

ALTICE N.V.

(SUCCESSOR ENTITY OF ALTICE S.A.)

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

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

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (revised *)	Three months ended September 30, 2015	Three months ended September 30, 2014 (revised *)
<i>(In millions €)</i>					
Revenues.....	3	10,648.9	2,247.4	3,869.2	832.3
Purchasing and subcontracting costs		(3,409.1)	(533.9)	(1,240.5)	(193.3)
Other operating expenses.....		(2,405.4)	(510.4)	(822.7)	(186.7)
Staff costs and employee benefit expenses		(832.6)	(183.3)	(295.7)	(65.5)
Depreciation and amortization.....		(2,474.6)	(665.8)	(864.7)	(249.5)
Impairment losses	3	(20.8)	(5.4)	(0.9)	-
Other expenses and income	3	(165.3)	(84.9)	(44.9)	(21.6)
Operating profit		1,341.1	263.7	599.9	115.7
Gain recognized on step acquisition	10	-	256.3	-	-
Interest relative to gross financial debt		(1,235.8)	(585.9)	(483.5)	(208.3)
Other financial expenses.....		(121.1)	(360.2)	(87.5)	(198.8)
Finance income.....		39.8	101.0	-	57.3
Gain recognized on extinguishment of a financial liability	11	643.5	-	-	-
Finance costs, net		(673.6)	(845.1)	(571.1)	(349.8)
Net result on disposal of businesses	2.1	27.5	-	27.5	-
Share of profit of associates.....		4.0	1.3	1.2	0.1
Profit before income tax		699.1	(323.8)	57.6	(233.9)
Income tax (expenses)/income.....	12	(175.0)	28.4	(77.1)	(40.1)
Profit/(loss) for the period		524.1	(295.5)	(19.6)	(274.0)
<i>Attributable to equity holders of the parent</i>		285.0	(173.5)	(43.5)	(221.3)
<i>Attributable to non-controlling interests</i>		239.2	(122.0)	23.9	(52.8)
Earnings per ordinary share (Basic)	6	0.29	(0.22)	(0.04)	(0.23)
Earnings per ordinary share (Diluted)	6	0.28	(0.21)	(0.04)	(0.22)

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

(*)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 17

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

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (revised *)	Three months ended September 30, 2015	Three months ended September 30, 2014 (revised *)
<i>(In million €)</i>					
Profit/(loss) for the period		524.1	(295.5)	(19.6)	(274.0)
Other comprehensive income/(loss)					
Exchange differences on translating foreign operations		14.7	25.7	14.8	36.2
Revaluation of available for sale financial assets, net of taxes		(0.5)	4.9	1.8	-
Profit/(Loss) on cash flow hedge, net of taxes	5.3,7.6	1.3	(305.1)	134.1	(181.2)
Actuarial gains, net of taxes	9	31.8	0.2	-	0.4
Total other comprehensive profit/(loss)		47.3	(274.3)	150.7	(144.6)
Total comprehensive profit/(loss) for the period		571.5	(569.8)	131.2	(418.6)
<i>Attributable to equity holders of the parent</i>		<i>306.9</i>	<i>(416.2)</i>	<i>85.6</i>	<i>(387.9)</i>
<i>Attributable to non-controlling interests</i>		<i>264.6</i>	<i>(153.6)</i>	<i>45.5</i>	<i>(30.9)</i>

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

(*)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 17

Condensed consolidated statement of financial position
September 30, 2015

	Notes	September 30, 2015	December 31, 2014 (revised *)
<i>(In millions €)</i>			
ASSETS			
Non-current assets			
Goodwill	4	18,642.4	15,447.8
Intangible assets		5,820.3	5,681.6
Property, plant & equipment		10,233.2	7,602.8
Investment in associates		145.0	130.0
Financial assets	7.7	2,391.8	1,343.2
Deferred tax assets		660.9	549.0
Other non-current assets		98.9	78.7
Total non-current assets		37,992.5	30,833.2
Current assets			
Inventories		341.1	277.2
Trade and other receivables		3,529.4	3,211.9
Current tax assets		215.3	268.7
Financial assets	7.7	36.3	-
Cash and cash equivalents	8	912.4	1,563.6
Restricted cash	8	1,512.1	-
Total Current assets		6,546.7	5,321.4
<i>Assets classified as held for sale</i>	3.4	<i>119.9</i>	<i>77.3</i>
Total assets		44,659.1	36,231.9

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

(*)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 17

Condensed consolidated statement of financial position
September 30, 2015

	Notes	September 30, 2015	December 31, 2014 (revised*)
EQUITY AND LIABILITIES			
Equity			
Issued capital	5.1	69.6	2.5
Additional paid in capital	5.2	901.7	2,971.0
Other reserves	5.3	(71.1)	(93.1)
Accumulated losses		(608.0)	(927.0)
Equity attributable to owners of the Company		292.0	1,953.4
Non-controlling interests	5.4	1,589.4	3,283.2
Total equity		1,881.4	5,236.6
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	7	29,862.5	20,483.2
Other non-current financial liabilities and related hedging instruments	7	358.7	890.4
Non-current provisions	9	1,375.2	384.9
Deferred tax liabilities		472.6	483.4
Other non-current liabilities		553.7	416.2
Total non-current liabilities		32,622.6	22,658.0
Current liabilities			
Short-term borrowings, financial liabilities	7	188.8	166.6
Other financial liabilities	7	2,660.0	1,072.2
Trade and other payables		5,975.5	5,812.5
Current tax liabilities		65.1	267.9
Current provisions		317.0	300.1
Other current liabilities		864.2	695.5
Total current liabilities		10,070.5	8,314.7
<i>Liabilities directly associated with assets classified as held for sale</i>	3.4	84.6	22.5
Total Liabilities		42,777.7	30,995.3
Total equity and liabilities		44,659.1	36,231.9

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(*)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 17

ALTICE N.V.

Successor entity of Altice S.A.

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

	Reserves													
	Number of issued shares (in shares)			Share capital	Treasury shares	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
	Ordinary Shares	Class A	Class B											
				(In millions €)										
Equity at January 1, 2015 (revised *)	247,950,186	-	-	2.5	-	2,971.1	(927.0)	(7.0)	(85.4)	1.9	(2.6)	1,953.5	3,283.2	5,236.7
Profit for the period	-	-	-	-	-	-	285.0	-	-	-	-	285.0	239.2	524.1
Other comprehensive profit/(loss)	-	-	-	-	-	-	-	14.2	(23.6)	(0.5)	31.8	22.0	25.4	47.3
Comprehensive profit/(loss)	-	-	-	-	-	-	285.0	14.2	(23.6)	(0.5)	31.8	306.9	264.6	571.5
Share issuance – Altice S.A.	375,289	-	-	-	-	-	-	-	-	-	-	-	-	-
Incorporation of Altice N.V.	-	4,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Exchange of Altice S.A. shares for Altice N.V. shares	(248,325,475)	744,976,425	248,325,475	67.1	-	(67.1)	-	-	-	-	-	-	-	-
Conversion of class B shares in class A shares (**)	-	1,736,250	(69,450)	-	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	-	17.8	-	-	-	-	17.8	2.8	20.6
Transaction with non- controlling interests	-	-	-	-	-	(2,002.1)	-	-	-	-	-	(2,002.1)	(1,966.9)	(3,969.0)
Changes in accounting policies	-	-	-	-	-	-	16.3	-	-	-	-	16.3	11.5	27.8
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(7.1)	(7.1)
Other	-	-	-	-	-	(0.2)	-	-	-	-	-	(0.2)	1.3	1.1
Equity at September 30, 2015	-	751,212,675	248,256,025	69.6	-	901.7	(608.0)	7.2	(109.0)	1.4	29.2	292.0	1,589.4	1,881.4

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

(*) 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 17

(**) Refer to note 5.1.1 and 5.1.2

ALTICE N.V.
Successor entity of Altice S.A.

Condensed consolidated statement of changes in equity
For the nine months ended September 30, 2014

	Number of issued shares	Share capital	Invested equity	Additional paid in capital	Accumulated losses	Currency reserve	Reserves					Total equity
							Cash Flow hedge reserve	Available for sale	Employee Benefits	Total equity attributable to equity holders of the parent	Non- controlling interests	
							(In millions €)					
Equity at January 1, 2014.....	-	-	95.8	-	-	-	-	-	-	95.8	(0.5)	95.3
Loss for the period.....	-	-	-	-	(173.5)	-	-	-	-	(173.5)	(122.0)	(295.5)
Other comprehensive profit/(loss).....	-	-	-	-	0.1	24.7	(272.5)	4.9	0.2	(242.7)	(31.7)	(274.3)
Total Comprehensive profit/(loss).....					(173.5)	24.7	(272.5)	4.9	0.2	(416.2)	(153.7)	(569.8)
Incorporation of Altice S.A.	3,100,000	-	(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)	(0.5)	(65.6)
Issuance of new shares.....	46,970,617	0.5	-	1,701.5	-	-	-	-	-	1,702.0	-	1,702.0
Share based payment		-	-	-	9.0	-	-	-	-	9.0	-	9.0
Transaction with non-controlling interests	24,751,873	0.2	-	(386.2)	-	-	-	-	-	(386.2)	186.4	(199.6)
Equity at September 30, 2014 (revised *)	247,722,490	2.5	-	1,872.7	(686.5)	18.0	(272.5)	4.5	1.0	939.6	31.8	971.2

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

(*) 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 17

Following the corporate restructuring as described in Note 2.1 to the Consolidated Financial Statements, Altice N.V is the successor entity of Altice 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..

