.5	-	62.7	10.6	**1,571.9**
Mobile - B2C	4,722.2	346.3	151.0	414.0	99.6	**5,733.5**
Mobile - B2B	712.9	122.5	54.0	50.7	4.8	**944.9**
Other	-	72.6	-	22.7	115.5	**210.8**
Total standalone	**11,039.0**	**1,496.1**	**923.3**	**694.4**	**400.5**	**14,553.3**
Intersegment adjustment	(21.2)	(3.9)	-	-	(44.1)	(69.2)
Total	**11,017.9**	**1,492.3**	**923.3**	**694.4**	**356.4**	**14,484.4**

	December 31, 2014					
(in € millions)	**France(*)**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	880.2	96.8	614.1	70.4	149.4	**1,811.0**
Fixed - B2B	374.0	57.0	66.4	34.8	30.2	**562.4**
Wholesale	270.1	28.5	-	20.7	5.9	**325.2**
Mobile - B2C	471.0	-	128.6	281.3	119.2	**1,000.0**
Mobile - B2B	65.8	-	48.3	32.4	6.8	**153.2**
Other	(3.3)	1.1	-	25.3	80.4	**103.5**
Total Standalone	**2,057.7**	**183.0**	**857.4**	**464.5**	**391.6**	**3,954.1**
Adjustments	(8.1)	(0.2)	-	-	(11.5)	(19.6)
Total	**2,049.6**	**182.8**	**857.4**	**464.5**	**380.1**	**3,934.5**

***** *The France segment includes the results of SRR, a direct subsidiary of SFR, which operates in the French Overseas Territories of La Reunion and Mayotte. Management has decided to leave SRR in the France segment given it reports separately from the rest of the FOT business and it is fully integrated in the France business, operationally and in terms of reporting.*

4.3.4 Capital expenditure

Capital expenditure is a key performance indicator tracked by the Group. The schedule below lists the capital expenditure by GCGU.

	December 31, 2015					
(in € millions)	**France (1)**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Capital expenditure	2,369.7	208.6	284.9	124.1	93.3	3,080.6

	December 31, 2014					
(in € millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Capital expenditure	532.2	24.3	224.7	78.6	105.4	965.2

(1) The Group incurred a one-off capital expenditure of €466.0 million related to the acquisition of the 700 Mhz spectrum in France, which remains unpaid as of December 31, 2015.

4.4 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 was 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 "Other" segment.

The divesture 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 consolidated financial statements of the Group for the year ended December 31, 2015. Parties have agreed that no purchase price adjustments were due.

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 the 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* from March 31, 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 December 31, 2015.

On September 15, 2015, the Group has entered into a sale and purchase agreement with Apax France to sell the two business. The transaction was subject to regulatory review by the European Commission and Portuguese authorities and approved in December 2015.

The disposal occurred on January 19, 2016, refer to note 34.

These assets are reported in the 'Portugal' segment.

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

Statement of financial position

(In € millions)	**December 31, 2015**			**December 31, 2014**
	Cabovisao	*ONI*	*Total*	*FOT (1)*
Goodwill	-	1.3	1.3	35.3
Tangible and intangible assets	12.4	80.6	93.0	34.8
Other non-current assets	0.5	0.0	0.5	7.2
Other current assets	12.4	14.9	27.3	
Total assets held for sale	**25.3**	**96.8**	**122.1**	**77.3**
Other non-current liabilities	7.9	2.4	10.2	2.4
Current trade payables	24.3	18.8	43.1	11.1
Other current liabilities	19.1	12.2	31.3	9.0
Total liabilities related to asset held for sale	**51.3**	**33.3**	**84.6**	**22.5**

(1) The allocation of goodwill to the held for sale assets was done based on the pro-rata contribution of these assets to the operating cash flows of the French Overseas Territories business. 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 disposal of the assets.

Statement of financial income (From the date of classification as held for sale)

(In € millions)	**December 31, 2015**		**December 31, 2014**
	Cabovisao	*ONI*	*FOT*
Revenues	62.5	37.3	8.5
Operating profit	15.2	7.9	1.0
Finance costs, nets	(2.3)	(3.5)	-
Income tax	(0.1)	(0.1)	(0.4)
Net income attributed to assets held for sale	**12.8**	**4.2**	**0.6**

Statement of cash flows

(In € millions)	December 31, 2015		December 31, 2014
	Cabovisao	*ONI*	*FOT*
Net cash provided by operating activities	16.7	6.9	13.7
Net cash used in investing activities	(12.5)	(11.8)	(3.6)
Net cash used in financing activities	-	4.9	-
Net change in cash and cash equivalents	**4.2**	**-**	**10.1**

5. 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 Switzerland which is a Cash Generating Unit on 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 combinations	Varia tions	Impairme nt losses	Changes in foreign currency translation	Held for sale	Dispo sals	December 31, 2015
				(In million €)				
France	**11,565.5**	-	-	-	-	-	-	**11,565.5**
Portugal	**1.3**	1,706.2	-	-	-	(1.3)	-	**1,706.2**
Israel	**627.2**	-	-	-	70.6	-	-	**697.8**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French Overseas Territories	**281.1**	-	-	-	-	-		**281.1**
Belgium and Luxembourg	**295.5**	-	-	-	-	-		**295.5**
Switzerland	**18.2**	-	-	-	0.1	-	-	**18.3**
Total Gross Value	**13,556.1**	**1,706.2**	**-**	**-**	**162.3**	**(1.3)**	**-**	**15,423.3**
France	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Israel	**(129.4)**	-	-	-	(14.6)	-	-	**(144.0)**
Dominican Republic	-	-	-	-	-	-	-	-
French Overseas Territories	**(4.6)**	-	-	-	-	-	-	**(4.6)**
Belgium and Luxembourg	-	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(134.0)**	**-**	**-**	**-**	**(14.6)**	**-**	**-**	**(148.6)**
France	**11,565.5**	-	-	-	-	-	-	**11,565.5**
Portugal	**1.3**	1,706.2	-	-	-	(1.3)	-	**1,706.2**
Israel	**497.8**	-	-	-	55.8	-	-	**553.6**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French Overseas Territories	**276.5**	-	-	-	-	-	-	**276.5**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Switzerland	**18.2**	-	-	-	0.1	-	-	**18.3**
Total Net book value	**13,422.1**	**1,706.2**	**-**	**-**	**147.5**	**(1.3)**	**-**	**15,274.7**

(*) Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2014. For the details of the revision see note 32

	December 31, 2013	Recognized on business combina-tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2014 (revised)*
				(In millions €)				
France	-	11,565.5	-	-	-	-	-	11,565.5
Portugal	1.3	-	-	-	-	-	-	1.3
Israel	620.3		-	-	6.9	-	-	627.2
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
French Overseas Territories	298.5	17.9	-	-	-	(35.3)	-	281.1
Belgium and Luxembourg	295.5	-	-	-	-	-	-	295.5
Switzerland	17.8	0.5	-	-	-	-	-	18.3
Total Gross Value	**1,233.4**	**12,251.6**	**-**	**-**	**106.2**	**(35.3)**	**-**	**13,556.1**
France	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Israel	(128.0)	-	-	-	(1.4)	-	-	(129.4)
Dominican Republic	-	-	-	-	-	-	-	-
French Overseas Territories	(4.6)	-	-	-	-	-	-	(4.6)
Belgium and Luxembourg		-	-	-	-	-	-	
Switzerland	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(132.6)**	**-**	**-**	**-**	**(1.4)**	**-**	**-**	**(134.0)**
France	-	11,565.5	-	-	-	-	-	11,565.5
Portugal	1.3	-	-	-	-	-	-	1.3
Israel	492.3		-	-	5.5	-	-	497.8
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
French Overseas Territories	293.9	17.9	-	-	-	(35.3)	-	276.5
Belgium and Luxembourg	295.5	-	-	-	-	-	-	295.5
Switzerland	17.8	0.5	-	-	-	-	-	18.3
Total Net book value	**1,100.7**	**12,251.6**	**-**	**-**	**104.8**	**(35.3)**	**-**	**13,422.1**

(*) Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2014. For the details of the revision see note 32

5.1 Purchase price allocation

During the year ended December 31, 2015, the Group has finalised the purchase price allocation following the acquisition of SFR S.A., Virgin Mobile, Numericable Group S.A., Altice Hispaniola S.A. and Tricom S.A. Additionally, a final purchase price allocation was performed for PT-Portugal. A summary of the different fair values attributed to different acquisitions is given below:

5.1.1 France - Numericable Group S.A. ("NG")

The purchase price allocation regarding acquisition of Numericable Group S.A. has been completed and the final fair value of the asset acquired at the date of acquisition were as follows:

Book value of investment in associate (prior to change in control):	€679.1 million
Variation in investment in associates until February 3, 2014:	€1.3 million
Gain on step acquisition (resulting from change in control):	€256.3 million
Non-controlling interests post re-valuation of tangible and intangible assets:	€448.1 million
Total consideration for acquisition of additional shares (including earnout):	€359.1 million
Fair value of consideration transferred at acquisition of NG:	€1,743.7 million

The Group identified the following assets and liabilities at acquisition, which were revalued at their fair value. The results are presented below:

a) Property, plant and equipment: the Board of Directors appointed an independent expert to determine the fair value of the fixed cable and network infrastructure owned and operated by NG. The expert used the replacement cost method to calculate the fair value of NG's tangible assets, based on inputs from the Board of Directors and NG's own technical teams. As of December 31, 2014, the evaluation had been completed and a fair value adjustment of €266.2 million (€174.5 million net of deferred taxes) was allocated to the property, plant and equipment of NG.

b) Customer relationships: €239.7 million (€157.1 million net of deferred tax), was recognised and allocated amongst the type of customers. The average useful life of the assets was determined based on specific reporting segments of the target and are summarised below. The fair value of client relationships was identified for each operating segment, namely B2C, B2B and wholesale.

c) Brand: The Group identified a brand as part of its acquisition of NG. The Group used the royalty relief method to evaluate the brand. The Group has also determined that the brand constitutes an intangible asset with a defined useful life and hence the evaluation assumes an average useful life of 5 years. The Board of Directors is in the opinion that this brand has a limited value in the French market given its history and would have been replaced with a more recognised brand as a result of market consolidation. The total amount recognised in the consolidated financial statements for the year ended December 31, 2014 was €97.2 million (€63.7 million net of deferred taxes).

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the year ended December 31, 2015:

Fair value at acquisition	€1,743.7 million
Fair value of identifiable assets, liabilities and contingent liabilities	€(768.1) million
Goodwill	€2,511.8 million

5.1.2 France - Société Francaise de Radiophonie ("SFR") and Virgin Mobile ('Virgin')

In accordance with the provisions of IFRS 3, the Group has completed the assessment of the fair value of the purchase price allocation of SFR and Virgin (acquired on November 28, 2014 and December 4, 2014 respectively).

The Group has identified the following assets and liabilities to which the purchase price will be allocated as described above. The fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition:

a) Customer relationships for the reporting segments of the NSFR group, namely B2C and B2B customers. Customer relationships were valued using the excess earnings method and their useful life will reflect the economic useful life. The fair value of customer relationships was recognized at €2,675 million (€1,753.9 million net of taxes). In addition to the customer relations recorded at SFR, the customer relationships at Virgin mobile were recognized at €160 million (€104.9 million net of taxes). Customer relationship will have an average useful life of nine years.

b) Brand: The SFR brand and all its associated sub-brands (such as SFR business team, Red etc) were recognized at their fair value based on the relief from royalty method. The fair value of the brand was recorded at €1,050 million (€688.5 million net of taxes). The SFR brand name has been determined to have a useful life of 15 years.

The hypotheses used to determine the fair values at acquisition were:

a) Attrition rate, evolution of the average revenue per unit ("ARPU") and operating margins for customer relationships

b) Royalty rate and useful life for the SFR brand.

Goodwill is explained by synergies expected from the acquisition, which are currently being implemented in various operational functions of the NSFR group.

As of the date of acquisition, SFR had provided for an on-going litigation with Outremer Telecom, reported in our 'Others' segment, for a total amount of €17.5 million. This provision was reversed and adjusted against the goodwill at acquisition.

In addition, during the fourth quarter of 2014, Numericable-SFR S.A. informed Vivendi S.A. of a purchase price adjustment of up to €225 million. For the year ended December 31, 2015, the two parties finalised the purchase price adjustment at €120 million. This adjustment, being directly related to the consideration transferred to acquire the share capital of SFR S.A. was reflected in the amount of the Goodwill recognised at acquisition.

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the year ended December 31, 2015:

Total consideration transferred	€17,300.0 million
Fair value of identifiable assets, liabilities and contingent liabilities	€8,241.5 million
Goodwill	€9,053.5 million

5.1.3 Portugal Telecom

As mentioned in note 3.2, a purchase price allocation was completed for PT Portugal for the year ended December 31, 2015. The acquisition was completed on June 2, 2015.

Total consideration transferred to the vendors amounted to €195.1 million (excluding purchase price adjustments) on a cash free debt free basis.

The Group has identified the following assets and liabilities to which the purchase price will be allocated as described above. The fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition:

a) Customer relationships: Customer relationships were determined for each operating segment of PT-Portugal, namely B2C, B2B and Wholesale customers (for both the fixed and mobile businesses). They were evaluated using the excess earnings method and the useful life reflects the economic life of the asset. The total value of customer relationships was €1,211.0 million (€878.0 million net of taxes).

b) Brand: The Meo brand was preliminary measured at its fair value using the relief from royalty method, and a useful life of 15 years. The fair value amounted to €227.0 million (€164.6 million net of taxes)

c) Frequencies: PT has invested in spectrum in order to provide mobile services. The mobile licenses were revalued for an amount of €56 million (€40.6 million net of taxes).

d) Property, Plant and Equipment: Property, plant and equipment was re-measured at its fair value. The PPE was revalued for an amount of €177 million (128.3 million net of taxes).

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below.

Total consideration transferred	€195.1 million
Fair value of identifiable assets, liabilities and contingent liabilities	€(1,511.1) million
Goodwill	€1,706.2 million

5.1.5 Dominican Entities

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

The purchase price allocation regarding Tricom and GLX has been completed.

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 consolidated financial statements as of December 31, 2015 and for the year then ended.

5.1.5.2 Altice Hispaniola (“ODO” or “Orange Dominicana S.A.”)

The purchase price allocation regarding ODO has been completed.

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 consolidated financial statements as of December 31, 2015 and for the year then ended.

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

5.2 Impairment of goodwill

The carrying amount of goodwill as at December 31, 2015 was €15,274.7 million (€13,422.1 million as of December 31, 2014).

The Group has chosen to organise its GCGUs based on the geographies that it operates in. For more details on the GCGUs, please refer to the note 4 “Segment Reporting”.

Goodwill is reviewed at the level of each GCGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the GCGU level for impairment as of December 31, 2015. 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 except for our French and US GCGUs for which we used their fair value less cost of disposal. 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 impairment tests did not result in impairment for any periods presented in these consolidated financial statements.

The value in use of each GCGU was determined by estimating cash flows for a period of five years for the operating activities. Cash flow forecasts are derived from the most recent business plans approved by the Board of Directors. Beyond the specifically forecasted period of five years, the Company extrapolates cash flows for the remaining years based on an estimated constant growth rate between 1-2%. This rate does not exceed the average long-term growth rate for the relevant markets. Discount rates have been computed using WACC approach and range from 5.6% to 11%. Assumptions for churn rates and EBIT margin were based on historical experience and expectations of future changes in the market. Cash flow forecasts were derived from the most recent financial plans approved by the Board of Directors. Recurring capex is expected to be proportional to sales and thus is indexed to the growth in revenues.

From 2015 onwards, the Group has harmonised its accounting policy regarding brand names and has decided to amortise the brand names based on an individually determined useful life for each brand based on business and strategic considerations (range of 5-15 years).

In addition to using internal indicators to assess the carrying amount in use, the Board of Directors also relies on external factors which can influence the cash generating capacity of the CGUs and also indicate that certain factors beyond the control of the Board of Directors might influence the carrying amounts in use:

- Indicators of market slowdown in a country of operation
- Indicators of degradation in financial markets, that can impact the financing ability of the group
- Loss of liquidity in capital markets

The Group has made use of various external indicators and internal reporting tools to estimate the revenue growth rates considered for the purpose of impairment testing for the year ended December 31, 2015. A summary of the growth rates used is provided below. The growth rates are provided by individual subsidiary and the GCGU allocation is indicated.

	France (**)	**Portugal (*)**	**Israel**	**Dominican Republic**	**Others**
Average perpetuity growth rate in 2015 (in %)	-	0.0	1.5	2.0	2.0
Average perpetuity growth rate in 2014 (in %)	-	2.0	1.5-2	2.0	2.0

(*) No impairment testing was performed for Cabovisao and ONI, as these assets were held for sale as of December 31, 2015. Management has assessed the carrying value in use based on the purchase price offered by the buyer and has determined that there is no indication of impairment to these businesses

(**) The impairment testing for France is based on the fair value less cost of disposal of Numericable-SFR (based on the observable share price), and thus no growth rate was determined.

The five year average EBIT margin considered for the purpose of impairment testing for different GCGUs is presented below:

	France(*)	**Portugal(**)**	**Israel**	**Dominican Republic**	**Others**
5 year average EBIT margin (In %)..........	-	31.4	21.9	36.3	25.0

(*) – The impairment testing for France is based on the fair value less cost of disposal of Numericable-SFR (based on the observable share price), and thus the EBIT margin was not used.

Capex was indexed to the revenues, as the Board of Directors tracks the capex spend expressed in a % of sales as a key KPI. The Board of Directors believes that recurring capex should be related to the acquisition of new clients and hence is indexed to the growth in revenues.

The Board of Directors estimated discount rates using post-tax rates that reflected current market rates for investments of similar risk. The discount rate for the GCGUs was estimated from the weighted average cost of capital (“WACC”) of companies which operate a portfolio of assets similar to those of the Company’s assets.

	France	Dominican Republic	Israel	French Overseas Territories	Others
Post tax weighted average cost of capital 2015 (%)	-	9.5	10.0-11.0	7.8	5.6-7.1
Post tax weighted average cost of capital 2014 (%)	6.2	6.3	10.1	6.2	5.6-6.2

The results of the impairment testing did not result in goodwill impairment for the year ended December 31, 2015. However, following the discontinuation of the ONLY brand by the FOT segment (following the adoption of the SFR brand), an impairment of the ONLY brand was recorded for a total amount of €20.9 million euros.

In validating the value in use determined for the GCGU, key assumptions used in the discounted cash-flow model were subject to a sensitivity analysis so as to test the resilience of value in use. The sensitivity analysis of these GCGUs is presented below. The recoverable amount for an increase in the WACC or share price (for NSFR) is presented below:

	France	Portugal	Dominican Republic	Israel	French Overseas Territories	Belgium and Luxembourg	Switzerland
If	Decrease of 10% in share price	0.5% increase of WACC	0.5% increase of WACC	1% increase of WACC	0.5% increase of WACC	0.5% increase of WACC	0.5% increase of WACC
Excess of fair value less cost of disposal / value in use over carrying amount	4,212.9	848.2	864.9	114.6	245.4	1.0	151.3

The sensitivity analysis for a decrease in the perpetuity growth rate is given below:

	France	Portugal	Dominican Republic	Israel	French Overseas Territories	Belgium and Luxembourg	Switzerland
If	Decrease of 10% in share price	1% decrease of perpetuity growth rate					
Excess of fair value less cost of disposal / value in use over carrying amount	4,212.9	966.8	770.4	139.8	213.0	(26.1)	132.9

The analysis did not result in other scenarios whereby a reasonable possible change in the aforementioned EBIT margin would result in a recoverable amount for the GCGU which is inferior to the carrying value, if applied to any other GCGU.

