ALTICE N.V.

(SUCCESSOR ENTITY OF ALTICE S.A.)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AS OF AND FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2016

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

Condensed consolidated statement of income
For the three months ended March 31, 2016

	Notes	Three months ended March 31, 2016	Three months ended March 31, 2015 (revised *)
		(In millions €)	
Revenues	3	4,259.7	3,263.1
Purchasing and subcontracting costs		(1,298.2)	(1,077.0)
Other operating expenses		(942.9)	(767.2)
Staff costs and employee benefit expenses		(409.3)	(263.5)
Depreciation and amortization		(1,173.4)	(845.6)
Impairment losses	3	(0.7)	(20.1)
Other expenses and income	3	(63.7)	(24.8)
Operating profit		**371.4**	**264.8**
Interest relative to gross financial debt		(864.9)	(357.7)
Other financial expenses		(48.8)	(13.2)
Finance income		57.3	286.5
Gain recognized on extinguishment of a financial liability	10	-	643.5
Finance costs, net		**(856.4)**	**559.1**
Net result on disposal of businesses	2.1	107.5	-
Share of profit of associates		(0.4)	1.0
(Loss)/profit before income tax		**(377.8)**	**824.8**
Income tax income/(expenses)	11	43.3	(62.9)
(Loss)/profit for the period		**(334.5)**	**761.9**
Attributable to equity holders of the parent		*(264.5)*	*593.9*
Attributable to non-controlling interests		*(70.0)*	*168.0*
Earnings per ordinary share (Basic)	6	*(0.24)*	*0.60*
Earnings per ordinary share (Diluted)	6	*(0.23)*	*0.58*

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

(*)Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Years 2014 and 2015. For the details of the revision see note 15

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

Condensed consolidated statement of other comprehensive income
For the three months ended March 31, 2016

	Notes	Three months ended March 31, 2016	Three months ended March 31, 2015 (revised *)
		(In millions €)	
(Loss)/profit for the period		**(334.5)**	**761.9**
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations		(49.5)	(0.7)
Revaluation of available for sale financial assets, net of taxes		0.5	(2.0)
(Loss)/profit on cash flow hedge, net of taxes	5.3,7.6	(30.2)	63.7
Actuarial losses, net of taxes	5.3	(11.2)	-
Total other comprehensive (loss)/profit		(90.4)	**61.0**
Total comprehensive (loss)/profit for the period		**(424.9)**	**822.9**
Attributable to equity holders of the parent		*(328.4)*	*620.9*
Attributable to non-controlling interests		*(96.5)*	*202.0*

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

Condensed consolidated statement of financial position
March 31, 2016

	Notes	March 31, 2016	December 31, 2015 (revised *)
ASSETS		*(In millions €)*	
Non-current assets			
Goodwill	4	17,685.9	17,176.4
Intangible assets		16,045.1	16,550.1
Property, plant & equipment		12,070.1	12,326.8
Investment in associates	2.1	43.6	417.7
Financial assets	7.7	2,122.4	2,812.0
Deferred tax assets		488.7	497.9
Other non-current assets		95.4	97.7
Total non-current assets		**48,551.2**	**49,878.6**
Current assets			
Inventories		344.1	370.1
Trade and other receivables		4,141.1	3,852.3
Current tax assets		284.2	304.5
Cash and cash equivalents	8	2,649.6	2,527.0
Restricted cash	8	7,474.8	7,737.0
Total Current assets		**14,893.8**	**14,790.8**
Assets classified as held for sale	*2.1*	-	*122.1*
Total assets		**63,445.0**	**64,791.5**

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

(*)Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2015. For the details of the revision see note 15

