ALTICE N.V.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016

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Consolidated Statement of Income For the nine months ended September 30, 2016 (€m)	Notes	Nine months ended September 30, 2016	Nine months ended September 30, 2015 (revised *)	Three months ended September 30, 2016 *unreviewed*	Three months ended September 30, 2015 (revised *) *unreviewed*
Revenues		14,674.0	10,648.9	5,893.2	3,869.2
Purchasing and subcontracting costs		(4,599.5)	(3,409.1)	(1,984.7)	(1,240.5)
Other operating expenses		(2,796.1)	(2,316.1)	(936.6)	(793.9)
Staff costs and employee benefit expenses		(1,498.8)	(845.3)	(654.4)	(299.2)
Depreciation and amortization		(3,922.0)	(2,772.1)	(1,579.2)	(1,011.4)
Impairment losses		(1.6)	(20.8)	(0.6)	(0.9)
Other expenses and income		(493.8)	(165.3)	(308.8)	(52.3)
Operating profit	3	**1,362.2**	**1,120.2**	**428.9**	**471.0**
Interest relative to gross financial debt		(2,519.7)	(1,334.3)	(887.8)	(510.4)
Other financial expenses		(140.8)	(106.0)	(38.2)	(66.0)
Finance income		121.7	121.9	37.7	5.0
Net result on extinguishment of a financial liability	11	(241.2)	643.5	-	-
Finance costs, net		**(2,780.0)**	**(674.9)**	**(888.3)**	**(571.4)**
Net result on disposal of businesses	2	104.6	27.5	(2.9)	27.5
Share of profit of associates		(1.4)	4.0	(2.4)	1.2
(Loss)/profit before income tax		**(1,314.6)**	**476.8**	**(464.7)**	**(71.7)**
Income tax credit/(expense)	12	143.8	(140.7)	66.4	(49.6)
(Loss)/profit for the period		**(1,170.8)**	**336.1**	**(398.3)**	**(121.3)**
Attributable to equity holders of the parent		(954.1)	119.9	(312.8)	(141.7)
Attributable to non-controlling interests		(216.7)	216.2	(85.5)	20.4
Earnings per share (Basic)	7	(0.88)	0.12	(0.29)	(0.14)
Earnings per share (Diluted)	7	(0.84)	0.12	(0.28)	(0.14)

Consolidated Statement of Comprehensive Income For the nine months ended September 30, 2016 (€m)	Notes	Nine months ended September 30, 2016	Nine months ended September 30, 2015 (revised *)	Three months ended September 30, 2016 *unreviewed*	Three months ended September 30, 2015 (revised *) *unreviewed*
(Loss)/profit for the period		**(1,170.8)**	**336.1**	**(398.3)**	**(121.3)**
Other comprehensive income/(loss)					
Exchange differences on translating foreign operations		0.3	14.7	(20.5)	14.8
Revaluation of available for sale financial assets, net of taxes		0.2	(0.5)	-	1.8
(Loss)/Gain on cash flow hedge, net of taxes		(163.6)	1.3	(208.9)	134.1
Actuarial (losses)/gains, net of taxes		(32.4)	31.8	(0.5)	(0.0)
Total other comprehensive (loss) /income		**(195.5)**	**47.3**	**(229.9)**	**150.7**
Total comprehensive (loss)/income for the period		**(1,366.3)**	**383.4**	**(628.2)**	**29.4**
Attributable to equity holders of the parent		(1,128.5)	141.9	(497.9)	(12.6)
Attributable to non-controlling interests		(238.0)	241.5	(130.3)	42.0

(*) Previously published information has been revised for the impact of the purchase price allocations of Group entities acquired during the 2014 and 2015 financial years. For the details of the revision see note 16.

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

Consolidated Statement of Financial Position September 30, 2016 (€m)	Notes	September 30, 2016	December 31, 2015 (revised *)
Non-current assets			
Goodwill	4	22,688.6	17,197.1
Intangible assets		28,782.8	16,541.6
Property, plant & equipment		15,917.2	12,199.0
Investment in associates	2	62.8	417.7
Financial assets	8.4	2,838.9	2,818.7
Deferred tax assets		694.3	497.9
Other non-current assets		177.7	97.6
Total non-current assets		**71,162.3**	**49,769.6**
Current assets			
Inventories		340.0	370.0
Trade and other receivables		4,574.2	3,853.3
Current tax assets		174.0	304.5
Financial assets	8.4	635.6	-
Cash and cash equivalents	9	1,232.4	2,527.0
Restricted cash	9	1,361.2	7,737.0
Total current assets		**8,317.4**	**14,791.8**
Assets classified as held for sale	*2*	-	122.1
Total assets		**79,479.7**	**64,683.5**
Issued capital	5.1.1	76.5	76.5
Additional paid in capital	5.2	1,881.8	2,379.6
Other reserves	5.3	(390.3)	(215.9)
Accumulated losses		(2,224.8)	(1,288.4)
Equity attributable to owners of the Company		**(656.8)**	**951.8**
Non-controlling interests	5.4	616.5	916.7
Total equity		**(40.3)**	**1,868.5**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	8	50,659.7	45,682.8
Other non-current financial liabilities and related hedging instruments	8	3,427.8	1,565.9
Non-current provisions		1,757.0	1,733.4
Deferred tax liabilities		8,527.8	2,935.8
Other non-current liabilities		988.9	814.7
Total non-current liabilities		**65,361.2**	**52,732.6**
Current liabilities			
Short-term borrowings, financial liabilities	8	2,100.6	380.6
Other financial liabilities	8	2,917.0	1,484.4
Trade and other payables		7,113.4	6,424.3
Current tax liabilities		146.1	289.0
Current provisions		727.1	378.1
Other current liabilities		1,154.6	1,041.4
Total current liabilities		**14,158.8**	**9,997.8**
Liabilities directly associated with assets classified as held for sale	*2*	-	84.6
Total liabilities		**79,520.0**	**62,815.0**
Total equity and liabilities		**79,479.7**	**64,683.5**

(*) Previously published information has been revised for the impact of the purchase price allocations of Group entities acquired during the Financial Year 2014 and 2015. For the details of the revision see note 16.

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

Consolidated Statement of Change in Equity For the nine months ended 30 September 2016	Number of shares: *Ordinary Shares*	*Class A*	*Class B*	Share capital	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	Non-controlling interests	Total equity
Equity at January 1, 2016 (revised *)	**-**	**841,244,925**	**272,280,241**	**76.5**	**2,379.6**	**(1,288.4)**	**3.3**	**(217.6)**	**2.4**	**(4.0)**	**951.8**	**916.7**	**1,868.5**
Loss for the period				-	-	(954.1)	-	-	-	-	**(954.1)**	(216.7)	**(1,170.8)**
Other comprehensive profit/(loss)				-	-	-	2.3	(143.6)	0.2	(33.3)	**(174.4)**	(21.1)	**(195.5)**
Comprehensive profit/(loss)				**-**	**-**	**(954.1)**	**2.3**	**(143.6)**	**0.2**	**(33.3)**	**(1,128.5)**	**(238.0)**	**(1,366.3)**
Conversion of class B shares in class A shares[1]	-	**115,114,775**	**(4,604,591)**	-	-	-	-	-	-	-	-	-	-
Share based payment				-	-	**17.7**	-	-	-	-	**17.7**	1.1	**18.8**
Transaction with non-controlling interests[2]				-	**(387.3)**	-	-	-	-	-	**(387.3)**	(38.7)	**(426.0)**
Dividends				-	-	-	-	-	-	-	-	(7.6)	**(7.6)**
Other[3]				-	**(110.5)**	-	-	-	-	-	**(110.5)**	(17.2)	**(127.6)**
Equity at September 30, 2016	**-**	**956,359,700**	**267,675,650**	**76.5**	**1,881.8**	**(2,224.8)**	**5.6**	**(361.2)**	**2.6**	**(37.3)**	**(656.8)**	**616.5**	**(40.3)**

Consolidated Statement of Change in Equity For the nine months ended 30 September 2015	Number of shares: *Ordinary Shares*	*Class A*	*Class B*	Share capital	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	Non-controlling interests	Total equity
Equity at January 1, 2015 (revised *)	**247,950,186**	**-**		**2.5**	**2,971.1**	**(934.4)**	**(7.0)**	**(85.4)**	**1.9**	**(2.8)**	**1,945.9**	**3,278.2**	**5,224.1**
Profit for the period	-	-	-	-	-	119.9	-	-	-	-	**119.9**	216.2	**336.1**
Other comprehensive profit/(loss)	-	-	-	-	-	-	14.2	(23.6)	(0.5)	31.8	**22.0**	25.4	**47.4**
Comprehensive profit/(loss)	**-**	**-**	**-**	**-**	**-**	**119.9**	**14.2**	**(23.6)**	**(0.5)**	**31.8**	**141.9**	**241.6**	**383.4**
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]	-	1,736,250	(69,450)	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	17.8	-	-	-	-	**17.8**	2.8	**20.6**
Transaction with non-controlling interests[2]	-	-	-	-	(2,016.2)	-	-	-	-	-	**(2,016.2)**	(1,971.0)	**(3,987.2)**
Other	-	-	-	-	28.0	-	-	-	-	-	**28.0**	11.6	**39.6**
Equity at September 30, 2015	**-**	**751,212,675**	**248,256,025**	**69.6**	**915.8**	**(796.7)**	**7.2**	**(109.0)**	**1.4**	**29.0**	**117.3**	**1,563.2**	**1,680.5**

Following the corporate restructuring as described in Note 2.1 to the Consolidated Financial Statements as of December 31, 2015, Altice N.V is the successor entity of Altice S.A; the changes in equity for the comparative period, as presented in the table above, corresponds to the movements of Altice S.A.

1) Refer to notes on capital in 5.1.1 and 5.1.2
2) Mainly related to the put agreement with Sponsors in Optimum and Suddenlink. See note 8.2
3) Includes an impact of €132.4 million related to the acquisition under common control of AMG. See note 2.

(*) Previously published information has been revised for the impact of the purchase price allocations of Group entities acquired during the Financial Year 2014 and 2015. For the details of the revision see note 16.

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

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Consolidated Cash Flow Statement For the nine months ended September 30, 2016 (€m)	Notes	Nine months ended September 30, 2016	Nine months ended September 30, 2015 (revised *)
Net (loss)/profit, including non-controlling interests		**(1,170.8)**	**336.1**
Adjustments for:			
Depreciation, amortization and impairments		3,923.6	2,792.9
Share in income of associates		1.4	(4.0)
Gains and losses on disposals		(112.6)	31.8
Gain recognized on extinguishment of a financial liability	11	241.2	(643.5)
Expenses related to share based payment		18.7	20.6
Other non-cash operating gains, net (1)		290.7	(4.9)
Pension liability payments		(98.8)	(51.8)
Finance costs recognized in the statement of income		2,538.8	1,318.3
Income tax expense recognized in the statement of income		(143.8)	140.7
Income tax paid		(118.6)	(235.1)
Changes in working capital		(558.5)	17.0
Net cash provided by operating activities		**4,811.2**	**3,718.1**
Payments to acquire tangible and intangible assets		(2,944.3)	(1,934.4)
Payments to acquire financial assets		(23.6)	(28.1)
Consideration received on disposal of businesses	2	150.0	76.0
Proceeds from disposal of tangible, intangible and financial assets		44.0	30.1
Use of restricted cash to acquire subsidiaries		7,558.8	-
Investment in associates		(359.8)	-
Payment to acquire subsidiaries, net	2	(8,107.4)	(114.5)
Net cash used in investing activities		**(3,682.3)**	**(1,970.9)**
Proceeds from issuance of debts	8	13,798.0	9,572.1
Transaction with non-controlling interests		851.5	(1,894.5)
Payments to redeem debt instruments	8	(12,141.1)	(1,922.0)
Payments to redeem outstanding debts on acquisition of subsidiaries (2)		(2,224.2)	(5,593.9)
Transfers to restricted cash		(1,300.2)	(1,533.0)
Dividends paid			(6.6)
Interest paid	8	(2,047.1)	(1,068.5)
Other cash provided by financing activities		640.2	56.7
Net cash used in financing activities		**(2,422.8)**	**(2,389.7)**
Classification of cash as held for sale		-	(5.5)
Effects of exchange rate changes on the balance of cash held in foreign currencies		(0.8)	(3.3)
Net decrease in cash and cash equivalents		**(1,294.6)**	**(651.3)**
Cash and cash equivalents at beginning of period	9	2,527.0	1,563.6
Cash and cash equivalents at end of the period	9	**1,232.4**	**912.3**

(1) Other non-cash operating gains and losses mainly include provisions for restructuring recorded in France and the US and also a provision for a penalty related to gun-jumping in France. See notes 3.2.2 and 17.

(2) Relates to the repayment of certain debts at Optimum in 2016 and PT-Portugal in 2015

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

(*) Previously published information has been revised for the impact of the purchase price allocations of Group entities acquired during the Financial Year 2014 and 2015. For the details of the revision see note 16.

Contents of notes:

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") as of September 30, 2016 and for the nine months period then ended were approved by the Board of Directors and authorized for issue on November 11, 2016.

The Company is a public limited liability company ("*Naamloze vennootschap*") incorporated in the Netherlands. The controlling shareholder of the Company is Next Alt S.à r.l., which holds 59.07% of the share capital, and is controlled by Mr. Patrick Drahi. The Company is headquartered at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

Altice is a multinational cable, fiber, telecommunications, content and media company with presence in several regions – Western Europe (comprising France, Belgium, Luxembourg, Portugal and Switzerland), the United States, Israel, the French Overseas Territories and the Dominican Republic. Altice provides very high speed fixed based services (high quality pay television, fast broadband Internet and fixed line telephony) and in certain countries, mobile telephony services to residential and corporate customers. Altice is also active in the media industry with a portfolio of channels as well as acting as a provider of premium contents on nonlinear platforms. It also produces its own original contents (Series, Movies etc.).