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

	Notes	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (revised *)
<i>(In millions €)</i>			
Net profit/(loss), including non-controlling interests		524.1	(295.5)
Adjustments for:			
Depreciation, amortization and impairments		2,495.4	671.2
Share in income of associates		(4.0)	(1.3)
Gains and losses on disposals		31.8	-
Gain recognized on step acquisition	10	-	(256.3)
Gain recognized on extinguishment of a financial liability	11	(643.5)	-
Expenses related to share based payment	9.2	20.6	12.4
Other non-cash operating gains, net		9.7	1.3
Finance costs recognized in the statement of income		1,317.1	845.1
		175.0	(28.4)
Income tax expense recognized in the statement of income		(173.1)	(38.3)
Income tax paid		(196.0)	51.4
Changes in working capital			
Net cash provided by operating activities		3,557.0	961.7
Payments to acquire tangible and intangible assets		(1,721.4)	(533.9)
Payments to acquire financial assets		(28.1)	-
Consideration received on disposal of businesses	2	76.0	-
Proceeds from disposal of tangible, intangible and financial assets		30.1	4.7
Use of restricted cash to acquire subsidiaries		-	(11,908.7)
Payment to acquire subsidiaries, net	2	(114.5)	(1,525.9)
Transaction with non-controlling interests	2	(1,894.5)	(133.7)
Net cash used in investing activities		(3,652.3)	(14,097.5)
Proceeds from issuance of equity instruments		-	1,636.8
Proceeds from issuance of debts	7	9,572.1	15,928.6
Payments to redeem debt instruments	7	(1,922.0)	(3,208.9)
Pension liability payments	9.1	(51.8)	-
Payments to redeem PT outstanding debt on acquisition	2	(5,593.9)	-
Proceeds from restricted cash		(1,533.0)	-
Interest paid	7	(1,068.5)	(552.9)
Dividend paid		(6.6)	-
Payments to redeem preferred equity instruments		-	(190.0)
Other cash provided by financing activities		56.7	
Net cash (used in)/provided by financing activities		(547.0)	13,613.6
		(5.5)	-
Classification of cash as held for sale			
Effects of exchange rate changes on the balance of cash held in foreign currencies		(3.3)	0.7
Net (decrease)/increase in cash and cash equivalents		(651.2)	478.5
Cash and cash equivalents at beginning of period	8	1,563.6	61.6
Cash and cash equivalents at end of the period	8	912.4	1,063.2

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

(*)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 FY2014. For the details of the revision see note 17.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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1 - Basis of preparation

The condensed interim consolidated financial statements of Altice N.V. (the “Company”, the “Group”, the “Successor Entity”, “Altice” or “Altice Group”), the Successor Entity of Altice S.A., the “Predecessor Entity” (see Note 2.1 *Change in Consolidation scope as of September 2015*) as of September 30, 2015 and for the three and nine month periods then ended were approved by the Board of Directors and authorized for issue on November 12, 2015.

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

Altice S.A. was as at December 31, 2014, controlled ultimately by Patrick Drahi, via Next LP (“Next LP”). As a consequence of the Corporate Restructuring described in Note 2.1 to these condensed interim consolidated financial statements, the comparative figures included in the condensed interim consolidated financial statements for the nine and three month periods ended September 30, 2015 reflect the historical assets, liabilities, revenues, expenses and cash flows of Altice S.A. as Altice N.V. was only incorporated on May 18, 2015.

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

- (i) The application of IFRIC 21 Levies, applicable retrospectively from January 1, 2015.
 - IFRIC 21 Levies addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.
 - 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”). 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 nine months period ended September 30, 2014 is not significant due to the fact that SFR only entered the scope at the end of November 2014. For the nine months period ended September 30, 2015, the recognition of the French levies (IFER,C3S) on the condensed consolidated statement of income amounts to €52.0 million net of taxes (€77.0 million before taxes).
- (ii) Annual improvements 2011-2013 which include amendments to the following standards:
 - IFRS 3 Business Combination - Scope of exception for joint ventures,
 - IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
 - IAS 40 Investment Property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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

Also as of December 31, 2014, brands acquired in a business combination had either definite or indefinite useful lives. During the nine months ended September 30, 2015, the Board of Directors has reviewed the useful lives of the brands currently recognized and assessed that these brands have a definite useful life, based on the Group's strategy. This change has been applied prospectively. A total expense of €61.5 million (before tax impact) was recorded in the condensed consolidated statement of income for the nine months ended September 30, 2015.

Significant accounting judgments and estimates used in the preparation of the condensed interim consolidated financial statements

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

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

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

Revised information

In preparing these condensed 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 nine months ended September 30, 2014 and for the year ended December 31, 2014 has been enhanced to reflect the new presentation.

A summary of the changes is provided below:

Condensed consolidated statement of income:

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

Condensed consolidated statement of financial position:

1. The Group has decided to modify the presentation of gross financial debt by including the fair value of derivative instruments in the line item, 'long term borrowings, financial liabilities and related hedging instruments' (reclassification of €27.8 million from Other financial liabilities to long term borrowings, financial liabilities and related hedging instruments)

ALTICE N.V.

Notes to the condensed interim consolidated financial statements

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

In addition, the comparative information for the three and nine months ended September 30, 2014 and for the year ended December 31, 2014 has been revised to reflect the impact of the finalization of the purchase price of Numericable Group 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 17).

The comparative information has also been revised to take into account the purchase price adjustments regarding SFR described in note 2.1 and in note 4.2.3.

2 – Main changes in the scope of consolidation

2.1 Changes in consolidation scope as of September 30, 2015

Corporate restructuring

On June 26, 2015, Altice S.A. announced the proposed cross-border merger between a newly formed Dutch entity, Altice N.V., as the acquiring company and Altice S.A. 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 a newly incorporated subsidiary, Altice Luxembourg S.A., a public limited liability company (société anonyme) governed by the laws of the Grand Duchy of Luxembourg (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.

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.

Pursuant to the Merger, shareholders of Altice S.A. received 3 common shares A ("A Shares") of Altice N.V. with 1 voting right each and a nominal value of one eurocent, and 1 common share B ("B Shares") of Altice N.V. with 25 voting rights each and a nominal value of 25 eurocents, in exchange for each issued and outstanding share in the capital of Altice S.A.. Both A Shares and B Shares have equal economic rights and are listed on Euronext Amsterdam (AMX). Following the listing, shareholders in Altice N.V. are permitted to convert their B Shares into A Shares at a 1:1 ratio.

Trading of the A Shares and B Shares on an 'as if and when issued' basis has commenced after the Merger became effective.

The Predecessor Entity was ultimately controlled by Patrick Drahi (via Next Alt S.à r.l. "Next Alt") prior to the Merger, while the Successor Entity remained under control of Next Alt post-merger. Following the merger, Next Alt held 58.2% of the Company.

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 merger.

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 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.

As part of the Corporate Restructuring described above, the Company has adopted a stock option plan similar to one proposed by its predecessor entity.

The new stock option plan issued by the Company has been considered as a replacement of equity instruments issued by its predecessor entity and based on the fair value of the new SOP at the modification date, Altice will continue to expense the initial fair value not yet recognised over the original vesting period (see note 9.2).

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 Islands 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 3.4 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 (excluding any eventual purchase price adjustments). The net gain on the disposal amounts to €27.5 million recorded under the caption 'net result on disposal of businesses' in the condensed consolidated statement of income.

PT Portugal ("PT Portugal" ;"PT")

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

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

ALTICE N.V.**Notes to the condensed interim consolidated financial statements**

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

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

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

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

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

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

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

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

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.

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. has been financed by a vendor loan to Altice France Bis S.à r.l. for an amount of €1,948 million (excluding any purchase price adjustments). Initially this vendor loan bore interests at 3.8% annually, which was reduced in August 2015 to 1.2% annually and is due by April 7, 2016 (see note 7.5).

In connection with this acquisition, the Group has obtained commitments from a syndicate of financial institutions to underwrite or place up to €2,025 million of common shares or common equity linked securities of the Company at a price to be determined by the Company and such financial institutions acting reasonably and in good faith and in light of prevailing market conditions. 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 11). This impact was recorded in the condensed interim consolidated financial statements as of September 30, 2015 and for the nine month period then ended.

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.

Following these two transaction, Altice's stake in NSFR increased to 78.48%.

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.

2.2 Transactions in progress as of September 30, 2015

Expected acquisition of Suddenlink

In May 2015, the Group has signed a definitive agreement to acquire 70% of the share capital in Suddenlink from existing shareholders BC Partners, CPP Investment Board and Suddenlink management. BC Partners and CPP Investment Board will retain a 30% stake in Suddenlink after the transaction has closed.

Suddenlink is the 7th largest US cable operator with 1.5 million residential and 90,000 business customers. With operations primarily focused in Texas, West Virginia, Louisiana, Arkansas and Arizona, Suddenlink is present in attractive growth markets for both residential and business services. For the nine months ended September 30, 2015, Suddenlink generated \$1.8 billion in revenue and \$713.7 million of credit agreement adjusted EBITDA with a balanced revenue mix between residential video, broadband, telephony and business services.

The planned acquisition of Suddenlink is fully financed. The enterprise value for the transaction was fixed at \$9.3 billion, which is expected to be financed as follows:

Existing debt: \$5.1 billion

New debt issued by Altice: \$1.7 billion

Vendor note: \$0.5 billion

Equity investment by non-controlling interests (30%): \$0.7 billion

Altice equity contribution (70%): \$1.2 billion

Expected cash on balance sheet at closing: \$0.1 billion

Debt issuance at Suddenlink will remain ring-fenced from the existing indentures currently in place within the Altice Group, and Suddenlink will hence not be restricted under such indentures. The debt issued by the Group is currently held in escrow and will be assumed by Suddenlink upon closing.

A total of \$1,720 million of new debt has been issued by the Group to finance this acquisition (see note 7.2). Altice's portion of the equity contribution will be drawn under the Altice corporate facility, entered into in October 2015 (see note 18)

The transaction is expected to close in the fourth quarter of 2015 once applicable regulatory approvals have been obtained.

Strategic partnership with Next RadioTV media group

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

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

This new company will then launch in a second step a voluntary tender offer for 100% of NextRadioTV share capital at a price of 37 euros per share, representing a premium of 30.5% to the last-6-months volume

weighted average share price as at July 27, 2015. This represents an enterprise value of c.€590 million and will be financed through a combination of available RCFs and cash on balance sheet. The new entity will be placed under the Altice International group and will be integrated into the existing content silo.

The filing of the tender offer with the French Autorité des Marchés Financiers (« AMF ») will occur after the presentation of the transaction to the relevant regulatory and antitrust authorities (*“Conseil Supérieur de l’Audiovisuel et Autorité de la Concurrence”*). The closing of the tender offer is expected by the end of 2015. Through this new partnership, Mr. Weill will ultimately become a 24% shareholder of a subsidiary of the Group dedicated to investments in media companies, with an on-going focus on international diversification outside of France, where growth and consolidation opportunities are numerous. Mr. Weill will join Altice’s Executive Committee as Managing Director of Altice Media responsible for all the media activities of Altice.

Expected acquisition of Cablevision

In September 2015, the Group and Cablevision Systems Corporation (“CVC”) have entered into a definitive agreement for Altice to acquire Cablevision. The acquisition of Cablevision represents Altice’s next step in the US market following the announced acquisition of Suddenlink (see paragraph ***Expected acquisition of Suddenlink***). Combination between Cablevision and Suddenlink represent the 4th largest cable operation in the US market.