6. Intangible assets

	December 31, 2014 (Revised)*	Additions and related depreciation and amortization	Disposals	Business Combinations	Changes in foreign currency translation adjustment	Held for sale or discontinued operations	Other	December 31, 2015
				(In millions €)				
Software	1,398.9	324.8	(52.1)	16.4	21.6	(20.0)	161.4	1,851.0
Brand name(4)	1,292.3	-	-	227.0	6.2	(53.8)	0.1	1,471.8
Customer relations(1)	3,610.4	15.0	-	1,211.0	48.5	(10.2)	11.7	4,886.5
Licenses (3)	2,144.4	476.5	(0.1)	56.1	14.9	(12.0)	(27.0)	2,652.8
R&D costs acquisitions…………	6.4	3.1	(0.0)	6.6	-	(0.1)	(0.5)	15.5
Subscriber acquisition costs(2)	412.4	131.4	(0.1)	.0	29.5	(0.7)	45.4	618.0
Intangible assets under construction	165.7	161.6	(16.8)	44.1	.5	(0.4)	(142.6)	212.1
Other intangible assets	1,900.5	270.5	(220.5)	577.2	24.3	(14.8)	13.5	2,550.7
Total Gross Value	**10,930.9**	**1,383.0**	**(289.5)**	**2,138.3**	**145.5**	**(112.1)**	**62.0**	**14,258.1**
Software	(149.1)	(488.6)	44.0	-	(16.8)	16.8	(61.2)	(654.9)
Brand name(4)	(50.2)	(165.2)	-	-	(1.1)	31.9	-	(184.6)
Customer relations(1)	(220.7)	(563.7)	-	-	(18.8)	8.6	(8.1)	(802.8)
Licenses	(221.1)	(169.5)	-	-	(2.7)	7.6	(0.0)	(385.7)
R&D costs…………………	(0.7)	(6.2)	-	-	-	0.2	5.6	(1.1)
Subscriber acquisition costs(2)	(315.2)	(145.4)	0.0	-	(28.8)	0.1	(22.4)	(511.7)
Intangible assets under construction	0.1	-	-	-	-	-	-	0.1
Other intangible assets	(466.3)	(431.1)	97.0	-	(16.3)	2.8	35.5	(778.4)
Total Cumulative amortization and depreciation	**(1,423.1)**	**(1,969.5)**	**141.0**	**-**	**(84.5)**	**68.0**	**(50.6)**	**(3,318.8)**
Software	1,250.1	(163.7)	(8.1)	16.4	4.8	(3.3)	100.2	1,196.1
Brand name(4)	1,242.1	(165.1)	-	227.0	5.1	(21.8)	0.1	1,287.1
Customer relations(1)	3,389.8	(548.6)	-	1,211.0	29.8	(1.6)	3.6	4,083.6
Licenses	1,923.4	307.0	(0.1)	56.1	12.2	(4.4)	(27.0)	2,267.1
R&D costs………………	5.7	(3.1)	(0.0)	6.6	-	0.1	5.1	14.4
Subscriber acquisition costs(2)	97.2	(13.9)	(0.1)	0.0	0.7	(0.7)	23.0	106.3
Intangible assets under construction	165.8	161.6	(16.8)	44.1	0.5	(0.4)	(142.6)	212.2
Other intangible assets	1,434.2	(160.6)	(123.4)	577.2	8.0	(11.9)	49.0	1,772.3
Total Net book value	**9,508.2**	**(586.4)**	**(148.5)**	**2,138.3**	**60.9**	**(44.0)**	**11.4**	**10,939.8**

(*) For the revision impact please see note 32

(In millions €)

	December 31, 2013	Additions and related depreciation and amortization	Disposals	Business Combinations	Changes in foreign currency translation adjustment	Held for sale or discontinued operations	Other	December 31, 2014 (Revised)*
Software	91.2	22.9	-	1,272.4	6.6	-	5.7	1,398.9
Brand name[4]	129.9	0.4	(8.5)	1,157.1	2.2	(3.4)	14.6	1,292.3
Customer relations[1]	386.7	10.5	-	3,213.7	15.0	(15.5)	-	3,610.4
Licenses [3]	56.8	257.0	(19.2)	1,825.8	10.8	(2.4)	15.5	2,144.4
R&D costs acquisitions…………	3.8	0.8	-	2.2	-	(3.6)	3.3	6.4
Subscriber acquisition costs[2]	200.3	29.6	(0.1)	179.9	2.6	-	-	412.4
Intangible assets under construction	6.5	46.1	(7.8)	236.3	0.5	(0.1)	(116.0)	165.7
Other intangible assets	186.3	198.4	(4.4)	1,495.7	4.9	(4.0)	23.5	1,900.5
Total Gross Value	**1,061.5**	**565.8**	**(39.9)**	**9,383.2**	**42.6**	**(29.0)**	**(53.2)**	**10,930.9**
Software	(55.5)	(88.5)	0.0	-	(5.1)	-	(0.0)	(149.1)
Brand name[4]	(5.0)	(34.7)	0.4	-	(0.4)	2.3	(12.8)	(50.2)
Customer relations[1]	(91.5)	(106.2)	-	-	(2.9)	2.1	(22.1)	(220.7)
Licenses	(17.2)	(130.4)	0.9	-	(1.3)	1.3	(74.4)	(221.1)
R&D costs	(0.7)	(3.1)	-	-	-	3.1	-	(0.7)
Subscriber acquisition costs[2]	(194.1)	(29.6)	0.0	-	(2.6)	-	(89.0)	(315.2)
Intangible assets under construction	-	0.1	-	-	-	-	-	0.1
Other intangible assets	(118.3)	(74.6)	2.1	-	(3.3)	0.7	(273.0)	(466.3)
Total Cumulative amortization and depreciation	**(482.3)**	**(466.9)**	**3.4**	**-**	**(15.6)**	**9.5**	**(471.3)**	**(1,423.1)**
Software	36.0	(65.6)	(0.0)	1,272.4	1.5	-	5.7	1,250.1
Brand name[4]	124.9	(34.4)	(8.1)	1,157.1	1.8	(1.1)	1.8	1,242.1
Customer relations[1]	295.3	(95.7)	-	3,213.7	12.1	(13.5)	(22.1)	3,389.8
Licenses	39.7	126.6	(18.3)	1,825.8	9.5	(1.1)	(58.9)	1,923.4
R&D costs………………	3.1	(2.3)	-	2.2	-	(0.5)	3.3	5.7
Subscriber acquisition costs[2]	6.2	0.1	(0.1)	179.9	0.1	-	(89.0)	97.2
Intangible assets under construction	6.5	46.2	(7.8)	236.3	0.5	(0.1)	(116.0)	165.8
Other intangible assets	68.0	123.8	(2.2)	1,495.7	1.6	(3.2)	(249.4)	1,434.2
Total Net book value	**579.7**	**98.9**	**(36.5)**	**9,383.2**	**27.1**	**(19.5)**	**(524.6)**	**9,508.2**

(*) For the revision impact please see note 32

(1) Customer relations have been valued using the excess earnings method upon acquisition. These are amortized on the basis of the local churn rate. The carrying amount of customer relations by segment was: (i) France: €2,655.9 million, (ii) Portugal: €1,172.3 million,, (iii) Israel: €164.5 million (iv) Others: €125.3 million.

(2) Subscriber acquisition costs were recognized in respect of the costs of acquisition of subscribers (including additional sales commissions). The amortization expenses are linked to the length of the average commitment of the subscribers.

(3) This caption mainly includes the rights to use the cable and other installations constructed by France Telecom (the historical public telecoms operator in France) and mobile licenses of SFR, which are listed below:

(a) a UMTS license for a total of €619 million and new frequency licenses acquired in 2010 for a total of €300 million (depreciated over 20 years);

(b) A GSM license for a total of €278 million. The French government allowed SFR S.A. to use this license for 15 years. This license is carried at its actuarial value;

(c) A LTE license for a total of €150 million acquired to provide 4G services in the 2.6 Ghz spectrum and for €1,065 million to provide services in the 800 Mhz spectrum;

(d) A new licence to provide services in the 700 Mhz spectrum, for a total amount of €466 million. This licence is carried at its actuarial value.

(4) This caption includes the carrying amount of different brands owned by the Group and recognized as part of different purchase price allocations. The carrying amounts of the different brands of the Group allocated to the segments is: (i) France: €1,034.1 million, (ii)

Portugal: €220.4 million,(iii) ISL: €20.0 million (iv) Others: €12.3 million.

The increase in intangible assets can mainly be attributed to the acquisition of PT Portugal. The revised balances as of December 31, 2014 are mainly attributable to the finalization of SFR's purchase price allocation.

7. Property, Plant & Equipment

	December 31, 2014 (Revised)*	Additions and related depreciation and amortization	Disposals	Business Combinations	Changes in foreign currency translation adjustment	Held for sale	Other	December 31, 2015
				(In millions €)				
Land	113.3	3.3	(5.0)	177.8	2.1	(0.3)	2.0	293.1
Buildings(1)	1,550.0	104.8	(17.5)	517.5	13.2	0.4	16.8	2,185.1
Technical equipment and other equipment (2)	6,114.6	999.4	(373.5)	2,316.1	355.4	(193.1)	86.3	9,305.6
Tangible assets under construction	397.8	309.3	(27.6)	97.5	6.4	(3.3)	(287.6)	492.5
Prepayments on tangible assets	15.7	0.2	(0.3)	-	0.1	0.1	(8.6)	7.1
Other tangible assets	912.3	300.7	(97.3)	45.9	3.4	(8.4)	73.7	1,229.9
Total Gross Value	**9,103.6**	**1,717.8**	**(521.2)**	**3,154.8**	**380.5**	**(204.6)**	**(117.4)**	**13,513.5**
Land	-	-	-	-	(.1)	-	-	(0.1)
Buildings(1)	(46.1)	(175.9)	13.7	-	(6.2)	0.2	7.9	(206.4)
Technical equipment and other equipment (2)	(1,704.2)	(1,316.0)	331.1	-	(241.3)	165.0	167.1	(2,598.1)
Tangible assets under construction	2.1	(0.7)	-	-	(0.1)	-	-	1.2
Other tangible assets	(6.4)	(381.8)	87.2	-	(5.3)	3.5	(110.1)	(412.9)
Total Cumulative amortization and depreciation	**(1,754.6)**	**(1,874.5)**	**432.0**	**-**	**(253.0)**	**168.7**	**65.0**	**(3,216.5)**
Land	113.3	3.3	(5.0)	177.8	2.0	(0.3)	2.0	293.1
Buildings(1)	1,503.9	(71.1)	(3.8)	517.5	7.0	0.6	24.7	1,978.8
Technical equipment and other equipment (2)	4,410.4	(316.6)	(42.5)	2,316.1	114.4	(28.0)	253.4	6,707.3
Tangible assets under construction	399.9	308.6	(27.6)	97.5	6.3	(3.3)	(287.6)	493.7
Prepayments on tangible assets	15.7	0.2	(0.3)	-	0.1	0.1	(8.6)	7.1
Other tangible assets	905.9	(81.1)	(10.1)	45.9	(2.3)	(4.9)	(36.3)	817.0
Total Net book value	**7,348.8**	**(156.7)**	**(89.4)**	**3,154.8**	**127.5**	**(35.8)**	**(52.4)**	**10,296.9**

(*) For the revision impact please see note 32

	December 31, 2013	Additions and related depreciation and amortization	Disposals	Business Combinations	Changes in foreign currency translation adjustment	Held for sale	Other	December 31, 2014 (Revised)*
				(In millions €)				
Land	3.3	0.5	(0.0)	106.4	2.2	-	0.8	113.3
Buildings(1)	86.8	31.6	(2.0)	1,360.1	5.1	(7.6)	76.1	1,550.0
Technical equipment and other equipment (2)	1,831.1	486.8	(74.4)	3,924.7	95.7	(39.9)	(109.4)	6,114.6
Tangible assets under construction	25.2	77.8	(2.7)	413.0	3.7	(0.3)	(118.9)	397.8
Prepayments on tangible assets	-	1.4	(0.2)	16.3	0.1	(0.1)	(1.9)	15.7
Other tangible assets	15.5	38.5	(5.7)	775.2	1.5	-	87.4	912.3
Total Gross Value	**1,961.9**	**636.6**	**(85.1)**	**6,595.8**	**108.3**	**(48.0)**	**(65.9)**	**9,103.6**
Land								
Buildings(1)	(22.6)	(24.9)	1.6	-	(2.4)	4.6	(2.5)	(46.1)
Technical equipment and other equipment (2)	(790.2)	(618.2)	65.6	-	(59.6)	28.2	(330.0)	(1,704.2)
Tangible assets under construction	(0.1)	2.3	-	-	(0.1)	-	(0.1)	2.1
Other tangible assets	(14.8)	(5.1)	0.4	-	(0.8)	-	13.9	(6.4)
Total Cumulative amortization and depreciation	**(827.7)**	**(645.9)**	**67.6**	**-**	**(62.8)**	**32.8**	**(318.6)**	**(1,754.7)**
Land	3.3	0.5	(0.0)	106.4	2.2	-	0.8	113.3
Buildings(1)	64.2	6.7	(0.4)	1,360.1	2.8	(3.1)	73.6	1,503.9
Technical equipment and other equipment (2)	1,040.9	(131.4)	(8.8)	3,924.7	36.1	(11.8)	(439.4)	4,410.4
Tangible assets under construction	25.1	80.1	(2.7)	413.0	3.7	(0.3)	(119.0)	399.9
Prepayments on tangible assets	-	1.4	(0.2)	16.3	0.1	(0.1)	(1.9)	15.7
Other tangible assets	0.7	33.4	(5.4)	775.2	0.7	-	101.3	905.9
Total Net book value	**1,134.2**	**(9.3)**	**(17.5)**	**6,595.8**	**45.5**	**(15.2)**	**(384.6)**	**7,348.8**

(*) For the revision impact please see note 32

(1) The caption buildings is mostly composed of the hosting of technical sites, buildings and their respective fittings. Technical equipment principally includes network equipment (radio, switching, network administration, network core) and transmissions.

(2) This caption includes:

Cable network: the Company owns, directly and indirectly through its subsidiaries, cable or fibre network which allow it to supply cable based pay television, broadband internet and fixed line telephony services to its subscribers.

Call centers that represent centralized offices used for the purpose of receiving or transmitting a large volume of administrative, technical or commercial requests by telephone.

Office furniture and equipment that refer to furnishings and IT equipment.

Communication network infrastructure that include the digital technologies for the transmission of multi-channel television services.

As part of the various debt issuances done by the Group, the assets of certain subsidiaries have been pledged as collateral. This includes all material assets of HOT Telecom including the cable network, all material assets of ODO (other than licenses and real estate assets valued at less than €5 million), all assets of Cabovisao and ONI (Including network and PPE) and the assets of the NSFR group and those of PT, following the consummation of the acquisition in 2015.

The increase in the property, plant and equipment of the Company can mainly be attributed to the acquisition of PT-Portugal during the year ended December 31, 2015.

In addition to this, property plant and equipment also increased as a result of continued capital expenditure by other group companies, as part of their efforts to drive customer acquisition and growth.

8 Investment in associates

The breakdown of the investments in associates is detailed as follows:

	Investments in associates and Joint Ventures	
	December 31, 2015	**December 31, 2014 (Revised)***
	(In millions €)	
Numergy [(1)]	77.7	79.0
La Poste Telecom [(2)]	-	-
Groupe News Participation	297.3	-
Other associates[(3)]	42.7	47.0
Total associates	**417.7**	**126.0**

(*) For the revision impact please see note 32

The main change in the carrying amount of investment in associates is primarily related to the acquisition of a non-controlling interests in Groupe News Participations, the main shareholder of Next Radio TV. In December 2015, the Company, through its indirect subsidiary Altice Content Luxembourg S.à r.l., invested €0.96 million in GNP, to acquire a 49% stake. GNP itself held 50.42% of the economic and 60.9% of the voting rights in Next Radio TV ('NXTV'). In addition to the equity investment, the Group has subscribed to two convertible bonds issued by GNP, for an aggregate amount of €296.3 million, which forms part of the investment of the Group in this Company.

The other entities are associates of Numericable-SFR group:

1) In 2012, SFR, Bull and Caisse des Dépôts created Numergy, which offers IT infrastructure capable of hosting remote-access secured data and applications, i.e. "cloud computing" services. The group share in the amount of €105 million euros is only 25% paid in. The debt for the unpaid portion appears under liabilities for an amount of €79 million. The value of the shares was initially reduced to the amount of unpaid capital, due to additional losses during the year, the carrying amount is €77.7 million. In January 2016, the Group entered into an agreement with Bull and Caisse des Dépôts to acquire their stake in Numergy. Refer to note 34

2) In 2011, SFR and La Poste created La Poste Telecom, held at 49% and 51%, respectively. This subsidiary is a mobile virtual network operator on the retail mobile telephony market under the La Poste Mobile brand. The negative value of the equity method investments in La Poste Telecom was reduced to zero by an offset against provisions in the amount of €21.4 million euros at the end of 2015.

3) On February 18, 2010, a group created by SFR, Vinci and AXA (with 30% each) and TDF (10%) signed a GSM-R public-private partnership agreement with Réseau Ferré de France. This agreement, with a 15-year duration and an overall amount of one billion euros, involves providing the financing, construction, operation and maintenance for a digital telecommunications network that will allow for providing communications (voice and data) between trains and ground regulation staff in conference mode. It will be deployed progressively over 14,000 km of traditional and high-speed railways in France. The negative value of the equity method investments in Synerail was reduced to zero by an offset against provisions for €4.2 million euros at the end of 2014.

The key financial information of the associates is listed below:

	Numergy		La Poste Telecom		Synerail		GNP (**)
			December 31, *(In millions €)*				
	2015	2014	2015	2014	2015	2014	2015
Revenues	4.0	2.0	202.0	182.0	167.0	170.0	17.5
Net profit/(loss)	(16.0)	(20.0)	(9.0)	(6.0)	2.0	(18.0)	(1.5)
Net equity	168*	184*	(83.0)	(67.0)	(15.0)	(33.0)	218.6
Cash (-)/Net debt (+)	2.0	5.0	51.0	56.0	487.0	435.0	252
Total Assets	175.0	190.0	38.0	40.0	598.0	528.0	593.8

(*) out of which €79 million of unpaid subscribed capital as at December 31, 2015.

(**) Unaudited

9. Financial assets

	December 31, 2015	December 31, 2014
	(In millions €)	
Investments held as available for sale(1)	6.5	42.0
Loans and receivables(2)	248.9	96.4
Derivative financial assets(3)	2,530.2	1,195.8
Other financial assets	18.6	9.4
Restricted cash	0.6	-
Total	**2,804.8**	**1,343.6**

(1) Investment in available for sale financial assets are composed of:

Partner Communications LTD: The Group holds 1,459,926 regular shares in Partner Communications LTD, (hereinafter-Partner), constituting approximately 0.9% of Partner's share capital which is engaged in the provision of mobile communications services and whose shares are traded on stock exchanges in the United States of America, in the United Kingdom and in Israel.

Wananchi Group Holdings Ltd (hereinafter Wananchi): The Group, through an indirect subsidiary, holds a 17.4% equity interest and three board seats in Wananchi Group Holdings Ltd, a cable, DTH and B2B operator based out of Kenya and providing services in Kenya and other neighbouring East African countries. The Board of Directors has classified this investment as an available for sale asset. The Company holds less than 20% of Wananchi and has no significant influence over the operational or financial decision making in Wananchi. The investment in Wananchi is carried at its fair value, which was calculated by the Board of Directors based on a discounted cash flow model, which was modelled on a business plan prepared by Wananchi's management. The management of Wananchi provided the Group with a new business plan, on the basis of which the fair value of the investment was measured at €1.2 million. Management believes that this represents a durable and significant decrease in the fair value of the investment and hence has recorded an impairment amounting to €35.2 million for the year ended December 31, 2015. The following assumptions were used in the DCF model to determine the fair value:

WACC: 13.5%

Terminal growth rate: 5%

Evaluation period: 8 years

(2) Loans and receivables

As of December 31, 2015, this caption includes an additional investment made by the company in Wananchi, in return for which it was issued convertible notes, convertible at the discretion of the holder. The investment amounted to €40.4 million ($44 million equivalent) and bears interest at a rate of 15% per annum payable in kind and a maturity of 3 years starting December 2013 (12.5% from December 31, 2015). The increase compared to December 31, 2014 is explained by an additional investment made by the Company in Wananchi.

It also includes €124 million corresponding to a guarantee provided by Vivendi to NSFR, as well as financial assets related to pension assets at PT-Portugal for an aggregate amount of €13.8 million.

(3) Derivative financial assets

As part of the issuance of new debts to finance the acquisition of SFR and PT Portugal, the Group issued debt in US Dollars. In order to cover the exchange rate risk related to this issuance (refer to note 18), the parties entered into cross currency swaps with different banks, which were classified as cash flow hedges.

10. Inventories

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Raw materials and consumables	403.4	316.2
Work in progress	30.3	8.3
Total Gross Value	**433.7**	**324.6**
Raw materials and consumables	(61.3)	(47.4)
Work in progress	(3.6)	-
Allowance for obsolescence	**(65.0)**	**(47.4)**
Raw materials and consumables	342.0	268.9
Work in progress	26.7	8.3
Total Net book value	**368.7**	**277.2**

(*) For the revision impact please see note 32

Inventories are almost exclusively comprised consumables goods corresponding to customer premises equipment (modems, decoders, mobile handsets etc.), which is used in the daily business activity of the Company. The Board of Directors considers that inventory will be fully renewed in the next twelve months.

The cost of inventories recognized in the income statement during the year was €31.3 million (€136.9 million expensed in 2014).

The increase in inventory for the year ended December 31, 2015 mainly relates to the acquisition of PT-Portugal. Inventories at PT-Portugal also includes mobile phones that are sold as part of their commercial offerings.