The condensed interim consolidated financial statements of the Group as of September 30, 2016 and for the nine months period then ended, are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (IAS) 34 *Interim Financial Reporting* as adopted in the European Union. They should be read in conjunction with the annual consolidated financial statements of the Group and the notes thereto as of and for the year ended December 31, 2015 (the "Annual Report") which have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") ("Consolidated Financial Statements").

1.1 **Accounting policies**

The accounting policies are the same as those applied in the Annual Report except for certain policies applied following the acquisition of Cablevision Systems Corporation ("CVC"):

Revenue Recognition : Advertising revenues are recognized when commercials are aired.

Gross Versus Net Revenue Recognition : In the normal course of business, the Company is assessed on non-income related taxes by governmental authorities, including franchising authorities (generally under multi-year agreements), and collects such taxes from its customers. The Company's policy is that, in instances where the tax is being assessed directly on the Company, amounts paid to the governmental authorities and amounts received from the customers are recorded on a gross basis. That is, amounts paid to the governmental authorities are recorded as technical and operating expenses and amounts received from the customer are recorded as revenues.

Investments (Comcast Corporation): Investment securities and investment securities pledged as collateral are classified as trading securities and are stated at fair value with realized and unrealized holding gains and losses included in net income.

In addition, as described in note 2.21 to the consolidated financial statements as of and for the year ended December 31, 2015, (*liabilities related to put options granted to non-controlling interests*), at each closing date, the Group in the absence of specific IFRS guidance has elected to recognise future changes of the fair value of put option in equity, as an increase to (a deduction from) other reserves attributable to equity holders of the parent. The Group is closely monitoring the work of the IASB and the IFRIC, which could lead to a revision of the treatment of put options granted to non-controlling interests.

Standards applicable for the reporting period

The following standards have mandatory application for periods beginning on or after January 1, 2016 as described in note 1 to the consolidated financial statements as of and for the year ended December 31, 2015:

- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation. The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively,

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

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

Standards not applicable as of reporting date

In addition to the note 1.3 ii) to the Consolidated Financial statements as of December 31, 2015, the group has not anticipated the following standards and interpretations, for which application is not mandatory for period started from January 1, 2016 and that may impact the amounts reported.

- IFRS 15 Revenue from Contracts with Customers: The Board of Directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the consolidated financial statements. The new standard will mainly impact revenue recognition for Mobile activities as some arrangements include a handset component with a discounted price and a communication service component: the total revenue will not change but its allocation between the handset sold and the communication service will change (more equipment revenue and less service revenue) and the timing of the revenue recognition will change. In addition, other topics (incremental costs to acquire contracts such as commissions, non-refundable upfront fees…) may impact the amounts reported. The standard is effective for annual periods beginning on or after January 1, 2018,
- IFRS 9 Financial instruments is effective for annual periods beginning on or after January 1, 2018,
- IFRS 16 Lease is effective for annual periods beginning on or after January 1, 2019,
- Amendments to IFRS 2: Classification and Measurement of Share-based Payment Transactions (issued on June 20, 2016) is effective for annual periods beginning on or after January 1, 2018.

The effects are analysed as part of a Group-wide projects for implementing these new standards. It is not yet practicable to provide a reasonable estimate of the quantitative effects until the projects have been completed

Significant accounting judgments and estimates

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, useful lives of intangible assets and property, plant and equipment and trade receivables and other receivables. These estimates and assumptions are described in the note 2.26 to the consolidated financial statements for the year ended December 31, 2015.

Revised information

The comparative information as of September 30, 2015 has been revised to reflect the impact of the finalization of the purchase price of SFR S.A., Virgin Mobile S.A. acquired during the course of the year ended December 31, 2014 and Portugal Telecom acquired in June 2015; while the comparative information as of December 31, 2015 has been revised to reflect the impact of the finalization of the purchase price of Portugal Telecom acquired during the course of the year ended December 31, 2015 and refinement of the purchase price allocation of Cequel Corp, acquired in December 2015. Refer to note 16 for reconciliations to previously published results.

2 – Changes in the scope of consolidation

Changes in consolidation scope as of September 30, 2016

Acquisition of Cablevision

In September 2015, the Group and Cablevision Systems Corporation ("CVC", "Optimum") entered into a definitive agreement to acquire Cablevision. A combination between Cablevision and Suddenlink represents the 4th largest cable operation in the US market.

As per the terms of the agreement, Altice had agreed to deliver $34.90 per share of CVC in cash, thus giving it an enterprise value of $17.7 billion. The Company issued new shares in October 2015 to finance the acquisition. The remaining equity portion was drawn under the Altice corporate facility (see note 8.4). The debt was issued in October 2015 and the facility was committed at the same time.

On June 21, 2016, the Company, via certain indirect subsidiaries, successfully completed the acquisition. The non-controlling interests who had previously invested in Suddenlink also re-invested along with the Company to retain a 30.0% stake in the combined Suddenlink and Cablevision group.

The transaction was closed on June 21, 2016 and the acquisition was recorded in the condensed interim consolidated financial statements of the Company in accordance with IFRS 3, *Business Combinations*. A preliminary purchase price allocation was performed and recorded in the consolidated statement of financial position as of September 30, 2016. For more information, see note 4.2.1.

The Statement of Income for Optimum for the period not consolidated in the Group is presented in note 4.2 Business Combinations.

For the nine month period ended September 30, 2016, Cablevision contributed €1,611.4 million to revenues, €579.0 million to operating loss and €149.3 million to net loss.

Consolidation of Next Radio TV

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

The Company, through its indirect subsidiary, Altice Content Luxembourg, is a co-investor in Groupe News Participation S.A.S. ('GNP'), of which it owned 49% of the economic and voting rights as of December 31, 2015. Mr. Alain Weill owned the remaining 51% through his holding, News Participations ('NP'). On December 17, 2015, GNP notified the *Autorité de marchés financiers* (the "AMF") of its intention to file a public tender for the outstanding shares of Next Radio TV. The public tender offer was successfully closed on February 1, 2016, with 95.47% of the holders of common shares opting to accept the offer price (GNP needed to acquire at least 95% to complete the tender offer and squeeze out the remaining shareholders). The stock was delisted from Euronext Paris on February 8, 2016.

As of December 31, 2015, the Company had determined that it exercised a significant influence over GNP by virtue of the economic rights and governance rights that it has obtained as a result of its investment and thus had accounted for the investment as an associate. Following the successful closing of the public tender offer on February 1, 2016, and the appointment of Mr. Weill to the executive committee of Altice, the Group determined that its investment in GNP met the criteria for control as per IFRS 10.

Groupe News Participation contributed €161.1 million to revenues, €16.8 million to operating loss and €33.6 to the net loss of the Group for the nine months ended September 30, 2016.

Acquisition of Altice Media Group by NSFR

On April 27, 2016, SFR announced that it had entered into exclusive negotiations to acquire Altice Media Group France, a leading diversified and profitable media group in France, which publishes more than 20 major national titles, including iconic and well-known brands such as Libération, L'Express, L'Expansion, L'Etudiant and Stratégies. Altice Media Group France operates an international news channel - i24 News - and is has positioned itself as the second largest operator in the French digital press sector. In addition, Altice Media Group France is a leading event organizer: its "Salon de l'Etudiant" trade fair, in particular, has attracted 2 million visitors annually for more than 30 years.

The transaction valued Altice Media Group France at an enterprise value of €241.0 million or 4.5x Adjusted EBITDA pro forma for synergies and tax losses carried forward.

This transaction represents a unique opportunity to develop SFR into a true cross-media content publisher, capitalizing on a highly diversified portfolio of premium brands. The acquisitions support SFR's business strategy by accelerating the deployment of the global convergence of telecoms, media/content and advertising.
The acquisition of AMG was successfully completed on May 25, 2016, using a combination of cash on balance sheet at SFR and vendor financing of €100.0 million provided by the sellers of AMG.

Altice Media Group contributed €79.5 million to revenues, €8.7 million to operating loss and €9.9 million to the net loss of the Group for the nine months ended September 30, 2016.

Disposal of Cabovisao and ONI

On January 20, 2016, the Group announced that it had completed the sale of Cabovisão and its subsidiaries (including Winreason, which provided B2B services under the 'ONI' brand name) to Apax France. This disposal was mandated by the European Commission and the Portuguese competition authorities following the acquisition of PT Portugal in June 2015. These entities were classified as held for sale by the Group as of December 31, 2015. Total consideration received for the disposal amounted to €137.7 million (including purchase price adjustments), of which €63.9 million was for the shares of Cabovisao and its subsidiaries. The Group recognised a gain on disposal of €104.6 million in the condensed consolidated statement of income for the period ended September 30, 2016.

3 – Segment reporting

3.1 Definition of segments

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

The following geographies have been identified:
- France,
- United States,
- Portugal,
- Israel,
- Dominican Republic, and
- Others.

Additional information on the revenue split is presented 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), and
- Other.

The segments presented are consistent with the ones presented in the consolidated financial statements as at December 31, 2015. 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), in addition the US segment can show significant seasonality at the end of the school period (May-June). The B2B business (for both fixed and mobile) is also impacted by the timing of preparation of the annual budgets of public and private sector companies.
Inter-segment transactions between different segments mainly relate to the exchange of services (mobile roaming, interconnect, content) between our France segment and businesses that are a part of the Altice International sub-group (Portugal, Israel, Dominican Republic and Others segments). Such transactions accounted for 1.1% of total Group consolidated revenues for the nine months ended September 30, 2016.
The accounting policies of the reportable segments are the same as the Group's accounting policies.

3.2 Segment information

3.2.1 Operating profit per geographical segment

Segment results	**Nine months ended, September 30, 2016**						
(€m)	**France[1]**	**United States[2]**	**Portugal**	**Israel**	**Dominican Republic**	**Others[3]**	**Total**
Standalone revenues	**8,097.5**	**3,325.0**	**1,731.4**	**707.0**	**528.8**	**444.5**	**14,834.2**
Intersegment eliminations	(24.4)	-	(18.6)	-	(1.5)	(115.7)	(160.2)
Group consolidated revenues	**8,073.1**	**3,325.0**	**1,712.8**	**707.0**	**527.3**	**328.8**	**14,674.0**
Purchasing and subcontracting costs	(2,821.1)	(1,046.8)	(367.4)	(171.6)	(103.1)	(89.5)	(4,599.5)
Other operating expenses	(1,641.8)	(480.9)	(308.6)	(161.8)	(123.9)	(79.1)	(2,796.1)
Staff costs and employee benefit expenses	(669.2)	(449.0)	(218.1)	(49.5)	(22.9)	(90.1)	(1,498.8)
Total	**2,941.0**	**1,348.3**	**818.7**	**324.1**	**277.4**	**70.1**	**5,779.6**
Stock options and other adjustments in EBITDA	3.0	1.5	-	-	-	14.2	18.7
Adjusted EBITDA	**2,944.0**	**1,349.8**	**818.7**	**324.1**	**277.4**	**84.3**	**5,798.3**
Depreciation and amortisation	(1,861.0)	(977.8)	(593.8)	(243.5)	(123.4)	(122.5)	(3,922.0)
Impairment losses	-	-	-	-	-	(1.6)	(1.6)
Stock options and other adjustments in EBITDA	(3.0)	(1.5)	-	-	-	(14.2)	(18.7)
Other expenses and income	(326.3)	(140.5)	(32.0)	(17.1)	(5.1)	27.2	(493.8)
Operating profit	**753.7**	**230.0**	**192.9**	**63.5**	**148.9**	**(26.8)**	**1,362.2**

Segment results	**Nine months ended, September 30, 2015**						
(€m)	**France[1]**	**United States[2]**	**Portugal**	**Israel**	**Dominican Republic**	**Others[3]**	**Total**
Standalone revenues	**8,294.9**	**-**	**891.0**	**691.0**	**516.5**	**301.8**	**10,695.2**
Intersegment eliminations	(15.3)	-	(2.4)	-	-	(28.6)	(46.3)
Group consolidated revenues	**8,279.6**	**-**	**888.6**	**691.0**	**516.5**	**273.2**	**10,648.9**
Purchasing and subcontracting costs	(2,874.7)	-	(187.6)	(165.6)	(105.8)	(75.4)	(3,409.1)
Other operating expenses	(1,799.4)	-	(193.0)	(154.3)	(122.6)	(46.8)	(2,316.1)
Staff costs and employee benefit expenses	(609.6)	-	(123.9)	(47.9)	(20.7)	(43.2)	(845.3)
Total	**2,995.9**	**-**	**384.1**	**323.2**	**267.4**	**107.8**	**4,078.4**
Stock options and other adjustments in EBITDA	50.3	-	-	-	-	13.4	63.7
Adjusted EBITDA	**3,046.2**	**-**	**384.1**	**323.2**	**267.4**	**121.2**	**4,142.1**
Depreciation and amortisation	(1,966.3)	-	(353.1)	(233.1)	(124.1)	(95.5)	(2,772.1)
Impairment losses	-	-	-	-	-	(20.8)	(20.8)
Stock options and other adjustments in EBITDA	(50.3)	-	-	-	-	(13.4)	(63.7)
Other expenses and income	(129.0)	-	(29.2)	(18.1)	(9.9)	20.9	(165.3)
Operating profit	**900.6**	**-**	**1.8**	**72.0**	**133.4**	**12.4**	**1,120.2**