Cablevision is the leading operator in the New York metropolitan area (New York, New Jersey, Connecticut) which represents the most attractive US cable market characterized by affluence and population density. With a network passing more than 5 million premises Cablevision serves more than 3.1 million residential and business customers. With approximately 65% of its cable customers subscribing to triple-play services, Cablevision generates industry-leading ARPU and benefits from high customer loyalty.

The planned acquisition also includes:

- Lightpath, the company’s business services unit
- News 12 Networks “as local as local news gets” is the first, largest, and most-watched 24-hour local television news network in the US, delivering local news to more than 3.7 million homes in the New York tri-state area
- Newsday Media Group with Newsday, the Pulitzer Prize-winning newspaper distributing to over 1.8 million weeklies on Long Island, and amNewYork, the prominent free daily newspaper in the US with a circulation of approximately 300,000
- Cablevision Media Sales, the company’s advertising sales division.

Cablevision generated \$4,880.8 million in revenue on a consolidated basis for the 9 months period ended September 30, 2015. Cablevision’s cable and Lightpath businesses generated \$4,653.5 million over the same period with a balanced mix between video, broadband, telephony and business services.

This planned acquisition is fully funded as of the date of this report. As per the terms of the agreement, Altice has agreed to deliver \$34.90 per share of CVC in cash, thus giving it an enterprise value of \$18.7 billion. The acquisition will be financed as follows:

Existing debt at CVC: \$5.9 billion

New debt issued by Altice: \$8.6 billion

Equity contribution by BC partners and CPP investment Board (30%): \$1.0 billion

Altice equity contribution (70%): \$2.3 billion

Expected cash at CVC at closing: \$0.9 billion

To finance the acquisition, Altice N.V. launched a capital increase as of October 1, 2015 in which it raised a total capital of €1.6 billion. The remaining equity portion will be drawn under the Altice corporate facility, entered into in October 2015 (see note 18). Additionally, on October 27, 2015, the Company reached an agreement with BC partners and CPP investment board to lock in their commitment to purchase a 30% equity stake in CVC. The new debt issued by the Group is currently held in escrow and will be assumed by CVC upon closing.

The new debt issuance mentioned above was closed into escrow on October 9, 2015. Debt issuance at Cablevision will remain ring-fenced from the existing indentures currently in place within the Altice Group, and

Cablevision will hence not be restricted under such indentures.

For more information on the share issuance, new debt issuance and non-controlling interests, see note 18.

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. The sale is pending the approval of the commission and expected to close soon after such approval is received. As of September 30, 2015, the assets and liabilities of Cabovisao and ONI were classified as held for sale in the condensed interim consolidated financial statements of the company.

3 – Segment reporting

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

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

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

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

3.2 Segment information

3.2.1 Reconciliation of information with condensed interim consolidated financial statements

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

(In € millions)

	Nine months ended September 30, 2015		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	10,648.9		10,648.9
Cost of sales	(3,409.1)		(3,409.1)
Other operating expenses	(2,405.4)	105.3	(2,300.1)
Staff costs and employee benefit expenses	(832.6)	20.6	(812.0)
EBITDA	4,001.8	125.8	4,127.6
Depreciation and amortisation	(2,474.6)		
Impairment losses	(20.8)		
Other expenses and income	(165.3)		
Operating profit	1,341.1		

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(In € millions)

	Three months ended September 30, 2015		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	3,869.2		3,869.2
Cost of sales	(1,240.5)		(1,240.5)
Other operating expenses	(822.7)	27.5	(795.2)
Staff costs and employee benefit expenses	(295.7)	8.3	(287.4)
EBITDA	1,510.4	35.8	1,546.2
Depreciation and amortisation	(864.7)		
Impairment losses	(0.9)		
Other expenses and income	(44.9)		
Operating profit	599.9		

(In € millions)

	Nine months ended September 30, 2014		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	2,247.4		2,247.4
Cost of sales	(533.9)		(533.9)
Other operating expenses	(510.4)	11.3	(499.1)
Staff costs and employee benefit expenses	(183.3)	12.4	(170.9)
EBITDA	1,019.8	23.7	1,043.5
Depreciation and amortisation	(665.8)		
Impairment losses	(5.4)		
Other expenses and income	(84.9)		
Operating profit	263.7		

(In € millions)

	Three months ended September 30, 2014		
	<i>Consolidated financial statements</i>	<i>Non-recurring items and other adjustments</i>	<i>Adjusted</i>
Revenue	832.3		832.3
Cost of sales	(193.3)		(193.3)
Other operating expenses	(186.7)	4.3	(182.4)
Staff costs and employee benefit expenses	(65.5)	4.7	(60.8)
EBITDA	386.8	9.0	396.1
Depreciation and amortisation	(249.5)		
Other expenses and income	(21.6)		
Operating profit	115.7		

ALTICE N.V.**Notes to the condensed interim consolidated financial statements****3.2.2 Non-recurring items and other adjustments**

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

	Nine months ended September 30, 2015	Nine months ended Septem ber 30, 2014	Three months ended Septemb er 30, 2015	Three months ended September 30, 2014
	<i>(In € millions)</i>			
<u>Non-recurring items and other adjustments in EBITDA</u>				
Stock option expenses	20.6	12.4	8.3	4.7
CVAE (Business value added contribution) ⁽⁴⁾	62.1	7.9	20.4	3.1
Other adjustments ⁽¹⁾	43.2	3.4	7.1	1.1
Total non-recurring items and other adjustments in EBITDA	125.8	23.7	35.8	9.0
<u>Non-recurring items and other adjustments below EBITDA</u>				
Restructuring costs ⁽³⁾	54.4	26.1	7.3	11.6
Contract termination fees	2.4	15.1	2.4	(0.8)
Deal fees ⁽²⁾	63.8	30.7	11.7	5.8
Other expenses/(income) net	(13.4)	13.5	(15.4)	5.1
Loss on disposals of tangible assets	58.0	-	38.8	-
<u>Non-recurring items and other adjustments below EBITDA</u>	165.3	84.9	44.9	21.6
Total non-recurring items and other adjustments	291.2	108.6	80.7	30.6

- (1) Other adjustments relate to costs of renegotiated contracts with suppliers which are recorded under new contract terms in the condensed 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 23, borrowing costs. Thus the deal fees shown above only include discretionary fees paid to legal counsel, M&A counsel and any other consultants whose services the Group might have employed in order to facilitate various acquisitions performed during the course of the year.
- (3) Restructuring costs mainly include costs related to provisions for employee redundancies.
- (4) Will be recorded in the caption, 'income tax (expenses)/income' from Q4 2015 onwards

3.2.3 Operating income per geographical segment

Nine months ended September 30, 2015								
(in € millions)	France (*)	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Revenue	8,279.6	691.1	516.6	159.4	888.5	53.9	59.9	10,648.9
Cost of sales	(2,874.7)	(165.6)	(105.8)	(46.6)	(187.6)	(6.7)	(22.0)	(3,409.1)
Other operating expenses	(1,876.1)	(167.0)	(122.6)	(20.6)	(193.0)	(6.5)	(19.7)	(2,405.4)
Staff costs and employee benefit expenses	(609.6)	(35.2)	(20.7)	(13.6)	(123.9)	(2.4)	(27.1)	(832.6)
Total	2,919.2	323.2	267.5	78.6	384.1	38.2	(9.0)	4,001.8
Non-recurring items and other adjustments in EBITDA	112.4	-	-	-	-	-	13.5	125.8
Adjusted EBITDA	3,031.6	323.2	267.5	78.6	384.1	38.2	4.5	4,127.6
Depreciation and amortisation	(1,780.3)	(233.1)	(124.1)	(38.2)	(241.6)	(17.3)	(40.0)	(2,474.6)
Impairment losses (1)	-	-	-	(20.8)	-	-	-	(20.8)
Non-recurring items and other adjustments in EBITDA	(112.4)	-	-	-	-	-	(13.5)	(125.8)
Non-recurring items and other adjustments	(129.0)	(18.1)	(9.9)	(11.2)	(29.2)	(5.3)	38.0	(165.3)
Operating profit	1,010.0	72.0	133.5	8.3	113.4	15.5	(11.6)	1,341.1

Three months ended September 30, 2015								
(in € millions)	France (*)	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Revenue	2,767.6	233.5	174.6	42.6	612.5	18.6	19.8	3,869.2
Cost of sales	(987.5)	(57.7)	(36.4)	(25.5)	(122.8)	(2.5)	(8.0)	(1,240.5)
Other operating expenses	(596.9)	(56.3)	(43.9)	11.1	(127.0)	(2.1)	(7.7)	(822.7)
Staff costs and employee benefit expenses	(174.2)	(11.7)	(6.7)	(4.9)	(87.3)	(1.1)	(9.8)	(295.7)
Total	1,009.1	107.8	87.6	23.3	275.4	12.9	(5.6)	1,510.5
Non-recurring items and other adjustments in EBITDA	30.2	-	-	-	-	-	5.6	35.8
Adjusted EBITDA	1,039.3	107.8	87.6	23.3	275.4	12.9	(0.1)	1,546.2
Depreciation and amortisation	(565.2)	(80.4)	(40.7)	(16.7)	(150.3)	(5.4)	(6.0)	(864.7)
Impairment losses	-	-	-	(0.9)	-	-	-	(0.9)
Non-recurring items and other adjustments in EBITDA	(30.2)	-	-	-	-	-	(5.6)	(35.8)
Non-recurring items and other adjustments	(50.7)	(4.7)	(3.8)	(0.2)	(25.5)	(0.9)	40.9	(44.9)
Operating profit	393.2	22.7	43.2	5.5	99.6	6.6	29.2	599.9

Nine months ended September 30, 2014								
(in € millions)	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Revenue	880.6	645.9	300.5	177.2	140.4	54.0	48.9	2,247.4
Cost of sales	(212.1)	(128.7)	(66.4)	(40.9)	(60.2)	(8.3)	(17.3)	(533.9)
Other operating expenses	(197.3)	(147.0)	(76.2)	(44.8)	(23.9)	(6.3)	(15.0)	(510.4)
Staff costs and employee benefit expenses	(63.4)	(55.3)	(13.0)	(17.5)	(12.1)	(2.6)	(19.5)	(183.3)
Total	407.8	315.0	145.0	73.9	44.3	36.7	(2.9)	1,019.8
Non-recurring items and other adjustments in EBITDA	14.7	-	-	-	-	-	9.0	23.7
Adjusted EBITDA	422.5	315.0	145.0	73.9	44.3	36.7	6.0	1,043.5
Depreciation and amortisation	(259.2)	(217.6)	(70.0)	(38.0)	(54.4)	(14.0)	(12.7)	(665.8)
Impairment losses (2)	-	-	-	-	-	(5.4)	-	(5.4)
Non-recurring items and other adjustments in EBITDA	(14.7)	-	-	-	-	-	(9.0)	(23.7)
Non-recurring items and other adjustments	(8.2)	(25.8)	(18.4)	(11.0)	(7.8)	(6.1)	(7.5)	(84.9)
Operating profit	140.4	71.6	56.6	24.9	(18.0)	11.3	(23.2)	263.7