	December 31, 2014 (Revised)*	Variation	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2015
			(In millions €)		
Raw materials and consumables	(47.4)	(13.7)	-	(0.3)	(61.3)
Work in progress (goods)	-	(3.6)	-	-	(3.6)
Total Cumulative amortization and depreciation	**(47.4)**	(17.4)	-	(0.3)	**(65.0)**

	December 31, 2013	Variation	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2014 (Revised)*
Work in progress (goods)	-	(47.2)	(0.2)	(47.4)
Finished/semi-finished goods	(1.5)	1.5	-	-
Total Cumulative amortization and depreciation	**(1.5)**	(45.7)	(0.2)	**(47.4)**

11. Current trade and other receivables

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Trade receivables	2,765.0	2,037.4
Other receivables	899.7	1,047.0
Total current trade and other receivables	**3,664.7**	**3,084.4**

(*) For the revision impact please see note 32

11.1 Trade receivables

	December 31, 2014 (Revised)*	Business Combinations	Net increase / decrease	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2015
			(In millions €)			
Trade receivables	2,573.2	831.7	117.7	(41.1)	15.3	3,496.8
Allowance for doubtful debts	(535.8)	(224.6)	13.0	26.1	(10.5)	(731.8)
Trade receivable, net	**2,037.4**	**607.0**	**130.7**	**(15.0)**	**4.9**	**2,765.0**

	December 31, 2013	Business Combinations	Net decrease	Reversal	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2014 (Revised)*
				(In millions €)			
Trade receivables	255.5	2,729.1	(409.9)	-	(5.8)	4.4	2,573.2
Allowance for doubtful debts ...	(61.5)	(522.1)	(35.0)	80.0	0.8	2.1	(535.8)
Trade receivable, net..	**194.0**	**2,206.9**	**(445.0)**	**80.0**	**(5.1)**	**6.5**	**2,037.4**

The increase in trade receivables is explained mainly by the acquisition of PT-Portugal in June 2015. The increase in 2014 was explained by the acquisitions of SFR, NC, ODO and Tricom.

11.2 Age of trade receivables

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Not yet due	2,423.6	132.7
30-90 days	136.1	56.0
91-121 days	205.3	9.5
Unallocated portion(1)	-	1,839.2
Total..	**2,765.0**	**2,037.4**

(1) Given the short time frame between the acquisition of SFR and December 31, 2014, SFR had not been able to analyse the aging of their trade receivables in accordance with the policies of the group. The unallocated portion thus referred to the trade receivables of NSFR net of allowances for doubtful debts.

The Group routinely evaluates the credit that is provided to its customers, while checking their financial situations; however it does not demand collateral for those debts. The Group records a provision for doubtful debts, based on the factors that affect the credit risks of certain customers, past experience and other information. The Group is of the opinion that there is no risk of concentration of counterparties given the much diversified customer basis, especially on the B2C side (in our largest segments, a major portion of clients pay using direct debit, credit cards or online banking).

For the B2B business, the top 20 clients of the Group represent less than 5% of total Group revenues.

The largest clients of the Group are telecom operators in France and Portugal (such as Orange, Bouygues Telecom, Free Mobile, Vodafone, NOS, etc.). The risk of recoverability for these clients is quite low, given the balance in interconnection transactions between these companies and different companies of the Group. Orange, the largest client in the operator segment, is also the largest supplier of the Group.

11.3 Other current receivables

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Prepaid expenses(1)	158.9	188.6
Other(2)	740.9	858.4
Total	**899.7**	**1,047.0**

(1) Prepaid expenses mainly relate to services for which payments are made before the service is rendered (such as rental, insurance or other services). Such expenses remained stable between 2014 and 2015.

(2) Other are mainly composed of receivables due from social security and other state run organisms that manage employee benefits. They also comprise of receivables due from VAT payments made on supplier invoices.

12 Cash and cash equivalents and current restricted cash

	December 31, 2015	December 31, 2014
	(In millions €)	
Term deposits	220.3	550.4
Bank balances	405.3	1,013,2
Cash and cash equivalents	**625.7**	**1,563.6**
Restricted cash	0.6	-
Restricted cash	0.6	-

13 Issued capital and additional paid in capital

13.1 Issued capital

The Company was created on May 27, 2015 with an initial capital of €31,000, corresponding to the issuance of 3,100,000 shares with a nominal value of €0.01 each. On August 6, 2015, the Board of Directors of Altice S.A. approved the Transfer mentioned in note 1.1, which lead to an issuance of 247,950,186 common shares with a nominal value of €0.01 each.

As of December 31, 2015, the issued share capital of the company amounted to €2.5 million and was composed of 251,050,186 common shares with a value of €0.01 each.

13.2 Additional paid in capital

Total paid-in capital of the Group amounted to €1,016.1 million and was mainly impacted by the buy back of a 10% stake in NSFR from Vivendi:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Opening	2,971.1	-
Contributions by shareholders	64.1	910.9
Contribution in kind - shareholders debt	-	557.4
Net proceeds from primary offering	-	721.0
Contribution in kind - Valemi vendor note	-	6.7
Contribution in kind – Mobius	-	4.6
Contribution in kind – Non controlling shareholders of OMT	11.0	66.1
Rights issuance at NG	-	1,173.6
Transactions with non-controlling shareholders of NSFR and Altice Content Luxembourg	(2,029.1)	(473.4)
Share issuance under management investment plan	-	4.2
Other	(1.0)	-
Total	**1,016.1**	**2,971.1**

(*) For the revision impact please see note 32

Contributions by shareholder also include a value adjustment recorded on an investment of Altice France Bis S.à r.l. with Altice Group Lux S.à r.l. for an amount of EUR 109 million.

13.3 Other reserves

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

(in € millions)	December 31, 2015			December 31, 2014 (revised)*		
	Pre-tax amount	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(3.5)	(0.5)	(4.0)	(2.8)	-	(2.8)
Items not potentially reclassified to profit and loss	**(3.5)**	**(0.5)**	**(4.0)**	**(2.8)**	**-**	**(2.8)**
Available for sale	2.4	-	2.4	1.9	-	1.9
Currency reserve	3.4	-	3.4	(7.0)	-	(7.0)
Cash flow hedge	(317.9)	100.3	(217.6)	(133.0)	47.6	(85.4)
Items potentially reclassified to profit and loss	**(312.1)**	**100.3**	**(211.8)**	**(138.1)**	**47.6**	**(90.5)**
Total other reserves	**(315.6)**	**99.7**	**(215.8)**	**(140.7)**	**47.6**	**(93.3)**

(*) For the revision impact please see note 32

14 Provisions

	December 31, 2014 (Revised)*	**Business Combinations**	**Addition**	**Utilization**	**Held for sale or discontinued operations**	**Divestitures, changes in foreign currency translation adjustments and other**	**December 31, 2015**
				(In millions €)			
Provisions for litigations[2]..	389.8	57.4	114.3	(66.2)	(0.2)	23.9	518.9
Site renovation costs[1]..........	135.4	-	1.7	(20.5)	-	0.9	117.4
Restructuring charges	11.4	-	56.4	(27.3)	-	14.3	54.6
Provisions for other expenses	337.4	21.1	68.9	(68.2)	(10.2)	16.8	365.8
TOTAL.......	**873.8**	**78.5**	**241.2**	**(182.4)**	**(10.4)**	**55.8**	**1,056.7**

	December 31, 2013	Business Combinations	Addition	Utilization	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2014 (Revised)*
				(In millions €)			
Provisions for litigations[(2)]..	18.0	378.0	26.3	(32.9)	(0.3)	0.6	389.8
Site renovation costs[(1)]..........	-	133.9	3.2	(1.7)	-	0.0	135.4
Restructuring charges	-	35.7	11.1	(35.4)	-	-	11.4
Provisions for other expenses	13.2	275.0	66.5	(16.0)	(1.6)	0.3	337.4
TOTAL.......	**31.1**	**822.6**	**107.3**	**(86.0)**	**(1.9)**	**0.9**	**873.8**

(*) For the revision impact please see note 32

The caption *non-current provisions* and *current provision* shown in the consolidated statement of financial position include the provision mentioned above and the provisions regarding pension plan described in Note 15.

Provisions for litigations are mainly relating to litigations that have been brought against the group for which the Board of Directors believes that the risk of cash outflows is probable.

The increase in provisions is related mainly to the acquisition of Portugal Telecom and provisions recorded during the year to account for litigation and restructuring.

Provisions are mainly comprised of:

1. Site renovation costs: in certain cases, the Company and its subsidiaries (mainly SFR or PT) have contractual obligation to repair and renovate its technical sites and network components that are leased at the end of the contractual period or in case of an anticipated contract cancellation.

2. Provisions for litigations: These provisions include amounts for which the nature and amounts cannot be disclosed on a case by case basis as this might expose the group to further litigation. Such cases are outlined in note 31, Litigations. All litigation pending against the Group is either being heard or appealed at the date of this report.

The Board of Directors considers that all potential risks of cash outflows on such litigations and claims is properly evaluated and represented correctly in the consolidated financial statements for the year ended December 31, 2015. The current portion of provisions totalled €378.1 million as of December 31, 2015.

Provisions for retirement obligations and employee benefits are detailed in note 15.

15. Employee benefits

Depending on the laws and practices in force in the countries where it operates, the Group has obligations in terms of employee benefits, among others:

- In Portugal, Portugal Telecom 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 suspend 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.

- In France, severance payment in accordance with the collective agreement of the company to which they are attached. The rights to conventional retirement benefits vested by employees are measured individually, based on various parameters and assumptions such as the employee's age, position, length of service in the Company and salary, according to the terms of their employment agreement. This plan is considered to be a defined benefit plan in accordance with IAS 19. In addition in France, the employees of the Group benefit from a general pension plan. Accordingly the Group contributes to mandatory social security plans. This regime is considered to be a defined contribution plan in accordance with IAS 19.

  - In Israel, the plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans. The Group has defined contribution plans pursuant to Section 14 of the Severance Pay Law under which the Group pays regular contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. In addition, the Group has a defined benefit plan in respect of severance pay pursuant to the Severance Pay Law. According to the Law, employees are entitled to receive severance pay upon dismissal or retirement. In respect of its severance pay obligation to certain of its employees, the Group makes current deposits in pension funds and insurance companies ("the plan assets"). Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Group's own creditors and cannot be returned directly to the Group.

The amount included in the consolidated statement of financial position in respect of defined benefit plans is as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Present value of defined benefit obligation	1,237.8	154.1
Fair value of plan assets	(186.0)	(23.0)
Unfunded status	***1,051.9***	***131.2***

Movements in the present value of defined benefit obligation were as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Balance as of January 1	**154.1**	**29.3**
Business combinations	1,154.7	115.3
Interest expense	10.7	1.4
Current service cost	15.8	4.5
Participant contribution	0.6	0.3
Benefit paid	(100.9)	(2.9)
Settlement	-	-
Curtailment	6.7	(0.2)
Net actuarial loss/(gain) in net income	-	0.1
Net actuarial loss/(gain) in other comprehensive income	(7.1)	6.0
Other (including currency translation adjustment)	3.2	0.2
Balance as of December 31	**1,237.8**	**154.1**
including commitments not financed	*769.0*	*123.1*
including commitments totally financed or partially financed	*468.9*	*31.0*

As of December 31, 2015, the line Business Combination includes the effect of the acquisition of Portugal Telecom (see note 3.3).

Movements in the fair value of plan assets were as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Balance as of January 1	**23.0**	**21.1**
Business combinations	177.1	-
Interest income	3.4	0.6
Deposits paid by the employer into the plan	2.5	2.2
Participant contributions	0.4	0.3
Benefits paid	(19.2)	(1.8)
Settlement	-	-
Curtailment	-	-
Net actuarial (loss)/gain in other comprehensive income	(3.7)	0.3
Other (including currency translation adjustment)	2.6	0.3
Balance as of December 31	**186.0**	**23.0**
Total net liabilities	**1,051.9**	**131.2**

As of December 31, 2015, the line Business Combination includes the effect of the acquisition of Portugal Telecom (see note 3.3).

Amounts recognized in comprehensive income in respect of these defined benefit plans are as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Current service cost	15.8	4.5
Net Interest expense	7.2	0.8
Settlement	-	-
Curtailment	6.7	-
Net actuarial loss/(gain)	(0.1)	0.1
Total expenses in respect of employee benefits in profit and loss	**29.5**	**5.4**
Net actuarial loss/(gain)	(3.5)	5.6
Other OCI (including currency translation adjustment)	0.7	0.1
Total expenses in respect of employee benefits in other comprehensive income	**(2.8)**	**5.7**

The detail of the actuarial gains and losses recorded in other comprehensive income for the year ended December 31, 2015 and 2014 were as follows:

	December 31, 2015	December 31, 2014
Net actuarial loss/(gain)		
- actuarial differences from experience - Defined benefit obligation	15.4	0.2
-actuarial differences from change in assumptions- Defined benefit obligation..	(22.5)	5.7
-actuarial return on plan assets (excluding interests income)	3.7	(0.3)
***Total* ....**	**(3.5)**	**5.6**

The principal actuarial assumptions for the **euro zone** used for the purposes of the actuarial valuations were as follows:

	December 31, 2015	December 31, 2014
Expected rate of salary increase	0-2%	3.0%
Discount rate - Pension	1.9%	2%
Discount rate - Salaries to suspended and pre-retired	0.5%	-
Discount rate - Healthcare	2.25%	-
Inflation rate	2%	2%

The principal actuarial assumptions for the other areas used for the purposes of the actuarial valuations were as follows:

	December 31, 2015	December 31, 2014
Expected rate of salary increase	1-4%	1-4%
Discount rate - Pension	2.1%	2.4%
Inflation rate	1.2%	1.2%

Significant actuarial assumption for the determination of the defined obligation is discount rate. A variation of discount rate will have the following impact on the Defined Benefit Obligation:

	2015
Obligation with discount rate – decrease 0.25%	1,262.5
Obligation at current discount rate	1,237.8
Obligation with discount rate – increase 0.25%	1,214.1

The fair value of the plan assets at the end of the reporting period for each category, are as follows as of December 31, 2015:

	Amount	%
Shares	23.9	13%
Bonds	60.9	33%
Real estate	4.2	2%
Other	97.0	52%
Total	**186.0**	**100%**

The fair value of the plan assets at the end of the reporting period for each category, are as follows as of December 31, 2014:

	Amount	%
Shares	1.5	7%
Bonds	2.5	11%
Real estate	1.7	7%
Other	17.3	75%
Total	**23.0**	**100%**

16. Borrowings and other financial liabilities

Total financial liabilities are broken down as follows:

	December 31, 2015	December 31, 2014 (*Revised)
	(In millions €)	
Long term borrowings, financial liabilities and related hedging instruments	**31,032.0**	**20,483.2**
- Debentures	*21,680.3*	*15,780.5*
- Loans from financial institutions	*9,252.0*	*4,674.9*
- Derivative financial instruments	*99.7*	*27.8*
Other non-current financial liabilities and related hedging instruments	**412.2**	**907.3**
- Finance leases	*97.9*	*49.4*
- Other financial liabilities	*314.3*	*857.9*
Non-current liabilities	**31,444.2**	**21,390.5**
Short-term borrowings, financial liabilities	**248.6**	**166.5**
- Debentures	*29.7*	*26.7*
- Loans from financial institutions	*219.0*	*139.9*
Other financial liabilities:	**1,236.7**	**1,073.9**
- Other financial liabilities	*521.3*	*583.3*
- Bank overdraft	*126.6*	*41.5*
- Accrued interests	*530.6*	*403.9*
- Finance leases	*58.2*	*45.1*
Current liabilities	**1,485.3**	**1,240.4**
Total	**32,929.5**	**22,630.9**

16.1 Loans from financial institutions and debentures

As at December 31, 2015, the details of the loans from financial institutions and bonds are given in the sections that follow.

The maturities of borrowings are given below:

	December 31, 2015	< 1 year	One year or more	December 31, 2014 (*revised)
		(In millions €)		
Debentures	21,710.0	29.7	21,680.3	15,807.2
Loans from financial institutions	9,471.0	219.0	9,252.0	4,814.8
Total	**31,181.0**	**248.7**	**30,932.3**	**20,622.0**

16.2 Debentures

Compared to the year ended December 31, 2014, the Group issued new bonds to finance the acquisition of Portugal Telecom.

Instrument	Issuer	Fair value in millions of euros December 31, 2015	Coupon	Year of maturity	Carrying amount December 31, 2015 (excluding EIR impact)	Carrying amount December 31, 2014
- Debentures	HOT Telecom Ltd.	278.5	Between 3.9% and 6.9% + Consumer Price Index	2018	225.0	257.0
- Senior Notes USD 2,900 M (1)	Altice Luxembourg S.A.	2,397.4	7.75%	2022	2,663.7	2,394.7
- Senior Notes EUR 2,075M (1)	Altice Luxembourg S.A.	1,931.0	7.25%	2022	2,075.0	2,075.0
-Senior Notes USD 1,480M	Altice Luxembourg S.A.	1,162.3	7.625%	2025	1,359.4	-
-Senior Notes EUR 750M	Altice Luxembourg S.A.	630.3	6.250%	2025	750.0	-
- Senior Secured Notes USD 460 M	Altice Financing S.A.	439.4	7.875%	2019	422.5	380.1
- Senior Secured Notes EUR 210M	Altice Financing S.A.	218.7	8.00%	2019	210.0	210.0
- Senior Secured Notes EUR 300M	Altice Financing S.A.	314.5	6.5%	2022	300.0	300.0
- Senior Secured Notes USD 900M	Altice Financing S.A.	816.3	6.5%	2022	826.7	743.2
- Senior Notes USD 425M	Altice Finco S.A.	408.4	9.875%	2020	391.4	351.9
- Senior Notes EUR 250M	Altice Finco S.A.	278.3	9.00%	2023	250.0	250.0
- Senior Notes USD 400M	Altice Finco S.A.	351.8	8.125%	2024	367.4	330.3
-Senior Secured Notes USD 2,060M	Altice Financing S.A.	1,863.8	6.625%	2023	1,892.2	-
-Senior Notes EUR 385M	Altice Finco S.A.	326.2	7.625%	2025	385.0	-
- Senior Notes EUR 500M	Altice Financing S.A.	498.3	5.25%	2023	500.0	-
- Senior Secured Notes USD 2,400M	Numericable SFR Group S.A.	2,182.4	4.875%	2019	2,204.5	1,981.8
Senior Secured Notes USD 4,000M	Numericable SFR Group S.A.	3,545.5	6.000%	2022	3,674.1	3,303.0
Senior Secured Notes USD 1,375M	Numericable SFR Group S.A.	1,218.8	6.250%	2024	1,263.0	1,135.4
- Senior Secured Notes EUR 1,000M	Numericable SFR Group S.A.	1,022.5	5.375%	2022	1,000.0	1,000.0
- Senior Secured Notes EUR 1,250M	Numericable SFR Group S.A.	1,263.9	5.625%	2024	1,250.0	1,250.0
Transaction costs					*(300.4)*	*(155.5)*
Total value of debentures		**21,148.2**			**21,710.0**	**15,807.2**
Of which due within one year		*29.7*			*29.7*	*26.7*
Of which due after one year		21,118.6			21,680.3	15,780.5

(1) Following the Transfer, the liabilities of Altice S.A. were transferred to Altice Luxembourg S.A..
All instruments listed above are level 1 financial instruments.

Credit ratings of the most significant instruments as at December 31, 2015 are as follows:

Instruments issued by	**Rating**
Numericable-SFR	B1/B+
Altice Luxembourg	B3/B
Altice Financing	B1/BB-
Altice Finco	B3/B-

The Senior Notes and Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market of the Luxembourg Stock Exchange.

The Debentures issued by Hot Telecom have the following characteristics:

a) HOT's Series A' debentures - €151 million, linked to the Consumer Prices Index for Tel Aviv. Series A' debentures which are repayable in 13 semi-annual payments commencing on September 30, 2012 and up to September 30, 2018. They bear yearly interest at a fixed rate of 3.9%.
b) (b) HOT's Series B' debentures - €127.5 million which bear yearly interest at a fixed rate of 6.9%. Series B' debentures are repayable in 13 semi-annual payments commencing on September 30, 2012 and up to September 30, 2018.

Except for the amortising bond issued by HOT, no other debentures have any current portions.

16.3 Covenants

The debt issued by the Company and its subsidiaries is subject to certain restrictive covenants, which apply (i) in the case of debt issued by Altice Luxembourg, to Altice Luxembourg and its restricted subsidiaries, (ii) in the case of debt issued by Altice Financing S.A. and Altice Finco S.A., to Altice International S.à r.l. and its restricted subsidiaries (iii) in the case of debt issued by Numericable-SFR S.A., to Numericable-SFR S.A. and its restricted subsidiaries.

Other than the HOT Debentures and the revolving credit facilities described below, such debt issued by the subsidiaries of the Company 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. These covenants are subject to a number of important exceptions and qualifications.

In order to be able to incur additional debt under an applicable debt instrument, the relevant restricted group must either meet the ratio test described below (on a pro forma basis for any contemplated transaction giving rise to the debt incurrence) or have available capacity under the general debt basket described below or meet certain other exceptions to the limitation on indebtedness covenant in such debt instrument.

Our Senior Secured Debt is subject to an incurrence test of 3:1 (Adjusted EBITDA to Net Debt) and our Senior Debt is subject to an incurrence test of 4:1 (Adjusted EBITDA to Net Debt), with the following exceptions:

- Our Secured Debt at NSFR is subject to an incurrence test of 3.25:1 (Adjusted EBITDA to Net Debt)

We also have access to different revolving credit facilities, which also are subject only to incurrence based covenants (no maintenance covenants). The terms of these facilities include certain incurrence based covenants that are no more restrictive than the incurrence covenants contained in our other debt instruments. The covenants for the RCFs that had been drawn on for the year ended December 31, 2015 are given below:

Facility	Applicable Restricted Group	Financial Covenant	Testing
Altice International Pari Passu RCF EUR 501M	Altice International and its restricted subsidiaries	Consolidated Net Leverage Ratio of Altice International ≤5.25:1	If there are utilisations outstanding at the end of each relevant period
Numericable Group Revolving Credit Facility EUR 1.125 million	Numericable-SFR S.A. and its restricted subsidiaries	Consolidated Net Senior Secured Leverage Ratio of Numericable – S.F.R. S.A. ≤4.5:1(*)	If there are utilisations outstanding at the end of each relevant period

(*) Applicable till December 31, 2016, after which the ratio becomes 4.0:1.