Segment results	Three months ended, September 30, 2016						
(€m)	France[1]	United States[2]	Portugal	Israel	Dominican Republic	Others[3]	Total
Standalone revenues	**2,801.4**	**2,024.7**	**584.4**	**240.8**	**176.0**	**111.2**	**5,938.5**
Intersegment eliminations	(10.4)	-	(6.8)	-	-	(28.1)	(45.3)
Group consolidated revenues	**2,790.9**	**2,024.7**	**577.6**	**240.8**	**176.0**	**83.2**	**5,893.2**
Purchasing and subcontracting costs	(1,077.0)	(658.1)	(136.1)	(60.8)	(34.6)	(18.1)	(1,984.7)
Other operating expenses	(422.9)	(290.6)	(104.3)	(55.8)	(40.7)	(22.3)	(936.6)
Staff costs and employee benefit expenses	(247.8)	(291.9)	(71.0)	(16.3)	(7.7)	(19.7)	(654.4)
Total	**1,043.2**	**784.1**	**266.2**	**107.9**	**93.0**	**23.1**	**2,317.5**
Stock options and other adjustments in	1.0	1.5	-	-	-	6.1	8.6
Adjusted EBITDA	**1,044.2**	**785.6**	**266.2**	**107.9**	**93.0**	**29.2**	**2,326.1**
Depreciation and amortisation	(625.1)	(602.6)	(172.2)	(80.7)	(45.4)	(53.2)	(1,579.2)
Impairment losses	-	-	-	-	-	(0.6)	(0.6)
Stock options and other adjustments in	(1.0)	(1.5)	-	-	-	(6.1)	(8.6)
Other expenses and income	(235.8)	(48.4)	(9.1)	(6.0)	(3.5)	(6.0)	(308.8)
Operating profit	**182.3**	**133.1**	**84.9**	**21.2**	**44.1**	**(36.7)**	**428.9**

Segment results	Three months ended, September 30, 2015						
(€m)	France[1]	United States[2]	Portugal	Israel	Dominican Republic	Others[3]	Total
Standalone revenues	**2,773.1**	**-**	**613.7**	**233.5**	**174.7**	**96.4**	**3,891.3**
Intersegment eliminations	(5.5)	-	(2.2)	-	-	(14.5)	(22.0)
Group consolidated revenues	**2,767.5**	**-**	**611.5**	**233.5**	**174.7**	**81.9**	**3,869.2**
Purchasing and subcontracting costs	(987.5)	-	(122.8)	(57.7)	(36.4)	(36.1)	(1,240.5)
Other operating expenses	(571.7)	-	(127.0)	(52.7)	(43.9)	1.4	(793.9)
Staff costs and employee benefit expenses	(174.2)	-	(87.3)	(15.3)	(6.7)	(15.8)	(299.2)
Total	**1,034.1**	**-**	**274.4**	**107.8**	**87.7**	**31.4**	**1,535.4**
Stock options and other adjustments in	9.8	-	-	-	-	5.6	15.4
Adjusted EBITDA	**1,043.9**	**-**	**274.4**	**107.8**	**87.7**	**37.0**	**1,550.8**
Depreciation and amortisation	(633.7)	-	(236.1)	(80.4)	(40.7)	(20.5)	(1,011.4)
Impairment losses	-	-	-	-	-	(0.9)	(0.9)
Stock options and other adjustments in	(9.8)	-	-	-	-	(5.6)	(15.4)
Other expenses and income	(51.7)	-	(25.5)	(4.7)	(3.8)	33.4	(52.3)
Operating profit	**348.7**	**-**	**12.8**	**22.7**	**43.2**	**43.4**	**471.0**

1) 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 (reported in Others) as it is fully integrated in the France business, operationally and in terms of reporting.
2) Our US segment combines the results of the two businesses that we recently acquired in the USA; Suddenlink Communications and Cablevision Systems Corporation (Optimum).
3) Includes the results of GNP from February 8 (date of control) to date of disposal to SFR. Following the sale of GNP to SFR in May 2016, these results are under the France segment. GNP contributed €71.6 million to revenues and €13.3 million to adjusted EBITDA for the nine months ended September 30, 2016.

3.2.2 Restructuring and other adjustments

Restructuring, deal fees and other expenses pertain mainly to provisions for ongoing and announced restructuring, transaction costs and other non-cash expenses (gains and losses on disposal of assets, provisions for litigation, etc.). Details for costs incurred during the nine month periods ended September 30, 2016 and 2015 are given below:

Details of other expenses and income (€m)	**Nine months ended September 30, 2016**	**Nine months ended September 30, 2015**	**Three months ended September 30, 2016** *unreviewed*	**Three months ended September 30, 2015** *unreviewed*
Stock option expenses	18.7	20.5	8.6	8.3
Other adjustments (1)	-	43.2	-	7.1
Stock option and other expenses outside EBITDA	**18.7**	**63.7**	**8.6**	**15.4**
Restructuring costs (2)	336.3	56.8	196.9	9.7
Deal fees (3)	36.9	63.8	12.4	11.7
Other expenses/(income) net (4)	99.4	(13.4)	84.3	(7.9)
Loss on disposals of assets	21.1	58.1	15.2	38.8
Other expenses and income	**493.8**	**165.3**	**308.8**	**52.3**
Total adjustments	**512.5**	**229.0**	**317.4**	**67.7**

1) Contract renegotiation costs that were classified as other adjustments in 2015 and are now included in EBITDA.
2) Restructuring costs mainly include costs related to provisions for employee redundancies and contract termination fees:
   a. €176.6 million in France, including €138.0 million related to new restructuring plans in France, see the note below.
   b. €127.0 million in the US related to severance payments made to Optimum executives following the acquisition in June, 2016, and includes provision for further announced redundancies.
   c. €27.2 million at PT related to the curtailment of outsourced services and an insourcing plan.
3) Deal fees do not include any financing costs, as these are capitalized and amortized as per the requirements of IAS 39 – *Financial Instruments: Recognition and Measurement*. 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.
4) Includes a provision, relating to a fine levied by the French competition authority on suspicions of operational collaboration between the NC and SFR groups ("Gun Jumping") prior to the formal approval of the acquisition. A decision by the Authority was rendered in November 2016; refer to note 17 for further details.

Restructuring plans in France

On August 4, 2016, Management and the representative unions of the SFR Group telecom division signed an agreement to allow the Group to adapt more quickly to the demands of the telecom market by building a more competitive and efficient organization. This agreement reaffirms the commitments to maintain jobs until July 1, 2017 that were made at the time of the SFR acquisition, and defines the internal assistance guarantees and the conditions for voluntary departures that would be implemented as of the second half of 2016. This agreement stipulates three steps:

- the reorganization of retail, which will result in a voluntary departure plan as of the 4th quarter of 2016;
- the preparation of a new voluntary departure plan to be launched in July 2017, preceded by the possibility for employees who would like to benefit from this plan to request suspension of their employment contract in the 4th quarter of 2016 in order to pursue their professional plans outside the company; and
- a period between July 2017 and June 2019 during which employees could also benefit from a voluntary departure plan under conditions to be defined.

A provision amounting to €138.0 million has been recognised during the period ended September 30, 2016, to reflect the impact of step one of the restructuring described above.

3.2.3 Revenue split by activities

Nine months ended 30 September 2016 (€m)	France[1,2]	US	Portugal	Israel	DR	Others[3]	Total
Fixed - B2C	2,123.6	2,657.6	515.3	475.5	81.4	103.7	**5,957.1**
Fixed - B2B	1,027.1	435.3	318.5	58.5	29.3	20.3	**1,889.0**
Wholesale	952.3	55.6	225.1	-	58.5	9.3	**1,300.8**
Mobile - B2C	3,332.3	-	435.2	135.1	305.9	61.5	**4,270.0**
Mobile - B2B	492.7	-	151.6	37.9	37.8	3.5	**723.5**
Other	169.5	176.5	85.7	-	15.9	246.2	**693.8**
Total standalone	**8,097.5**	**3,325.0**	**1,731.4**	**707.0**	**528.8**	**444.5**	**14,834.2**
Intersegment adjustment	(24.4)	-	(18.6)	-	(1.5)	(115.7)	**(160.2)**
Total	**8,073.1**	**3,325.0**	**1,712.8**	**707.0**	**527.3**	**328.8**	**14,674.0**

Nine months ended 30 September 2015 (€m)	France[1,2]	US	Portugal	Israel	DR	Others[3]	Total
Fixed - B2C	2,165.9	-	296.9	483.8	79.7	106.9	**3,133.2**
Fixed - B2B	1,054.8	-	182.3	54.1	28.0	21.7	**1,340.9**
Wholesale	999.3	-	99.5	-	47.6	28.3	**1,174.7**
Mobile - B2C	3,522.6	-	198.7	112.0	306.7	81.9	**4,221.9**
Mobile - B2B	552.3	-	70.7	41.1	38.2	3.6	**705.9**
Other	-	-	42.9	-	16.3	59.4	**118.6**
Total standalone	**8,294.9**	**-**	**891.0**	**691.0**	**516.5**	**301.8**	**10,695.2**
Intersegment adjustment	(15.3)	-	(2.4)	-	-	(28.6)	**(46.3)**
Total	**8,279.6**	**-**	**888.6**	**691.0**	**516.5**	**273.2**	**10,648.9**

Three months ended 30 September 2016 (€m)	France[1,2]	US	Portugal	Israel	DR	Others[3]	Total
Fixed - B2C	733.1	1,638.3	170.5	159.2	26.9	33.5	**2,761.5**
Fixed - B2B	337.1	254.6	102.5	19.7	9.8	6.5	**730.2**
Wholesale	324.4	26.9	82.0	-	20.9	3.1	**457.3**
Mobile - B2C	1,147.1	-	152.4	49.3	101.1	20.5	**1,470.4**
Mobile - B2B	158.3	-	49.6	12.6	12.9	1.2	**234.6**
Other	101.4	104.9	27.4	-	4.4	46.4	**284.5**
Total standalone	**2,801.4**	**2,024.7**	**584.4**	**240.8**	**176.0**	**111.2**	**5,938.5**
Intersegment adjustment	(10.5)	-	(6.8)	-	-	(28.0)	**(45.3)**
Total	**2,790.9**	**2,024.7**	**577.6**	**240.8**	**176.0**	**83.2**	**5,893.2**

Three months ended 30 September 2015 (€m)	France[1,2]	US	Portugal	Israel	DR	Others[3]	Total
Fixed - B2C	724.0	-	195.2	162.1	26.0	36.6	**1,143.9**
Fixed - B2B	345.3	-	117.3	18.4	9.7	6.9	**497.6**
Wholesale	334.8	-	70.8	-	17.2	21.4	**444.2**
Mobile - B2C	1,198.0	-	150.6	38.6	102.1	12.6	**1,501.9**
Mobile - B2B	170.9	-	52.9	14.4	13.5	0.7	**252.4**
Other	-	-	26.9	-	6.2	18.2	**51.3**
Total standalone	**2,773.1**	**-**	**613.7**	**233.5**	**174.7**	**96.4**	**3,891.3**
Intersegment adjustment	(5.5)	-	(2.2)	-	-	(14.5)	**(22.1)**
Total	**2,767.6**	**-**	**611.5**	**233.5**	**174.7**	**81.9**	**3,869.2**

1) 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.
2) The 'other' revenue segment in France is the contribution for GNP (five months) and AMG (four months) for the period ended September 30, 2016.
3) Others includes the four month contribution of GNP for the period ended September 30, 2016, prior to its acquisition by SFR. The total contribution amounted to €71.3 million respectively, reported in the "other" revenue segment.

3.2.4 Capital expenditure

Capital expenditure is a key performance indicator tracked by the Group. The schedule below details the capital expenditure by segment and reconciles it to the payments to acquire capital items (tangible and intangible assets) as presented in the statement of cash flows.

Capital expenditure For the nine months ended 30 September 2016 (€m)	**France**	**US**	**Portugal**	**Israel**	**DR**	**Others[1,2]**	**Total**
Capital expenditure (accrued)	1,537.2	347.2	317.1	234.6	95.2	529.6	**3,060.9**
Capital expenditure - working capital items	278.1	15.2	(37.5)	(42.6)	-	(329.8)	**(116.6)**
Payments to acquire tangible and intangible assets	1,815.3	362.4	279.6	192.0	95.2	199.8	**2,944.3**

For the nine months ended 30 September 2015	**France**	**US**	**Portugal**	**Israel**	**DR**	**Others**	**Total**
Capital expenditure (accrued)	1,237.6	-	109.0	221.4	94.9	67.8	**1,730.7**
Capital expenditure - working capital items	213.0	-	(3.7)	-	(7.4)	1.8	**203.7**
Payments to acquire tangible and intangible assets	1,450.6	-	105.3	221.4	87.5	69.6	**1,934.4**

1) Includes the capitalization of content rights for a total amount of €413.8 million during the nine months ended 30 September, 2016; refer to the note below for further details.
2) Includes a one-off capital expenditure related to an IRU on the use of a datacenter at Green datacenter in our Swiss business, for a total amount of €29.6 million.

Content rights

During the period, the Group secured exclusive content rights to broadcast certain sports (English Premier League Football, French Basketball League and English Rugby Premiership) in France and other territories; the rights are for periods of between three and six years. The content rights were capitalised in accordance IAS 38- *Intangible Assets* and will be amortised linearly over their respective useful lives in the depreciation and amortisation caption of the statement of income. Where appropriate, the nominal cash flows were discounted to their present value on initial recognition of the asset. The amortisation relative to the different content rights for the period ended September 30, 2016 amounted to €17.3 million, €6.7 million and €0.2 million respectively and were recorded over periods of 1.5 months, 9 months and 1 month respectively.