Three months ended September 30, 2014								
(in € millions)	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Revenue	328.6	218.9	146.0	59.5	46.6	17.8	14.9	832.3
Cost of sales	(81.2)	(44.5)	(27.0)	(12.5)	(20.8)	(2.8)	(4.4)	(193.3)
Other operating expenses	(71.9)	(48.8)	(36.3)	(15.0)	(7.6)	(2.1)	(5.1)	(186.7)
Staff costs and employee benefit expenses	(23.4)	(17.9)	(6.0)	(5.7)	(3.8)	(0.9)	(7.5)	(65.5)
Total	152.1	107.7	76.7	26.3	14.4	12.0	(2.0)	387.1
Non-recurring items and other adjustments in EBITDA	5.5	-	-	-	-	-	3.5	9.0
Adjusted EBITDA	157.6	107.7	76.7	26.3	14.4	12.0	1.5	396.1
Depreciation and amortisation	(97.6)	(77.4)	(36.6)	(14.2)	(17.7)	(5.0)	(1.1)	(249.5)
Impairment losses	-	-	-	-	-	-	-	-
Non-recurring items and other adjustments in EBITDA	(5.5)	-	-	-	-	-	(3.5)	(9.0)
Non-recurring items and other adjustments	(0.2)	(4.7)	(9.1)	(4.9)	(2.3)	(1.9)	1.3	(21.6)
Operating profit	54.2	25.6	31.0	7.2	(5.6)	5.0	(1.6)	115.7

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** 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 €19.8 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.

(*) For the revision impact please see note 17

3.3 Revenue split by activities

As had been previously disclosed, and following the integration of Numericable, Altice Hispaniola and SFR in 2014, the Board of Directors has reviewed its operating segments. 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

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

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

Revenues split by activity are presented below:

Nine months ended September 30, 2015								
<i>(in € millions)</i>	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed - B2C	2,165.9	483.8	79.7	52.7	295.0	42.7	10.9	3,130.8
Fixed - B2B	1,045.9	54.1	28.0	11.5	182.3	4.9	5.2	1,332.0
Wholesale	999.3	-	47.6	4.8	99.3	-	16.7	1,167.8
Mobile - B2C	3,522.6	112.0	306.7	74.6	198.4	1.0	-	4,215.4
Mobile - B2B	545.8	41.1	38.2	3.6	70.7	-	-	699.5
Other	-	-	16.3	12.1	42.9	5.2	27.0	103.5
Total	8,279.6	691.1	516.6	159.4	888.5	53.9	59.9	10,648.9

Three months ended September 30, 2015

<i>(in € millions)</i>	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed - B2C	724.0	162.1	26.0	18.4	193.6	14.4	3.6	1,142.3
Fixed - B2B	336.5	18.4	9.7	3.6	117.3	1.6	1.7	488.8
Wholesale	334.8	-	17.2	1.6	70.5	-	13.3	437.3
Mobile - B2C	1,207.9	38.6	102.1	9.9	150.3	0.4	-	1,509.2
Mobile - B2B	164.5	14.4	13.5	0.7	52.9	-	-	246.0
Other	-	-	6.2	8.4	27.8	2.1	1.2	45.7
Total	2,767.6	233.5	174.6	42.6	612.5	18.6	19.8	3,869.2

Nine months ended September 30, 2014

<i>(in € millions)</i>	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed - B2C	540.2	463.2	45.1	56.8	73.9	43.5	9.7	1,232.5
Fixed - B2B	214.1	52.8	16.3	12.1	43.6	4.8	4.8	348.5
Wholesale	131.7	-	25.0	4.4	22.4	-	-	183.6
Mobile - B2C	-	95.9	179.6	88.7	-	1.0	-	365.3
Mobile - B2B	-	42.5	20.7	5.1	-	-	-	68.3
Other	-	-	11.3	16.5	0.9	4.6	34.3	67.7
<i>Adjustments</i>	(5.4)	(8.6)	2.5	(6.4)	(0.4)	-	-	(18.3)
Total	880.6	645.9	300.5	177.2	140.4	54.0	48.9	2,247.4

Three months ended September 30, 2014

<i>(in € millions)</i>	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium and Luxembourg	Others	Total
Fixed – B2C	195.0	155.9	23.2	18.6	23.7	14.5	3.2	434.1
Fixed B2B	79.0	17.8	8.6	3.8	14.0	1.6	1.6	126.4
Wholesale	57.0	-	13.4	1.5	8.6	-	-	80.5
Mobile – B2C	-	34.6	93.0	29.5	-	0.3	-	157.4
Mobile B2B	-	14.0	10.9	1.7	-	-	-	26.5
Other	-	-	5.4	7.0	0.4	1.4	10.1	24.3
<i>Adjustments</i>	(2.4)	(3.3)	(8.4)	(2.7)	(0.2)	-	-	(17.0)
Total	328.6	218.9	146.0	59.5	46.6	17.8	14.9	832.3

3.4 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 were accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The same accounting treatment was applied until completion of the sale.

These assets were reported in the 'French Overseas Territories' segment.

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

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

ONI and Cabovisao businesses in Portugal

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

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

These assets are reported in the 'Portugal' segment.

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

Statement of financial position

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

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

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

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

Statement of cash flows

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

4 - Goodwill

Goodwill recorded in the statement of financial position of the Group was allocated to the different groups of cash generating units ("GCGU") (except for Green.ch which is a CGU 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 combina- tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	September 30, 2015
<i>(In millions €)</i>								
France	13,591.2	-	-	-	-	-	-	13,591.2
Dominican Republic	767.3	-	-	-	66.6	-	-	833.8
Israel	627.2	-	-	-	46.5	-	-	673.7
FOT	281.1	-	-	-	-	-	-	281.1
Belux	295.5	-	-	-	-	-	-	295.5
Green.ch	18.3	-	-	-	-	-	-	18.3
Portugal	1.3	3,092.3	-	-	-	(1.3)	-	3,092.3
Total Gross Value	15,581.9	3,092.3	-	-	113.1	(1.3)	-	18,786.0
France	-	-	-	-	-	-	-	-
Dominican Republic	-	-	-	-	-	-	-	-
Israel	(129.4)	-	-	-	(9.6)	-	-	(139.0)
FOT	(4.6)	-	-	-	-	-	-	(4.6)
Belux	-	-	-	-	-	-	-	-
Green.ch	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Total Cumulative impairment	(134.0)	-	-	-	(9.6)	-	-	(143.6)
France	13,591.2	-	-	-	-	-	-	13,591.2
Dominican Republic	767.3	-	-	-	66.2	-	-	833.8
Israel	497.8	-	-	-	36.9	-	-	534.6
FOT	276.5	-	-	-	-	-	-	276.5
Belux	295.5	-	-	-	-	-	-	295.5
Green.ch	18.3	-	-	-	0.1	-	-	18.3
Portugal	1.3	3,092.3	-	-	-	(1.3)	-	3,092.3
Total Net book value	15,447.8	3,092.3	-	-	103.5	(1.3)	-	18,642.4

(*) For the revision impact please see note 17

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	December 31, 2013	Recognized on business combina- tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2014 (*revised)
<i>(In millions €)</i>								
France(**) .	-	13,591.2	-	-	-	-	-	13,591.2
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
Israel	620.3	-	-	-	6.9	-	-	627.2
FOT	298.5	17.9	-	-	-	(35.3)	-	281.1
Belux	295.5	-	-	-	-	-	-	295.5
Green.ch	17.8	0.5	-	-	-	-	-	18.3
Portugal	1.3	-	-	-	-	-	-	1.3
Total Gross Value	1,233.4	14,277.6	-	-	106.2	(35.3)	-	15,581.9
France.....	-	-	-	-	-	-	-	-
Dominican Republic	-	-	-	-	-	-	-	-
Israel	(128.0)	-	-	-	(1.4)	-	-	(129.4)
FOT	(4.6)	-	-	-	-	-	-	(4.6)
Belux	-	-	-	-	-	-	-	-
Green.ch	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Total Cumulative impairment	(132.6)	-	-	-	(1.4)	-	-	(134.0)
France.....	-	13,591.7	-	-	-	-	-	13,591.7
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
Israel	492.3	-	-	-	5.5	-	-	497.8
FOT	293.9	17.9	-	-	-	(35.3)	-	276.5
Belux	295.5	-	-	-	-	-	-	295.5
Green.ch	17.8	0,5	-	-	-	-	-	18.3
Portugal	1.3	-	-	-	-	-	-	1.3
Total Net book value	1,100.7	14,277.6	-	-	104.8	(35.3)	-	15,447.8

(*) For the revision impact please see note 17

(**)See note 4.2.1 and note 4.2.3

4.1 Impairment of goodwill

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

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

4.2 Purchase price allocation

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

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

As mentioned in note 3.2.1.1 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed within the timeframe prescribed in IFRS 3.

The final fair value of the asset acquired at the date of acquisition was determined 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) Client relationships: €239.7 million (€157.1 million net of deferred tax), was recognised and allocated amongst operating segments. 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, using the following parameters:

Parameters	B2C	B2B	Wholesale
EBIT margin rate.....	24.2%	10.9%	41.4%
Client attrition rate.....	19.1%	22.3%	28.5%
Discount rate	6.7%	6.7%	6.7%
Customer acquisition growth rate.....	2%	2%	0%
<i>Average useful life (years).....</i>	<i>5.25</i>	<i>4.50</i>	<i>3.50</i>

All parameters used above were determined by the Board of Directors.

- 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 contends 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 tax). The parameters used for the brand's valuation were:

Parameters	Numericable
Gross royalty rate	3.0%
Maintenance costs	0.5%
Discount rate	6.64%
<i>Average useful life (years).....</i>	<i>5.0</i>

Following the purchase price allocation, the preliminary allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the condensed interim consolidated financial statements for the nine months period ended September 30, 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

4.2.2 Dominican Entities

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

As mentioned in note 3.2.1.2 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed within the timeframe prescribed in IFRS 3.

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:

- 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.
- Brand: An additional value of €5.5 million (€4.0 million net of taxes) was attributed to the Tricom brand
- Licences: Tricom's mobile licences were valued at €53.0 million (€38.7 million net of taxes).
- Client relationships: €33.5 million was attributed to customer relationships (€24.5 million net of taxes).