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

Condensed consolidated statement of financial position
March 31, 2016

EQUITY AND LIABILITIES	**Notes**	**March 31, 2016**	**December 31, 2015 (revised*)**
Equity			
Issued capital	5.1.1	76.5	76.5
Additional paid in capital	5.2	2,280.5	2,398.8
Other reserves	5.3	(279.9)	(216.0)
Accumulated losses		(1,547.7)	(1,288.4)
Equity attributable to owners of the Company		**529.4**	**971.0**
Non-controlling interests	5.4	836.0	925.2
Total equity		**1,365.4**	**1,896.3**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	7	44,637.0	45,682.8
Other non-current financial liabilities and related hedging instruments	7	1,745.2	1,566.1
Non-current provisions		1,714.7	1,733.4
Deferred tax liabilities		2,796.1	3,001.7
Other non-current liabilities		708.3	814.7
Total non-current liabilities		**51,601.3**	**52,798.5**
Current liabilities			
Short-term borrowings, financial liabilities	7	785.1	380.6
Other financial liabilities	7	1,735.1	1,484.4
Trade and other payables		6,334.8	6,424.3
Current tax liabilities		307.3	289.0
Current provisions		330.0	378.1
Other current liabilities		986.1	1,055.7
Total current liabilities		**10,478.3**	**10,012.0**
Liabilities directly associated with assets classified as held for sale	*2.1*	-	*84.6*
Total Liabilities		**62,079.6**	**62,895.1**
Total equity and liabilities		**63,445.0**	**64,791.5**

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

(*)Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2015. For the details of the revision see note 15

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

Condensed consolidated statement of changes in equity
For the three months ended March 31, 2016

	Number of issued shares (in shares)			Share capital	Treasury shares	Additional paid in capital	Accumulated losses	Reserves				Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Ordinary Shares	*Class A*	*Class B*					**Currency reserve**	**Cash Flow hedge reserve**	**Available for sale**	**Employee Benefits**			
				(In millions €)										
Equity at January 1, 2016 (revised *)	**-**	**841,244,925**	**272,280,241**	**76.5**	**-**	**2,398.8**	**(1,288.4)**	**3.3**	**(217.6)**	**2.4**	**(4.0)**	**971.0**	**925.2**	**1,896.3**
(Loss) for the period	-	-	-	-	-	-	(264.5)	-	-	-	-	**(264.5)**	(70.0)	**(334.5)**
Other comprehensive profit/(loss)	-	-	-	-	-	-	-	(26.6)	(26.6)	0.5	(11.2)	**(64.0)**	(26.5)	**(90.4)**
Comprehensive profit/(loss)	-	-	-	-	-	-	**(264.5)**	**(26.6)**	**(26.6)**	**0.5**	**(11.2)**	**(328.4)**	**(96.5)**	**(424.9)**
Conversion of class B shares in class A shares (**)	-	27,525	(1,101)	-	-	-	-	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-		5.3	-	-	-	-	**5.3**	0.4	**5.7**
Transaction with non-controlling interests	-	-	-	-	-	(120.3)		-	-	-	-	**(120.3)**	8.3	**(112.1)**
Other	-	-	-	-	-	2.0	(0.2)	-	-	-	-	**1.9**	(1.4)	**0.4**
Equity at March 31, 2016	**-**	**841,272,450**	**272,279,140**	**76.5**	**-**	**2,280.5**	**(1,547.7)**	**(23.3)**	**(244.2)**	**2.8**	**(15.2)**	**529.4**	**836.0**	**1,365.4**

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

(*)Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2015. For the details of the revision see note 15

(**) Refer to note 5.1.1 and 5.1.2

Condensed consolidated statement of changes in equity
For the three months ended March 31, 2015

	Number of issued shares	Share capital	Additional paid in capital	Accumulated losses	Currency reserve (Reserves)	Cash Flow hedge reserve (Reserves)	Available for sale (Reserves)	Employee Benefits & Share based payments (Reserves)	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
						(In millions €)					
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..............................	-	-	-	593.9	-	-	-	-	**593.9**	168.0	761.9
Other comprehensive income...............	-	-	-	-	(0.6)	29.6	(2.0)	-	**27.0**	34.0	61.0
Comprehensive income......................	**-**	**-**	**-**	**593.9**	**(0.6)**	**29.6**	**(2.0)**	**-**	**620.9**	**202.0**	**822.9**
Share based payment	-	-	-	5.3	-	-	-	-	**5.3**	0.9	**6.2**
Transaction with non-controlling interests	-	-	(1,845.9)	-	-	-	-	-	**(1,845.9)**	**(2,050.6)**	**(3,896.5)**
Other items	-	-	11.1	-	-	-	-	-	**11.1**	5.9	**17.0**
Equity at March 31, 2015 (revised *)	**247,950,186**	**2.5**	**1,136.3**	**(335.2)**	**(7.6)**	**(55.8)**	**(0.1)**	**(2.8)**	**737.3**	**1,436.4**	**2,173.8**