4 Goodwill

Goodwill recorded in the statement of financial position of the Group was allocated to the different groups of cash generating units ("GCGU") as defined by the Group. The summary of goodwill recognized on the different acquisitions is provided below:

Goodwill (€m)	December 31, 2015 (revised)*	Recognized on business combination	Changes in foreign currency translation	Held for sale	Reclassified	September 30, 2016
France[1]	11,565.5	594.5	-	-	-	12,160.0
US	1,922.4	4,881.7	27.6	-	-	6,831.7
Portugal	1,706.2	-	-	-	-	1,706.2
Israel	697.8	-	8.1	-	-	705.9
Dominican Republic	858.9	-	(18.7)	-	-	840.2
Others	595.0	-	-	-	-	595.0
Total Gross Value	**17,345.8**	**5,476.2**	**17.0**	**-**	**-**	**22,839.0**
France	-	-	-	-	-	-
US	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Israel	(144.1)	-	(1.7)	-	-	(145.8)
Dominican Republic	-	-	-	-	-	-
Others	(4.6)	-	-	-	-	(4.6)
Total Cumulative impairment	**(148.7)**	**-**	**(1.7)**	**-**	**-**	**(150.4)**
France	11,565.5	594.5	-	-	-	12,160.0
US	1,922.4	4,881.7	27.6	-	-	6,831.7
Portugal	1,706.2	-	-	-	-	1,706.2
Israel	553.7	-	6.4	-	-	560.1
Dominican Republic	858.9	-	(18.7)	-	-	840.2
Others	590.4	-	-	-	-	590.4
Total Net book value	**17,197.1**	**5,476.2**	**15.3**	**-**	**-**	**22,688.6**

Goodwill (€m)	December 31, 2014	Recognized on business combination	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2015 (revised)*
France	11,565.5	-	-	-	-	11,565.5
US	-	1,926.2	(3.8)	-	-	1,922.4
Portugal	1.3	1,706.2	-	(1.3)	-	1,706.2
Israel	627.2	-	70.6	-	-	697.8
Dominican Republic	767.3	-	91.6	-	-	858.9
Others	594.9	-	0.1	-	-	595.0
Total Gross Value	**13,556.1**	**3,632.4**	**158.5**	**(1.3)**	**-**	**17,345.8**
France	-	-	-	-	-	-
US	-	-	-	-	-	-
Portugal	-	-	-	-	-	-
Israel	(129.4)	-	(14.7)	-	-	(144.1)
Dominican Republic	-	-	-	-	-	-
Others	(4.6)	-	-	-	-	(4.6)
Total Cumulative impairment	**(134.0)**	**-**	**(14.7)**	**-**	**-**	**(148.7)**
France	11,565.5	-	-	-	-	11,565.5
US	-	1,926.2	(3.8)	-	-	1,922.4
Portugal	1.3	1,706.2	-	(1.3)	-	1,706.2
Israel	497.8	-	55.9	-	-	553.7
Dominican Republic	767.3	-	91.6	-	-	858.9
Others	590.3	-	0.1	-	-	590.4
Total Net book value	**13,422.1**	**3,632.4**	**143.9**	**(1.3)**	**-**	**17,197.1**

1 Including existing goodwill acquired as a result of the integration of AMG. For more details, see note 4.2.5
(*) For the revision impact refer note 16

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 2015, goodwill was tested at the GCGU level for impairment as of December 31, 2015. The GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. 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 (Earnings before interest and taxes) 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, 2016.

4.2 Business combinations

4.2.1 Optimum (Cablevision Systems Corporation)

On June 21, 2016, the Company completed the acquisition of a controlling stake in Cablevision Systems Corporation, a leading cable operator in the New York area in the US. The combination of Optimum and Suddenlink represents the fourth largest cable operator in the United States (see note 2). The consideration transferred amounted to €8,025.4 million on a cash free, debt free basis.

The Group has identified the following assets and liabilities, which were recorded at their fair value at the acquisition date. The preliminary fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition as follows:

- Customer relationships: measured using the excess earnings method and the useful life reflects the economic life of the asset, the total value was evaluated at €4,288.9 million.
- Brand: The Optimum and Lightpath brands were measured at fair value of €892.7 million.
- Franchise: Optimum has recorded its franchise rights, which are concessions awarded by local municipalities for Optimum to conduct its business in its areas of operation, at fair value of €7,185.8 million.
- Property, plant and equipment: preliminary evaluated at €4,287.2 million.

Following the purchase price allocation, the preliminary allocation between the different classes of assets and liabilities is given above. The difference has been recorded as goodwill in the condensed consolidated interim financial statements for the period ended September 30, 2016.

	€m
Total consideration transferred	8,025.4
Fair value of identifiable assets, liabilities and contingent liabilities	3,143.7
Goodwill	4,881.7

The Group is continuously evaluating the fair value of acquired assets and liabilities and expects to complete the final purchase price allocation within the measurement period as defined by IFRS 3.

4.2.2 Suddenlink Communications

For the period ended September 30, 2016, the Group updated the valuation of certain assets and liabilities identified as part of the acquisition of Suddenlink Communications, based on its continuing evaluation of the fair value of the identifiable assets and liabilities. The updated fair values of identifiable assets and liabilities are presented below:

- Customer relationships: The fair value of customer relationships was preliminary measured using the excess earnings method and the useful life reflects the economic life of the asset. The total value was re-evaluated at €989.2 million (compared to €981.9 million previously).

- Brand: The Suddenlink brand was updated to a fair value of €52.2 million (compared to €34.8 million previously).
- Franchise: Franchise rights are concessions awarded by local municipalities for Suddenlink to conduct its business in its areas of operation, they were revaluated to €4,516.9 million (compared to €4,585.6 million previously recorded).
- Property, plant and equipment: Updated to a fair value of € 1,938.6 million (compared to €2,023.9 million previously recorded).

	€m
Total consideration transferred	2,019.1
Fair value of identifiable assets, liabilities and contingent liabilities	92.9
Goodwill	1,926.2

The Group is continuously evaluating the fair value of acquired assets and liabilities and expects to complete the final purchase price allocation within the measurement period as defined by IFRS 3.

4.2.3 Portugal Telecom

During the nine month period ended September 30, 2016, the Group finalized the purchase price allocation regarding the acquisition of Portugal Telecom. Total consideration transferred to the vendors amounted to €195.1 million (excluding purchase price adjustments) on a cash free debt free basis.

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

- Customer relationships: Customer relationships were determined for each operating segment of Portugal Telecom, namely B2C, B2B and Wholesale customers (for both the fixed and mobile businesses). They were evaluated using the excess earnings method and the useful life reflects the economic life of the asset. The total value of customer relationships was €1,211.0 million.
- Brand: The Meo brand was preliminary measured at its fair value using the relief from royalty method, and a useful life of 15 years. The fair value amounted to €227.0 million.
- Frequencies: PT has invested in spectrum in order to provide mobile services. The mobile licenses were revalued for an amount of €56.0 million.
- Property, Plant and Equipment: Property plant and equipment was re-measured at its fair value. The PPE was revalued for an amount of €177.0 million.

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the condensed interim consolidated financial statements for the period ended September 30, 2016:

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

4.2.4 Groupe News Participations

The Group obtained control over Groupe News Participation (GNP) during the period ended September 30, 2016 (refer to note 2.1). This transaction qualified as a step acquisition as per IFRS 3, *Business Combinations*, and goodwill was allocated to the France GCGU. As part of the transaction, the Group has identified the following assets, for which it is in the process of determining the fair value with the help of an independent external appraiser:

- Brands: Two families of brands were identified and valued using the relief from royalty method, being BFM and RMC, the fair value amounted to €44.5 million.
- Exclusive distribution agreements/broadcast licenses (for radio and TV), the fair value amounted to €95.7 million.
- Exclusive content agreements and libraries, the fair value amounted to €22.6 million.

	€m
Total consideration transferred	0.3
Fair value of identifiable assets, liabilities and contingent liabilities	(459.7)
Goodwill	460.0

The Group is continuously evaluating the fair value of acquired assets and expects to complete the final purchase price allocation within the measurement period as defined by IFRS 3.

4.2.5 Other variations in goodwill (France)

On May 27, 2016, Altice Media Group ("AMG") was transferred to the Group by Altice IV S.A.. Altice IV S.A. is considered as a related party as it shares the same controlling shareholder as the Group. The transaction allows the Group to pursue its strategy of convergence between communication and media. In the absence of specific guidance in IFRS concerning the accounting for common control transactions, and in line with similar transactions carried out by the Group in the past, no purchase price allocation was performed.

However, as part of the acquisition of Altice Media Group, the Group acquired existing goodwill recorded at AMG resulting from historic acquisitions made by AMG. The goodwill arose on acquisition of Libération, NewsCo and i24 and totals €129.0 million. AMG identified and evaluated the brands at a preliminary fair value of €54.0 million (€35.0 million net of taxes). The final allocation of the preliminary goodwill at AMG is expected to be finalised by December 31, 2016.

Profit and loss before acquisition by the Group

The profit and loss of new subsidiaries not consolidated from January 1, 2016, for the period from January 1, 2016 to the date of their entry into the Group's accounts was:

Optimum	**€m**
Revenues	**2,811.4**
Purchases and subcontracting services	(975.1)
Other operating expenses	(383.9)
Staff costs and employee benefits	(615.4)
Depreciation and amortisation	(373.3)
Other expenses and income	(20.3)
Operating profit	**443.3**
Profit for the period	**152.6**

5 Shareholders' Equity

5.1 Issued capital

Share capital 30 September 2016	Total shares authorised (number)	Total capital authorised (€m)	Number of shares issued (number)	Value per share (cents)	Total capital issued (€m)
Common A shares	8,283,149,625	82.8	956,359,700	0.01	9.6
Common B shares	294,524,573	73.6	267,675,650	0.25	66.9
Preference A shares	4,700,000,000	188.0	-	0.04	-
Preference B shares	150,000,000	1.5	-	0.01	-
Total	**13,427,674,198**	**346.0**	**1,224,035,350**		**76.5**

For the period ended September 30, 2016, the Company had received and executed conversion orders amounting to a total of 4,604,591 common B shares.

5.1.1 Treasury shares

As of September 30, 2016, the Company held a total of 135,910,248 treasury A shares with a nominal value of €0.01 each. The consideration paid for the acquisition of the treasury shares was nil.

5.2 Additional paid in capital

As of September 30, 2016, total additional paid in capital of the Group amounted to €1,881.8 million.

5.3 Other reserves

The tax effect of the Group's currency, available for sale, cash flow hedge and employee benefits reserves is provided below:

Other reserves	September 30, 2016			December 31, 2015 (revised)*		
(€m)	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(49.1)	11.8	(37.3)	(3.5)	(0.5)	(4.0)
Items not potentially reclassified to profit and loss	**(49.1)**	**11.8**	**(37.3)**	**(3.5)**	**(0.5)**	**(4.0)**
Available for sale	2.6	-	2.6	2.4	-	2.4
Currency reserve	5.6	-	5.6	3.3	-	3.3
Cash flow hedge	(528.7)	167.5	(361.2)	(317.9)	100.3	(217.6)
Items potentially reclassified to profit and loss	**(520.4)**	**167.5**	**(353.0)**	**(311.7)**	**100.3**	**(211.9)**
Total other reserves	**(569.6)**	**179.3**	**(390.3)**	**(315.2)**	**99.8**	**(215.9)**

5.4 Variations in non-controlling interests

Variations in non-controlling interests (€m)	September 30, 2016	December 31, 2015 (revised)*
Balance at beginning of the period/year	**916.7**	**3,278.2**
Share of (loss)/profit for the period/year	(216.7)	98.8
Other comprehensive (loss)/income	(21.1)	7.3
Transactions with non-controlling interests in SFR Group S.A.	(100.1)	(2,492.2)
Transactions with non-controlling interests in CVC 2 B.V.	38.5	(25.7)
Transactions with non-controlling interests in Altice Content Luxembourg	-	50.0
Other variations	(0.8)	0.3
Balance at end of the period/year	**616.5**	**916.7**

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

Non-controlling interests		Ownership interests held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
Name of subsidiary	**Place of incorporatio**	**September 30 2016**	**December 31 2015**	**September 30 2016**	**December 31 2015**	**September 30 2016**	**December 31 2015**
SFR Group S.A.	France	22.23%	21.90%	(57.8)	150.4	816.4	944.6
Deficom Telecom	Luxembourg	26.02%	26.00%	(4.2)	(3.1)	(22.4)	(18.4)
CVC 2 B.V. [1]	Netherlands	31.20%	30.20%	(154.4)	(47.0)	(189.9)	(72.2)
Altice Content Luxembourg S.à r.l	Luxembourg	0.00%	24.00%	-	(0.4)	-	49.7
Others	Various			(0.3)	(1.1)	12.6	13.0
Total				**(216.7)**	**98.8**	**616.5**	**916.7**

1) Represents sponsors' participation in Optimum and Suddenlink

6 Share based payments

Compared to the year ended December 31, 2015, the Group has made amendments to the stock option plan ("SOP"), and instituted a new Long Term Incentive Plan ("LTIP") and made grants under these plans. Under the amended plan, grants of new awards will comprise 50% equity and 50% cash components; in contrast the original LTIP [SOP], was 100% equity based. The vesting of these awards will differ based on whether the employee had received grants under the original LTIP [SOP]. For employees who had previously received awards, future grants will vest 100% three years following grant date. The vesting of awards granted to employees the first time will follow the vesting pattern of the original LTIP [SOP] (i.e. 50% two years from grant date and 25% in each of years three and four following grant date). All cash components to these awards are subject to performance criteria as defined in the LTIP. During the period ended September 30, 2016, the Group incurred expenses of €1.9 million related to the new plan.

7 Earnings per share

Earnings per share	**Nine months ended September 30, 2016**	**Nine months ended September 30, 2015 (revised *)**	**Three months ended September 30, 2016**	**Three months ended September 30, 2015 (revised *)**
(€m)			*unreviewed*	*unreviewed*
Profit/(loss) for the period	**(954.1)**	**119.9**	**(312.8)**	**(141.7)**
Basic earnings per share				
Weighted average number of ordinary shares[1]	1,088.1	992.2	1,088.1	992.2
Basic earnings per ordinary share (*) (in €)	*(0.88)*	*0.12*	*(0.29)*	*(0.14)*
Diluted earnings per share				
Weighted average number of ordinary shares including dilutive shares	1,133.1	1,028.9	1,134.8	1,032.7
Diluted earnings per ordinary share (*) (in €)	*(0.84)*	*0.12*	*(0.28)*	*(0.14)*

(*) Previously published information has been revised for the impact of the purchase price allocations of Group entities acquired during the 2014 and 2015 financial years. For the details of the revision see note 16.