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

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

As mentioned in note 3.2.1.2 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed within the timeframe prescribed in IFRS 3.

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

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

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

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

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

4.2.3 France - Société Française de Radiophonie (“SFR”) and Virgin Mobile (‘Virgin’)

In accordance with the provisions of IFRS 3, Business combinations, the Group is continually assessing the fair value of the assets and liabilities of SFR and Virgin (acquired on November 28, 2014 and December 4, 2014 respectively).

As of the date of this report, the valuation of the assets and liabilities was still on-going and is being performed by an external, independent advisor. As a consequence, the completed valuation will be reflected in the consolidated financial statements for the year ended December 31, 2015 and any allocation will be reflected in the opening balance sheet of SFR and Virgin at their respective acquisition dates.

As of September 30, 2015, the Group had allocated the initial goodwill to the following assets and liabilities for which the Group has already performed a fair value exercise:

- a) The capitalisation of subscriber acquisition costs for a net book value of €91 million, gross of taxes. A net amount of €56 million (after considering the impact of deferred taxes) was allocated from goodwill to intangible assets.
- b) The capitalisation of internal costs related to the development of network and IT systems, costs of installation and costs of refurbishment of customer premises equipment. The net book value of such capitalisation amounted to €168 million net of tax (€271 million before tax impact).

In addition to the assets listed above, the Group has also identified the following assets and liabilities to which the purchase price will be allocated as described above:

- a) Customer relationships for the reporting segments of the NSFR group, namely B2C and B2B customers. Customer relationships will be valued using the excess earnings method and their useful

life will reflect the economic useful life.

- b) Brands: The SFR brand and all its associated sub-brands (such as SFR business team, Red etc) are being evaluated at their fair value based on the relief from royalty method.
- c) Frequency licenses: The different licenses held by the NSFR group (UMTS, GSM and LTE) and the related network and equipment are also being evaluated. Either a cost or a revenue based approach will be used. The useful life will reflect the useful economic life of the assets.

As a consequence of the purchase price allocation, all identified assets having a definite useful life will give rise to amortisation expenses, which might have a significant impact on the operating profit of the Group.

The residual amount of goodwill is expected to be explained by synergies expected from the acquisition, which are currently being implemented in various operational functions of the NSFR group.

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. During the nine months ended September 30, 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 provisional goodwill recognised at acquisition.

5 - Shareholders' equity (including non-controlling interests)

5.1.1 Issued capital

On August 10, 2015, the cross border merger previously described in this document was successfully completed and Altice S.A. was designated as the company ceasing to exist and was replaced by Altice N.V.. The existing common shares of Altice S.A. were converted into shares of Altice N.V..

Altice N.V. has implemented a dual share class structure, with common A, common B, preference A and preference B shares.

The Company was created with an initial share capital of €45,000, consisting of 4,500,000 common A shares.

As part of the corporate restructuring, each outstanding common share of Altice S.A. was converted into 3 common A shares and 1 common B share of Altice N.V. The common A shares have a nominal value of €0.01 each and 1 voting right per share, while the common B shares have a nominal value of €0.25 and 25 voting rights each. The holders of both A and B shares have equal economic rights. Thus, at the date of the merger, the company had a share capital of €69.6 million, consisting of 749,476,425 common A shares and 248,325,475 common B shares.

As of September 30, 2015, the authorised share capital is split as follows:

	Total shares authorised	Total capital authorised (€)
Common A shares	8,148,000,200	81,480,002
Common B shares	299,930,550	74,982,637.5
Preference A shares	4,700,000,000	188,000,000
Preference B shares	150,000,000	1,500,000
Total authorised capital		345,962,639

As of September 30, 2015, no preference A or B shares have been issued.

The Company has also instituted a share conversion policy, whereby the holders of common shares B can opt to convert their shares into common A shares. As part of the conversion, each common B share with a nominal value of €0.25 is converted into 25 common A shares having a nominal value of €0.01. The holder of the B share then receives one common A share and sells the other 24 A shares to the Company for a nominal value of zero. These repurchased shares are held as treasury shares by the Company.

For the period ended September 30, 2015, the Company had received and executed conversion orders amounting to a total of 69,450 common B shares.

Taking into account the impact of the conversions listed above, as of September 30, 2015, total issued capital of the Company amounted to €69.6 million, and was composed of 751,212,675 common A shares and 248,256,025 common B outstanding shares, with a nominal value of €0.01 and €0.25 each.

5.1.2 Treasury shares

As of September 30, 2015, the Company held a total of 6,166,800 treasury A shares with a nominal value of €0.01 each. These treasury shares result from:

- a) The formation of the Company, where the Company repurchased its shares from its shareholder for a nil consideration (4,500,000 shares).
- b) The conversion of 69,450 common B shares to common A shares (1,666,800).

As the consideration paid for the acquisition of the treasury shares was nil, the fair value of the treasury shares (presented as a deduction of equity) is zero.

5.2 Additional paid in capital

As of September 30, 2015, total additional paid in capital of the Group amounted to €901.7 million.

The decrease in the additional paid in capital compared to the year ended December 31, 2014 is mainly due to the recognition of the acquisition of a supplementary 20% stake in NSFR from Vivendi S.A.

5.3 Other reserves

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

(in € millions)

	September 30, 2015			December 31, 2014 (*revised)		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	38.4	(9.2)	29.2	(2.6)	-	(2.6)
Items not potentially reclassified to profit and loss	38.4	(9.2)	29.2	(2.6)	-	(2.6)
Available for sale	1.4	-	1.4	1.9	-	1.9
Currency reserve	7.2	-	7.2	(7.0)	-	(7.0)
Cash flow hedge	(160.6)	51.6	(109.0)	(133.0)	47.6	(85.4)
Items potentially reclassified to profit and loss	(152.0)	51.6	(100.3)	(138.1)	47.6	(90.5)
Total other reserves	(113.6)	42.4	(71.1)	(140.7)	47.6	(93.1)

Variations of the amount of the cash flow hedge reserve are further explained in note 7.6.

5.4 Variations in non-controlling interests

The variations of non-controlling interests based on the nature of the transaction is given below. As mentioned in note 2.2, non-controlling interests were mainly impacted by the buy-back of the 20% stake previously held in NSFR by Vivendi S.A.

	September 30, 2015	December 31, 2014 (*revised)
	<i>(In millions €)</i>	
Balance at beginning of the year	3,283.2	(0.5)
Share of profit/(loss) for the period/year	239.2	(144.9)
Other comprehensive income	25.4	2.6
Transactions with non-controlling interests in NSFR S.A.....	(1,958.8)	3,424.6
Transactions with non-controlling interests in Dominican entities.....	-	2.2
Non-controlling interests on acquisition of Portugal Telecom	0.5	-
Transactions with non-controlling interests in Altice Blue Two S.A.S.	-	0.1
Other variations.....	-	(0.8)
Balance at end of the period/year	1,589.4	3,283.2

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

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non- controlling interests		Accumulated non-controlling interests	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014 (*revised)	September 30, 2015	December 31, 2014 (*revised)
Numericable-SFR SA	France	21.2%	39.7%	242.5	(138.8)	1,593.7	3,285.8
Deficom Telecom S.à r.l.	Luxembourg	26%	26%	(2.7)	(6.2)	(17.2)	(15.3)
Altice Bahamas S.à r.l.	Luxembourg	2.8%	2.8%	(0.6)	(0.2)	2.3	2.0
Cool Holding Ltd.....	Israel	-	-	-	-	9.4	9.4
Altice Blue Two S.A.S.	France	0.15%	0.15%	-	0.3	0.6	0.7
Other.....	-	-	-	-	-	0.6	0.7
Total.....				239.2	(144.9)	1,589.4	3,283.2

The decrease in non-controlling interests as of September 30, 2015 is mainly due to the recognition of the impact of the buyout of certain non-controlling interests in Numericable-SFR.

(*) For the revision impact please see note 17

6 - Earnings per share

	Nine months ended September 30, 2015	Nine months ended September 30, 2014 (Revised *) (***)	Three months ended September 30, 2015	Three months ended September 30, 2014 (Revised*)(***)
	<i>(In millions €)</i>			
Earnings				
Profit/(loss) for the period	285.0	(173.5)	(43.5)	(221.3)
<i>Basic earnings per ordinary share (**) (in €).....</i>	<i>0.29</i>	<i>(0.22)</i>	<i>(0.04)</i>	<i>(0.23)</i>
Number of shares (in millions)				
Weighted average number of ordinary shares for basic EPS	992.2	785.2	992.9	966.0
Effect of dilutive potential ordinary shares:				
Stock options and management investment plan	39.0	40.0	39.9	40.0
Shares to be provided to other shareholders	1.1	-	3.3	-
Weighted average number of ordinary shares for the purposes of diluted EPS.....	1,032.3	825.2	1,036.1	1,006.0
<i>Diluted earnings per ordinary share (**) (in €)...</i>	<i>0.28</i>	<i>(0.21)</i>	<i>(0.04)</i>	<i>(0.22)</i>

(*) Historical figures have been restated to take into account the four-for one split of the shares decided by the EGM on August 10, 2015

(**) As both class A and class B shares have the same economic rights (see note 2.1), the earning per share is calculated based on the aggregate number of class A and B shares in circulation.

(***) For the revision impact please see note 17

7 - Borrowings and other financial liabilities

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

	September 30, 2015	December 31, 2014
	<i>(In millions €)</i>	
Long term borrowings. Financial liabilities and related hedging instruments	29,862.5	20,483.2
- <i>Debentures</i>	22,743.2	15,780.5
- <i>Loans from financial institutions</i>	7,016.1	4,674.9
- <i>Derivative financial instruments</i>	103.1	27.8
Other non-current financial liabilities:	358.7	890.4
- <i>Finance leases</i>	93.7	49.4
- <i>Other financial liabilities</i>	264.9	841.0
Non-current liabilities	30,221.0	21,373.6
Short term borrowing, liabilities and related hedging instruments ...	188.8	166.6
- <i>Debentures</i>	28.6	26.7
- <i>Loans from financial institutions</i>	160.2	139.9
Other financial liabilities:	2,660.0	1,072.2
- <i>Other financial liabilities</i>	2,117.6	581.7
- <i>Bank overdraft</i>	33.1	41.5
- <i>Accrued interests</i>	449.3	403.9
- <i>Finance leases</i>	60.0	45.1
Current liabilities	2,848.1	1,238.8
Total	33,069.0	22,612.4

7.1 *Debentures and loans from financial institutions*

As at September 30, 2015, the details of the loans from financial institutions and debentures are given in the sections that follow.