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

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

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

Condensed consolidated statement of cash flows
For the three months ended March 31, 2016

	Notes	Three months ended March 31, 2016	Three months ended March 31, 2015 (revised)*
		(In millions €)	
Net (loss)/profit, including non-controlling interests		**(334.5)**	**761.9**
Adjustments for:			
Depreciation, amortization and impairments		1,174.1	865.8
Share in income of associates		0.4	(1.0)
Gains and losses on disposals		(107.5)	6.6
Gain recognized on step acquisition		-	-
Gain recognized on extinguishment of a financial liability	10	-	(643.5)
Expenses related to share based payment		5.7	6.0
Other non-cash operating gains, net		(37.4)	(43.6)
Finance costs recognized in the statement of income		856.4	84.4
Income tax expense recognized in the statement of income		(43.3)	62.9
Pension liability payments		(25.6)	-
Income tax paid		(4.8)	(63.7)
Changes in working capital		(240.7)	317.1
Net cash provided by operating activities		**1,244.0**	**1,352.9**
Payments to acquire tangible and intangible assets		(959.8)	(531.4)
Payments to acquire financial assets		(11.6)	(14.4)
Consideration received on disposal of businesses	2	140.6	-
Proceeds from disposal of tangible, intangible and financial assets		10.0	3.8
Use of restricted cash to acquire subsidiaries		-	-
Investment in associates		(313.9)	-
Payment to acquire subsidiaries, net	2	15.6	-
Net cash used in investing activities		**(1,119.1)**	**(542.0)**
Proceeds from issuance of debts	7	1,145.0	5,587.5
Transaction with non-controlling interests		26.1	-
Payments to redeem debt instruments	7	(752.8)	(618.5)
Transfer to restricted cash		(76.3)	(5,516.0)
Interest paid	7	(529.3)	(495.0)
Other cash provided by financing activities		192.0	
Net cash provided/(used in) by financing activities		**4.7**	**(1,042.0)**
Effects of exchange rate changes on the balance of cash held in foreign currencies		(7.0)	9.3
Net increase/(decrease) in cash and cash equivalents		**122.6**	**(221.8)**
Cash and cash equivalents at beginning of period	8	2,527.0	1,563.6
Cash and cash equivalents at end of the period	8	**2,649.6**	**1,341.8**

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

(*)Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during FY 2014 and 2015. For the details of the revision see note 15.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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 March 31, 2016 and for the three month period then ended were approved by the Board of Directors and authorized for issue on May 26, 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 57.87% 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, 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 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 March 31, 2016 and for the three month period then ended, are presented in Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (IAS) 34 " Interim Financial Reporting". They should be read in conjunction with the annual consolidated financial statements of Altice N.V and the notes thereto as of and for the year ended December 31, 2015 which have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") ("Consolidated Financial Statements").

The accounting policies applied for the consolidated financial statements as of March 31, 2016 do not differ from those applied for the consolidated financial statements as of and for the year ended December 31, 2015 with the exception of those texts or amendments that must be applied for periods beginning on January 1, 2016 described in note 1 to the consolidated financial statements as of and for the year ended December 31, 2015:

(i) 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,

(ii) 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,

(iii) Amendments to IAS 1 Disclosure initiative,

(iv) Annual improvements cycle 2012-2014.

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

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.

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

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

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

These judgments and estimates relate principally to the provisions for legal claim, the post-employments benefits, revenue recognition, fair value of financial instruments, deferred taxes, impairment of goodwill, 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 end December 31, 2015.