1. As both class A and class B shares have the same economic rights, basic earnings per share is calculated using the aggregate number of shares in circulation.

8 Borrowings and other financial liabilities

Borrowings and other financial liabilities (€m)	September 30, 2016	December 31, 2015
Long term borrowings, financial liabilities and related hedging instruments:	**50,659.7**	**45,682.8**
- Debentures	*40,515.7*	*29,894.6*
- Loans from financial institutions	*9,606.1*	*15,688.5*
- Derivative financial instruments	*537.9*	*99.7*
Other non-current financial liabilities:	**3,427.8**	**1,565.9**
- Finance leases	*111.2*	*100.3*
- Other financial liabilities	*3,316.6*	*1,465.6*
Non-current liabilities	**54,087.4**	**47,248.7**
Short term borrowing, financial liabilities:	**2,100.6**	**380.6**
- Debentures	*867.9*	*29.7*
- Loans from financial institutions	*1,231.3*	*350.9*
- Derivative financial instruments	*1.4*	*-*
Other financial liabilities:	**2,917.0**	**1,484.4**
- Other financial liabilities	*1,844.3*	*526.1*
- Bank overdraft	*140.8*	*126.7*
- Accrued interests	*865.4*	*764.2*
- Finance leases	*66.4*	*67.4*
Current liabilities	**5,017.6**	**1,865.0**
Total	**59,105.0**	**49,113.7**

8.1 Debentures and loans from financial institutions

The details of the debentures and loans from financial institutions are given in the sections that follow.

Debentures and loans from financial institutions (€m)	Note	September 30, 2016	December 31, 2015
Debentures	8.1.1	41,383.6	29,924.3
Loans from financial institutions	8.1.2	10,837.4	16,039.4
Total		**52,221.0**	**45,963.7**

8.1.1 Debentures

Maturity of debentures (€m)	< 1 year	One year or more	September 30 2016	December 31, 2015
SFR	-	11,637.0	11,637.0	9,305.0
Optimum	837.9	9,713.3	10,551.2	-
Suddenlink	-	5,153.0	5,153.0	3,583.6
Altice Luxembourg	-	6,647.3	6,647.3	6,735.5
Altice Financing	-	5,848.0	5,848.0	4,069.1
Altice Finco	-	1,319.5	1,319.5	1,345.7
Hot telecom	30.0	197.6	227.6	254.7
Neptune Finco Corp[1]	-	-	-	4,346.5
Altice US Finance[2]	-	-	-	283.2
Total	**867.9**	**40,515.7**	**41,383.6**	**29,923.3**

1) Neptune Finco Corp was merged with Optimum prior to the closing of the transaction
2) Debt assumed by Suddenlink in April 2016 as part of an automatic exchange transaction

8.1.1.1 Significant change in the year

i) As part of the business combination with Optimum, the Group acquired the following debentures that were not refinanced at closing (in millions):

Debt	Amount (USD)	Equivalent (EUR)	Maturity	Coupon
Senior notes	300.0	270.2	2018	7.875%
Senior notes	500.0	450.4	2018	7.625%
Senior notes	526.0	473.8	2019	8.625%
Senior notes	1,000.0	900.7	2021	6.750%
Senior notes	750.0	675.6	2024	5.250%
Senior notes	900.0	810.7	2017	7.750%
Senior notes	750.0	675.6	2018	7.750%
Senior notes	500.0	450.4	2020	8.000%
Senior notes	649.0	584.6	2022	5.875%

ii) During the nine months ended September 30, 2016, the Group refinanced a portion of its debentures, for an aggregate amount of $9,440 million (€8,159.7 million equivalent). The details of the newly issued debentures and the refinanced debentures are given below:

SFR
On April 7, 2016, SFR announced the successful placement of a new 10 year Senior Secured Note for an aggregate amount of $5.2 billion. The proceeds from this issuance were used to refinance the following debts:

- $2,400 million notes due 2019;
- €475 million drawn on the €1,125 million revolving credit facility (RCF); and
- €1,900 million term loan due 2019 (three tranches of €627.0 million, €399.0 million and $1,142.0 million respectively).

The debt was priced at 7.375%. The equivalent swapped coupon for the euro repayments is approximately 6.2%. At the date of the refinancing, the average maturity of SFR's debt increased from 5.8 years to 7.9 years. Related to this transaction, the Group recognised a loss on extinguishment of financial liabilities of €135.0 million for the nine months ended September 30, 2016.

Altice Financing S.A.
On April 19, 2016, Altice Financing S.A., an indirect subsidiary of the Company, announced that it had successfully priced a new 10 year Senior Secured Note for an aggregate amount of $2,750.0 million paying a coupon of 7.5% (approximately 5.8% swapped into euros). The proceeds from this issuance were used to refinance the following debts:

- $460.0 million senior secured notes due 2019;
- €210.0 million senior secured notes due 2019;
- $1,013.0 million of loans under the 2019 Term Loan facility; and
- €855 million of loans under the 2022 Term Loan facility ($500.0 million and €400.0 million respectively).

At the date of the refinancing, the average maturity of debt was increased from 6.0 years to 7.7 years. As a result of this transaction, the Group recognised a loss on extinguishment of financial liabilities of €88.0 million for the nine months ended September 30, 2016.

Suddenlink Communications:
On April 20, 2016, Altice US Finance 1 Corporation, an indirect subsidiary of the Company, announced that it had successfully placed a new 10-year Senior Secured Bond for an aggregate amount of $1,500.0 million with a 5.5% coupon. The proceeds of this issuance were used to repay the $1,481.0 million aggregate amount of loans under Suddenlink's existing Term Loan facility maturing in 2019. At the date of the refinancing, the average maturity of Suddenlink was extended from 5.7 years to 7.3 years. As a result of the refinancing described above, the Group recognised a loss on extinguishment of a financial liability for an amount of €18.0 million for the nine months ended September 30, 2016.

Optimum
During September 2016, Optimum issued new senior guaranteed notes due April 2027 for an aggregate amount of $1,310 million with a coupon of 5.50%. The proceeds from the issuance of these notes are held as restricted cash at 30 September, 2016, as the funds will be utilised during October as part of the refinancing of its term loan of $3,750 million. In anticipation of the closing of this transaction, the relevant portions of debt were classified as current liabilities, as shown in the table above and in note 8.1.2. On

October 11, 2016, the amendments to the term loan were executed, with an extended term loan established, for an aggregate amount of $2,500 million.

8.1.2 Loans from financial institutions

Maturity of loans from financial institutions (€m)	< 1 year	One year or more	September 30 2016	December 31, 2015
SFR Term Loans	74.0	4,454.8	4,528.8	6,632.3
Optimum Term Loans	1,141.5	2,134.0	3,275.5	-
Altice Corporate Financing Term Loan	-	1,403.0	1,403.0	1,088.0
Suddenlink Term Loans	7.3	713.6	720.9	2,089.1
Altice Financing Term Loans	4.5	434.8	439.3	2,194.6
Numericable-SFR RCF	-	100.0	100.0	450.0
Optimum RCF	-	336.2	336.2	-
Altice Financing RCF	-	-	-	160.0
Others	4.0	29.7	33.7	34.6
Neptune Finco Corp[1]	-	-	-	3,390.8
Total	**1,231.3**	**9,606.1**	**10,837.4**	**16,039.4**

1) Neptune Finco Corp was merged with Optimum prior to the closing of the transaction

The decrease in the loans from financial institutions was mainly due to the prepayment of different term loan facilities by the Group during the period. The term loans were repaid prior to their maturity through the issuance of new debentures, as explained in note 8.1.1.1. The following term loans were repaid as part of the refinancing:

- €1,900 million of SFR Term Loans due 2019 (three tranches of €627 million, €399 million and $1,142 million respectively);
- $1,013 million of Altice Financing Term Loans under the 2019 Term Loan facility;
- €855 million of Altice Financing Term Loans under the 2022 Term Loan facility ($500 million and €400 million respectively); and
- $1,481 million Term Loan issued by Suddenlink under the 2019 Term Loan facility.

In addition to these repayments, the Group also extended the maturities of the term loans totalling $2,600 million, the tranches extended comprised:

- $1,425 million due in 2024 (with principal repayments of 1% per annum), paying interest of Libor 3m+4.25% (with a 0.75% floor), and
- €850 million due in 2023 (with principal repayments of 1% per annum), paying interest of Libor 3m+3.75% (with a 0.75% floor).

In February 2016, the Group also extended the maturity of the existing corporate facility at Altice Corporate Financing from May 2017 to March 2019 for an aggregate amount representing half of the original principal amount (€500 million). The group drew an additional €315 million on the corporate facility in June 2016, in order to finance a portion of the acquisition of Optimum. As the entire amount of the outstanding tranche (€500 million) was not drawn down, the maturity of the total amount of the corporate facility was subsequently extended to 2019 in June.

8.1.3 Covenants

The Group was in compliance with all its covenants as of September 30, 2016. There was no change regarding the covenants impacting the Group and its subsidiaries during the period ended September 30, 2016 compared to December 31, 2015, except for covenants on the debts acquired as part of the acquisition of Optimum (as described in notes 2 and 4). The outstanding notes issued by Optimum are subject to covenant tests, being that the Cash Flow Ratio through Issuer must not exceed a ratio of 9:1. Cash Flow Ratio is the ratio of (a) the aggregate amount of outstanding Indebtedness (excluding certain interest rate swaps) plus the aggregate undrawn face amount of all outstanding letters of credit to (b) Annualized Operating Cash Flow (i.e., Operating Cash Flow for three complete consecutive calendar months for which financial information is available multiplied by four).

8.1.4 Available credit facilities

Available credit facilities (€m)	Total facility	Drawn
Optimum	1,792.0	336.2
SFR	1,125.0	100.0
Altice Financing S.A.	982.7	-
Suddenlink	313.6	-
Altice Luxembourg S.A.	200.0	-
Revolving credit facilities	**4,413.2**	**436.2**
Altice Financing S.A.	15.0	-
Guarantees	**15.0**	**-**
Total	**4,428.2**	**436.2**

Optimum and Suddenlink have outstanding letters of credit totalling 96.0 million, which reduces the amounts available to be drawn against their total revolving credit facilities.

8.2 Other financial liabilities

Significant variations in other financial liabilities compared to the year ended December 31, 2015 are summarised below:

Non-current portion (increase from €1,566.0 million to €3,427.8 million):

- The re-measurement of the put option held by non-controlling interests in CVC2 BV, leading to an increase of €665.8 million. This increase is mainly explained by an increase in the underlying strike price for the put option, given the completion of the Optimum acquisition and an additional investment by the minority investors in Suddenlink into CVC-2 BV to retain a 30.0% stake in the combined Suddenlink and Optimum.
- The non-current portion of a collateralised debt issued by Optimum, amounting to €550.2 million. This debt is guaranteed by an investment in the common stock of Comcast Corporation held by Optimum and recorded as a financial asset for the period ended September 30, 2016. Optimum holds 21,477,618 shares of Comcast common stock that were acquired in connection with the sale of certain cable systems in prior years. The carrying amount of this investment was €1,276.6 million as of September 30, 2016. The lenders have no recourse to any other asset owned by Optimum in connection with this collateralised instrument.
- Loans provided by the minority investors in the combined Suddenlink and Optimum group for an aggregate amount of €470.4 million.
- As part of the acquisition of GNP and the subsequent minority investment in Altice Content Luxembourg, the Group has entered into a put agreement with the non-controlling interests. As per the requirements of IAS 39, the put was measured and recorded at its fair value in the caption, 'other financial liabilities' for an amount of €60.5 million.

Current portion (increase from €1,484.4 to €2,917.0 million):

- The current portion of the collateralised debt mentioned at Optimum, an aggregate amount of €600.4 million.
- Increase in bank overdrafts by €14.1 million from €126.7 million to €140.8 million
- Increase in other financial liabilities, mainly related to increase in debts related to securitisation and reverse factoring at NSFR for a total amount of €180 million.
- The issuance of unsecured commercial paper by SFR for an aggregate amount of €392.0 million
- A vendor note amounting to €100.0 million related to SFR's acquisition of AMG.

8.3 Derivatives and hedge accounting

8.3.1 Cross currency swaps

As part of the refinancing transactions mentioned in note 8.1 and 8.2, the Group entered into new swaps and modified the conditions of existing swaps on the refinanced debt to maintain its hedging strategy. The following table provides a summary of the modified and new swap contracts:

New cross currency swaps	Nominal USD (m)	Nominal EUR (m)	USD/EUR exchange rate	Effective date	Maturity date[1]	USD coupon	EUR coupon	Modified / new
Fixed/Fixed CCIRS								
SFR	2,400	1,736	1.3827	08-05-14	15-07-24	7.38%	6.78%	Modified
SFR	2,790	2,458	1.135	11-04-16	15-04-24	7.38%	5.75%	New
Altice Financing S.A.	779	686.4	1.1352	03-05-16	15-07-24	7.50%	5.573% to 5.816%	New
Altice Financing S.A.	541	415.5	1.301	03-05-16	15-07-24	7.50%	5.91% to 6.4%	Modified
Altice Financing S.A.	500	442.1	1.132	03-05-16	15-07-24	7.50%	5.95% to 6.06%	Modified
LIBOR/EURIBOR IRS								
SFR	1,425	1,030	1.3834	08-05-14	15-01-24	L+4.25%	E+4.570%	Modified

1) The new fixed to fixed cross currency have been designated as hedged instruments and have been accounted for as cash flow hedges as per IAS 39.
2) The modified fixed/fixed cross currency swap at SFR was previously designated as a hedged instrument and accounted for as a cash flow hedge since its inception.
3) The modified fixed/fixed cross currency swaps at Altice Financing were previously designated as held for trading and designated as fair value through profit and loss (FVTPL) instruments. Following the modifications, these instruments were designated as cash flow hedge instruments.