	September 30, 2015	December 31, 2014
Debentures	22,771.9	15,807.2
Loans from financial institutions	7,176.3	4,814.8
Total	29,948.2	20,622.0

7.2 *Debentures*

Issuance of debt to finance the acquisition of Portugal Telecom and Suddenlink

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

PT-Portugal

- (i) €750 million aggregate principal amount of Altice Luxembourg S.A.'s 6¼% Senior Notes due

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- 2025 and \$1,480 million aggregate principal amount of its 7⁵/₈% Senior Notes due 2025 (the "Senior Notes");
- (ii) \$2,060 million aggregate principal amount of Altice Financing S.A.'s 6⁵/₈% Senior Secured Notes due 2023 and €500 million aggregate principal amount of Altice Financing S.A.'s 5¹/₄% Senior Secured Notes due 2023 (the "Altice Financing Senior Secured Notes");
 - (iii) \$385 million aggregate principal amount of Altice Finco S.A.'s 7⁵/₈% Senior Notes due 2025 (the "Altice Finco Senior Notes", and together with the Altice Financing Senior Secured Notes and the Senior Notes, the "Notes");

Suddenlink communications

- (iv) \$320 million in aggregate principal amount of 7³/₄% Senior Holdco Notes due 2025 issued by Altice US Finance S.A. (the "New Holdco Notes");
- (v) \$300 million in aggregate principal amount of 7³/₄% Senior Notes due 2025 issued by Altice US Finance I Corporation (the "New Senior Notes"); and
- (vi) \$1,100 million in aggregate principal amount of 5³/₈% Senior Secured Notes due 2023 issued by Altice US Finance I Corporation (the "New Senior Secured Notes").

The proceeds from the issuances of debts listed under (iv), (v) and (vi) are held in escrow and recorded as restricted cash as of September 30, 2015 (see note 8).

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

7.3 Covenants

The debt issued by the Group is subject to certain restrictive covenants, which apply (i) in the case of debt issued by Altice Luxembourg S.A., to Altice Luxembourg S.A. 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 and (iv) in the case of debt issued by Altice US Finance S.A., Altice US Finance II Corporation and Altice US I Corporation, following the completion of the Suddenlink acquisition, to the relevant issuer and its restricted subsidiaries.

Other than the HOT Debentures and the revolving credit facilities described in the note 15.3 of the consolidated financial statements as of December 31, 2014, such debt issued by Altice Luxembourg S.A. and its subsidiaries is subject to incurrence based covenants, which do not require ongoing compliance with financial ratios, but place certain limitations on the relevant restricted group's ability to, among other things, incur or guarantee additional debt (including to finance new acquisitions), create liens, pay dividends and other distributions to shareholders or prepay subordinated indebtedness, make investments, sell assets, engage in affiliate transactions or engage in mergers or consolidations.

The financial covenants related to the borrowings are described in the consolidated financial statements as of December 31, 2014 (see Note 15.3), except for the covenants incurred on the issuance of the new debt which will be used to finance the acquisition of Suddenlink communication (see below).

The following incurrence based debt covenants are applicable on the new notes issued for the Suddenlink acquisition:

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<u>Debt issuance</u>	New Senior Secured Notes due 2023	New Senior Notes due 2025	New Holdco Notes due 2025
Ratio Debt	<p>Net Leverage Ratio through OpCo ≤ 5.5 to 1.0</p> <p>Net of cash and excluding hedging obligations and revolving debt</p> <p>Expense and cost reductions and synergies not exceed 10% of Pro Forma EBITDA</p>	<p>Net Leverage Ratio through Senior Notes Issuer ≤ 5.5 to 1.0</p> <p>Net of cash and excluding hedging obligations and revolving debt</p> <p>Expense and cost reductions and synergies not exceed 10% of Pro Forma EBITDA</p> <p>Note that ratio debt incurrence is subject to Priority Debt Limitation</p>	<p>Net Leverage Ratio through Holdco Notes Guarantor ≤ 5.5 to 1.0</p> <p>Net of cash and excluding hedging obligations and revolving debt</p> <p>Expense and cost reductions and synergies not exceed 10% of Pro Forma EBITDA</p> <p>Note that ratio debt incurrence is subject to Priority Debt Limitation</p>
Priority Debt Limitations	None	<p>Issuer and Restricted Subsidiaries may only incur secured ratio debt, secured bank debt and non-guarantor debt so long as ratio of such debt to Last Two Quarters Annualized ("L2QA") Pro Forma EBITDA is not greater than 4.0 to 1.0 determined on a pro forma basis and net of cash, hedging and RCF</p>	<p>Issuer and Restricted Subsidiaries may only incur secured ratio debt, secured bank debt and non-guarantor debt so long as ratio of such debt L2QA Pro Forma EBITDA is not greater than 5.5 to 1.0 determined on a pro forma basis and net of cash, hedging and RCF</p>

As at September 30, 2015, the Group is not in breach of any of its financial covenants.

7.4 Loans from financial institutions

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

- (i) A €400 million term loan facility with a maturity of seven years and bearing interest at Euribor (3m)+4.25%, with a Euribor floor of 1%, and
- (ii) A \$500 million (€446.3 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 addition to the facilities listed above, in July 2015, the RCFs drawn by Numericable SFR S.A. and Altice Financing S.A. were refinanced through the issuance of new term loans, the details of which are given below:

- (i) A €450 million term loan facility with a maturity of seven years and bearing interest at Euribor 3m+3.5% (with a 1% floor) issued by Altice Financing S.A.,
- (ii) A \$550 million (€490.9 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.

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

	September 30, 2015	< 1 year <i>(In millions €)</i>	One year or more	December 31, 2014
Numericable-SFR Term Loans				
.....	4,882.5	29.0	4,853.5	3,828.8
Altice Financing Term Loans	2,153.7	26.0	2,127.7	820.1
.....				
Altice Financing RCF	100.0	100.0	-	126.2
.....				
Others	40.2	5.2	35.0	39.8
.....				
Total	7,176.3	160.2	7,016.1	4,814.8
.....				

Available credit facilities:

As of September 30, 2015, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €2,322.4 million:

- Revolving credit facilities:

- Altice Luxembourg S.A.: €200 million;
- Altice Financing S.A.: €80 million, €501 million and €330 million (of which €100 million drawn as of September 30, 2015);
- Altice Financing S.A.: \$80 million, equivalent to €71.4 million as at September 30, 2015;
- Numericable-SFR S.A.: €1,125 million, and
- 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 September 30, 2015, compared to December 31, 2014, all previously drawn credit facilities had been fully repaid, with the exception of the €501 million facility at Altice Financing S.A., which remained drawn for an aggregate amount of €100 million.

7.5 Other financial liabilities

The following significant movements occurred during the nine months ended September 30, 2015:

- (i) On February 6, 2015, Altice France S.A., a 100% subsidiary of the Company, repaid its debt amounting to €529.2 million (included in the caption “Other current financial liabilities” in the consolidated statement of financial position as at December 31, 2014) towards Carlyle and Cinven (former minority shareholders of NG).
- (ii) Following the acquisition of 10% of the share capital of NSFR from Vivendi, the Group has a payable due to Vivendi in the form of a vendor note for an aggregate amount of €1,948 million and presented within *Other financial liabilities*. This vendor loan bears interest at 3.8% annually. In connection with this acquisition, the Group has obtained commitments from a syndicate of financial institutions to underwrite or place up to €2,025 million of shares of common equity linked securities of the Company at a price to be determined by the Company and such financial institutions acting reasonably and in good faith and in light of prevailing market conditions. On August 19, 2015, following an amendment to the original contract, the interest rate was reduced to 1.2% from 3.8%. The Group announced that it would use the proceeds from the dividend payment announced by NSFR to repay this liability before its due date (April 7, 2016).
- (iii) The decrease of the caption *Other non-current financial liabilities* is linked to the extinguishment of the financial liability described in note 11.

7.6 Derivatives and hedge accounting

On February 4, 2015, the Group issued debt to finance the acquisition of Portugal Telecom. A part of this debt was issued in USD, which is different from the functional currency of the underlying entities. In order to mitigate risks arising from the variations in foreign exchange rates (the benefiting operating entities generate cash flows in euros which will be used to service this debt), the Group has entered into cross currency swaps for the 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%.

On June 26, 2015, the Group entered into a FX forward transaction to cover the equity portion of the consideration due for its acquisition of a 70% stake in Suddenlink communications. This equity portion amounts to \$1,100 million and as per the terms of the new contract, the Group will pay €981.8 million in exchange for \$1,100.0 million at a forward rate of 1.12 EUR/USD. The Group has decided to classify this transaction as a cash flow hedge in the condensed consolidated accounts as of September 30, 2015.

On September 24, 2015, the Group entered into a FX forward transaction to partially cover the equity portion of the consideration due for its acquisition of a 70% stake in Cablevision Corporation (“CVC”). The hedged portion amounts to approximately \$2,000 million and as per the terms of the contract, the Group will pay €1,753 million in exchange for \$ 2,000 million at an average forward rate of 1.14 USD/EUR. The Group has decided to classify this transaction as a cash flow hedge in the condensed consolidated accounts as of September 30, 2015.

On October 6, 2015, the Company raised €1,612 million of new equity (excluding fees) through the issuance of new shares via an accelerated book building process. Following this operation, the settlement date of the FX forward was brought forward and €1,609 million were settled in exchange for \$1,829 and the remainder of the FX forward was rolled over. This change is not reflected in the condensed consolidated accounts as of September 30, 2015, as the transaction was concluded after the balance sheet date.

Since January 1, 2015 the Group has decided to designate the following instruments as a cash flow hedge. The features of the hedge are given below:

- Hedged items:
 - \$2,060 million bonds bearing interest at a coupon of 6.625%, \$385 million bonds bearing interest at 7.625% and \$1,480.0 million bonds bearing interest at a coupon of 7.625%, issued for the acquisition of PT-Portugal.
 - \$1,100 million equity payment due as part of the consideration transferred for the acquisition of a 70% stake in Suddenlink communications.
 - Portion of \$2,300 million equity payment due as part of the consideration transferred for the acquisition of a 70% stake in Cablevision Corporation, amounting to \$2,000 million.
- Hedging instruments:
 - Cross currency swaps, swapping fixed USD coupon payments into fixed euro payments. The fixed EUR/USD rate was fixed at 1.1312.
 - FX forward transaction, changing \$1,100 million to €981.8 million at a forward rate of 1.12 EUR/USD.
 - FX forward transaction, changing \$2,000 million to €1,753.7 million at an average forward rate of 1.14 EUR/USD.