Revised information

Starting from the condensed consolidated financial statements as of June 30, 2015, the Board of Directors has decided to enhance the presentation of the consolidated statement of income and the consolidated statement of financial position. The Board of Directors believes that the revised presentation further enhanced the presentation of the Group’s result and financial position, providing additional details to the users. The enhancement mentioned above did not affect the reported results or the Group’s financial position. The comparative information for the three months ended March 31, 2015 has been amended to reflect the new presentation.

A summary of the changes is provided below:

Condensed consolidated statement of income:

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

Condensed consolidated statement of financial position:

The Board of Directors has concluded that the impacts of these changes on the comparative information for the three months period ended March 31, 2015 is not material.

In addition, the comparative information for the three months ended March 31, 2015 and for the year ended December 31, 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; 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 (see note 15).

2 – Main changes in the scope of consolidation

2.1 Changes in consolidation scope as of March 31, 2016

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 Participations S.A.S (‘GNP’), of which it owned 49% of the economic and voting rights as of December 31, 2015. Mr. Alain Weill owns the remaining 51% through his holding, News Participations (‘NP’). On December 17, 2015, GNP notified the *Autorité de marchés financiers* (the “AMF”) of its intention to file a public tender for the outstanding shares of Next Radio TV. The public tender offer was successfully closed on February 1, 2016, 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 management committee of Altice, the Group determined that its investment in GNP met the criteria for control as per IFRS 10.

Groupe News Participation contributed €53.2 million to revenues, €1.8 million to operating profit and € 2.3 to the net loss of the Group for the three months ended March 31, 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 31 December 2015, in accordance with IFRS 5.

Total consideration received for the disposal amounted to €140.6 million (subject to purchase price adjustments), of which €63.9 million for the shares of Cabovisao and its subsidiaries. The Group recognised a gain on disposal of €107.5 million in the condensed consolidated statement of income for the period ended March 31, 2016.

Numergy

On January 22, 2016, the Group finalized the acquisitions of the interests held by Caisse des Dépôts (33%) (acting in its own name and on behalf of the government under the Future Investments Program) and Atos (20%) in Numergy, for a consideration of €9 million. 50% of the consideration due was paid on January 22, 2016 with the remaining amount due on January 22, 2017. In this context, the Group established a first-demand guarantee maturing in more than one year in order to cover the amount still due to Caisse des Dépôts and Atos.

The preliminary goodwill, amounted to €5.2 million, was recognized in the interim condensed financial statements for the first quarter ended March 31, 2016. The purchase price allocation will be finalized in 2016 in compliance with IFRS 3, 'Business Combinations'**.**

2.2 Transactions in progress as of March 31, 2016

Expected acquisition of Cablevision

In September 2015, the Group and Cablevision Systems Corporation ("CVC") entered into a definitive agreement for Altice to acquire Cablevision. A combination between Cablevision and Suddenlink would represent the 4^{th} largest cable operation in the US market.

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

Existing debt at CVC: $5.9 billion

Debt issued by Altice: $8.6 billion

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

Altice equity contribution (70%): $2.3 billion

Expected cash at CVC at closing: $0.9 billion

The Company issued new shares in October 2015 to finance the acquisition (see note 8). The remaining equity portion will be drawn under the Altice corporate facility (see note 7.4). The debt was issued in October 2015.

In May 2016, the Company received the approval of the FCC (Federal Communications Commission), the leading telecoms regulatory body in the United States of America and the city of New York (with certain conditions), to consummate the transaction. The Company is waiting for the approval of the New York state commissions, before being able to formally conclude the transaction.

The remaining approvals and the closing of the transaction is expected to occur in June 2016.

3 – Segment reporting

3.1 Definition of segments

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

The following geographies have been identified:

- France.
- Portugal.
- United States of America ("US"),
- Israel,
- Dominican Republic,
- Others (French Overseas Territories / Belgium and Luxembourg / Switzerland / Content / Corporate entities).

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),
- Other.