The fair value change of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the nine month period ended September 30, 2016. Before the impact of taxes, losses of €210.8 million were recorded in other comprehensive income (€143.6 million net of taxes).

8.3.2 Interest rate swaps

Compared to the year ended December 31, 2015, the Group entered into the following new interest rate swaps at Altice Financing and SFR:

On February 16, 2016, NSFR signed an interest rate swap agreement with the following features:
- Nominal: €4.0 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: -0.121%
- Maturity: 7 years, but cancellable by the counterparty after 5 years.

The Group also entered into a similar swap at Altice Financing S.A. with the following features:
- Nominal: €0.75 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: -0.13%
- Maturity: 7 years, but cancellable by the counterparty after 5 years.

In addition to the cash flow hedge instruments listed above, the Group entered into two new fixed to floating interest rate swaps at Altice Financing and Suddenlink. The objective of these swaps is to cover the exposure of the refinanced debt to changes in the market interest rate (as the refinanced term loans were replaced with fixed rate debentures).

In line with its hedging policy, the Group has designated these swaps as fair value hedges. As per the provisions of IAS 39 - *Financial instruments*, the variations in fair value of the hedged instrument is recorded through the statement of income along with the variations in the fair value of the hedged item. Where the hedge is 100% effective, the variations in the fair value of the hedged instrument and the hedged item compensate for each other (i.e. offset in the same line in the Statement of Income). The hedging relationships comprise the following:
- Hedged items:
  - $1,500 million bonds bearing interest at a coupon of 5.5%
  - $720 million tranche of a $2,750 million bond bearing a coupon of 7.5%
- Hedging instruments:
  - Fixed to floating swap changing $750 million from a fixed rate of 1.6655% to Libor 6M and a second tranche of $750 million from a fixed rate of 1.6800% to Libor 6M.
  - Fixed to floating swap changing $720 million from a fixed rate of 1.81% to Libor 6M.

For the nine month period ended September 30, 2016, the group recorded a net financial expense of €0.1 million related to the fair value hedges mentioned above.

8.3.3 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:

Reconciliation of debentures and loans from financial institutions (€m)	**September 30, 2016**
Debentures and loans from financial institutions (as reported in the Statement of Financial Position)	**52,221.0**
Transaction costs	593.0
Fair value adjustments	314.6
Total (excluding transaction costs and fair value adjustments)	**53,128.6**
Conversion of debentures and loans in foreign currency (at closing spot rate)	(21,151.1)
Conversion of debentures and loans in foreign currency (at hedged rates)	18,936.3
Total swap adjusted debt	**50,913.8**

8.4 Fair value of financial assets and liabilities

Fair values of assets and liabilities	**September 30, 2016**		**December 31, 2015**	
(€m)	**Carrying value**	**Fair value**	**Carrying value**	**Fair value**
Financial assets[1]	635.6	635.6	-	-
Cash and cash equivalents	1,232.4	1,232.4	2,527.0	2,527.0
Restricted cash	1,361.2	1,361.2	7,737.0	7,737.0
Current assets	**3,229.2**	**3,229.2**	**10,264.0**	**10,264.0**
Restricted cash	0.5	0.5	0.6	0.6
Available for sale financial assets	11.1	11.1	6.5	6.5
Derivative instruments[1]	1,882.0	1,882.0	2,548.7	2,548.7
Other financial assets	945.3	945.3	262.9	256.2
Non-current assets	**2,838.9**	**2,838.9**	**2,818.7**	**2,812.0**
Short term borrowings, financial liabilities and related hedging instruments	2,100.6	2,100.6	380.6	380.6
Other financial liabilities	2,917.0	2,917.0	1,484.4	1,484.4
Current liabilities	**5,017.6**	**5,017.6**	**1,865.0**	**1,865.0**
Long term borrowings, financial liabilities and related hedging	50,659.7	52,594.5	45,682.8	45,447.8
Other financial liabilities	3,427.8	3,427.8	1,566.1	1,566.1
Non-current liabilities	**54,087.5**	**56,022.2**	**47,248.9**	**47,013.9**

1. Includes the current and non-current portion of an investment in the common shares of Comcast Corporation and acquired as part of the Optimum business combination described in note 2.1. This investment is classified as held for trading and is stated at fair value with realized and unrealized holding gains and losses included in profit or loss. A net gain of €74.7 million was recorded in the consolidated statement of income, as other financial income, for the period ended September 30, 2016. In addition, the impact of the related forward contracts, not designated as hedging instruments for accounting purposes, recorded as an other financial expense amounts to €24.0 million for the period ended September 30, 2016

During the nine months ended September 30, 2016, there were no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The Group's trade and other receivables and trade and other payables are not shown in the table above as their carrying amounts approximate their fair values.

9 Cash and cash equivalents and current restricted cash

Cash balances (€m)	**September 30, 2016**	**December 31, 2015**
Term deposits	194.8	222.2
Bank balances	1,037.6	2,304.8
Cash and cash equivalents	**1,232.4**	**2,527.0**
Restricted cash	1,361.2	7,737.0
Total	**2,593.6**	**10,264.0**

The change in cash since December 31, 2015 is due to the acquisition of Optimum; cash was held in escrow as restricted cash at December 31, 2015 and was used to settle the acquisition in June 2016, refer to note 2. The balance at September 30, 2016 primarily relates to cash proceeds from a new bond issued at Optimum, as discussed in note 8.1.1.1.

10 Contractual obligations and commercial commitments

10.1 Optimum

During the period, the Group acquired significant contractual obligations and commercial commitments as part of the business combination of Optimum as compared to the year ended December 31, 2015. The details of the commitments acquired are provided below:

Unrecognised contractual commitments (€m)	< 1 year	Between 1 and 2 years	Between 2 and 4 years	Five years or more	Total
Goods and service purchase commitments	1,323.3	960.5	582.0	62.8	**2,928.6**
Guarantees given to financial institutions	-	0.1	6.4	-	**6.5**
Guarantees given to government agencies	3.9	16.5	4.2	-	**24.6**
Other commitments	53.8	7.6	2.8	1.3	**65.5**
Total	**1,380.9**	**984.8**	**595.4**	**64.1**	**3,025.2**

Commitment to purchase goods and services: These commitments primarily include contractual commitments with various programming vendors to provide video service to Optimum's customers. Amounts reflected relate to programming agreements and are based on the number of subscribers receiving the programming as of September 30, 2016 multiplied by the per subscriber rates or the stated annual fee, as applicable, contained in executed agreements in effect as of September 30, 2016

Guarantees given to financial institutions: Mainly represents letters of commitments issued to insurance/financial companies.

Other commitments: Includes purchase obligations for future services that will be recorded to other operating expenses.

Optimum also has obligations for various long-term, non-cancellable leases of office, production and storage space, and rental space on utility poles for their fixed operations; these are summarised below:

Operating leases - minimum lease payments (€m)	September 30 2016
Less than one year	53.8
Between one and two years	51.7
Between two and four years	84.5
Five years and beyond	168.6
Total minimum payments	**358.6**

10.2 New Sports rights agreement in Portugal and acquisition of a stake in Sport TV

On July 26, 2016, NOS, Vodafone Portugal, Cabovisão, Altice Pictures, PT Portugal and MEO announced the signing of an agreement for reciprocal sharing of: (1) sports event broadcasting rights, and; (2) distribution and broadcasting rights of sports and club channels, which are currently owned or come to be owned by the signatories, who will share the current and future costs of the aforementioned content.

This agreement is subject to approval from anti-trust authorities in Portugal. In addition, on August 4, 2016, PT Portugal / MEO announced that it had signed a memorandum of understanding ("MOU") with the objective of entering the share capital of Sport TV, a sports broadcaster based in Portugal.

As compared to the commitments under the broadcasting rights acquired by PT in the end of 2015, the impact of the above mentioned agreements resulted in an increase in PT's commitments of approximately €100.0 million.

11 Net result on extinguishment of financial liability

As a result of the refinancing operations performed during the period ended September 30, 2016 (refer to note 8.1.1), the Group recognized a net loss on extinguishment of financial liabilities amounting to €241.2 million.

During the previous year, as part of the acquisition of SFR by Numericable, the earn-out due to Vivendi was cancelled. This was carried at its fair value of €643.5 million as of the extinguishment date. As per the provisions of IAS 39 and IFRS 3, on derecognition, the gain on earn-out was recognized entirely in profit or loss (in financial income) as the cancellation was a result of an event separate from the original contract.

12 Income tax

Tax expense (€m)	September 30, 2016	September 30 2015
Current tax	(170.4)	(129.8)
Deferred tax	314.2	(10.9)
Total	**143.8**	**(140.7)**

The variation in the income tax recorded resulted mainly from a deferred tax income of €314.2 million for the nine months ended September 2016 (compared to an expense of €10.9 million in 2015), mainly linked to a variation in deferred tax at SFR and the recognition of deferred tax assets for tax losses carried forward in the US, generated on the accrued interest expense of Neptune Finco Corp pursuant to its merger with and into CVC on June 21, 2016. This deferred tax income was partially offset by a non-cash deferred tax charge resulting from an increase in the applicable tax rate used to measure the deferred taxes of Suddenlink pursuant to its joining CVC in its consolidated tax group in the U.S.

The Group also recorded a current tax expense of €170.4 million for the nine months ended September 30, 2016 (compared to an expense of €129.8 million in 2015). The variation is mainly due to the tax agreement reached with Dominican tax authorities on October 26, 2016 (see note below).

Income tax litigation

This note describes the new proceedings and developments in existing tax litigations that have occurred since the publication of the consolidated financial statements for the year ended December 31, 2015 and that have had or that may have a significant effect on the financial position of the Group.

NC Numericable

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

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

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

On February 1, 2016, the Company received notice of a tax audit from the French tax authorities for fiscal years 2013 and 2014 with a preliminary audit set for February 22, 2016.

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

The proposed assessments have been provisioned in the condensed consolidated financial statements as of September 30, 2016 in the amount of €34.3 million.

Dominican Republic

On October 26, 2016, the Group has reached an agreement with the Republic Dominican Tax Authorities related to the level of deductibility of the financial interests related to financial liabilities. The agreement covers fiscal years 2014 to 2016 and agrees the deductibility ratio for each local company (Tricom S.A and Altice Hispaniola S.A). As of September 30, 2016, €29.0 million was recorded in the condensed consolidated financial statements to reflect the impact of the transaction.

13 Litigation

Provisions for litigation 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, 2015 and that have had or that may have a significant effect on the financial position of the Group.

13.1 France

Civil and commercial disputes in France

13.1.1 Wholesale disputes

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

SFR appealed the decision. The case was heard by the Paris Court of Appeal on February 20, 2014. The Paris Court of Appeal rendered its judgment on June 19, 2014, dismissing SFR's appeal (the judgment was appealed to the Court of Cassation by SFR on July 9, 2014; on October 6, 2015, the Court of Cassation rejected SFR’s appeal) and asked the European Commission to provide an Amicus Curiae to shed light on the economic and legal issues raised by the case. The Court of Appeal postponed ruling on the merits of the case pending the Commission's opinion. The Commission rendered its opinion on December 1, 2014, which went against SFR. The hearing on the merits of the case was held on December 10, 2015. The Court of Appeal issued its ruling on May 19, 2016; it granted a 20% fine rebate to SFR due to the nature of the infraction. The French treasury (Trésor Public) returned €13.1 million to SFR. SFR appealed on a point of law on June 20, 2016. As a result of the French Competition Authority's decision of December 13, 2012, Bouygues Telecom, OMEA and EI Telecom (NRJ Mobile) filed claims against SFR in the Commercial Court for damages. In accordance with the transaction between SFR and Bouygues Telecom in June 2014, the closing hearing of the conciliation proceedings was held on December 5, 2014. The motion for discontinuance granted on September 11, 2014, ended the legal action between the two companies. With respect to the claim by OMEA (€67.9 million) and EI Telecom (€28.6 million), SFR applied for stay on a ruling pending the decision of the Paris Court of Appeal, and obtained it. OMEA withdrew its claim on May 24, 2016. EI Telecom renewed its claim and adjusted it to €28.4 million.

SFR's lawsuit and complaint against Orange in the Paris Commercial Court (call termination – call origination)
On February 22, 2010, SFR sued Orange demanding that it cancel the price for Orange call origination for the period 2006-2007 and replace it with a 2% lower rate for 2006 and a 15% lower rate for 2007. On June 25, 2013 SFR had all its requests dismissed. On July 25, 2013, SFR appealed the Commercial Court ruling. On December

4, 2015, the Court of Appeal dismissed SFR's claim. SFR filed an appeal before the Court of Cassation, the French Supreme Court, on March 14, 2016.

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

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

In a ruling on November 13, 2013 the Court awarded SRR and SFR a postponement until the Competition Authority makes a decision, or until the Senior Justice of the Court of Appeal orders the postponement of the execution of the Competition Authority's decision. The proceedings have not resumed to date even though the decision of the Senior Justice of the Court of Appeal was handed down on June 13, 2014.
Outremer withdrew from the proceedings against SRR and SFR on May 10, 2015.

On October 8, 2014, Orange Reunion sued SRR and SFR jointly and severally to pay €135.3 million for the loss suffered because of the practices sanctioned by the Competition Authority. To date, the merits of the case have not yet been heard and various procedural issues have been raised, on which a judgment is pending. The Court rendered its ruling on June 20, 2016: the stating that the petitions of Orange Réunion cannot relate to the period preceding October 8, 2009 and therefore refused to exonerate SFR.