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 (debts issued for the PT acquisition)						
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 cross-currency swap (debts issued for the PT acquisition)						
500.0	442.0	04/02/2015	04/02/2022	L+4.25%	E+4.163%	to
					E+4.233%	
EUR to USD FX Forward (Equity portion of the Suddenlink transaction)						
1,100	981.8		16/11/2015	-	-	
EUR to USD FX Forward (Equity portion of the CVC transaction)						
2,000	1,753.7		07/10/2015			

Thus, the fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the nine month period ended September 30, 2015. Before the impact of taxes, an income of €12.6 million was recorded as other comprehensive income (€1.3 million net of taxes).

7.6.1 Reconciliation to swap adjusted debt

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

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

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

	September 30, 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	29,948.2	467.5	30,415.7
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-	(17,739)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-	15,410
Total swap adjusted value of debentures and loans from financial institutions	29,948.2	467.5	28,087.7

7.7 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities is presented below:

	September 30, 2015		December 31, 2014	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
	<i>(In millions €)</i>			
Current assets				
Financial assets	36.3	36.3		
Cash and cash equivalents.....	912.4	912.4	1,563.6	1,563.6
Restricted cash	1,512.1	1,512.1	-	-
Non-current assets				
Restricted cash	-	-	0.6	0.6
Available for Sale financial assets...	41.0	41.0	42.0	42.0
Derivative instruments	2,192.7	2,192.7	1,195.8	1,195.8
Other Financial assets	158.1	158.1	104.8	104.8
Financial assets	2,391.8	2,391.8	1,343.2	1,343.2

	September 30, 2015		December 31, 2014	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
	<i>(In millions €)</i>			
Current liabilities				
Short term borrowings, financial liabilities and related hedging instruments.....	188.1	188.1	166.0	166.0
Other financial liabilities	2,660.0	2,660.0	1,072.2	1,072.2
Non-current liabilities				
Long term borrowings, financial liabilities and related hedging instruments.....	29,862.3	29,152.2	20,483.2	20,926.6
Other financial liabilities	358.7	358.7	890.4	890.4

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

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

8 - Cash and cash equivalents and current restricted cash

	September 30, 2015	December 31, 2014
	<i>(In millions €)</i>	
Term deposits	552.0	550.4
Bank balances	360.4	1,013.2
Cash and cash equivalents	912.4	1,563.6
Restricted cash ⁽¹⁾	1,512.1	-
Restricted cash.....	1,512.1	-

- (1) Restricted cash held on the statement of financial position as of September 30, 2015 is linked to the debt issuance for the acquisition of Suddenlink (see notes 2.2 and 7.2).

The decrease in the balance of cash and cash equivalents results from the use of cash to pay a portion of Numericable-SFR's purchase of the 10% stake held by Vivendi and payment to Carlyle and Cinven.

9 – Employee benefits and pensions

9.1 Pension benefits

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (i) The fair value of equity investments and bonds is quoted on active markets.
(ii) This caption includes deposits amounting to €3.9 million.

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

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

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

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

9.2 Equity based compensation

For the period ended September 30, 2015, the Group issued new stock options under its newly adopted plan to certain new employees of the Group. The aggregate amount of options issued totaled €73.5 million and represented the option to purchase 3,103,119 common A shares of the Company. Fair value of these new plans amounts to €11.9 million and an additional expense of €0.4 million was recorded in the caption, ‘staff costs and employee benefit expenses’ to reflect the impact of these new issuances.

Vesting conditions are similar to the stock option plan adopted by the predecessor entity and the terms and conditions are described in the financial statements ended December 31, 2014.

Main assumptions for the fair value calculation are:

	Options granted on September 1, 2015
Unit fair value at the grant date (€)	3.40 - 4.02
Share price at the grant date (€)	23.7
Exercise price of the option(€)	21.2 – 24.7
Anticipated volatility (weighed average)	27%
Anticipated dividends	2.5%
Risk free interest rate (governments bonds)	0.8%

10 - Gain recognized on step-acquisition

For the period ended September 30, 2014, a gain was realised on the step acquisition of Numericable Group S.A. which amounted to €256.3 million. No such transaction or gain was recognised for the period ended September 30, 2015.

11- Gain recognized on extinguishment of a financial liability

The caption is explained by a one-off financial income recorded on the cancellation of the earn-out due to Vivendi as part of the acquisition of SFR by Numericable. The earn-out was carried at its fair value, which amounted to €643.5 million as of the extinguishment date. As per the provisions of IAS 39 and IFRS 3, this amount was fully recognized as a financial income following the cancellation of the earn-out, as this cancellation was a result of an event separate from the original contract.

12- Income tax

For the nine month period ended September 30, 2015 the Group recorded an income tax expense of €175.0 million compared to an income tax credit of €28.4 million for the nine months ended September 30, 2014. The variations in the income tax recorded resulted mainly from an income tax expense of €57.5 million for the nine months ended September 2015 (compared to an expense of €33.5 million in 2014), owing to an increase in profits in the different Group companies. The Group also recorded a deferred tax expense of €107.2 million for the nine months ended September 30, 2015 (compared to a credit of €63.5 million in 2014) mainly linked to the fair value gains recorded on certain derivative instruments over 2015.

13 – Litigations

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

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

13.1 France**Litigation between Sequalum and CG 92 regarding DSP 92**

A disagreement arose between the department of Hauts-de-Seine (“CG 92”) and Sequalum on the conditions of execution of the Service Concession agreement “THD Seine” entered into on March 13, 2006 between Sequalum, a subsidiary of NG, and the department of Hauts-de-Seine. This public service concession arrangement is aimed at building a high-capacity fiber network throughout the department of the Hauts-de-Seine.

As of September 30, 2015, the net book value of Sequalum’s network was approximately €140 million and Sequalum had received subsidies amounting to €27 million.

At the session held on October 17, 2014, the department of Hauts-de-Seine decided to cancel the concession for ‘faults and damages caused exclusively by the concessionaire’. The department asked for penalties amounting to a total of €45 million related to the delays, which was subsequently contested by Sequalum. Within the framework of the Service Concession Agreement, the department of Hauts-de-Seine also asked the financial institution involved to implement the guarantee granted by Sequalum for €10 million, this amount corresponding to the maximum amount that could be guaranteed with respect to the Service Concession Agreement. So far, the financial institution did not respond favorably to this request, considering that the request was not sufficient, in terms of form and documentation, to allow the implementation of the guarantee.

The penalties were contested through a request recorded by the administrative court on September 3, 2014. The execution and the payment of the penalties are suspended until a decision is made on this litigation.

The decision of the department of Hauts-de-Seine to terminate the agreement is part of legal proceedings that have a compensatory nature. Should the courts confirm the arguments of the department of Hauts-de-Seine, Sequalum could be obliged to reimburse the grants received (the portion of grants not yet amortized). The department of Hauts-de-Seine, for its part, would receive all the assets built within the framework of the DSP 92 on July 1, 2015. The department of Hauts-de-Seine would have to indemnify Sequalum at a level corresponding to the net book value of these assets.

On October 16, 2014 Sequalum filed a request before the administrative court of Cergy Pontoise which aims at ending the Service Concession agreement due to “force majeure” in the context of irreversible changes in the contractual economy.

On May 7, 2015, the department of Hauts-de-Seine issued a new notice for payments of penalties and indemnities due for an aggregate amount of €51 million, which was also contested by the Group. The department once again asked that the financial institution pay the guarantee of €10 million. The matter was plead before the commercial court of Nanterre on July 28, 2015, who ruled that there was no basis for summary proceedings. An appeals procedure was filed and is currently underway at the appeals court of Versailles.

The Group examined the risk related to these procedures and noted that at this stage there are too many uncertainties to measure the possible risk for the Group. Under these conditions, the criteria for the booking of a provision were not met.

Sequalum has made an appeal to the administrative tribunal for the payment of the unpaid subsidy due

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Notes to the condensed interim consolidated financial statements

by the department of Hauts-de-Seine and any interests and penalties associated with the delayed payment of the same.

The NSFR Group has deployed its own fiber optic network in the department concerned, which allows it to service its clients in any case. The revenues generated by the DSP 92 project are considered non-material compared to the total revenue of the Group.

Investigation by the French anti-trust authorities

France's competition authority searched the offices of Numericable-SFR after several competitors raised concerns over whether Numericable and SFR began working together before they received the official approval of the merger from the antitrust body on October 31, 2014. The Group has contested the facts put forward by its competitors.

Litigation related to white label contract between Bouygues Telecom and Numericable-SFR

On July 24, 2015, Bouygues Telecom delivered notice to NC Numericable and Completel (predecessor entities of Numericable Groupe S.A.) for failure to keep their contractual obligations under the tripartite white label contract entered into by these companies on May 14, 2009. Bouygues claims that Numericable did not satisfy certain contractual and pre-contractual conditions stipulated in the contract and has asked the commerce court to cancel certain clauses of the agreement, while at the same time demanding the payment of up to €53 million in damages and claims. NC Numericable and Completel intend to contest the entirety of claims made by Bouygues Telecom.

Tax investigation related to the merger between SFR and VTI

As part of the agreement signed February 27, 2015, between Vivendi and Altice, Vivendi agreed to repay, if required, any taxes and related expenses that may be reclaimed from SFR, and that SFR has already paid to Vivendi in 2011 for a total amount of €711 million. These payments cover the entire period that SFR was part of Vivendi's tax integration group. French tax authorities have challenged the tax breaks resulting from the merger between SFR and VTI. Altice and Vivendi have agreed to cooperate to commonly contest the tax authorities' position.

13.2 Portugal

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

13.2.1 Litigations

(a) Optimus - Interconnection agreement

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

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

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

(c) Anacom litigation

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

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

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

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

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

(f) Municipal taxes and rights-of-way

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

Administrative Court of Portugal in several legal actions.

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

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

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

(h) Invesfundo II - Disposal of plots of land

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

(i) Disposal of PrimeSys

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

13.2.2 Tax assessments

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

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

14 – Commitments

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

14.1 Portugal

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

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

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

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

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

14.2 Other

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

15 – Related party disclosure

During the nine months ended September 30, 2015, no operations had significant effect on the amounts of the transactions with related parties as compared to the year ended December 31, 2014.

During the nine months ended September 30, 2015, the Group employed the services of PJT Partners limited, a New York based consultancy firm of which one of the independent directors of Altice N.V. is a partner. For the nine months ended September 30, 2015, PJT Partners has received no cash compensation for the services that they have provided to the Company.