The Company or its relevant subsidiaries are allowed to fully consolidate the EBITDA from any subsidiaries in which they have a controlling interest and that are contained in the restricted group as defined in the relevant debt instruments.

We were in compliance with all our covenants as of December 31, 2015.

16.4 Loans from financial institutions

Compared to the year ended December 31, 2014, the increase in the loans from financial institutions is mainly explained by new term loans granted by credit institution as follows:

Altice Financing was provided by credit institution to finance the acquisition of Portugal Telecom the following:

(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 (€459.3 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%.

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 July 2015, to refinance amounts drawn on their respective RCFs, Numericable SFR S.A. and Altice Financing S.A. were provided by credit institution the following:

(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.,
(ii) A $550 million (€505.2 million equivalent) term loan facility with a maturity of seven years and bearing interest at Libor (3m)+3.25%, with a Libor floor of 0.75% issued by Numericable SFR S.A., and
(iii) A €300 million term loan facility with a maturity of seven years and bearing interest at Euribor (3m) +3.25%, with a Euribor floor of 0.75% issued by Numericable SFR S.A.

All new term loans are amortised at the rate of 1% annually.

In October 2015, Numericable-SFR was provided by credit institutions, at a price of 98.5% and with mandatory quarterly repayment of 0.25% of the nominal the following:

(i) A €500 million term loan facility maturing in January 2023 and bearing interest at Euribor (3m) +4.0%, with a Euribor floor of 1%.
(ii) A $1.340 million (€1,230.8 million equivalent) term loan facility maturing in January 2023 and bearing interest at Libor (3m) +4.0%, with a Libor floor of 1%.

As of December 31, 2015, the loans from financial institutions are composed of the following:

	December 31, 2015	< 1 year	One year or more	December 31, 2014
		(In millions €)		
Numericable Term Loans	6,632.3	32.0	6,600.4	3,828.8
Altice Financing Term Loans	2,194.6	22.6	2,172.0	820.1
Altice Financing RCF	160.0	160.0	-	126.2
Numericable-SFR RCF	450.0	-	450.0	-
Others	34.0	5.2	28.8	39.8
Total	**9,471.0**	**219.0**	**9,252.0**	**4,814.8**

Available credit facilities:

As of December 31, 2015, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €2,324.5 million:

- Revolving credit facilities:

(i) Altice Luxembourg S.A. (entered into by Altice S.A. prior to the merger): €200 million;

(ii) Altice Financing S.A.: €80 million, €501 million and €330 million (of which €160 million drawn as of December 31, 2015);

(iii) Altice Financing S.A.: $80 million, equivalent to €73.5 million as at December 31, 2015; and

(iv) Numericable-SFR S.A.: €1,125 million (of which €450 million drawn as of December 31, 2015);

- Guarantee facilities:

Altice Financing S.A.: €15 million.

On April 23, 2015, the aggregate principal amount available under the Numericable-SFR RCF was increased by €375 million, thus bringing the total available amount to €1,125 million, while following the closing of the PT acquisition, Altice Financing S.A. has access to an additional RCF of upto €330 million, as specified above.

As of December 31, 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 €160 million.

16.5 Other financial liabilities

Other financial liabilities mainly consist of:

(i) Reverse factoring and securitization of receivables: certain subsidiaries of the Group have undertaken reverse factoring and securitization operations for their payables and receivables respectively in order to optimise the management of working capital. NSFR had balances of €240 million and €171 million in this regard respectively. As these contracts are revocable at any time by the counterparty, such liabilities are classified as current liabilities.

(ii) Deposits provided by clients for customer premises equipment leased for the duration of their subscription period for €140.7 million.

(iii) Put agreement with Next Participations: As part of the minority investment in Altice Content Luxembourg, News Participations has entered into a put agreement with Altice Content S.à r.l. (the direct shareholder of Altice Content Luxembourg) via which it can sell its stake to Altice Content for a fixed price of €100 million, starting from March 2018 onwards for a period of three months. The maximum exercise period for the put is 10 years. The Group has evaluated the fair value of the liability using a probability weighted average discounted cash flow model. The fair value of the put, recognized as a financial liability in accordance with IAS32, was evaluated as €56.8 million and hence existing non-controlling interests' minority interests were reclassified as other financial debt for the same amount.

Following the acquisition of the 20% stake held by Vivendi in February 2015, the earnout due to Vivendi if, Numericable-SFR reached an EBITDA minus Capex of € 2 billion for any year before December 31, 2024, was cancelled. A gain was recognised in the consolidated statement of income for the year ended December 31, 2015 (€643.5 million).

During the year, the Group was granted by Vivendi a vendor loan amounting to €1,948 million in connection with the acquisition of a 10% stake in Numericable-SFR S.A., this loan was repaid before year end.

16.6 Maturity of financial liabilities

	December 31, 2015	< 1 year	Between 1 and 5 years	> 5 years
		(In millions €)		
Loans, debentures and related hedging instruments	31,181.0	248.6	8,981.9	21,950.8
Financial instruments	99.7	-	-	99.7
Finance leases	156.1	58.3	97.9	-
Accrued interest	530.6	530.6	-	-
Bank overdraft	126.6	126.6	-	-
Other financial liabilities	835.6	521.3	257.4	56.8
Nominal value of borrowings	**32,929.5**	**1,485.3**	**9,336.9**	**22,107.3**

	December 31, 2014	< 1 year	Between 1 and 5 years	> 5 years
		(In millions €)		
Loans, debentures and related hedging instruments	20,622.0	166.6	3,612.1	16,843.3
Financial instruments	27.7	-	27.7	-
Related party bonds	94.6	45.1	49.4	-
Finance leases	403.9	403.9	-	-
Accrued interest	41.5	41.5	-	-
Other financial liabilities	1,441.2	583.3	857.9	-
Nominal value of borrowings	**22,630.9**	**1,240.4**	**4,547.1**	**16,843.3**

16.7 *Currency of borrowings*

	December 31, 2015	Euro (EUR)	US Dollar (USD)	Israeli Shekel	Swiss Franc	Dominican Pesos
			(In millions €)			
Loans, debentures and related hedging instruments	31,181.0	10,378.8	20,513.5	254.7	34.0	-
Financial instruments	99.7	99.7	-	-	-	-
Finance leases	156.1	73.2	72.7	9.1	1.0	-
Accrued interest	530.6	138.3	389.1	3.3	-	-
Bank overdraft	126.6	0.9	125.6	-	-	-
Other financial liabilities	835.6	137.3	638.8	40.8	10.4	8.3
TOTAL	**32,929.5**	**10,828.3**	**21,739.6**	**307.9**	**45.3**	**8.3**

	December 31, 2014	Euro (EUR)	US Dollar (USD)	Israeli Shekel	Swiss Franc	Dominican Pesos
			(In millions €)			
Loans, debentures and related hedging instruments	20,622.0	6,930.7	13,395.5	257.0	38.8	-
Financial instruments	27.7	27.7	-	-	-	-
Finance leases	94.6	76.3	-	16.8	1.5	-
Bank overdraft	41.5	41.5	-	-	-	-
Accrued interest	403.9	138.3	262.1	3.4	-	-
Other financial liabilities	1,441.2	1,406.8	-	23.7	0.6	10.1
TOTAL	**22,630.9**	**8,621.3**	**13,657.6**	**300.9**	**40.9**	**10.1**

16.8 *Nature of interest rate*

	Total as of December 31, 2015	Fixed interest rate	Floating interest rate
		(In millions €)	
Loans, debentures and related hedging instruments	31,181.0	21,710.0	9,471.0
Financial instruments	99.7	-	99.7
Finance leases	156.1	156.1	-
Bank overdraft	126.6	126.6	-
Accrued interest	530.6	453.4	77.2
Other financial liabilities	835.6	835.6	-
TOTAL	**32,929.5**	**23,281.5**	**9,647.9**

	Total as of December 31, 2014	Fixed interest rate	Floating interest rate
		(In millions €)	
Loans, debentures and related hedging instruments	20,622.0	15,765.7	4,856.4
Financial instruments	27.7	-	27.7
Finance leases	94.6	94.6	-
Bank overdraft	41.5	41.5	-
Accrued interest	403.9	372.7	31.2
Other financial liabilities	1,441.2	1,441.2	-
TOTAL	**22,630.9**	**17,715.7**	**4,915.3**

16.9 Derivatives and hedge accounting

As part of its financial risk management strategy, the Group has entered into certain hedging operations. These are split mainly into either fixed to fixed or fixed to floating cross-currency swaps that cover against interest rate risk, or forward swaps that cover against foreign exchange risk. The Group applies hedge accounting for those hedging operations that meet the eligibility criteria as defined by IAS 39. A summary of swaps that are not classified as cash flow hedges is provided below:

A coupon only cross-currency swap transaction covering USD 200 million of the USD 425 million principal of Altice Finco's Senior Notes (of which USD 25 million is unhedged), based on which Altice pays Israeli Shekels and receives US Dollars, amounting to a Euro equivalent of 145 million with a maturity date on December 15, 2017 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of between 8.0% and 9.7%

A coupon only cross-currency swap transaction covering USD 225 million of the USD 460 million principal of Altice Financing's Senior Secured USD Notes (of which USD 10 million is unhedged), on the basis of which Altice pays Israeli Shekels and receives US Dollars, amounting to a Euro equivalent of €186 million with a maturity date on December 15, 2017 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of between 5.9% and 7.6%

A coupon only cross-currency swap transaction covering €100 million of the €210 million principal of Altice Financing's Senior Secured Euro Notes (of which €10 million is unhedged), based on which Altice pays Israeli Shekels and receives Euros, amounting to €100 million with a maturity date on December 15, 2017 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of 5.775%

A coupon only cross-currency swap transaction covering a part of the USD 1,034 million Term loan notional (USD 292.8 million), in which Altice pays Israeli Shekels and receives US Dollars, amounting to USD 212 million with a maturity date on October 31, 2018 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of between 5.0% and 5.6%

A coupon only cross-currency swap transaction covering part of the USD 1,034 million Term loan notional (USD 540.5 million), in which Altice pays Euros and receives US Dollars, amounting to €446 million with a maturity date on October 31, 2018 and an interest rate composed of an EURIBOR 3M floating rate and a fixed spread between 4.5% and 4.8%

A forward transaction covering USD 550 million of the total USD nominal due at maturity of the Altice Finco USD Senior Notes and Altice Financing USD Senior Secured Notes (USD 885 million of which USD 95.5 million is unhedged) based on which Altice pays Israeli Shekels and receives US Dollars, with a hedged rate ranging from 4.127-4.317 ILS/USD.

A forward transaction covering USD 239.5 million of the total USD nominal due at maturity of the Altice Finco USD Senior Notes and Altice Financing USD Senior Secured Notes (USD 885 million of which USD 95.5 million is unhedged) based on which Altice pays Israeli Shekels and receives US Dollars, with a hedged rate of 3.678 ILS/USD.

A forward transaction to cover the repayment of a part of the nominal of the USD 1,034 million Term loan (of which USD 200 is unhedged) at maturity, in which Altice pays Israeli Shekels and Euros to receive US Dollars. As part of the transaction, Altice will pay ILS 1,076 million and receive USD 293 million at a hedged rate of 3.678 ILS/USD and will pay €415 million and receive USD 541 million at a hedged rate of 1.301.

A coupon only forward transaction covering USD 200 million of the USD 425 million Senior Notes issued by Altice Finco (of which USD 25 million are unhedged), in which Altice pays Israeli Shekels and receives US Dollars, with an average hedged exchange rate of 4.127 ILS/USD.

A coupon only forward transaction covering USD 225 million of the USD 460 million Senior Secured Notes issued by Altice Financing (of which USD 10 million are unhedged), in which Altice pays Israeli Shekels and receives US Dollars, with an average hedged exchange rate of 4.127 ILS/USD.

A coupon only forward transaction covering €100 million of the €210 million Senior Secured Notes issued by Altice Financing (of which €10 million are unhedged), in which Altice pays Israeli Shekels and receives Euros, with an average hedged exchange rate of 5.164 ILS/EUR.

A coupon only cross currency swap transaction covering €370.8 million of the $ 2,900 million Senior notes issued by Altice Luxembourg SA, in which Altice pays 7.75% and receives Libor 3m+3.78%

On May 8, 2014 and February 4, 2015, the Group issued debt to finance the acquisition of the SFR group and Portugal Telecom respectively. 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.

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%.

These operations were designated as cash flow hedges by the Group. The principal characteristics are given below:

Hedged items:

- $2,400 million bonds bearing interest at a coupon of 4.875%, $4,000 million bonds bearing interest at 6.000% and $1,375 million bonds bearing interest at a coupon of 6.250% issued in 2014 at the level of Numericable Group for the acquisition of the SFR group.
- $ 2,900 million USD bonds bearing interest at a coupon of 7.75% issued for the acquisition of the SFR group.
- $2,060 million bonds bearing interest at a coupon of 6.625%, $385 million bonds bearing interest at 7.625% and $1,480.0 million bonds bearing interest at a coupon of 7.625%, issued for the acquisition of PT-Portugal.

Hedging instruments:

- Cross currency swaps, swapping fixed USD coupon payments into fixed euro payments. The fixed EUR/USD rate was fixed at 1.3827.
- 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 swap and its novation:

Nominal USD *(In millions)*	**Nominal EUR** *(In millions)*	**Effective date**	**Termination date (*)**	**USD coupon**	**EUR coupon**
Fixed/Fixed cross currency swap					
2,900.0	2,097.3	08/05/2014	15/05/2019-15/05/2022	7.75%	7.07% to 7.43%
7,775.0	5,623.0	08/05/2014	15/05/2019	From 4.875% to 6.25%	From 4.354% to 5.383%
2,060.0	1,821.1	04/02/2015	15/05/2023	6.625%	5.236% to 5.306%
385.0	340.3	04/02/2015	15/05/2023	7.625%	6.184% to 6.254%
1,480.0	1,308.3	04/02/2015	15/05/2023	7.625%	6.434% to 6.504%
LIBOR/EURIBOR Interest rate swap					
2,600.0	1,880.4	08/05/2014	15/05/2019	L+3.75%	E+4.2135% and E+4.2085%
500.0	442.0	04/02/2015	04/02/2022	L+4.25%	E+4.163% to E+4.233%
550.0	498.0	03/08/2015	31/07/2022	L+3.25%	E+2.730%
1,340.0	1,184.0	10/11/2015	31/01/2023	L+4.00%	E+4.130%

* The swap with one of the counterparties was extended for three years as the counterparty offered favourable conditions for booking an extension. The Company has the option to extend the swaps with other counterparties and may choose to do so in the future.

Thus, the fair value of the derivative instrument was recorded in other comprehensive income for the year ended December 31, 2015. Before the impact of taxes, an expense of €177.6 million was recorded as other comprehensive income (€127.4 million net of taxes).

16.10 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 (the "Swap adjusted debt") are given below:

	December 31, 2015		
	In million €		
	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	31,181.0	490.5	31,671.5
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-	(19,484.6)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-	16,630.0
Total swap adjusted value of debentures and loans from financial institutions	**31,181.0**	**490.5**	**28,816.9**

17. Obligations under finance leases

The Group leased certain of its office facilities and datacenters under financial leases. The Group has options to purchase the assets for a nominal amount at the end of the lease terms. Obligations under finance leases are secured by the lessors' title to the leased assets.

In addition, the Group has operating leases relating to building space and other technical assets and other assets such as automobiles under long term contracts.

The future minimum lease payments on operating and finance leases to which the Group is committed are shown as follows:

	Minimum lease payments December 31, 2015	
	(In € millions)	
	Operating lease (*)	***Finance leases***
Less than one year	353.3	61.3
Between one and two years	293.1	30.6
Between two and three years	257.7	15.9
Between three and four years	235.3	14.9
Five years and beyond	851.8	41.5
Total minimum payments	**1,991.2**	**164.2**
Less: future finance expenses		(8.4)
Nominal value of contracts		**155.8**
Included in the consolidated financial statements as:		
- Current borrowings (note 16)		***58.2***

- Non-current borrowings (note 16)	***97.9***

	Minimum lease payments December 31, 2014 (In € millions)	
	Operating lease (*)	***Finance leases***
Less than one year	327.0	45.1
Between one and two years	314.1	34.2
Between two and three years	314.1	11.3
Between three and four years	314.1	4.1
Five years and beyond	518.2	6.5
Total minimum payments	**1,787.5**	**101.2**
Less: future finance expenses		(6.6)
Nominal value of contracts		**94.6**
Included in the consolidated financial statements as:		
- Current borrowings (note 16)		***45.1***
- Non-current borrowings (note 16)		***49.4***

(*) In some cases, the rental space under contract may be sublet, which generates revenues and hence reduces the obligation under such leasing contracts. The minimum leases payment are presented after including such revenues that amounts to €316 million for the year ended December 31, 2015 compared to €277 million for the year ended December 31, 2014

18 Financial risk factors

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk) and other risks (including equity price risk and settlement risk). This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

Financial risk management is an integral part of the way the Group is managed. The Board of Directors establishes the Group's financial policies and the Chief Executive Officer establishes objectives in line with these policies.

The Group is not subject to any externally imposed capital requirements.

18.1 Credit risk

The Group does not have significant concentrations of credit risk. The credit risk may arise from the exposures of commitments under a number of financial instruments with one body or as the result of commitments with a number of groups of debtors with similar economic characteristics, whose ability to meet their commitments could be similarly affected by economic or other changes.

The Group's income mainly derives from customers in Israel, in Dominican Republic, in the French Overseas Territories and in Europe (France, Belgium, Luxembourg, Portugal and Switzerland). The Group regularly monitors its customers' debts and provisions for doubtful debts are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt. Additionally, our retail customers represent a major portion of our revenues and these clients generally pay in advance for the services they buy for us, or in our more significant regions, such as France, our retail customers generally pay using direct debit, a practice that reduces our credit risk.

The Group does not have significant concentration of credit risk, as a result of the Group's policy, which ensures that the sales are mostly made under standing orders or via credit cards.

18.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group has a strong track record of driving operating free cash flow generation and specializes in turning around struggling businesses and optimizing the cash generation of existing businesses. As all our external debt is issued and managed centrally, executive Directors of the Group have a significant amount of control and visibility over the payments required to satisfy our obligations under the different external debts.

Additionally, the Group has access to undrawn revolving credit facilities for an aggregate amount of €2,324.5 million (of which €610 million was drawn as of December 31, 2015) to cover any liquidity needs not met by operating cash flow generation.

18.3 Market risks

The Group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and anticipated future transactions.

18.3.1 Interest rate risk

Interest rate risk comprises the interest price risk that results from borrowings at fixed rates and the interest cash flow risk that results from borrowings at variable rates.

The Company has an exposure to changes of interest rate in the market, deriving from long-term loans that have been received and which bear variable rate interest.

Interest structure of non-current financial debt (including interest effects of derivatives):

	December 31, 2015	**December 31, 2014**
	(In millions €)	
Financial debt at fixed rates	23,182.0	17,715.7
Financial debt at variable rates	9,747.6	4,915.2
TOTAL	**32,929.5**	**22,630.9**

The Group's proportion of variable rate debt increased from 21.7 % for the year ended December 31, 2014 to 29.6% for the year ended December 31, 2015. When it can, the Group endeavours to issue fixed rate debt (which also typically offers longer maturities).

The Group has entered into different hedging contracts to manage interest rate risk related to debt instruments with variable interest rates. See note 16.9 for more information.

No sensitivity analysis was performed on the impact of an increase of interest rates applicable to floating rate debt, given the Euribor/Libor floor in place. We do not expect that in a near future a reasonable change in interest rate would lead to Euribor/Libor rate greater than the floor rate.

18.3.2 Israeli CPI risk

The Group has borrowed from banks and issued debentures that are linked to the changes in the Israeli CPI (Consumer Price Index). Also, the Group has deposits and gave loans that are linked to the changes in the Israeli CPI. The net amount of the financial instruments that are linked to the Israeli CPI and for which the Company is exposed to changes in the Israeli CPI amounted to approximately €181.5 million (NIS 771 million) as of December 31, 2015 (€180.5/NIS 853 million as of December 31, 2014).

18.3.3 Foreign currency management

1. Foreign currency sensitivity analysis

The Group is exposed to foreign currency risk from transactions and translation. Transactional exposures are managed within a prudent and systematic hedging policy in accordance with the Company's specific business needs. Translation exposure arises from the consolidation of the financial statements of foreign operations in euros, which is, in principle, not hedged. The Group's objective is to manage its foreign currency exposure through the use of currency forwards, futures and swaps.