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

The reporting 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). The fixed BCB segment in the US also shows significant seasonality at the end of the school period (May-June) and the back to school period. The B2B business is also impacted by the timing of preparation of the annual budgets of public and private sector companies.

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

3.2 Segment information

3.2.1 Operating income per geographical segment

	March 31, 2016						
(in € millions)	**France (**)**	**Portugal**	**United States**	**Israel**	**Dominican Republic**	**Others (***)**	**Total**
Standalone revenues	**2,573.2**	**571.9**	**569.5**	**231.3**	**177.7**	**157.7**	**4,281.4**
Intersegment eliminations	(3.6)	(3.6)	-	-	(0.4)	(14.0)	(21.7)
Group consolidated revenues	**2,569.6**	**568.3**	**569.5**	**231.3**	**177.3**	**143.6**	**4,259.7**
Purchasing and subcontracting	(891.2)	(115.3)	(169.6)	(58.5)	(32.5)	(31.1)	(1,298.2)
Other operating expenses	(618.9)	(103.0)	(85.8)	(49.6)	(42.0)	(43.6)	(942.9)
Staff costs and employee benefit expenses	(193.1)	(74.8)	(72.1)	(17.7)	(7.4)	(44.1)	(409.3)
Total	**866.4**	**275.1**	**242.2**	**105.5**	**95.3**	**24.9**	**1,609.3**
Non-recurring items and other adjustments in EBITDA	1.8	-	-	-	-	3.9	5.7
Adjusted EBITDA	**868.2**	**275.1**	**242.2**	**105.5**	**95.3**	**28.8**	**1,615.0**
Depreciation and amortisation	(610.6)	(219.3)	(184.0)	(82.3)	(39.2)	**(38.3)**	(1,173.4)
Impairment losses	-	-	-	-	-	(0.7)	(0.7)
Non-recurring items and other adjustments in EBITDA	(1.8)	-	-	-	-	(3.9)	(5.7)
Non-recurring items and other adjustments	(34.8)	(9.0)	(9.2)	(7.2)	(1.7)	(1.8)	(63.7)
Operating profit/(loss)	**221.0**	**47.2**	**48.7**	**16.0**	**54.5**	**(15.9)**	**371.4**

	March 31, 2015 (Revised)*						
(in € millions)	**France (**)**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Revenue	**2,740.0**	**39.0**	**224.7**	**169.2**	**-**	**97.7**	**3,270.3**
Intersegment eliminations	**(3.4)**	-	-	-	-	**(3.8)**	**(7.0)**
Group consolidated revenues	**2,736.5**	**39.0**	**224.7**	**169.2**	**-**	**93.9**	**3,263.1**
Purchasing and subcontracting	(955.7)	(14.9)	(51.0)	(34.4)	-	(21.1)	**(1,077.0)**
Other operating expenses	(645.8)	(7.2)	(53.1)	(38.9)	-	(22.2)	**(767.2)**
Staff costs and employee benefit expenses	(222.3)	(3.7)	(16.3)	(6.9)	-	(14.4)	**(263.5)**
Total	**912.7**	**13.2**	**104.4**	**89.0**	**-**	**35.9**	**1,155.5**
Non-recurring items and other adjustments in EBITDA	22.0	-	-	-	-	4.0	26.0
Adjusted EBITDA	**934.7**	**13.2**	**104.4**	**89.0**	**-**	**39.9**	**1,181.7**
Depreciation and amortisation	(642.2)	(40.9)	(76.3)	(39.1)	-	(47.0)	(845.6)
Impairment losses (1)	-	-	-	-	-	(20.1)	(20.1)
Non-recurring items and other adjustments in EBITDA	(22.0)	-	-	-	-	(4.0)	(26.0)
Non-recurring items and other adjustments	(13.7)	(1.3)	(4.7)	(4.1)	-	(1.1)	(24.8)
Operating profit/(loss)	**256.6**	**(28.9)**	**23.3**	**45.9**	**-**	**(32.0)**	**264.8**

(*) For the revision impact please see note 15

(**) 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) and it is fully integrated in the France business, operationally and in terms of reporting.