16 - Going concern

As of September 30, 2015, the Group had net current liabilities position of €3,523.7 million (mainly due to trade payables of €5,975.4 and the short term liability of €4,095.0 million) and a negative working capital of €2,104.9 million. During the 9 months period ended September 30, 2015, the Group registered a net income of €524.1 million (compared to a loss of €295.5 million for the 9 month period ended September 30, 2014) and generated cash flows from operations of €3,557.0 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short DSOs (Days of Sales Outstanding) and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€3,529.4 million vs. €5,975.5 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of September 30, 2015, the Group's short term borrowings mainly comprised of accrued interests for €449.3 million on the debenture and loans from financial institutions which are repaid on a semi-annual basis, and the amortization of some bonds and term loans. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries. All outstanding RCF positions were fully repaid as of September 30, 2015, with the exception of a drawdown of €100 million on the €501 million RCF at Altice Financing S.A. Additionally, the vendor note on the acquisition of a 10% stake in NSFR, amounting to €1,947.8 million becomes due in April 2016. The Group expects to repay this note using proceeds from the dividend declared by NSFR in October 2015.

The long term debt of the Group commences to mature in 2019.

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 for the nine month period ended 30 September 2015 (€3,557.0million). EBITDA amounted to €4,001.8 million, an increase of 292% compared to September 30, 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 as of September 30, 2015 (€912.4 million vs. €1,563.6 million as of December 31, 2014), which would allow it to cover any urgent cash needs. Additionally, as of September 30, 2015, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €2,322.0 million (out of which €100 million has been drawn as at September 30, 2015). In addition, the Group repaid its debt (€529.2 million) towards Carlyle and Cinven in February 2015 (see note 7) confirming the Group's capacity to meet its repayment obligations. In July, the Group also issued new term loans at Altice Financing and NSFR to repay the drawn RCFs in order to free up these facilities in case the Group needs them.
- As of September 30, 2015, the Group had a positive equity position of €1,881.4 million, of which €292.0 million attributable to the equity owners of the Company.

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

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 condensed interim consolidated financial

statements and has hence deemed it appropriate to prepare these condensed interim consolidated financial statements using the going concern assumption.

17 – 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 Group, Tricom and ODO at their fair value was revised for the nine months ended September 30, 2014 and for the year ended December 31, 2014.

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

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
	<i>(In millions €)</i>		
Goodwill	15,835.4	(387.5)	15,447.8
Intangible asset	5,199.1	482.5	5,681.6
Property plant and equipment	7,602.1	0.7	7,602.8
Other non-current assets	1,551.9	-	1,551.9
Deferred tax assets	648.4	(99.4)	549.0
Non-current assets	30,836.9	(3.6)	30,833.2
Current assets	5,200.9	120.5	5,321.4
<i>Assets classified as held for sale</i>	<i>77.3</i>	<i>-</i>	<i>77.3</i>
Total assets	36,115.1	116.8	36,231.9
 Equity	 5,196.3	 40.3	 5,236.6
Other non-current liabilities	22,174.7	-	22,174.6
Deferred tax liabilities	406.9	76.5	483.4
Non-current liabilities	22,581.6	76.5	22,658.0
Current liabilities	8,314.8	-	8,314.8
<i>Liabilities directly associated with assets classified as held for sale</i>	<i>22.5</i>	<i>-</i>	<i>22.5</i>
Total liability and equity	36,115.1	116.8	36,231.9

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
		<i>(In millions €)</i>	
Revenue	3,934.5	-	3,934.5
Other expenses	(2,458.6)	-	(2,458.6)
Depreciation and amortisation	(1,098.5)	(22.2)	(1,120.7)
Other expenses and income	(219.3)	-	(219.3)
Operating profit	158.0	(22.2)	135.9
Net Finance costs	(1,136.2)	-	(1,136.2)
Gain on step acquisition	256.3	-	256.3
Share of profit in associates	4.8	-	4.8
Loss before taxes	(717.1)	(22.2)	(739.3)
Income tax expense	164.7	7.6	172.3
Loss for the period	(552.4)	(14.6)	(567.0)
Comprehensive income	(682.9)	(14.6)	(697.5)

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

	September 30, 2014 (previously reported)	Revision	September, 30 2014 (revised)
		<i>(In millions €)</i>	
Goodwill	4,608.6	(221.8)	4,386.8
Intangible asset	1,182.5	270.1	1,452.6
Property plant and equipment	3,105.5	143.4	3,248.9
Other non-current assets	90.9	-	90.9
Deferred tax assets	416.0	62.7	478.7
Non-current assets	9,403.6	254.4	9,658.0
Current assets	15,229.2	-	15,229.2
Total assets	24,632.8	254.4	24,887.2
Equity	848.8	122.5	971.3
Other non-current liabilities	21,060.2	-	21,060.2
Deferred tax liabilities	295.5	132.0	427.5
Non-current liabilities	21,355.7	131.9	21,487.6
Current liabilities	2,428.3	-	2,428.3
Total liability and equity	24,632.8	254.4	24,887.2

	Nine months ended September 30, 2014 (previously reported)	Revision	Nine months ended September 30, 2014 (revised)
		(In millions €)	
Revenue	2,247.4	-	2,247.4
Other expenses	(1,227.6)	-	(1,227.6)
Depreciation and amortisation	(640.9)	(30.0)	(671.2)
Other expenses and income	(84.9)	-	(84.9)
Operating profit	294.0	(30.0)	263.7
Net Finance costs	(845.1)	-	(845.1)
Gain on step acquisition	256.3	-	256.3
Share of profit in associates	1.3	-	1.3
Profit before taxes	(293.5)	(30.0)	(323.8)
Income tax expense	(50.5)	78.9	28.4
Profit for the period	(344.1)	48.9	(295.5)
Comprehensive income	(616.9)	47.1	(569.8)

	Three months ended September 30, 2014 (previously reported)	Revision	Three months ended September 30, 2014 (revised)
		(In millions €)	
Revenue	832.3	-	832.3
Other expenses	(445.5)	-	(445.5)
Depreciation and amortisation	(265.6)	16.0	(249.6)
Other expenses and income	(21.6)	-	(21.6)
Operating profit	99.7	16.0	115.7
Net Finance costs	(349.8)	-	(349.8)
Gain on step acquisition	-	-	-
Share of profit in associates	0.1	-	0.1
Profit before taxes	(250.1)	16.0	(233.9)
Income tax expense	(52.7)	12.6	(40.1)
Profit for the period	(302.9)	28.6	(274.0)
Comprehensive income	(442.6)	24.0	(418.6)

18- Events after the reporting period

Capital increase and debt issuance to finance part of the acquisition of Cablevision Corporation

On October 1, 2015, Altice N.V. announced the successful placing of new Altice A and Altice B shares by way of an accelerated book building (the “Placing”). In total, the Placing comprised 69,997,600 Altice A shares at a price of €17.00 per share and 24,825,602 Altice B shares at a price of €17.00 per share (together the “Placing Shares”), resulting in gross proceeds of approximately € 1.61 billion. The proceeds of the Placing will be used to finance part of the acquisition of Cablevision. As part of the Placing, certain key management personnel of Altice subscribed for new Class B shares in an aggregate amount of €170 million. Settlement occurred on 5 October 2015 and the Placing Shares were admitted to trading on Euronext Amsterdam. The Company has agreed, subject to customary carve-outs, to a 90 day lock-up on its class A and class B shares.

In addition to the equity issued, the Group, through an indirect subsidiary, raised new debt in the aggregate amount of \$ 8.6 billion, the breakdown of which is provided below:

- \$1.8 billion senior notes due 2023 and bearing interest at 10.125% ;
- \$2.0 billion senior notes due 2025 and bearing interest at 10.875% ;

ALTICE N.V.

Notes to the condensed interim consolidated financial statements

- \$1.0 billion senior guaranteed notes due 2025 and bearing interest at 6.625%; and
- \$3.8 billion term loan due 2022 and bearing interest at Libor 3m+4.000%, with a Libor floor of 1.000%.

The average maturity of the debt issued is 8.75 years, with a blended average cost of 7.6%.

Numericable-SFR dividend

On October 14, 2015, Numericable-SFR announced that it would payout a dividend in an aggregate amount of €2.5 billion (the “Numericable Dividend”). On October 22, 2015, NSFR announced that it had priced (i) a \$1,340 million Term Loan and (ii) a €500 million Term Loan (the “Term Loans”) to partly finance the payment of the dividend. The Term Loans have a January 2023 maturity and a margin over LIBOR/EURIBOR of 4.00% with a 0.75% LIBOR/EURIBOR floor. Both loans were issued at an Original Issue Discount of 98.50.

In addition Numericable-SFR entered into a derivative agreement related to the \$1,340 million Term Loan, which has been swapped to €1,184 million with a margin of 4.15% and without a EURIBOR floor. Altice will use its share of the Numericable Dividend to repay the vendor note related to the May 2015 purchase of an additional 10% stake in Numericable-SFR from Vivendi.

BC Partners and Canada Pension Plan Investment Board to acquire 30% of Cablevision alongside Altice N.V.

On October 27, 2015, Altice N.V. announced that funds advised by BC Partners (“BCP”) and Canada Pension Plan Investment Board (“CPPIB”) had entered into a definitive agreement to acquire 30% of the equity of Cablevision Systems Corporation for approximately \$1.0 billion. This definitive agreement follows the announcement on September 17, 2015 of the acquisition of CVC by Altice. The Shareholder’s Agreement between Altice, BCP and CPPIB is on similar terms as the Suddenlink transaction announced in May 2015.

New corporate facility

In October 2015, Altice Corporate Financing S.A., a wholly owned subsidiary of the Company, entered into an agreement with a consortium of lenders to obtain a €1.5 billion corporate facility. The facility is composed of two tranches that become available following the closing of the Suddenlink and Cablevision acquisitions respectively and proceeds from the facilities will be used to partly fund Altice’s equity investment in Suddenlink and Cablevision. The facility becomes due in May 2017 and has a blended average cost of debt of 5.1%. The repayment of the facility is backstopped by an equity volume underwrite.

End of the Numericable brand

In November 2015, the Group announced that it would discontinue the use of the Numericable brand and will stop proposing offers to new client using the brand. Management is currently evaluating the impact of this strategic decision on the accounting treatment of the Numericable brand, if any.

To the Board of Directors of
Altice N.V. (the Successor Entity of Altice S.A.)
Cattenbroekerdijk 4 B
3446 HA Woerden
The Netherlands

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

Introduction

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

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2400, *Engagements to review financial statements*. A review of Interim Financial Statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

For Deloitte Audit, *Cabinet de révision agréé*

Eddy R. Termaten, *Réviseur d'entreprises agréé*
Partner

November 12, 2015