	December 31, 2015			
	Israeli Shekel	Swiss Franc	Dominican Pesos	Total
	(In millions €)			
Profit for the year				
Increase of 10% in exchange rate	1.4	(1.1)	(4.3)	**(4.0)**
Decrease of 10% in exchange rate	(1.4)	1.1	4.3	**4.0**
Equity				
Increase of 10% in exchange rate	99.5	0.5	0.8	**100.8**
Decrease of 10% in exchange rate	(99.5)	(0.5)	(0.8)	**(100.8)**

	December 31, 2014			
	Israeli Shekel	Swiss Franc	Dominican Pesos	Total
	(In millions €)			
Profit for the year				
Increase of 10% in exchange rate	3.4	0.3	(0.7)	**3.0**
Decrease of 10% in exchange rate	(3.4)	(0.3)	0.7	**(3.0)**
Equity				
Increase of 10% in exchange rate	89.3	1.4	(13.0)	**77.7**
Decrease of 10% in exchange rate	(89.3)	(1.4)	13.0	**(77.7)**

On the basis of the analysis provided above, the Board of Directors believes that the Group's exposure to FX rate risks is limited.

Exchange differences recorded in the income statement represented a loss of €52.9 million in 2015 (2014: loss of €137.7 million).

The Group estimates that a 10% variation of foreign currencies against euro parity is a relevant change of variables and reasonably possible risk in a year and the presented above allows to assess the impact of a 10% increase of foreign currencies against euro on net result and reserves. A 10% change would have a symmetrical impact with the same amounts but in the opposite direction.

Additionally, the Group is exposed to foreign currency risk on the different debt instruments that it has issued over time. The Board of Directors believes that the FX price risk related to such debt issuance is limited as:

(i) Foreign currency debt issued in currencies other than Euros or USD is borne by companies that have issued such debt in their functional currencies.
(ii) A portion of the USD debt issued by NSFR and other subsidiaries of the Group is hedged to manage the associated FX risk. A reconciliation between the nominal amount of the total debt measured at its balance sheet rate and the swap adjusted debt is presented in note 16.10.

18.3.4 Price risk

The Group has investments in listed financial instruments, shares and debentures that are classified as available-for-sale financial assets and financial assets at fair value through profit or loss in respect of which the Group is exposed to risk of fluctuations in the security price that is determined by reference to the quoted market price. As of December 31, 2015, the carrying amount of these investments was €6.5 million (€42.0 million as of December 31, 2014).

18.5 Fair value of financial assets and liabilities

18.5.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ Financial liabilities	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input (s)**	**Significant unobservable differences**	**Relationship of unobservable differences**
	31/12/2015	31/12/2014				
Financial Liabilities						
Foreign currency forward contracts and interest rate swaps (see note 16.9)	99.7	27.8	Level 2	Zero curve	N/A	N/A
Put agreement with News Participation	56.8	-	Level 3	Discounted cash flows	N/A	N/A
Financial Assets						
Interest rate swaps (see note 9)	2,530.2	1,195.4	Level 2	Zero curve	N/A	N/A
Conversion option GNP	12.5	-	Level 3	Discounted cash flows	N/A	N/A
Available For Sale						
- Wananchi (1)	1.2	36.5	Level 3	Discounted cash flows	N/A	N/A
- Partner and Co.	5.3	5.5	Level 1	Quoted price in an active market	N/A	N/A

(1) An impairment of €35.2 million was recorded in the consolidated statement of income related to this investment for the year ended December 31, 2015.

18.5.2 Reconciliation of Level 3 fair value measurements

	Available for sale (unlisted shares)	Put over Non-Controlling Interests	Conversion option GNP
		(In € million)	
December 31, 2015			
Opening balance	36.5	-	-
Additions	-	56.8	12.5
Total gains or losses:			
– in profit or loss	(35.2)	-	-
– in other comprehensive income	-	-	-
Closing balance	**1.2**	**56.8**	**12.5**

	Available for sale (unlisted shares)	Others	Total
		(In € million)	
December 31, 2014			
Opening balance	31.9	-	31.9
Total gains or losses:			
– in profit or loss	-	-	-
– in other comprehensive income	4.6	-	4.6
Closing balance	**36.5**	-	**36.5**

19. Trade and other payables

	December 31, 2015	December 31, 2014 (* Revised)
	(In millions €)	
Trade payables	5,296.1	4,041.1
Corporate and social security contributions	427.6	472.8
Indirect tax payables	525.1	597.5
Other payables	4.1	-
Amounts due to related parties	-	0.1
Total trade and other payables	**6,252.9**	**5,111.4**

The increase in trade and other payables is mainly attributable to the acquisition of PT-Portugal.

20. Other current and non-current liabilities

	December 31, 2015	December 31, 2014 (* Revised)
	(In millions €)	
Current deferred revenue [(1)]	783.6	695.5
Other current liabilities [(2)]	107.2	496.2
Total other current liabilities	**890.7**	**1,190.6**
Non-current deferred revenue [(3)]	310.2	390.3
Fixed asset payables [(4)]	444.6	4.8
Other liabilities non-current[(5)]	48.5	203.8
Total other non-current liabilities	**803.4**	**598.9**

1. Current deferred revenues refer to revenues recognized from customers billed in advance of the monthly cut-off as well as those generated by sales of prepaid mobile contracts at SFR and ODO.

2. The decrease in other current liabilities is mainly related to the re-classification of advances and client pre-payments to trade payables at SFR, following the harmonisation with Group accounting policies. This decrease was partially offset by the restatement of the unpaid capital for Numergy (€79 million). See point 5 below.

3. Non-current deferred revenues result from multi-year contracts with business customers. The increase in non-current deferred revenues for the year ended December 31, 2015 was mainly due to the acquisition of PT-Portugal during the course of the year.

4. Fixed asset payables mainly refer to payments due on the acquisition of a licence to operate in the 700 Mhz spectrum in France.

5. The decrease in mainly due to the reclassification of the unsubscribed capital to be paid to Numergy (€79 million) from non-current to current liabilities, following the acquisition of Numergy by SFR in January 2016.

21. Classification and fair value of financial assets and liabilities

On December 31, 2015 and 2014, the principles for measuring financial instruments and their market value break down as follows:

	December 31, 2015			
			Fair Value	
	Book value	Amortized cost	Derivative instruments	Assets available for sale
	(In millions €)			
Current assets				
Cash and cash equivalents..............	625.7	625.7	-	-
Restricted cash	0.6	0.6	-	-
Trade and other receivables............	3,664.7	3,664.7	-	-
Other current assets	315.9	315.9	-	-
Non-current assets			-	-
Restricted cash	-	-	-	-
Loans and receivables	248.9	248.9	-	-
Available for Sale...........................	6.5	-	-	6.5
Other Financial assets.....................	2,548.8	18.6	2,530.2	-
Other long-term trade receivables ...	93.6	93.6	-	-
	7,504.7	**4,968.0**	**2,530.2**	**6.5**

	Book value	Amortized cost	Fair value
Current liabilities			
Borrowings...............................	248.6	248.6	-
Loans from related parties.........	-	-	-
Trade and other payables...........	6,252.9	6,252.9	-
Other current liabilities.............	890.7	890.7	-
Non-current liabilities			
Borrowings	31,032.0	30,932.3	99.7
Other financial liabilities...........	412.2	412.2	-
Other non-current liabilities	803.4	803.4	-
	36,639.8	**39,540.1**	**99.7**

	December 31, 2014			
			Fair Value	
	Book value	Amortized cost	Derivative instruments	Assets available for sale
		(In millions €)		
Current assets				
Cash and cash equivalents..............	1,563.6	1,563.6	-	-
Restricted cash	-	-	-	-
Trade and other receivables............	3,084.4	3,084.4	-	-
Other current assets	404.1	404.1	-	-
Non-current assets			-	-
Loans and receivables	96.4	96.4		
Available for Sale...........................	42.0	-	-	42.0
Other Financial assets.....................	1,205.2	9.4	1,195.8	-
Other long-term trade receivables ...	78.7	78.7	-	-
	6,474.4	**5,236.6**	**1,195.8**	**42.0**

	Book value	Amortized cost	Fair value
Current liabilities			
Borrowings...............................	166.5	166.5	-
Loans from related parties.........	-	-	-
Trade and other payables...........	5,111.4	5,111.4	-
Other current liabilities.............	1,190.6	1,190.6	-
Non-current liabilities			-
Borrowings	20,483.2	20,455.5	27.8
Other financial liabilities...........	907.3	223.3	684.0
Other non-current liabilities	598.9	598.9	-
	28,457.9	**27,746.2**	**711.8**

22. Taxation

Income taxes are detailed as follows:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Current taxes	(323.3)	(8.7)
Deferred taxes	83.8	177.4
TOTAL...	**(239.5)**	**168.9**

(*) For the revision impact please see note 32

Before netting deferred tax assets and liabilities by fiscal entity, the components of deferred tax balances are as follows:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Employee benefits	348.4	48.4
Other temporary non-deductible provisions	142.6	80.1
Net operating losses and tax carry forward, net of allowance	514.8	479.5
Other temporary tax deductions	77.9	157.0
Difference between tax and accounting depreciation	(1,840.4)	(1,792.9)
Fair value adjustment (derivative)	(92.3)	(25.3)
Valuation allowances for deferred tax asset	(253.0)	(128.0)
TOTAL	**(1,102.0)**	**(1,181.0)**

(*) For the revision impact please see note 32

After netting deferred tax assets and liabilities by fiscal entity, deferred taxes are presented on the statement of financial position as follows:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Deferred tax assets	497.9	875.9
Deferred taxes liabilities	(1,600.1)	(2,056.9)
TOTAL	**(1,102.2)**	**(1,181.0)**

(*) For the revision impact please see note 32

The net deferred tax variation in the statement of financial position is analysed as follows:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Opening balance	**(1,181.0)**	**(135.7)**
Deferred tax on income	83.8	177.4
Deferred tax on shareholder’s equity	18.1	40.5
Change in consolidation scope	(19.4)	(1,262.5)
Currency translation adjustment	(3.7)	(0.7)
Closing balance	**(1,102.0)**	**(1,181.0)**

(*) For the revision impact please see note 32

The reconciliation between the effective tax rate and the theoretical tax rate:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Loss for the year	**(243.4)**	**(579.5)**
Share of profit in associates	8.1	4.8
Tax charge (expenses)/ income	(239.5)	168.9
Loss before income tax and associates	**(12.3)**	**(753.2)**
Statutory tax rate	29.22%	29.22%
Income tax calculated on theoretical tax	3.6	220.1
Impact of:		
Differences between Parent company and foreign income tax rates	(80.8)	(11.4)
Effect of permanent differences	(115.2)	(39.4)
Effect of SFR Earnout (see note 26)	285.0	-
Recognition of tax losses and variation in related allowances	(174.7)	(18.4)
French business tax (see note 2.27)	(41.0)	(10.0)
Effect of change in tax rate	(26.7)	-
Other movements	(89.2)	28.0
Income tax (expense)/income	**(239.5)**	**168.9**
Effective tax rate	(1,952.7)%	22.42%

(*) For the revision impact please see note 32

Permanent differences are mainly due to financial interests that are non-deductible, penalties and other non-deductible expenses.

Net operating losses and carried forward tax credits

Deferred tax assets related to carried forward tax credit on net operating losses expire in the following years:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
2016	0.8	11.5
Between 2017- 2020	9.0	15.0
2021	297.4	-
Unlimited	2,656.8	2,765.9
Net operating losses and tax carry forward, gross	**2,964.1**	**2,792.4**
Valuation allowance	(2,449.3)	(2,312.9)
Net operating losses and tax carry forward, net	**514.8**	**479.5**

(*) For the revision impact please see note 32

Net operating losses and tax carry forward exist mainly at Holding companies level as well as SFR-Numericable, Portugal Telecom. The Company doesn't believe that the unrecognized deferred tax losses can be used in the actual structuring but will continue exploring opportunities to use these in the future and offset against any future profits that the Company or its subsidiaries may generate.

Tax litigation

NC Numericable

The French tax authorities have conducted audits of various Group companies since 2005 with respect to the VAT rates applicable to our multi-play offerings. Under the French General Tax Code, television services are subject to a reduced VAT rate of 5.5%, which was increased to 7% as of January 1, 2012 and to 10% from January 2014, while Internet and telephony services are subject to the normal VAT rate of 19.6%, increased to 20% from January 1, 2014. When marketing multi-play offerings, the Group applies a price reduction on the price the Group would charge for these services on a stand-alone basis. This discount is primarily applied to the portion of its multi-play offers corresponding to its Internet and telephony services; the television service is the principal offer of the audited companies. As a result, the VAT charged to the Group's multi-play subscribers is lower than the VAT that would be invoiced if the discount had to be charged to the portion of the price on its multi-play offers for the television services or was prorated on all services.

The French tax authorities assert that these discounts should have been calculated and prorated on the stand-alone prices of each of the services (television, broadband Internet, fixed-line and/or mobile telephony) included in the multi-play packages of the Group and have proposed adjustments for fiscal years 2006 to 2010.

The Group has also received proposed adjustments for fiscal years 2011 and 2012 for NC Numericable, Numericable and Est Vidéocommunication primarily affecting the application of the VAT on the multi-play offers, despite the change in rules on January 1, 2011 that supports the Group's practice in this area.

The Group is disputing all of the proposed reassessments and has initiated appeals and dispute proceedings, which are at different stages for each of the fiscal years subject to reassessments.

The proposed assessments have been recognized in the consolidated financial statements as of December 31, 2015 for an amount of €40.5 million.

SFR

In a proposed adjustment received on December 23, 2014, the tax authorities have contested the merger of Vivendi Telecom International (VTI) and SFR dated December 12, 2011 and therefore intend to challenge SFR's inclusion in the Vivendi tax consolidation group for fiscal year 2011. The tax authorities thus intend to tax SFR separately from the Vivendi tax consolidation group, leading to a corporate tax of €711 million (principal) plus late interest and surcharges amounting to €663 million, for a total adjustment of €1,374 million. It should be noted that, under the agreement signed on February 27, 2015 by Vivendi, Altice France and Numericable-SFR, Vivendi agreed to repay to SFR, if applicable, any taxes and levies charged to SFR for fiscal year 2011, which SFR had already paid to Vivendi at the time, subject to a maximum €711 million, if the 2011 merger of SFR and VTI is ruled invalid for tax purposes.

SFR believes it has strong legal grounds to defend the merger.

At the same time, an accounting audit of 2012 and 2013 led the tax authorities to make various adjustments in the principal amount of the corporate tax. The company, which is disputing the assessments proposed, recognized a provision of €59.5 million at December 31, 2015.

Portugal Telecom PT

The Company estimates that the probable tax contingencies arising from tax audits conducted by Portuguese tax authorities on various Group companies over the years amount to €34.5 million. In addition, MEO received Value Added Tax ("VAT") assessments for 2012 and 2013 related to indemnities charged as result of the breach of loyalty contracts by postpaid customers. MEO believes these indemnities are not subject to VAT as they do not remunerate the company for any services rendered or goods sold but aim to compensate the company for costs incurred.

23 Other operating expenses

Other operating expenses consist of the following cost captions:

	December 31, 2015	December 31, 2014
	(In millions €)	
Technical and maintenance costs	(1,035.8)	(246.9)
Customer services	(674.3)	(164.6)
Business Taxes	(254.3)	(39.4)
Sales and marketing expenses	(846.0)	(407.3)
General and administrative expenses	(409.6)	(101.8)
Total	**(3,220.0)**	**(960.0)**

24 Equity based compensation

As part of its listing process, Altice N.V., the ultimate shareholder of the Company, adopted a new remuneration policy and company stock options were issued to executive directors and some senior management of the Group. The expenses associated with the issuance of these stock options were calculated and recorded in accordance with 'IFRS 2 – Share Based Payments'. The options were valued using the Black and Scholes model, considering the modalities of the options as described in the articles and bylaws of the Company.

The new stock option plan issued by Altice N.V. has been considered as a replacement of equity instruments issued by Altice S.A. and based on the fair value of the new SOP at the modification date, Altice N.V. continued to expense the initial fair value not yet recognised over the original vesting period. In accordance with ' *IFRS 2-share based payments*', the expense is recorded in the entity which employs the beneficiaries of the plan. This entity is a direct subsidiary of the Company.

Each option granted entitles the holder to acquire one Common Share A of Altice N.V.;

- Options vest on a non-linear basis as per the following schedule:
  - A first tranche of 50% vests two years after the allocation of the options;
  - A second tranche of 25% vests three years after the allocation of the options ; and
  - The final tranche of 25% will vest four years after the allocation of the options.
- Vested options can be exercised at any time until the 10th anniversary of the issue date, after which they will be considered to have lapsed;

In addition, the Board of Directors of Numericable-SFR has adopted, starting from 2013, stock option plans for its employees and key management personnel. The exercise of options is subject to conditions of presence and performances (based on consolidated revenue and EBITDA-capex).

The vesting occurs in three periods:

- A first tranche of 50% vests two years after the allocation of the options;
- A second tranche of 25% vests three years after the allocation of the options ; and
- The final tranche of 25% will vest four years after the allocation of the options.

For the year ended December 31, 2015, the Group has recorded € 28.0 million as expenses related to stock options in the line item "staff costs and employee benefits" (€ 21.2 million for the year ended December 31, 2014):

- € 18.5 million for Altice N.V (€ 12.2 million for the year ended December 2014),
- € 9.5 million for N-SFR (€ 9 million for the year ended December 2014).

Key characteristic of the stock option plan at the Company and Numericable-SFR are given below:

Altice SOP	**Number of options granted (*)**	**Grant date**	**Expiry date**	**Exercise Price (*)**
	(In millions)			*(In €)*
Options granted at IPO (31/01/2014)	34.12	31/01/2014	31/01/2024	7.06
Options granted on 01/07/2014	1.36	01/07/2014	01/07/2024	7.28
Options granted on 01/09/2014	0.32	01/09/2014	01/09/2024	7.80
Options granted on 30/09/2014	1.36	30/09/2014	30/09/2024	7.33
Options granted on 19/12/2014	1.32	19/12/2014	19/12/2024	12.28
Options granted on 31/01/2015	0.20	31/01/2015	31/01/2025	13.59
Options granted on 01/05/2015	0.11	01/05/2015	01/05/2025	12.55
Options granted on 01/09/2015	3.10	01/09/2015	01/09/2025	21.7
Options granted on 01/12/2015	0.21	01/12/2015	01/12/2025	14.3

Numericable-SFR SOP	**Number of options granted**	**Grant date**	**Expiry date**	**Exercise Price (**)**
	(In millions)			*(In €)*
Options granted at IPO (November 2013)	5.23	11/2013	11/2021	11.4
Options granted in January 2014	0.5	01/2014	01/2022	12.7
Options granted in May 2014	0.1	05/2014	05/2022	17.8
Options granted in November 2014	2.35	11/2014	11/2022	24.8
Options granted in April 2015	0.4	04/2015	04/2023	44.2
Options granted in September 2015	0.1	09/2015	09/2023	38.8

(*) Adjusted after the split by four of Altice shares of August 2015

(**) adjusted following the dividend payment of 5.7 € per share of December 2015

The fair value of the stock option plan has been measured by using a Black and Scholes valuation model, which was based on the following parameters:

Altice SOP	**Options granted on 31/01/2015**	**Options granted on 01/05/2015**	**Options granted on 01/09/2015**	**Options granted on 01/12/2015**
Unit fair value at the grant date (€) (*)	2.85	4.9	3.3-4.07	1.2
Share price at the grant date (€) (*)	18.5	23.1	23.7	17.0
Exercise price of the option(€) (*)	13.6	12.6	21.7	14.3
Anticipated volatility (weighed average)	23%	23%	27%	24%
Anticipated dividends	2.5%	2.5%	2.5%	2.5%
Risk free interest rate (governments bonds)	0.3%	0.37%	0.8%	0.47%

Altice SOP	**Options granted at IPO (31/01/2014)**	**Options granted on 01/07/2014**	**Options granted on 01/09/2014**	**Options granted on 30/09/2014**	**Options granted on 19/12/2014**
Unit fair value at the grant date (€) (*)	0.9-1.01	2.9	2.5	2.0	2.0
Share price at the grant date (€) (*)	7.1	12.7	11.9	10.5	14.8
Exercise price of the option(€) (*)	7.1	7.3	7.8	7.3	12.3
Anticipated volatility (weighed average)	26%	25%	24%	24%	27%
Anticipated dividends	2.5%	2.5%	2.5%	2.5%	2.5%
Risk free interest rate (governments bonds)	1.71%	1.29%	0.88%	0.96%	0.59%

Numericable-SFR SOP	**Options granted at IPO (11/2013)**	**Options granted in 01/2014**	**Options granted in 05/2014**	**Options granted in 11/2014**	**Options granted in 04/2015**	**Options granted in 09/2015**
Unit fair value at the grant date (€)	1.9	2.2	2.9	5.2	7.5	5.7
Exercise price of the option(€) (**)	11.4	12.7	17.8	24.8	44.2	38.8
Anticipated volatility (weighed average)	25%	25%	25%	25%	26%	27%
Anticipated dividends	4%	4%	4%	4%	4%	4%
Risk free interest rate (governments bonds)	0.75%	1%	0.50%	0.25%	0%	0%

(*) Adjusted after the split by four of Altice shares of August 2015

(**) adjusted following the dividend payment of 5.7 € per share of December 2015

Variations in the stock option plan for the year are given below:

	Number granted (*)	**Weighted average exercise price (*) (**)**
	(In millions)	(€)
Altice SOP		
Options outstanding as at January 1, 2014	-	-
Granted	38.4	7.3
Exercised	-	-
Cancelled, lapsed	(1.6)	7.1
Options outstanding as at December 31, 2014	**36.8**	**7.3**
Granted	4.5	19.2
Exercised	-	-
Cancelled, lapsed	(1.2)	7.1
Options outstanding as at December 31, 2015	***40.1***	***8.6***
Numericable-SFR SOP		
Options outstanding at the beginning of the year	-	-
Granted	8.2	15.4
Exercised	-	-
Cancelled, lapsed	-	-
Options outstanding as at December 31, 2014	**8.2**	**15.4**
Granted	0.5	43.1
Exercised	(1.9)	13.9
Cancelled, lapsed	(0.4)	17.9
Adjustment 12/2015 (**)	1.1	21.8
Options outstanding as at December 31, 2015	**7.5**	**18.4**

(*) Adjusted after the split by four of Altice shares of August 2015

(**) adjusted following the dividend payment of 5.7 € per share of December 2015

25 Depreciation, amortization and impairment

Depreciations and amortizations mainly consist of (i) amortization of intangible assets for a total of €1,874.5 million (2014: €466.9 million), (ii) depreciation of tangible assets for a total of €1,965.5 (2014: €645.9 million). The increase in 2015 compared to 2014 was mainly driven by the acquisition of PT-Portugal and the full year impact of the integration of SFR. Additionally, the Group completed final purchase price allocation for SFR, Altice Hispaniola, Tricom and PT-Portugal, which also led to an increase in depreciations and amortisations.