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

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

At the same time, SFR filed claims against Orange in the Commercial Court seeking €2,400 million in damages (subject to adjustment) as remedy for the loss suffered as a result of the practices in question in the proceedings with the Competition Authority. On June 21, 2016, Orange filed an injunction to disclose several pieces of confidential data in SFR's economic report for July 21, 2016.

The hearing for the proceedings was set for October 11, 2016 and another is planned on November 22, 2016.

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

On February 12, 2014, the Paris Commercial Court ordered Orange to pay €51.0 million in fines to SFR for abuse of dominant position in the second homes market.

On April 2, 2014 Orange filed an emergency motion against SFR with the Senior Justice of the Paris Court of Appeal to suspend the provisional enforcement. This motion was denied by the Senior Justice on July 4, 2014.
On April 2, 2014, Orange appealed the decision of the Commercial Court on the merits. On October 8, 2014 the Paris Court of Appeal overturned the Paris Commercial Court's ruling of February 12, 2014 and dismissed SFR's requests. The Court of Appeal ruled that it had not been proven that a pertinent market limited to second homes actually exists. In the absence of such a market, there was no exclusion claim to answer, due to the small number of homes concerned. On October 13, 2014 SFR received notification of the judgment of the Paris Court of Appeal of October 8, 2014 and repaid the €51 million to Orange in November 2014. On November 19, 2014 SFR appealed the ruling.

On April 12, 2016, the French Supreme Court overturned the Court of Appeal's decision and referred the case back to the Paris Court of Appeal.

Orange returned €52.7 million to SFR on May 31, 2016. Orange refiled the case in the Paris Court of Appeal on August 30, 2016.

Orange v. SFR and Bouygues Telecom (Sharing Agreement)
On April 29, 2014, Orange applied to the French Competition Authority to disallow the agreement signed on January 31, 2014 by SFR and Bouygues Telecom to share their mobile access networks, based on Article L. 420-1 of the French Commercial Code and Article 101 of the Treaty on the Functioning of the European Union (TFEU). In addition to this referral, Orange asked the Competition Authority for a certain number of injunctions, as a provisional measure, against the companies involved.

In a decision dated September 25, 2014, the Competition Authority dismissed all of Orange's requested injunctions to stop SFR and Bouygues Telecom from implementing the agreement that they had signed to share part of their mobile networks.

The Competition Authority ruled that "no serious and immediate harm to the general economy, the sector, consumers or the plaintiff, can be described based on the section of the agreement relating to network sharing or from the 4G roaming capability associated with it."

Orange appealed the Competition Authority's decision to dismiss its request for provisional measures.
The Court of Appeal upheld this decision on January 29, 2015. Orange is now appealing the matter to the French Supreme Court. The Court of Cassation rendered a decision, dismissing the appeal filed by Orange on October 4, 2016.

Claim by Bouygues Telecom against Numericable, Completel and NC Numericable
In late October 2013, Numericable, Completel and NC Numericable received a claim from Bouygues Telecom regarding the "white label" contract signed on May 14, 2009, initially for five years and extended once for an additional five years for the supply to Bouygues Telecom of double- and triple-play very-high-speed offers. In its letter, Bouygues Telecom claimed damages totaling €53 million because of this contract. Bouygues Telecom alleges a loss that, according to Bouygues Telecom, justifies damages including (i) €17.3 million for alleged pre-contractual fraud (providing erroneous information prior to signing the contract), (ii) €33.3 million for alleged non-performance by the Group companies of their contractual obligations and (iii) €2.4 million for alleged damage to Bouygues Telecom's image. The Group considers these claims unfounded both in fact and in contractual terms, and rejects both the allegations of Bouygues Telecom and the amount of damages claimed.

On July 24, 2015, Bouygues Telecom filed suit against NC Numericable and Completel concerning the performance of the contract to supply very-high-speed links (2P/3P). Bouygues Telecom is accusing NC Numericable and Completel of abusive practices, deceit and contractual faults, and is seeking nullification of certain provisions of the contract and indemnification of €79 million. On June 21, 2016, Bouygues Telecom filed revised pleadings, increasing its claims for indemnification to a total of €180 million.

The matter was heard in a new procedural hearing on September 27, 2016.

eBizcuss.com against Virgin
eBizcuss.com filed a complaint against Virgin on April 11, 2012 before the French Competition Authority regarding an anticompetitive vertical agreement between Apple and its wholesale distributors (including Virgin).

Complaint by Numericable to the French Competition Authority
On May 20, 2015, Numericable filed a complaint against Groupe Canal Plus before the French Competition Authority based upon an abuse of dominant position of Groupe Canal Plus regarding its self-distribution.

13.1.2 Consumer disputes

CLCV's summons and complaint against SFR
On January 7, 2013, the consumer association CLCV filed a complaint against SFR in the Paris Commercial Court. CLCV claimed that some of the clauses in SFR's general terms of subscription, and those of some other telephone operators, were unfair. It also asked for compensation for the collective loss suffered. The Paris District Court ruled that the clauses were unfair. SFR has appealed this ruling.

Free v. SFR: unfair practices for non-compliance with consumer credit provisions in a subsidized offer
On May 21, 2012, Free filed a complaint against SFR in the Paris Commercial Court. Free challenged the subsidy used in SFR's "Carrés" offers sold over the web between June 2011 and December 2012, claiming that it constituted a form of consumer credit and, as such, SFR was guilty of unfair practices by not complying with the consumer credit provisions, in particular in terms of prior information to customers. Free asked the Paris Commercial Court to require SFR to inform its customers and to order it to pay €29.0 million in damages. On January 15, 2013, the Commercial Court dismissed all of Free's requests and granted SFR €0.3 million in damages. On January 31, 2013, Free appealed the decision,
On March 9, 2016, the Paris Court of Appeal confirmed the Paris Commercial Court's ruling and denied all claims filed by Free. The amount of damages payable by Free to SFR was increased to €0.5 million from €0.3 million. On May 6, 2016, Free filed an appeal.

13.1.3 Providers disputes

Arvato v. SFR
On June 29, 2016, Arvato filed a motion against SFR before the Paris Commercial Court for summary proceedings and petitioned the court to order SFR, pursuant to a call center service level agreement expiring on September 30, 2016, to maintain an activity volume similar to the March 2016 volume under penalty of a fine until the decision on the merits (subject of the summary proceeding) is rendered.

On June 29, 2016, Arvato filed a motion against SFR before the Paris Commercial Court, at short notice, and petitioned the court to order SFR to comply with a reasonable notice period supposed to end on September 30, 2018 without the possibility of reducing the volumes, and to do so under penalty of a fine.

On July 13, 2016, the presiding judge of the Paris Commercial Court issued an order compelling SFR to maintain the activity volumes entrusted to Arvato at a level similar to the levels of March 2016, under penalty of a fine, until September 30, 2017.

SFR has appealed this order. In September 2016, the Court of Appeal overturned the order, finding that there were no grounds for an emergency hearing or provisional measures.

13.1.4 Other disputes

Operations, inspections and seizures
By Order of March 25, 2015, the Nanterre District Court authorized the *rapporteur-general* of the Competition Authority to conduct inspections and seizures in order to find proof of actions prohibited by Article L 430-8-II of the Commercial Code and any evidence of such actions (before the authorization of the proposed combination between SFR Group and OMEA Telecom), of commercial collaboration between SFR Group, Omea Telecom and SFR. On April 9, 2015, SFR Group appealed the authorization of the District Court of Nanterre and filed an appeal against the conduct of the inspection and seizure operations with the Senior Justice of the Court of Appeal of Versailles. SFR withdrew its appeal as part of the settlement offer concluded with the Competition Authority (see note 17).

In addition to the above, on June 27, 2016, the rapporteur-general sent a report to SFR Group and Altice Luxembourg S.A. denouncing the implementation of actions that suggested the implementation of commercial collaboration ("gun jumping") before it was authorized by the Competition Authority (actions prohibited by Article L 430-8-II of the French Commercial Code). The hearing before the Authority Board was held on April 18, 2016, and a decision was rendered in November 2016. See note 17 for more details.

13.2 United States

13.2.1 Cable Operations Litigation

Marchese, et al. v. Cablevision Systems Corporation and CSC Holdings, LLC
CVC is a defendant in a lawsuit filed in the U.S. District Court for the District of New Jersey by several present and former Cablevision subscribers, purportedly on behalf of a class of iO video subscribers in New Jersey, Connecticut and New York. After three versions of the complaint were dismissed without prejudice by the District Court, plaintiffs filed their third amended complaint on August 22, 2011, alleging that CVC violated Section 1 of the Sherman Antitrust Act by allegedly tying the sale of interactive services offered as part of iO television

packages to the rental and use of set-top boxes distributed by Cablevision, and violated Section 2 of the Sherman Antitrust Act by allegedly seeking to monopolize the distribution of Cablevision compatible set-top boxes.

Plaintiffs seek unspecified treble monetary damages, attorney's fees, as well as injunctive and declaratory relief. On September 23, 2011, CVC filed a motion to dismiss the third amended complaint. On January 10, 2012, the District Court issued a decision dismissing with prejudice the Section 2 monopolization claim, but allowing the Section 1 tying claim and related state common law claims to proceed. Cablevision's answer to the third amended complaint was filed on February 13, 2012. On December 7, 2015, the parties entered into a settlement agreement, which is subject to approval by the Court. On December 11, 2015, plaintiffs filed a motion for preliminary approval of the settlement, conditional certification of the settlement class, and approval of a class notice distribution plan. On March 10, 2016 the Court granted preliminary approval of the settlement and approved the class notice distribution plan. Class notice distribution and the claims submission have now concluded. As of September 30, 2016, CVC has an estimated liability associated with the settlement totaling $15.6 million, of which $9.5 million represents attorneys' fees for plaintiffs' counsel, and $6.1 million represents the cost of benefits to class members that are reasonably expected to be provided. It is possible that the amount ultimately paid in connection with the settlement could exceed the amount recorded.

In re Cablevision Consumer Litigation
Following expiration of the affiliation agreements for carriage of certain Fox broadcast stations and cable networks on October 16, 2010, News Corporation terminated delivery of the programming feeds to CVC, and as a result, those stations and networks were unavailable on CVC's cable television systems. On October 30, 2010, CVC and Fox reached an agreement on new affiliation agreements for these stations and networks, and carriage was restored. Several purported class action lawsuits were subsequently filed on behalf of CVC's customers seeking recovery for the lack of Fox programming. Those lawsuits were consolidated in an action before the U.S. District Court for the Eastern District of New York, and a consolidated complaint was filed in that court on February 22, 2011. Plaintiffs asserted claims for breach of contract, unjust enrichment, and consumer fraud, seeking unspecified compensatory damages, punitive damages and attorneys' fees. On March 28, 2012, the Court ruled on CVC's motion to dismiss, denying the motion with regard to plaintiffs' breach of contract claim, but granting it with regard to the remaining claims, which were dismissed. On April 16, 2012, plaintiffs filed a second consolidated amended complaint, which asserts a claim only for breach of contract. CVC's answer was filed on May 2, 2012. On October 10, 2012, plaintiffs filed a motion for class certification and on December 13, 2012, a motion for partial summary judgment. On March 31, 2014, the Court granted plaintiffs' motion for class certification, and denied without prejudice plaintiffs' motion for summary judgment. On May 30, 2014, the Court approved the form of class notice, and on October 7, 2014, approved the class notice distribution plan. The class notice distribution has been completed, and the opt-out period expired on February 27, 2015. Expert discovery commenced on May 5, 2014, and concluded on December 8 and 28, 2015, when the Court ruled on the pending expert discovery motions. On January 26, 2016, the Court approved a schedule for filing of summary judgment motions. Plaintiffs filed a motion for summary judgment on March 31, 2016. CVC filed its own summary judgment motion on June 13, 2016. The parties have entered into settlement discussions. The motions for summary judgement have been denied with leave to re-file in the event the discussions between the parties are not successful. In the quarter ended September 30, 2016, CVC recorded an estimated liability associated with a potential settlement totaling $4 million as an adjustment to purchase accounting. The amount ultimately paid in connection with the potential settlement could exceed the amount recorded.

13.2.2 Patent Litigation

Cablevision is named as a defendant in certain lawsuits claiming infringement of various patents relating to various aspects of CVC's businesses. In certain of these cases other industry participants are also defendants. In certain of these cases CVC expects that any potential liability would be the responsibility of CVC's equipment vendors pursuant to applicable contractual indemnification provisions. CVC believes that the claims are without merit and intends to defend the actions vigorously, but is unable to predict the outcome of these lawsuits or reasonably estimate a range of possible loss.

14 Related party transactions

The Board has identified the following transactions with related parties that had a significant impact on the condensed consolidated accounts of the Group for the nine months ended September 30, 2016:

- An investment of €470.8 million ($525 million equivalent) by non-controlling interests in Suddenlink and Optimum, recorded in the caption, ‘other financial liabilities’;

- A vendor note of €100 million related to the acquisition of AMG by SFR, due in 2017, recorded as other current financial liabilities;
- An increase in finance leases of €29.6 million related to the exclusive use of a data-centre owned by an entity controlled by the controlling shareholder;
- Transaction with an entity controlled by the controlling shareholder to sell a €9.0 million stake ($10 million equivalent) in CVC-1 B.V. The transaction was completed on July 1, 2016. This transaction was preceded by the re-purchase of a $10 million stake previously owned by JKLT limited, which was subsequently sold as described here;
- In July 2016, certain shareholders and management of the Company acquired an indirect minority interest in Neptune Holding US Corporation for an aggregate amount of €40.7 million.
- An agreement with Mr. Patrick Dolan to sell a 75% stake in Newsday. The acquisition was completed on July 07, 2016 for a total consideration transferred of € 12.7 million.

15 Going concern

As of September 30, 2016, the Group had net current liability position of €5,841.4 million (mainly due to trade payables amounting to €7,113.4 million) and a negative working capital of €2,199.2 million. During the nine-month period ended September 30, 2016, the Group registered a net loss of €1,170.8 million (compared to an income of €336.1 million for the same period in the previous year, which was mainly due to a one-off non-recurring net result on extinguishment of financial liabilities as explained in note 10) and generated cash flows from operations of €4,811.2 million. As of September 30, 2016, the Group had a negative equity position of €40.3 million (positive position of €1,868.5 million as of December 31, 2015).

The loss generated as of September 30, 2016 was mainly due to one off costs incurred on the extinguishment of certain financial liabilities (€241.2 million) and restructuring costs incurred following the acquisition of Optimum and certain provisions for restructuring and litigation incurred in the three months ended September 30, 2016.

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 (€4,574.2 million vs. €7,113.4 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of September 30, 2016, the Group's short term borrowings mainly comprised of a portion of a debenture at Optimum (that was refinanced in October 2016) for €837.9 million and of accrued interests of €865.4 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. As of September 30, 2016, the revolving credit facilities at SFR and Optimum remained drawn in an aggregate amount of €100.0 million and €336.2 million respectively. The RCFs previously drawn at Altice Financing S.A. were fully repaid in May.

As mentioned in note 8, the Group has pushed back its most significant debt reimbursements to 2022 through refinancing activities completed during 2016.

Given the above, the Board of Directors has considered the following elements in determining that the use of the going concern assumption is appropriate:

- The Group has a strong track record of generating positive EBITDA and generated strong positive operating cash flows for the nine-month period ended September 30, 2016 (€4,811.2 million).
- EBITDA amounted to €5,779.6 million, an increase of 41.7% compared to September 30, 2015. 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 (€1,232.4 million as of September 30, 2016, €2,527.0 million as of December 31, 2015), which would allow it to cover any urgent cash needs.
- Additionally, as of September 30, 2016, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €4,428.2 million (of which €436.2 million was drawn as of September 30, 2016).
- The Group has access to an equity market where it can issue additional equity to sponsor new projects.

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.

16 Revised information

As per the provisions of IFRS 3 Business Combination, the impact of the recognition of the identifiable tangible and intangible assets of SFR, Virgin Mobile and PT at their fair value was revised for the three and nine months ended September 30, 2015 and for the year ended December 31, 2015.

The December 31, 2015 revision also contains the refinement of valuation of Cequel's assets. The total impact for the statement of financial position and income statement as of December 31, 2015 was:

Consolidated Statement of Financial Position At 31 December 2015 (€m)	**December 31, 2015 (reported)**	**Revision**	**December 31, 2015 (revised)**
Goodwill	17,319.8	(122.7)	17,197.1
Intangible asset	16,519.0	22.6	16,541.6
Property plant and equipment	12,262.6	(63.6)	12,199.0
Other non-current assets	3,338.2	(4.2)	3,334.0
Deferred tax assets	444.3	53.6	497.9
Non-current assets	**49,883.9**	**(114.3)**	**49,769.6**
Current assets	**14,791.3**	**0.5**	**14,791.8**
Assets classified as held for sale	122.1	-	122.1
Total assets	**64,797.3**	**(113.8)**	**64,683.5**
Equity	**1,977.9**	**(109.4)**	**1,868.5**
Other non-current liabilities	49,825.1	(28.4)	49,796.8
Deferred tax liabilities	2,914.5	21.3	2,935.8
Non-current liabilities	**52,739.6**	**(7.0)**	**52,732.6**
Current liabilities	**9,995.2**	**2.7**	**9,997.9**
Liabilities directly associated with assets classified as held for sale	84.6	-	84.6
Total liability and equity	**64,797.3**	**(113.8)**	**64,683.5**

Consolidated Statement of Income Year ended 31 December 2015 (€m)	**December 31, 2015 (reported)**	**Revision**	**December 31, 2015 (revised)**
Revenue	14,550.3	0.6	14,550.9
Operating expenses	(9,129.4)	-	(9,129.4)
Depreciation, amortisation and impairment	(3,773.7)	(112.6)	(3,886.3)
Other expenses and income	(426.0)	(0.6)	(426.6)
Operating profit	**1,221.2**	**(112.6)**	**1,108.6**
Net finance costs	(1,858.5)	-	(1,858.5)
Gain recognized on extinguishment of a financial liability	643.5	-	643.5
Gain on disposal of businesses	27.5	-	27.5
Share of profit in associates	8.1	-	8.1
Loss before taxes	**41.8**	**(112.6)**	**(70.8)**
Income tax expense	(261.7)	31.0	(230.7)
Loss for the period	**(219.9)**	**(81.6)**	**(301.5)**
Comprehensive income	**(335.3)**	**(81.6)**	**(416.9)**

The impact for the consolidated Statement of Financial Position at, and the Statement of Income for the nine and three month periods ended, September 30, 2015 was:

Consolidated Statement of Financial Position At 30 September 2015 (€m)	**September 30 2015 (reported)**	**Revision**	**September 30 2015 (revised)**
Goodwill	18,642.4	(3,247.6)	15,394.8
Intangible asset	5,820.3	4,999.2	10,819.5
Property plant and equipment	10,233.2	(42.8)	10,190.4
Other non-current assets	2,635.7	(124.4)	2,511.3
Deferred tax assets	660.9	326.9	987.8
Non-current assets	**37,992.5**	**1,911.4**	**39,903.9**
Current assets	**6,546.7**	**128.7**	**6,675.4**
Assets classified as held for sale	119.9	-	119.9
Total assets	**44,659.1**	**2,040.0**	**46,699.1**
Equity	**1,881.4**	**(200.7)**	**1,680.7**
Other non-current liabilities	32,150.1	2,262.9	34,413.0
Deferred tax liabilities	472.6	1,936.7	2,409.3
Non-current liabilities	**32,622.6**	**4,199.7**	**36,822.3**
Current liabilities	**10,070.5**	**(1,959.0)**	**8,111.5**
Liabilities directly associated with assets classified as held for sale	84.6	-	84.6
Total liability and equity	**44,659.1**	**2,040.0**	**46,699.1**

Consolidated Statement of Income Nine months ended 30 September 2015 (€m)	**September 30 2015 (reported)**	**Revision**	**September 30 2015 (revised)**
Revenue	10,648.9	-	10,648.9
Operating expenses	(6,647.1)	76.6	(6,570.5)
Depreciation, amortisation and impairment	(2,474.6)	(318.3)	(2,792.9)
Other expenses and income	(186.1)	20.8	(165.3)
Operating profit	**1,341.1**	**(220.8)**	**1,120.3**
Net finance costs	(1,317.1)	(1.2)	(1,318.3)
Gain recognized on extinguishment of a financial liability	643.5	-	643.5
Net result on disposal of a business	27.5	-	27.5
Share of profit in associates	4.0	-	4.0
Loss before taxes	**699.1**	**(222.1)**	**477.0**
Income tax expense	(175.0)	34.3	(140.7)
Loss for the period	**524.1**	**(187.8)**	**336.3**
Comprehensive income	**571.5**	**(187.9)**	**383.6**

Consolidated Statement of Income Three months ended 30 September 2015 (€m)	**September 30 2015 (reported)**	**Revision**	**September 30 2015 (revised)**
Revenue	3,869.2	-	3,869.2
Operating expenses	(2,358.9)	25.3	(2,333.6)
Depreciation, amortisation and impairment	(864.7)	(147.7)	(1,012.4)
Other expenses and income	(45.8)	(6.5)	(52.3)
Operating profit	**599.9**	**(129.0)**	**470.9**
Net finance costs	(571.1)	(0.4)	(571.5)
Gain recognized on extinguishment of a financial liability	-	-	-
Net result on disposal of a business	27.5	-	27.5
Share of profit in associates	1.2	-	1.2
Loss before taxes	**57.6**	**(129.4)**	**(71.8)**
Income tax expense	(77.1)	27.5	(49.6)
Loss for the period	**(19.6)**	**(101.8)**	**(121.4)**
Comprehensive income	**131.2**	**(101.9)**	**29.3**

Consolidated Statement of Change in Equity For the year ended 31 December 2015	**Number of shares** *Ordinary Shares*	*Class A*	*Class B*	**Share capital**	**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**	**Non-controlling interests**	**Total equity**
Equity at January 1, 2015 (revised *)	**247,950,186**			**2.5**	**2,971.1**	**(934.4)**	**(7.0)**	**(85.4)**	**1.9**	**(2.8)**	**1,945.9**	**3,278.2**	**5,224.1**
Loss for the period						(400.6)			-		**(400.6)**	99.5	**(301.1)**
Other comprehensive profit/(loss)							10.3	(132.2)	0.5	(1.2)	**(122.6)**	7.3	**(115.3)**
Comprehensive profit/(loss)				-	-	**(400.6)**	**10.3**	**(132.2)**	**0.5**	**(1.2)**	**(523.2)**	**106.8**	**(416.4)**
Share issue - Altice SA	375,289			-	-	-	-	-	-	-	-	-	-
Incorporation of Altice NV		4,500,000		-	-	-	-	-	-	-	-	-	-
Exchange of Altice SA shares for Altice NV shares	- 248,325,475	744,976,425	248,325,475	67.0	(67.0)	-	-	-	-	-	-	-	-
Conversion of class B shares in class A shares[1]		21,770,900	(870,836)	-	-	-	-	-	-	-	-	-	-
Share issue - Altice NV		69,997,600	24,825,602	7.0	1,597.9	-	-	-	-	-	**1,604.9**	-	**1,604.9**
Share based payment				-	-	25.9	-	-	-	-	**25.9**	2.1	**28.0**
Transaction with non-controlling interests[2]				-	(2,119.3)	-	-	-	-	-	**(2,119.3)**	(1,896.7)	**(4,016.0)**
Dividends				-	-	-	-	-	-	-	-	(555.5)	**(555.5)**
Other[3]				-	(3.1)	20.7	-	-	-	-	**17.6**	(18.2)	**(.6)**
Equity at December 31, 2015 (revised)	-	**841,244,925**	**272,280,241**	**76.5**	**2,379.6**	**(1,288.4)**	**3.3**	**(217.6)**	**2.4**	**(4.0)**	**951.8**	**916.7**	**1,868.5**

17 Events after the reporting period

Refinancing activities

The Group has completed refinancing activities for its Suddenlink and SFR credit pools:

- On October 24, 2016, Suddenlink debt of $815 million Term Loans were repriced. The Term Loan has a January 2025 maturity and is priced at 3.00% over LIBOR with a 0.75% LIBOR floor and is priced at par. The proceeds will be used to repay the entire amount of the $811 million term loan due December 2022 (priced at LIBOR +3.25% with a 1.00% floor). This refinancing represents a significant reduction to the cost of the term loan being repaid. The transaction will improve Suddenlink's debt maturity profile (from 6.6 to 6.8 years, pro forma as of September 30, 2016) and reduces the weighted average cost of debt from 5.4% to 5.3%.
- On October 17, 2016, SFR Group debt comprising a $1,790 million Term Loan and a €700 million Term Loan were repriced. The Term Loans have a January 2025 maturity. The $1,790 million Term Loan is priced at 3.25% over LIBOR with a 0.75% LIBOR floor. The €700 million Term Loan is priced at 3.00% over EURIBOR with a 0.75% EURIBOR floor and is priced at par. The proceeds will be used to repay the entire amount of the: (i) $550 million term loan due June 2022 (priced at L+3.81%); (ii) the $1,340 million and €500 million term loans due January 2023 (priced at LIBOR + 4 00% and EURIBOR +4.00% respectively), and; (iii) €100 million of the aggregate principal amount outstanding under the RCF. The refinancing represents a significant reduction to the margins on the term loans being repaid. The transaction will improve SFR's debt maturity profile (from 7.3 to 7.6 years, pro forma as of September 30, 2016) and reduce the weighted average cost of debt (from 5.3% to 5.2%).

Increase in shareholding of SFR

On October 14, 2016, the Group agreed to acquire an aggregate number of 23,072,805 SFR Group shares in private off-market transactions (representing 5.21% of outstanding SFR Group shares). In consideration for these acquisitions, the Company delivered an aggregate number of 36,916,488 common shares A, which it held previously as treasury shares, reflecting an exchange ratio of 8 Altice common shares A for 5 SFR Group shares. Following settlement of these transactions, the Group will hold directly and indirectly 82.94% of the capital and 82.93% of the voting rights of SFR Group.

Decision of the French Antitrust authority

On November 08, 2016, Altice and SFR Group acknowledged receipt of the decision of the French Competition Authority sentencing them to a €80 million gun-jumping fine in connection with the 2014 acquisition of SFR and Virgin Mobile.

The denounced practices, which aimed to make the new entity operational as soon as possible after obtaining clearance of the transaction, were performed in good faith, in the midst of legal uncertainty.

The Group chose not to refute these practices and to accept the French Competition Authority's settlement offer. The Group chose to settle the matter in order to limit its financial exposure, given the level of penalties imposed for this type of procedural violation under the French Commercial Code.

Partial repayment of Sponsors' vendor note

On October 26, 2016, the Group, via its indirect subsidiary CVC-1 B.V., redeemed a portion of the vendor note outstanding on the acquisition of Suddenlink in December 2015, for an aggregate amount of € 186.2 million ($

203.4 million equivalent).

Planned acquisitions of technical and call center services companies
On October 10 and 21, 2016 respectively, companies controlled by Altice International, an indirect subsidiary of the Company, signed agreements to acquire a controlling stake in ERT Technologies and Intelcia, providers of technical and call center services to certain companies of the Group. The acquisitions are expected to close before the end of 2016.