In 2015, the Group recognised an impairment of the ONLY brand in the French Overseas Territories for an amount of €20.9 million. In 2014, the Group had recognised impairments on the Numericable brand in Belgium (€5.4 million) and ONI in Portugal (€8.3 million).

26 Other gains

26.1 Gain recognized on step-acquisition

On February 3, 2014, Altice France, a direct subsidiary of the Company, completed the acquisition of an additional 10% stake in Numericable Group S.A. (“NG”). This acquisition triggered a change in control of NG, with Altice France becoming the largest shareholder in NG, with 5 out of 10 seats on the Board and the ability to name the Chairman, who casts a vote in event of a tie. Thus, from February 3, 2014, NG has been fully consolidated into the financial statements of Altice S.A.

As a result of this change, the investment in associates recorded in the financial statements of the Altice S.A. was reversed and the fair value of the investment in NG was recorded in the accounts of Altice S.A. as investments in subsidiaries. The difference between the value previously recorded in the financial statements of Altice S.A. and the fair value of the investment (€936.6 million) was recorded as a gain on step acquisition in the consolidated statement of income of Altice S.A. for the year ended December 31, 2014, which amounted to €256.3 million.

No such gain was recorded in 2015.

26.2 Gain recognised on the extinguishment of a financial liability

In February 2015, the Group repurchased the 20% stake in NSFR held by Vivendi. As a result of this, the earn-out due to Vivendi upon the completion of certain financial milestones was extinguished, thus giving rise to a one-off gain of €643.5 million (net of taxes) in the consolidated statement of income. Refer to note 3.4.

27 Net finance costs

	December 31, 2015	December 31, 2014
	(In millions €)	
Gain recognized on extinguishment of a financial liability[1]	**643.5**	**-**
Gain arising on fair value of financial instruments[2]	158.7	-
Seller's guarantee granted by Vivendi[3]	124.0	-
Other financial income	25.9	13.5
Finance income	**308.4**	**13.5**
Interests charges on borrowings [4]	(1,757.2)	(937.8)
Mark-to-Market effect on borrowings	(107.8)	149.5
Interest relative to gross financial debt	**(1,865.0)**	**(788.3)**
Foreign exchange losses	(52.9)	(137.7)
Refinancing costs	-	(155.0)
Other financial expenses	(138.5)	(67.7)
Impairment of available for sale financial assets[5]	(47.7)	-
Other financial expenses	**(239.0)**	**(360.4)**
Finance costs, net	**(1,152.1)**	**(1,135.2)**

(1) Refer to Note 26.

(2) The increase in the gain arising on fair value of financial instruments related to the Mark-to-Market of the various hedging instruments held by the Group.

(3) NSFR has been granted a guarantee pertaining to the outcome of certain litigation dated prior to its acquisition by the Group. It is recorded as a financial asset on the BS.

(4) The increase in interest expense for the year ended December 31, 2015 was primarily due to (i) the issuance of new debts to finance the acquisition of Portugal Telecom (€377.1 million for the year ended December 31, 2015), (ii) the full year impact of the interests on the debts issued in May 2014 to finance the acquisition of SFR group, and (iii) the issuance of new term loans (€192.2M for the year ended December 31, 2015).

(5) See note 8, financial assets

As of December 31, 2015, the pre-tax weighted average cost of debt of the Group was 5.5%.

28. Average workforce

The workforce employed by the Group, expressed in the form of full-time-equivalent employees, is presented below. The full time equivalence of each employee is calculated based on the number of hours worked by the employee in a given period, compared to the maximum number of hours/period allowed as per the local law prevalent in the country of operation.

	Year ended December 31, 2015	Year ended December 31, 2014
Managers	8,787	470
Technicians	7,212	1,782
Employees	15,134	7,111
	31,133(1)	**9,363**

(1) The increase in personnel was mainly due to the acquisition of PT-Portugal and the full year integration of SFR into the Group (compared to only one month in 2014).

29 Transaction with related parties

29.1 Trading and financial transaction

Transactions with related parties are mainly related to transactions with associates of the NSFR group and other associates of the Group such as Next Radio TV. Such transactions are limited to (i) exchange of services between associates of the NSFR group and NSFR (see note 8 for more details on associates) and between Next Radio TV and Altice Content Luxembourg and Altice Content, (ii) significant debt and equity transactions between the group and certain managers and executives, (iii) exchange of services between different group companies and i24 News, and (iv) consulting services invoiced by certain executives of the company

Transactions with managers and executives are mainly related to equity purchases made by such executives in relation to the management investment plan that has been put in place by the Company. Such transactions have been included in note 13, issued capital and additional paid in capital.

The increase in the related party transactions for operating expenses, accounts receivables, accounts payables and revenues is related to the acquisition of SFR by NG and the transactions that the new NSFR group has with its associate companies (for details see note 8). These transactions are limited to:

- Telephony with La Poste Telecom
- Cloud computing services purchased from Numergy
- Transactions with Synerail related to the GSM-R PPP
- The construction of the new SFR headquarters with Fonciere Rimbaud.

The increase in loans and receivables is mainly due to loans granted by indirect subsidiaries of the Group to Next Radio TV. Such loans and receivables amounted to €297.3 million (See note 8).

Transactions with related parties are not subject to any guarantees. All such transactions are at arm's length and settled in cash.

We license the Altice brand from our founder Patrick Drahi without any fee on the basis that the Altice name is not use for trading or commercial purposes.

Consolidated Income and expenses	Revenue December 31, 2015	Revenue December 31, 2014	Operating expenses December 31, 2015	Operating expenses December 31, 2014	Financial expenses December 31, 2015	Financial expenses December 31, 2014
			(In millions €)			
Equity holders	0.3	0.2	3.5	2.3	-	1.0
Executive managers	-	-	1.0	2.4	-	-
Associate companies	118.2	34.5	46.0	30.1	0.7	0.3
TOTAL	**118.4**	**34.7**	**50.5**	**34.8**	**0.7**	**1.3**

Assets	Loans and receivables December 31, 2015	Loans and receivables December 31, 2014	Trade accounts receivable and other December 31, 2015	Trade accounts receivable and other December 31, 2014	Current accounts December 31, 2015	Current accounts December 31, 2014
			(In millions €)			
Equity holders	14.7	2.8	1.2	0.4	-	-
Executive managers	-	-	-	-	-	-
Associate companies	408.3	-	30.6	101.3	-	0.3
TOTAL	**423.0**	**2.8**	**31.8**	**101.7**	**-**	**0.3**

Liabilities	Other financial liabilities December 31, 2015	Other financial liabilities December 31, 2014	Trade accounts payable and other December 31, 2015	Trade accounts payable and other December 31, 2014	Current accounts December 31, 2015	Current accounts December 31, 2014
			(In millions €)			
Equity holders	12.9	0.2	0.3	0.1	-	-
Executive managers	-	-	-	-	-	-
Associate companies	5.4	1.5	96.9	84.5	-	-
TOTAL	**18.3**	**1.7**	**97.2**	**84.6**	**-**	**-**

29.2 Compensation of key management personnel and members of Board of Directors

Compensation paid to members of the Board of Directors of the Company and certain executive members of the management team is listed below:

The remuneration of directors and other members of key management personnel during the year was as follows:

	December 31, 2015	December 31, 2014
	(In € millions)	
Short-term benefits	1.0	8.9
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	11.2	12.2
Termination benefits	-	-
TOTAL	**12.2**	**21.1**

30. Contractual obligations and commercial commitments

30.1 Contractual commitments

The Company has contractual obligations to various suppliers, customers and financial institutions that are summarized below. A detailed breakdown by operating entity is provided below. These contractual obligations listed below do not contain operating leases (detailed in note 17).

	December 31, 2015					
Unrecognised contractual commitments *(in million €)*	**< 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Five years or more**	**Total**
Good and service purchase commitments	283.4	98.4	28.8	3.0	(38.8)	374.8
Investment commitments	764.0	204.0	214.5	65.1	716.5	1,964.1
Guarantees given to suppliers/customers	3.6	0.5	1.5	0.5	21.0	27.1
Guarantees given to financial institutions	71.0	-	-	12.0	48.0	131.0
Guarantees given to government agencies	18.1	14.2	-	18.0	88.0	138.2
Other commitments	57.4	-	-	5.0	30.0	92.4
Total	**1,197.5**	**317.1**	**244.8**	**103.6**	**864.6**	**2,727.6**

	December 31, 2014					
Unrecognised contractual commitments *(in million €)*	**< 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Five years or more**	**Total**
Good and service purchase commitments	145.2	154.9	2.6	-	29	331.8
Investment commitments	525.8	115.4	68.1	-	153	862.3
Guarantees given to suppliers/customers	12.7	2.0	2.0	1.9	105	123.6
Guarantees given to financial institutions	9.0	-	-	-	81	90.0
Guarantees given to government agencies	9.4	2.6	4.5	18.2	5.6	40.3
Other commitments	51.9	-	39	-	16	106.9
Total contingent liabilities	**754.0**	**275.0**	**116.3**	**20.1**	**389.6**	**1,554.9**

Commitment to purchase goods and services

Commitments to purchase goods and services mainly refer to long term contracts that different operating entities have entered into with suppliers of goods and services that are used to provide services to end customers:

(1) At Portugal Telecom, commitments to a total of €195.0 million include commitments to purchase inventory (mainly mobile phones, set-top-boxes and Hone Gateways), commitments under contracts entered into with channels included in the pay-tv offer and commitments for other services, primarily related to maintenance contracts.

(2) HOT Telecom and HOT Mobile have commitments to purchase goods and services for a total of €90.1 million over the next three years. Such commitments include commitments to purchase inventory and engineering and IT related services.

(3) At Numericable-SFR, a net commitment to a total of €35.0 million for the future maintenance of NSFR's telecommunication network over the next five years.

Investment commitments

Investment commitments mainly refer to commitments made by different Group companies to suppliers of tangible and intangible assets (including content capex). It also includes commitments made to government or local bodies to make certain investments in the context of Public-Private Partnerships ("PPP") entered into by some subsidiaries of the Group.

(1) At NSFR, a total of €414.0 million was committed to suppliers of tangible and intangible assets over a period of over five years. Additionally, a total of €260 million has been committed to PPPs entered between various local governments in France and SFR to connect houses with Fiber to the Home (FTTH) sockets and also to deploy FTTH in moderately dense areas.

(2) At Altice Pictures and Portugal Telecom, sports content commitments for a total amount of €1,181.6 million includes mainly

i) Right to broadcast soccer games of the English Premier League,

ii) Right to broadcast games of the French National Basketball league, and

iii) Contracts entered into with several soccer clubs in Portugal for exclusive broadcasting rights and sponsorship of some of these clubs.

Guarantees given to suppliers/customers

This caption mainly consists of guarantees given to suppliers or customers given by different companies in the course of their business.

Guarantees given to financial institutions

This caption mainly consists of bank guarantees given by different companies in the course of their business. It mainly includes a commitment of €107.0 million made by NSFR as part of a PPP that it has entered with Vinci, AXA and TDF along with Réseau Ferré de France (R.F.F.).

Guarantees given to government agencies

This caption mainly consists of guarantees given by the different companies to government agencies as part of its regular operations.

(1) At Portugal Telecom, guarantees to government agencies for an amount of €63.5 million include a guarantee granted to the Portuguese telecom regulator (Anacom) under the acquisition of the 4G license, amounting to €12 million, and the remaining amount of €51 million relates to bank guarantees under tax litigation.

(2) At Hot Mobile, a bank guarantee which was made available by Hot Mobile within the context of its win in a tender for the allocation of frequencies and as collateral for its commitment in favour of the Ministry of Communications, which is in force until December 31, 2018. On November 21, 2013, Hot Mobile achieved the target market share that is requires under the terms of the guarantee and accordingly the amount of the guarantee has been reduced to €18.8 million (NIS 80 million), which represents the commitment to achieve a target for the deployment of the network.

(3) At NSFR, guarantees to government agencies for an amount of €22.8 million include a guarantee for a tax audit of €16 million.

Other commitments and guarantees

These mainly consist of commitments broken down as follows:

(1) At NSFR, a commitment in an amount of €16 million by NSFR to buy out minority interests in certain ventures in case it fails to meet certain contractual obligations defined in the shareholders' agreement signed at the inception of the venture and a commitment in an amount of €21 million provided as collateral for various projects at NSFR; and

(3) At Hot Telecom, a commitment in an amount of €57.4 million provided as guarantee related to building lease agreement.

30.2 Other commitments

Network sharing agreement

In the mobile segment, the group has signed Network sharing agreements in several subsidiaries. In France, on January 31, 2014 SFR and Bouygues Telecom signed a strategic agreement to share their mobile networks. They will deploy a new shared-access mobile network in an area covering 57% of the population. The agreement allows the two operators to improve their mobile coverage and to achieve significant savings over time.

Commitments linked to telecommunications activities

Furthermore, SFR is paying a contribution to the spectrum development fund for frequency bands which were thus developed, as decided by the French Government (700 MHz, 800 MHz, 2.1 GHz and 2.6 GHz,) as well as a tax to the National Frequencies Agency intended to cover the complete costs incurred by this establishment for the collection and treatment of claims of users of audiovisual communications services relating to interference caused by the start-up of radio-electric stations (700 MHz and 800 MHz).

In Portugal, Meo provides mobile telephone services through GSM, UMTS and LTE technologies (2G, 3G and 4G, respectively), the licenses of which were awarded by the local telecom regulator (ANACOM) in 1992, 2000 and 2011, respectively, for initial periods of 15 years, renewable for an additional period of 15 years, which already occurred for the GSM license, from 2007 to 2022, while for the UMTS license there was an extension of the initial 15-years period until 2018, after which it can be extended for the additional 15-years period.

The carrying amount of these licenses amounts to approximately €307 million (net carrying before purchase price allocation) as at 31 December 2015, reflecting mainly:

- the acquisition of the UMTS license in 2000 for €133 million;
- the commitments assumed in 2000 by MEO (as well as by other mobile operators) of making contributions to the information society during the period through the maturity of the 3G license, which were valued at the time at €242 million that was capitalized in 2007;
- additional commitments under the terms of the 3G license, which were capitalized in 2009 for an amount of €11.5 million; and
- the acquisition of the LTE license in 2011 in connection with which an amount of €106 million was capitalized, corresponding to the present value of an amount of €83 million paid in January 2012 and five annual installments of €6 million each payable from January 2012 to January 2017.

The right of use of frequencies for terrestrial electronic communications services allocated to MEO requires compliance with a number of obligations, including satisfying minimum quality standards and coverage levels, network effectiveness and servicing time, interoperability and access granting, network integrity and safety, providing ANACOM with specific information about MEO's mobile telephone operations and payment of fees and contributions to the electronic communications universal service compensation fund.

Commitments related to the acquisition of SFR

As part of the acquisition of SFR in November 2014, the NSFR group has undertaken a commitment not to reduce headcount (unless dictated by unsustainable market conditions), for a period of 36 months.

The French anti-trust authority ("ADLC") also imposed certain conditions on the acquisition, which are applicable for a period of 5 years, renewable once and will be monitored by an independent third party appointed by the ADLC.

The various commitments are listed below:

- *Commitment to sell Outremer Telecom's ("OMT") mobile telephony business and owned stores in Reunion Island and Mayotte. The sale was finalised during 2015 (see note 3.2.1),*

- *Commitments regarding the sale of Completel's DSL Network. The disposal was completed subsequent to year end (see note 34),*

- *Commitments regarding the relationship between NG and Vivendi.*

Following the buyback of the stake held by Vivendi in Numericable-SFR, these commitments have extinguished.

Commitments related to the acquisition of PT

As part of the acquisition of PT in June 2015, the Group had committed to the European commission and the Portuguese anti-trust authorities that it would dispose of its existing business in Portugal (Cabovisao and its subsidiary, Winreason). The sale was concluded on January 20, 2016 (see note 34).

31 Litigations

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

Provisions are booked by the Group when it is more likely than not that such lawsuits shall incur expenses to the Group and also if the magnitude of these expenses can either be quantified or estimated within a reasonable range. In this case, the provisions corresponds to our best estimate of the risks. The magnitude of the provisions retained is based on the estimate of the level of risk on a case-by-case basis, it being taken into account that the occurrence of events in the course of the legal action can involve a constant re-estimation of this risk.

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

This note lists below all significant Group ongoing legal disputes as at December 31, 2015. Tax disputes as at December 31, 2015 are described in Note 22.

31.1 Civil and commercial disputes in France

31.1.1 Wholesale disputes

Complaint by Bouygues Telecom against SFR and Orange regarding the wholesale market in mobile call termination and the retail market in mobile telephony

The French Competition Council received a complaint from Bouygues Telecom against SFR and Orange claiming that the latter were engaged in anticompetitive practices in the mobile call termination and mobile telephony markets. On May 15, 2009, the French Competition Authority decided to postpone its decision and remanded the case for further investigation. On August 18, 2011, SFR received a complaint claiming unfair pricing. On December 13, 2012, the Competition Authority fined SFR €66 million for abuse of dominant position, which SFR has paid.

SFR appealed the decision. The case was argued in the Court of Appeals of Paris on February 20, 2014.

The Paris Court of Appeals rendered its judgment on June 19, 2014, dismissing SFR's appeal (the judgment was appealed to the Court of Cassation by SFR on July 9, 2014; on October 6, 2015, the Court of Cassation rejected SFR's appeal), and asked the European Commission to provide an Amicus Curiae brief to shed light on the economic and legal issues raised by this case. The Court of Appeals postponed a ruling on the merits of the case pending the Commission's opinion. The Commission rendered its opinion on December 1, 2014, which went against SFR. The hearing on the merits of the case was held December 10, 2015. The Court of Appeals will hand down its ruling in May 2016.

As a result of the French Competition Authority's decision of December 13, 2012, Bouygues Telecom, OMEA and EI Telecom (NRJ Mobile) brought suit against SFR in the Commercial Court for damages. In accordance with the transaction SFR and Bouygues Telecom in June 2014, the hearing to close the mediation proceedings was held on December 5, 2014. The motion for discontinuance on September 11, 2014 ended the legal action between the two companies. With respect to the claim by OMEA (€67.9 million) and EI Telecom (€28.6 million), SFR applied for stay on a ruling pending the decision of the Paris Court of Appeals, and obtained it.

Claim by Mundio Mobile against SFR

Mundio Mobile, an MVNO on the SFR network, brought claim in the form of a surprise filing against SFR on November 5, 2014 in the Paris Commercial Court. Mundio Mobile is claiming €63.6 million in damages from SFR. Mundio Mobile accuses SFR of unfair practices under the MVNO contract (by launching the offer of its former subsidiary Buzz Mobile). Mundio is also challenging certain aspects of the contract including its pricing terms.

Complaint against Orange filed with the French Competition Authority (NRA ZO)

On December 9, 2009, SFR and SFR Collectivités filed a complaint with the French Competition Authority against Orange for unfair practices. SFR withdrew its action on October 1, 2015.

As part of this complaint, on June 18, 2013, SFR sued Orange in the Paris Commercial Court (NRA ZO) for damages. SFR is seeking €50 million in interim damages from Orange.

SFR's lawsuit and complaint against Orange in the Paris Commercial Court (call termination - call origination)

On February 22, 2010, SFR filed suit against Orange seeking cancellation of the price for Orange call origination for the period 2006-2007 and replacement with a lower rate of 2% for 2006 and 15% for 2007. On June 25, 2013, all of SFR's claims were dismissed. On July 25, 2013, SFR appealed the Commercial Court ruling. On December 4, 2015, the Court of Appeals dismissed SFR's claim. SFR filed an appeal before the French Supreme Court on March 14, 2016.

Complaint by Orange Réunion, Orange Mayotte and Outremer Telecom against SRR and SFR

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

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

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

As the French Competition Authority found that SRR had not fully complied with its injunction, it fined SRR €2 million on January 24, 2012.

In the proceedings on the merits, with regard to the “Consumers” component of the case, SRR requested and obtained a “no contest” on the complaints on July 31, 2013. On June 13, 2014, the Authority rendered its decision for the “Consumers” component of the case, fining SFR and its subsidiary SRR €45.9 million.

Non-residential mobile telephony market in Mayotte and Réunion

The SRR premises were raided and records seized on September 12, 2013. The operation focused on the non-residential mobile telephony market in Réunion and Mayotte and was also in response to the complaint filed by Outremer Telecom.

SRR appealed to the Chief Justice of the Saint-Denis Court of Appeals of Réunion the decision authorizing the operation and a second appeal against its procedure. On June 13, 2014, the Chief Justice of the Saint-Denis Court of Appeals of Réunion handed down an order rescinding all the seizures at SRR in September 2013. The Competition Authority appealed this order.

With respect to the proceedings on the merits, the Competition Authority on February 12, 2015 sent a notice of complaints to SFR and SRR which decided not to dispute the complaints. A report of no-contest was signed on April 1, 2015. A session in front of the Authority board was held on September 15, 2015. On June 30, 2015, the French Competition Authority fined SRR (and SFR as the parent company) for an amount €10.8 million.

Compensation disputes

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

Outremer Telecom is claiming €23.5 million in damages subject to adjustment for unfair practices by SRR in the consumer market in mobile telephony on Réunion and Mayotte, and €1 million as damages in full for unfair practices by SRR in the business market in mobile telephony on Réunion and Mayotte. Outremer Telecom has withdrawn its complaint.

In a ruling on November 13, 2013 the Court awarded SRR and SFR a postponement until the Competition Authority makes a decision, or until the Senior Justice of the Court of Appeals orders the postponement of the execution of the Competition Authority's decision. The proceedings have not resumed to date even though the decision of the Senior Justice of the Court of Appeals was handed down on July 13, 2014.

Outremer will request the Court to act withdrawal of the proceeding against SRR and SFR in the next hearing.

On October 8, 2014 Orange Reunion sued SRR and SFR jointly and severally to pay €135.3 million for the loss suffered because of the practices sanctioned by the Competition Authority. To date, the merits of the case have not yet been heard and various procedural incidents have been raised, on which a judgment is awaited.

Complaint against Orange to the Competition Authority regarding the market in mobile telephony services for businesses

On August 9, 2010, SFR filed a complaint against Orange with the Competition Authority for anticompetitive practices in the business mobile telephony services market.

On March 5, 2015, the Competition Authority sent a notice of complaints to Orange. Four complaints were filed against Orange. On December 17, 2015, the Authority ordered Orange to pay a fine of €350 million.

At the same time, SFR filed suit against Orange in the Commercial Court and is seeking €2.4 billion in damages subject to adjustment as remedy for the loss suffered as a result of the practices in question in the proceedings with the Competition Authority.

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

Orange filed a claim on August 10, 2011 with the Paris Commercial Court asking the Court to order SFR to immediately cease its unfair “overflow” practices and to order SFR to pay €309.5 million in contractual penalties. It accused SFR of deliberately organizing overflows onto the Orange network for the purpose of economically optimizing its own network (underdesigning the Primary Digital Block (PBN)). In a ruling on December 10, 2013, the Court ordered SFR to pay Orange €22.1 million. SFR and Orange both appealed the ruling. On January 16, 2015, the Paris Court of Appeals upheld the Commercial Court’s ruling and SFR paid the €22.1 million. On August 11, 2014, SFR also petitioned the District Court enforcement judge, who rendered his decision on May 18, 2015 by ordering SFR to pay €600,000 (assessment of penalty for 118 abusive overflows).

SFR v. Orange: abuse of dominant position in the second homes market

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

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

On April 2, 2014 Orange filed an emergency motion against SFR with the Senior Justice of the Paris Court of Appeals to suspend the provisional enforcement. This motion was denied by the Senior Justice on July 4, 2014.

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

On April 12, 2016, the French Supreme Court overturned the Court of Appeal decision and referred the case back to the Paris Court of Appeal.

SFR v. Orange (non unbundled areas)

On 26 November 2012, SFR filed a complaint with the French Competition Authority for abuse of dominant position in the retail market for high speed Internet access in non-unbundled areas. On October 1, 2015, SFR withdrew its petition.

Orange v. SFR and Bouygues Telecom (Sharing Agreement)

On April 29, 2014, Orange applied to the French Competition Authority to disallow the agreement signed on January 31, 2014 by SFR and Bouygues Telecom to share their mobile access networks, based on Article L. 420-1 of the French Commercial Code and Article 101 of the Treaty on the Functioning of the European Union (TFEU). In addition to this referral, Orange asked the Competition Authority to take interim measures through injunctions against the companies involved.

In a decision dated September 25, 2014, the Competition Authority dismissed all of Orange's request for interim measures in order to stop SFR and Bouygues Telecom from implementing the agreement that they had signed to share part of their mobile networks.

The Competition Authority ruled that "no serious and immediate harm to the general economy, the sector, consumers or the plaintiff, can be described based on the section of the agreement relating to network sharing or from the 4G roaming capability associated with it."

Orange appealed the Competition Authority's decision to dismiss its interim measures requests.

The Court of Appeals upheld this decision on January 29, 2015. Orange is now appealing the matter to the French Supreme Court. Regarding the merits of the case, the French Competition Authority continues its investigations.

Claim by Bouygues Télecom against Numericable, Completel, and NC Numericable

In late October 2013, Numericable, Completel and NC Numericable received a claim from Bouygues Telecom regarding the "white label" contract signed on May 14, 2009, initially for five years and extended once for an additional five years for the supply to Bouygues Telecom of double- and triple-play very-high-speed offers. In its letter, Bouygues Telecom claimed damages totalling €53 million because of this contract. Bouygues Telecom alleges a loss that, according to Bouygues Telecom, justifies damages including (i) €17.3 million for alleged pre-contractual fraud (providing erroneous information prior to signing the contract), (ii) €33.3 million for alleged non-performance by the Group companies of their contractual obligations and (iii) €2.4 million for alleged damage to Bouygues Telecom's image. The Group considers these claims unfounded both in fact and in contractual terms, and rejects both the allegations of Bouygues Telecom and the amount of damages claimed.

On July 24, 2015, Bouygues Telecom filed suit against NC Numericable and Completel concerning the performance of the contract to supply very high-speed links. Bouygues Telecom is accusing NC Numericable and Completel of abusive practices and contractual faults, and is seeking nullification of certain provisions of the contract and indemnification of €79 million euros. The case was postponed until March 15, 2016 for designation of the reporting judge.

eBizcuss.com against Virgin

eBizcuss.com filed a complaint against Virgin on April 11, 2012 before the French Competition Authority regarding an anticompetitive vertical agreement between Apple and its wholesale distributors (including Virgin).

Complaint by Numericable to the French Competition Authority

On May 20, 2015, Numericable filed a complaint against Groupe Canal Plus before the French Competition Authority based upon an abuse of dominant position of Groupe Canal Plus regarding GCP's auto-distribution.

31.1.2 Consumer Disputes

CLCV complaint against SFR

On 7 January 2013, the consumer association CLCV filed a complaint against SFR in the Paris Commercial Court. CLCV claimed that some of the clauses in SFR's general terms of subscription, and those of some other telephone operators, were unfair. It also asked for compensation for the collective harm inflicted.

The Paris District Court ruled that the clauses were unfair.

Free v. SFT: unfair practices for non-compliance with consumer credit provisions in a subsidized offer

On May 21, 2012 Free filed a complaint against SFR in the Paris Commercial Court. Free challenged the subsidy used in SFR's "Cross" offers sold over the web between June 2011 and December 2012, claiming that it constituted a form of consumer credit and, as such, SFR was guilty of unfair practices by not complying with the consumer credit provisions, in particular in terms of prior information to customers. Free asked the Paris Commercial Court to require SFR to inform its customers and to order it to pay €29 million in damages. On 15 January 2013, the Commercial Court dismissed all of Free's requests and granted SFR €0.3 million in damages. In March 2016, the Court of Appeal of Paris confirmed the decision of the Commercial Court and ordered Free to pay €0.2 million more to SFR.

SFR v. Iliad, Free and Free mobile: unfair practices by disparagement

In June 2014, SFR filed a complaint against Iliad, Free and Free Mobile in the Paris Commercial Court for unfair competition claiming that when Free Mobile was launched and afterwards, Iliad, Free and Free Mobile were guilty of disparaging SFR services.

Disputes regarding the transfer of customer call centers from Toulouse, Lyon and Poitiers

Following the transfer of customer call centers from Toulouse and Lyon to the company Infomobile and the Poitiers call centers to a subsidiary of the Bertelsmann Group, the former employees at those sites filed legal actions at Labor Tribunal in each city to penalize what they claim were unfair employment contracts constituting fraud under Article L. 1224-1 of the French Labor Code and also contravening the legal provisions regarding dismissal for economic reasons. The rulings in 2013 were mixed as the Toulouse Court of Appeals penalized SFR and Téléperformance in half of the cases while the Lyon and Poitiers courts ruled in favor of SFR. The cases are now at different stages of proceedings: Labor Tribunal, Court of Appeals and Court of Cassation. On June 18, 2014, the Court of Cassation upheld the decision of the Toulouse Court of Appeals (which went against SFR) and dismissed the appeal against the decision of the Poitiers Court of Appeals.

Litigation over distribution in the independent network (Consumer market and SFR Business Team)

SFR, like companies operating an indirect distribution model, faces complaints from a certain number of its distributors and almost routinely from former distributors. Such recurring complaints revolve around claims of sudden breach of contractual relations, unfair economic dependency and/or demands for requalification as a sales agent as well as, recently, demands for requalification as a contractual branch manager and requalification as SFR contracted point of sale staff. SFR, after receiving four adverse judgements by the Court of Cassation regarding the status of branch manager, was recently successful in various Courts of Appeals. Regarding the requalification of employment contracts and sales contracts in these disputes, despite rare exceptions, SFR received favorable judgements.

Free v. SFR

In July 2015, Free filed suit against SFR in order to stop it from using the word "Fiber," claiming that the solution marketed by SFR is not a fiber to the home (FTTH) solution; Free considers SFR's communication to be deceptive about substantial qualities and, on that basis, is asking the court to find that there is free-riding and unfair competition.

Familles Rurales v. SFR

In May 2015, Familles Rurales filed suit against SFR in the Paris District Court in the context of a class action seeking remedy for the loss allegedly suffered by consumers, claiming deceptive sales practices used by SFR in its communications about 4G.

31.1.3 Other disputes

In-depth inquiry of the European Commission into the assignment of cable infrastructures by certain local authorities

On July 17, 2013, the European Commission signaled that it had decided to open an investigation to verify whether the transfer of public cable infrastructure between 2003 and 2006 by several French municipalities to Numericable was consistent with European Union government aid rules. In announcing the opening of this in-depth investigation, the European Commission indicated that it believes that the sale of public assets to a private company without proper compensation gives the latter an economic advantage not enjoyed by its competitors, and that it therefore constitutes government aid within the meaning of the rules of the European Union and that the free-of-charge transfer of the cable networks and ducts by 33 French municipalities to Numericable, they have argued, confers a benefit of this type and, as such, is government aid. The European Commission has expressed doubts about the compatibility of the alleged aid with the rules of the European Union. The Group firmly denies the existence of any government aid. In addition, the decision to open an investigation concerns a relatively small number of network connections (approximately 200,000), the majority of which have not been migrated to EuroDocsis 3.0 and only allow access to a limited number of the Group's television services. The European Commission's decision of July 17, 2013 was published in the Official Journal of the European Union on September 17, 2013. Since then, discussions have continued within the framework of this process both in terms of comments from third parties as well as those from the parties to the proceedings as to the allegation of the existence of aid and its extent, with the Group firmly challenging the existence of any government aid.

Dispute with Orange concerning certain IRUs

The Group signed four non-exclusive IRUs with Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with the Group's acquisition of certain companies operating cable networks built by Orange. These cable networks, accessible only through the civil engineering installations of Orange (mainly its ducts), are made available to the Group by Orange through these non-exclusive IRUs.

Each of these IRUs covers a different geographic area and was signed for a term of 20 years.

Following ARCEP's decision 2008-0835 of July 24, 2008, Orange published, on September 15, 2008, a technical and commercial offer made to telecommunication operators allowing them access to the civil engineering infrastructure of the local wire-based network, pursuant to which the operators can roll out their own fiber networks in Orange's ducts. The terms of this mandatory technical and commercial offer are more restrictive than the terms that the Group enjoys under the Orange IRUs.

As a result, in December 2011, Numericable and Orange signed amendments to the IRUs in order to comply with the November 4, 2010 ARCEP decision and to align the operating procedures set out in the IRUs with the procedures set out in the Orange general technical and commercial offer.

Lastly, Numericable initiated parallel proceedings against Orange before the Commercial Court of Paris on October 7, 2010 claiming damages of €2.7 billion for breach and modification of the IRUs by Orange.

On April 23, 2012, the Commercial Court of Paris ruled in favor of Orange and dismissed Numericable's claims for damages, ruling that there were no material differences between the original operational procedures and the new operational procedures imposed on Numericable by Orange under the terms of its general technical and commercial offer, published on September 15, 2008. Numericable appealed this decision before the Paris Court of Appeals. Numericable claimed the same amount of damages in the Paris Court of Appeals as it had in the Paris Commercial Court. Orange, in turn, claims that this proceeding materially impaired its brand and image, and is seeking an order to make Numericable pay damages of €50 million.

In a ruling dated June 20, 2014, the Paris Court of Appeals dismissed Numericable's appeal, which was referred to the Court of Cassation on August 14, 2014. On February 2, 2015, the Court of Cassation set aside the ruling of the Paris Court of Appeals except in that it recognized NC Numericable's interest in acting and referred the case back to the Paris Court of Appeals.

Action by Colt, Free and Orange in the General Court of the European Union concerning the DSP 92 project

Colt, Free and Orange, in three separate motions filed against the European Commission before the General Court of the European Union seeking to annul the European Commission's final decision of September 30, 2009 (Decision No. C (2009) 7426), which held that the compensation of €59 million granted for the establishment and operation of a high-speed electronic communications network in the department of Hauts de Seine does not constitute government aid within the meaning of the rules of the European Union. The Group is not party to this proceeding. Its subsidiary Sequalum is acting as the civil party, as well as the French government and the department of Hauts de Seine. In three rulings dated September 16, 2013, the General Court of the European Union rejected the requests of the three applicants and confirmed the aforementioned decision of the European Commission. Free and Orange have appealed to the Court of Justice of the European Union.

Litigation between Sequalum and CG 92 regarding DSP 92

A disagreement arose between the Hauts-de-Seine General Council ("CG92") and Sequalum regarding the terms of performance of a utilities concession contract ("THD Seine") signed on March 13, 2006 between Sequalum, a subsidiary of the Group, and the Hauts-de-Seine General Council, to create a very-high-speed fiber optic network in the Hauts-de-Seine region.

The Hauts-de-Seine General Council meeting of October 17, 2014 decided to terminate the public service delegation agreement signed with Sequalum "for gross misconduct by the delegatee for which it is solely responsible." The Hauts-de-Seine General Council demanded the payment of penalties totaling approximately €45 million for delays, advanced by the sole delegator and disputed by Sequalum, in the deployment of fiber optics and connections to buildings.

The order for payment was contested in a motion in the Administrative Court of Cergy Pontoise on September 3, 2014. Its enforcement and the payment of the sums requested have been suspended pending a ruling on the merits.

On May 7, 2015, the General Council sent a second demand for an order for payment in the amount of €51.6 million euros, orders disputed by Sequalum on July 11, 2015.

Sequalum claims that the termination was unlawful and is continuing to perform the contract, subject to any demands that the delegator may impose. If the competent courts confirm this interpretation, Sequalum may have to repay the public subsidies received for the DSP 92 project, normally the outstanding component of the subsidies (the company received €25 million in subsidies from the General Council). In turn, the department of Hauts-de-Seine received the returnable assets of the DSP on July 1, 2015. Furthermore, the General Council will also have to pay compensation to Sequalum in an amount essentially equal to the net value of the assets.

On October 16, 2014, Sequalum filed a motion in the Administrative Court of Cergy Pontoise to have the public service delegation rescinded on the grounds of force majeure in the form of irreversible disruption of the contract economics.

At December 31, 2015, the assets were removed from Sequalum's accounts in the amount of €116 million.

Income receivable in the amount of €139 million related to the expected indemnification was also recognized, an amount fully provisioned given the situation.

Numericable-SFR states that it also has its own fiber optics in the department of Hauts-de-Seine to service its customers. Furthermore, the revenue generated by DSP 92 accounts for a relatively insignificant percentage of Group revenue.

Operations, inspections and seizures

By Order of March 25, 2015, the Nanterre District Court authorized the rapporteur-general of the Competition Authority to conduct inspections and seizures in order to find proof of actions prohibited by Article L 430-8-II of the French Commercial Code and any evidence of such actions before the authorization of the concentration of Numericable-SFR, Omea Telecom and SFR. On April 9, 2015, Numericable-SFR appealed the authorization of the District Court of Nanterre and filed an appeal against the inspection and seizure operations with the Chief Justice of the Court of Appeals of Versailles. The hearing date is scheduled for May 26, 2016. It is understood that the opening of such an inquiry by the Competition Authority does not in any way prejudice the results that may be issued by the Authority.

31.2 Civil and commercial disputes in Portugal

As of December 31, 2015, Portugal Telecom (PT Group) had the following outstanding litigations pending against it.

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. The appeal was accepted by the court, which accepted also MEO's request to consider the suspensive effect of the appeal, conditional upon the submission of a bank guarantee that MEO has already presented in the beginning of 2016.

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 €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. Recently the court notified MEO to present the list of witnesses.

Anacom litigation

MEO has several outstanding proceedings filed from Anacom, for some of which MEO has not yet received formal condemnations. This litigation includes matters such as the violation of rules relating to 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 is normally set at the maximum applicable amount of the administrative fine until the final.

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. An expert indicated by each party and a third party expert evaluated this matter and presented the final report to the court. MEO has also filed a claim against NOS regarding portability compensations, the trial of which is scheduled to take place in 2016.

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. The trial is scheduled to take place during the first half of 2016.

Municipal taxes and rights-of-way

Pursuant to a statute enacted on 1 August 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 10 February 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 which 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 persive 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 and some of the municipalities have initiated enforcement proceedings against MEO to demand the payment of those taxes.

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 Investfundo II had to acquire that plot of land from a third party for €4 million, amount that is claiming from MEO. The parties are waiting for a judicial decision.

31.3 Civil and commercial disputes in Israel

In Israel, during the routine course of business, lawsuits have been filed against the companies that comprise the HOT group and various legal proceedings are outstanding against it. In the opinion of the Board of Directors of the Group, based, inter alia, on legal opinions in respect of the chances of the lawsuits, a provision of €15.3 million has been recorded in the consolidated financial statements as of December 31, 2015, where provisions are required, in order to cover the exposure as the result of the lawsuits. In the opinion of the Board of Directors of the Group, the amount of the additional exposure, for an amount of approximately €164 million (over and above the provisions that have been recorded in these consolidated financial statements), as of December 31, 2015, as a result of lawsuits that have been filed against companies in the HOT group covers claims which the Board of Directors and legal team estimate to have more than a 50% chance of succeeding.

32. Revised information

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

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

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
		(In millions €)	
Goodwill	15,835.4	*(2,413.3)*	13,422.1
Intangible assets	5,199.1	*4,309.1*	9,508.2
Property, plant & equipment	7,602.1	*(253.3)*	7,348.8
Other non-current assets	1,551.9	*(3.7)*	1,548.3
Deferred tax assets	648.4	*227.5*	875.9
Non-current assets	**30,836.9**	***1,866.3***	**32,703.3**
Current assets	***5,200.9***	***128.5***	**5,329.4**
Assets classified as held for sale	*77.3*	-	*77.3*
Total assets	**36,115.1**	***1,994.8***	**38,110.0**
Equity	5,196.3	*27.8*	5,224.1
Other non-current liabilities	**22,174.7**	***508.5***	**22,683.2**
Deferred tax liabilities	**406.9**	***1,650.0***	**2,056.9**
Non-current liabilities	**22,581.6**	***2,158.5***	**24,739.4**
Current liabilities	8,314.8	*(191.4)*	8,123.4
Liabilities directly associated with assets classified as held for sale	*22.5*	-	*22.5*
Total equity and liabilities	**36,115.1**	***1,994.8***	**38,110.0**

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
		(In millions €)	
Revenues	3,934.5	-	3,934.5
Other operating expenses	(2,458.6)	*15.9*	(2,442.7)
Depreciation, amortization and impairment	(1,098.5)	*(27.9)*	(1,126.4)
Other expenses and income	(219.3)	*(20.3)*	(239.6)
Operating profit	**158.0**	***(32.3)***	**125.7**
Finance costs, net	*(1,136.2)*	*1.0*	*(1,135.2)*
Gain recognized on step acquisition	256.3	-	256.3
Share of profit in associates	4.8	-	4.8
Loss before taxes	**(717.1)**	***(31.3)***	**(748.4)**
Income tax expense	164.7	*4.2*	168.9
Loss for the year	**(552.4)**	***(27.1)***	**(579.5)**
Comprehensive income for the year	**(682.9)**	***(27.1)***	**(710.0)**

33 Going concern

As at December 31, 2015, the Group had net current liability position of €4,316.0 million and a negative working capital of €2,219.5 million (€1,749.8 in 2014). During the year ended December 31, 2015, the Group registered a net loss of €239.5 million (loss of €579.5 million in financial year 2014) and generated cash flows from operations of €4,620.2 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The net loss recorded in the financial year was mainly driven by the increased finance costs on the issuance of new debt to finance the PT Portugal acquisition. 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 (€3,664.7 million vs. €6,252.9 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of December 31, 2015, the Group's short term borrowings mainly comprised of the accrued interests (€530.6 million) on the bonds and loans from financial institutions which are repaid on a semi-annual basis, some local bonds and bank loans (€248.6 million) and a draw down on a portion of our €501 million and €1,125 million RCF for an amount of respectively €160 million and €450 million. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries.

The long term debt of the Group commences to mature in 2019 (except Hot Telecom debentures which matures in 2018) and part of it was refinanced in 2016 (refer to note 34).

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

- The Group has a strong track record of generating positive EBITDA and generated strong positive operating cash flows in 2015 (€4,620.2 million). EBITDA amounted to €5,467.6 million, an increase of 261.6% compared to financial year 2014. This increase in EBITDA is mainly due to the integration of newly acquired entities (see note 3) which contributed to this increase compared to prior year. The Board of Directors 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 at the end of 2015 (€625.7 million vs. €1,563.6 million in 2014), which would allow it to cover any urgent cash needs. Additionally, as of December 31, 2015, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €2,309.5 million (out of which €610 million has been drawn as at December 31, 2015). The Group has consistently repaid its short term commitments, as evidenced by the repayment of the vendor note to Cinven and Carlyle in February 2015 (€529.2 million) and the repayment of the guarantee facility due on the acquisition of a 10% stake in NSFR from Vivendi in December 2015.

- As of December 31, 2015, the market value of the Company shows a premium compared to the net equity of the Group indicating that the Group could divest of some of its assets with a significant premium. Within these assets, the Board notes that the fair value of the Numericable-SFR shares is in excess of the cost in the books of Altice France.

- As of December 31, 2015, the Group had a positive equity position of €465.6 million.

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

34 Events after the reporting period

Disposal of Cabovisão

On January 20, 2016, the Group announced that it had completed the sale of Cabovisão and its subsidiaries (including Winreason) to Apax France. This disposal was mandated by the European Commission and the Portuguese competition authorities following the acquisition of PT Portugal in June 2015. These entities were classified as held for sale by the Group as of 31 December 2015, in accordance with IFRS 5.

The enterprise value amounted to EUR 150.8 million, before any impact of price adjustments.

A gain on disposal of €107.5 million was recorded in relation to this disposal in the condensed consolidated accounts for the period ended March 31, 2016.

Numergy

On January 22, 2016, the Group finalized the acquisitions of the interests held by Caisse des Dépôts (33%) (acting in its own name and on behalf of the government under the Future Investments Program) and Atos (20%) in Numergy. In this way, the Group is perpetuating a company in which SFR has invested since its beginning. 50% of the price of these ownership interests was paid on January 22, 2016. The remaining 50% will be due January 22, 2017. In this context, the Group established a first-demand guarantee maturing in more than one year in order to cover the amount still due to Caisse des Dépôts and Atos.

Formed in September 2012, Numergy is a company that specializes in building and operating French and European Cloud computing infrastructures. Numergy was designed to become a true "digital energy power plant" serving the economy and growth. Its mission is to provide businesses (very small, small, medium, and intermediate businesses and major accounts) and public organizations with secure, high-performance and competitive IT resources. The SFR offer of Cloud computing services for businesses, a major component of the Group's strategy, is therefore strengthened. In effect, the Numergy offer and technology, which complement the offer of SFR and the Altice Group, represent an opportunity to accelerate the deployment of the Cloud in France and in Europe.

This acquisition generated a preliminary goodwill of €5.2 million.

New Derivatives

On February 16, 2016, NSFR signed an interest rate swap agreement with JP Morgan Chase with the following features:

- Nominal: €4.0 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: (0.121%)
- Maturity: 7 years, but with a clause from the bank to advance the remaining cash flows at the end of 5 years.

The Group is continuing its strategy to hedge financial risks by converting approximately two-thirds of its variable rate borrowings into fixed rates. As a result, around 80% of the NSFR's long-term debt is fixed-rate.

The Group also entered into a similar swap at Altice Financing S.A. with the following features:

- Nominal: €0.75 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: (0.13%)

Maturity: 7 years, but with a clause from the bank to advance the remaining cash flows at the end of 5 years.

Change in consolidation method of NextRadioTV

Following the successful completion of the tender offer for all the outstanding equity securities of NextRadioTV on February 1, 2016 and the implementation of some organizational changes (such as the appointment of Mr. Weill to Altice's Executive Committee), the Group has concluded that its investment in GNP (the controlling shareholder of NextRadioTV) meets the criteria for establishing control in accordance with IFRS 10 "Consolidated Financial Statements". The tender offer was fully financed by the Group by subscribing an additional tranche of convertible bonds issued by GNP for an aggregate amount of €315.6 million (before price adjustments, if any).

Thus, the Group has consolidated GNP from 8 February 2016 onwards in its consolidated financial statements. The Group has recognized a preliminary goodwill of €630.4 million on the acquisition.

Refinancing of existing debts

NSFR

On April 7, 2016, NSFR announced the successful placement of a new 10 year senior secured notes for an aggregate amount of $5.2 billion.

The proceeds from the issuance of this new debt were used to fully refinance the following debts:

- $2.4 billion notes due 2019
- €475 million currently drawn on the existing RCF
- €1.9 billion term loan due 2019 and $2,6 billion term loan due 2020, following the acceptance of certain amendment by the lenders under this facility

The Group also managed to extend the maturity of the $1,425 million and €850 million term loans by another three years.

The debt was priced at 7.375%. The equivalent swapped coupon for the euro repayments is c. 5.7%

Following this refinancing, the average maturity of NSFR's debt was increased from 5.8 years to 7.9 years

Altice Financing S.A.

On April 19, 2016, Altice Financing S.A., an indirect subsidiary of the Company, announced that it had successfully priced a new 10 year senior secured bond for an aggregate amount of $2.75 billion. The new debt will pay a coupon of 7.5% (c .5.8% swapped into euros). The proceeds from this issuance were used to refinance the following debts:

- $460 million senior secured notes due 2019
- €210 million senior secured notes due 2019
- $1,013 million of loans under the 2019 Term Loan facility
- €855 million of loans under the 2022 Term Loan facility

Following this refinancing, the average maturity of Altice International's debt was increased from 6.0 years to 7.7 years

Acquisition of Altice Media Group by NSFR

On April 27, 2016, SFR announced that it has entered into exclusive negotiations to acquire Altice Media Group France ("AMG"), a leading diversified and profitable media group in France, which publishes more than 20 major national titles, including iconic and well-known brands such as Libération, L'Express, L'Expansion, L'Etudiant and Stratégies. AMG operates an international news channel - i24 News - and has positioned itself as the second largest operator in the French digital press sector. In addition, Altice Media Group France is a leading event organizer: its Salon de l'Etudiant trade fair, in particular, has attracted 2 million visitors annually for more than 30 years.

The proposed transaction values Altice Media Group France at an enterprise value of €241 million or 4.5x Adjusted EBITDA pro forma for synergies and tax losses carried forward.

The proposed transaction will be presented to relevant bodies representing the employees of Altice Media Group France for consultation before entering final negotiations.

This transaction, along with the proposed sale of Altice Content Luxembourg, represents a unique opportunity to develop SFR into a true cross-media content publisher, capitalizing on a highly diversified portfolio of premium brands. The acquisitions support SFR's business strategy by accelerating the deployment of the global convergence of telecoms + media/content + advertising.

On May 12, 2016, the sale of Altice Content Luxembourg to SFR was finalised. The sale was funded at SFR by drawing on the RCF and cash on balance sheet. The proceeds from this sale were used by the Altice International Group to repay its drawn RCFs (€565 million).

The acquisition of AMG was successfully completed on May 25, 2016, using a combination of cash on balance sheet at SFR and vendor financing provided by the sellers of AMG.

Penalty imposed by the *Autorité de la concurrence* (French anti-trust agency)

On April 19, 2016, the French anti-trust authority issued a notice to Altice Luxembourg (with NSFR as a guarantor), imposing a fine of €15 million related to the disposal of OMT's Indian Ocean assets in 2015. The payment of the fine is not contingent upon the appeals process and becomes payable upon receipt of the notice. The Group intends to appeal the decision.

35 Entities included in the scope of consolidation

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Altice Luxembourg S.A.	Luxembourg	FC(1)	FC(1)	Parent Company/Successor entity	-
Altice S.A.	Luxembourg	-	FC(1)	-	Predecessor entity/Parent company
Altice France S.A.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice International S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Management Europe	Switzerland	FC(1)	FC(1)	100%	100%
Cool Holding LTD	Israel	FC(1)	FC(1)	100%	100%
H. Hadaros 2012 LTD	Israel	FC(1)	FC(1)	100%	100%
HOT Telecommunication Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Telecom Limited Partnership	Israel	FC(1)	FC(1)	100%	100%
Hot Mobile LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Cable Telecommunications Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Net Internet Services LTD (Formerly Hot Investments and Finance LTD)	Israel	FC(1)	FC(1)	100%	100%
Hot Vision LTD	Israel	FC(1)	FC(1)	100%	100%
Nonstop Ventures LTD	Israel	EM(2)	EM(2)	50%	50%
South Saron Communications LTD	Israel	FC(1)	FC(1)	100%	100%
Iscarable LTD	Israel	FC(1)	FC(1)	100%	100%
Hot TLM Subscription Television LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Eden Cables Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Israel Cables Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Net Limited Partnership	Israel	FC(1)	FC(1)	100%	100%
Hot EDOM LTD	Israel	FC(1)	FC(1)	100%	100%
Zira (Copyrights on the Internet) LTD	Israel	EM(2)	EM(2)	25%	25%
Altice Securities S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Holdings S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Africa S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Blue One S.A.S. (4)	France	-	FC(1)	-	100%
MTVC S.A.	France	FC(1)	FC(1)	99,85%	99,85%
WSG S.A.	France	FC(1)	FC(1)	99,85%	99,85%
Green.ch	Switzerland	FC(1)	FC(1)	99,57%	99,57%
Auberimmo S.A.S.	France	FC(1)	FC(1)	100%	100%
Green Datacenter AG	Switzerland	FC(1)	FC(1)	98,63%	98,63%
Deficom Telecom S.à r.l.	Luxembourg	FC(1)	FC(1)	74%	74%
Coditel Holding Lux II S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Coditel Holding Lux S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Coditel Holding S.A.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Coditel Brabant S.p.r.l.	Belgium	FC(1)	FC(1)	84,40%	84,40%
Coditel S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Coditel Management S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Altice Caribbean S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Portugal S.A.	Portugal	FC(1)	FC(1)	100%	100%
Cabovisao S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Altice Finco S.A.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Financing S.A.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice West Europe S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
OMT Invest S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
Groupe Outremer Telecom S.A.	France	FC(1)	FC(1)	99,85%	99,85%
Outremer Télécom S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
Outremer Télécom Océan Indien S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
Altice Blue Two S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
City Call Ltd	Mauritius	FC(1)	FC(1)	99,85%	99,85%
Outremer Telecom Ltee	Mauritius	FC(1)	FC(1)	99,85%	99,85%
Telecom Reunion SNC	France	FC(1)	FC(1)	99,85%	99,85%
Telecom 2004 SNC	France	FC(1)	FC(1)	99,85%	99,85%
OPS S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
WLL Antilles-Guyane S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
WLL Réunion S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
ONI S.G.P.S., S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Winreason S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Onitelecom-Infomunicações, S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Knewon S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Onitelecom Açores S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Onitelecom Madeira S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Altice Content S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Ma Chaine Sport S.A.S.	France	FC(1)	FC(1)	100%	100%
Altice Entertainment and Sport S.A. (ex Sportv)	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Entertainment and Sport Lux S.à r.l. (ex SportLux)	Luxembourg	FC(1)	FC(1)	100%	100%
CPA Lux S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Bahamas S.à r.l.	Luxembourg	FC(1)	FC(1)	97,20%	97,20%
Fiberman Management S.à r.l. (4)	Luxembourg	-	FC(1)	-	100%
Altice Hispaniola S.A.	Dominican Republic	FC(1)	FC(1)	97,20%	97,20%
Tricom S.A.	Dominican Republic	FC(1)	FC(1)	97,20%	97,20%
Global Interlinks Ltd	Dominican Republic	FC(1)	FC(1)	97,20%	97,20%
Mobius S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
SIG 50 S.A.	France	FC(1)	FC(1)	78,14%	60,30%

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
SFR S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Omer Telecom Ltd.	United Kingdom	FC(1)	FC(1)	78,14%	60,30%
Omea Holding S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Omea Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Numericable-SFR S.A	France	FC(1)	FC(1)	78,14%	60,30%
Ypso Holding S.à.r.l	Luxembourg	FC(1)	FC(1)	78,14%	60,30%
Ypso France S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
NC Numericable S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Numericable Finance & Co. S.C.A. (4)	Luxembourg	-	FC(1)	-	60,30%
Numericable Finance S.à r.l. (4)	Luxembourg	-	FC(1)	-	60,30%
Stichting Ypso 1 (4)	Netherlands	-	FC(1)	-	60,30%
Stichting Ypso 2 (4)	Netherlands	-	FC(1)	-	60,30%
TME France S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Coditel Debt S.à r.l. (4)	Luxembourg	-	FC(1)	-	60,30%
Ypso Finance S.à r.l.	Luxembourg	FC(1)	FC(1)	78,14%	60,30%
Sequalum Participation S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Sequalum S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Alsace Connexia Participation S.A.S. (4)	France	-	FC(1)	-	60,30%
Altice B2B France S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Completel S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
LTI Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Invescom S.A.	France	-	FC(1)	-	60,30%
B3G International BV	Netherlands	FC(1)	FC(1)	78,14%	60,30%
Numericable US S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Numericable US LLC	United States	FC(1)	FC(1)	78,14%	60,30%
SFR Participation	France	FC(1)	FC(1)	78,14%	60,30%
Groupe Telindus France S.A. (4)	France	-	FC(1)	-	60,30%
SFR Business Solutions S.A.S. (ex Telindus France S.A.S.)	France	FC(1)	FC(1)	78,14%	60,30%
Telindus Morocco S.A.	Morocco	FC(1)	FC(1)	78,14%	60,30%
LD Communications BV	Netherlands	FC(1)	FC(1)	78,14%	60,30%
LD Communications Italie Srl	Italy	FC(1)	FC(1)	78,14%	60,30%
LD Communications Suisse S.A.	Switzerland	FC(1)	FC(1)	78,14%	60,30%
2SID S.A.S. (4)	France	-	FC(1)	-	60,30%
2SIP S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Cinq sur Cinq S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Ariège Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Cap Connexion S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
CID S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Debitex Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Eur@seine S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
FOD SNC	France	FC(1)	FC(1)	78,14%	60,30%

Name of subsidiary	**Place of incorporation and operation**	**Method of consolidation**		**Proportion of ownership interest held by the Group**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Futur Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Gravelines Network S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Haut-Rhin Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Loiret THD S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
MACS THD S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Opalys Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Rennes Métropole Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Rimbaud Gestion B S.C.I.	France	FC(1)	FC(1)	78,14%	60,30%
Foncière Velizy S.C.I.	France	FC(1)	FC(1)	78,14%	60,30%
SFCM S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFD S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFR Collectivités S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFR Développement S.A.S	France	FC(1)	FC(1)	78,14%	60,30%
SID S.C.S.	France	FC(1)	FC(1)	78,14%	60,30%
SRR S.C.S.	France	FC(1)	FC(1)	78,14%	60,30%
SHD S.A.	France	FC(1)	FC(1)	78,14%	60,30%
LTBR S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Pays Voironnais Network S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Pays Voironnais Network Part. S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
SFR Service Client S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Iris 64 S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Manche Telecom S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Medi@lys S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Teloise S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Synerail Exploitation S.AS	France	FC(1)	FC(1)	46,91%	36,20%
Inolia S.A.	France	FC(1)	FC(1)	46,91%	36,20%
Moselle Telecom Part. S.A.S.	France	FC(1)	FC(1)	43,80%	33,80%
Comstell S.A.S.	France	FC(1)	FC(1)	39,13%	30,20%
Alsace Connexia S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Moselle Telecom S.A.S.	France	FC(1)	FC(1)	30,58%	23,60%
Irisé S.A.S.	France	FC(1)	FC(1)	19,57%	15,10%
Foncière Rimbaud 1 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Foncière Rimbaud 2 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Foncière Rimbaud 3 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Foncière Rimbaud 4 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Dokeo TV S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
La Poste Telecom S.A.S.	France	EM(2)	EM(2)	38,23%	29,50%
Numergy S.A.S.	France	EM(2)	EM(2)	36,54%	28,20%

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Synerail Construction S.A.S.	France	EM(2)	EM(2)	31,23%	24,10%
VOD Factory S.A.S.	France	EM(2)	EM(2)	31,23%	24,10%
Fischer Telecom S.A.S.	France	EM(2)	EM(2)	26,57%	20,50%
Synerail S.A.S.	France	EM(2)	EM(2)	23,45%	18,10%
Webwag S.A.S.	France	-	EM(2)	-	16,30%
Buyster S.A.	France	EM(2)	EM(2)	19,70%	15,20%
Ocealis S.A.S.	France	EM(2)	EM(2)	19,57%	15,10%
AF83 S.A.S.	France	EM(2)	EM(2)	19,18%	14,80%
Sud Partner S.à r.l.	France	EM(2)	EM(2)	18,79%	14,50%
Sofialys S.A.S.	France	EM(2)	EM(2)	18,66%	14,40%
Idenum S.A.S.	France	EM(2)	EM(2)	16,46%	12,70%
INFRACOS S.A.S.	France	PC(1)	PC(1)	39,13%	30,20%
Oise Numerique S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Eure et Loir THD S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Valofibre S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Altice C&V Finance S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice Content Luxembourg S.à r.l.	Luxembourg	FC(1)	-	76,00%	-
Altice France Bis S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice Picture S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
MEO-Serviços de Comunicações e Multimédia, S.A.	Portugal	FC(1)	-	100,00%	-
PT Sales	Portugal	FC(1)	-	100,00%	-
PT Data Center	Portugal	FC(1)	-	100,00%	-
PT Pay	Portugal	FC(1)	-	100,00%	-
PT Centro Corporativo S.A.	Portugal	FC(1)	-	100,00%	-
PT Moveis	Portugal	FC(1)	-	100,00%	-
PT Brasil	Portugal	FC(1)	-	100,00%	-
PT Pro	Portugal	FC(1)	-	100,00%	-
PTM.COM Brasil	Portugal	FC(1)	-	100,00%	-
PT Contact	Portugal	FC(1)	-	100,00%	-
PT Imobiliária	Portugal	FC(1)	-	100,00%	-
Previsão	Portugal	FC(1)	-	100,00%	-
Portugal Telecom Inovação e Sistemas, S.A.	Portugal	FC(1)	-	100,00%	-
PT Cloud e Data Centers, S.A.	Portugal	FC(1)	-	100,00%	-
Portugal Telecom Inovação Brasil, LDA.	Portugal	FC(1)	-	100,00%	-

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Contact Cabo Verde	Portugal	FC(1)	-	100,00%	-
PT Prestações	Portugal	FC(1)	-	100,00%	-
New Post - A.C.E.	Portugal	FC(1)	-	100,00%	-
Open Ideia Angola	Portugal	FC(1)	-	100,00%	-
Openidea, Tecnologia de Telecomunicações e Sistemas de Informação	Portugal	FC(1)	-	100,00%	-
Open Ideia Marocco	Portugal	FC(1)	-	100,00%	-
PT Blueclip	Portugal	FC(1)	-	100,00%	-
Open Labs Pesquisa e Desenvolvimento LTDA	Portugal	FC(1)	-	100,00%	-
Groupe News Participation S.A.S	France	EM(2)	-	37,24%	-
Altice Content France S.A.S.	France	FC(1)		100,00%	-
PT SGPS S.A.	Portugal	FC(1)	-	100,00%	-

(1) FC stands for “Full Consolidation”;

(2) EM stand for “Equity Method”;

(3) These entities are classified as held for sale as of December 31, 2015

(4) Entities liquidated during the year ended December 31, 2015