(***) Includes the results of GNP for the three months ended March 31, 2016. Following the sale of GNP to SFR in May 2016, these results will be reported under the France segment. GNP contributed €53.2 million to revenues and €7.8 million to Adjusted EBITDA for the three months ended March 31, 2016.

(1) Includes an expense of €20.1 million relating to the discontinued use of the ONLY brand in the Antilles-Guyane region of the French Overseas Territories segment, following the replacement of the ONLY brand with the SFR brand.

3.2.2 Non-recurring items and other adjustments

Restructuring, deal fees and related expenses incurred during the three month period ended March 31, 2016 and 2015 pertain mainly to transaction costs and one-off payment made to parties involved in the acquisitions or other similar operations. Details are given below:

(In € millions)	**March 31, 2016**	**March 31, 2015**
Non-recurring items and other adjustments in EBITDA		
Stock option expenses	5.7	6.2
Other adjustments (1)	-	19.8
Total non-recurring items and other adjustments in EBITDA	**5.7**	**26.0**
Non-recurring items and other adjustments below EBITDA		
Restructuring costs (3)	32.8	3.3
Deal fees (2)	7.9	4.2
Other expenses net (4)	19.0	10.4
Loss on disposals of tangible assets	4.1	6.6
Non-recurring items and other adjustments below EBITDA	**63.7**	**24.8**
Total non-recurring items and other adjustments	**69.4**	**50.8**

(1) Other adjustments relate to costs of renegotiated contracts with suppliers in France which are recorded under new contract terms in the consolidated statement of income.
(2) Deal fees do not include any financing costs, as these are capitalised and amortised as per the requirements of IAS 39, financial instruments. Thus the deal fees shown above only include discretionary fees paid to legal counsel, M&A counsel and any other consultants whose services the Group might have employed in order to facilitate various acquisitions performed during the course of the year.
(3) Restructuring costs mainly include costs related to provisions for employee redundancies and contract termination fees
(4) Includes penalty of €15.0 million imposed by the Autorite de la concurrence (see Note 16)

3.2.3 Revenue split by activities

Revenues split by activity are presented below:

March 31, 2016

(in € millions)	**France(*)**	**Portugal**	**United States**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	680.5	174.3	451.5	157.6	27.5	35.6	**1,527.1**
Fixed - B2B	348.8	108.1	74.4	19.5	9.9	6.6	**567.3**
Wholesale	295.3	68.6	13.7	-	17.9	3.4	**398.9**
Mobile - B2C	1,082.0	142.0	-	41.5	104.5	25.9	**1,396.2**
Mobile - B2B	166.6	51.8	-	12.8	12.2	1.1	**244.5**
Other	-	27.2	29.9	-	5.3	85.0	147.4
Total standalone	**2,573.2**	**571.9**	**569.5**	**231.3**	**177.3**	**157.2**	**4,280.5**
Intersegment adjustment	*(3.6)*	*(3.6)*	-	-	-	*(13.6)*	*(20.9)*
Total	**2,569.6**	**568.3**	**569.5**	**231.3**	**177.3**	**143.5**	**4,259.7**

	March 31, 2015					
(in € millions)	**France(*)**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Fixed - B2C	717.6	22.7	156.9	26.5	35.6	**959.2**
Fixed - B2B	359.7	12.4	18.5	9.3	7.2	**407.1**
Wholesale	327.9	3.1	-	14.4	1.7	**347.1**
Mobile - B2C	1,136.6	-	36.0	101.9	33.2	**1,307.4**
Mobile - B2B	198.2	-	13.4	12.0	1.4	**225.1**
Other	-	0.7	-	5.1	18.5	24.4
Total Standalone	**2,740.0**	**39.0**	**224.7**	**169.2**	**97.7**	**3,270.3**
Adjustments	*(3.4)*	-	-	-	(3.8)	*(7.0)*
Total	**2,736.5**	**39.0**	**224.7**	**169.2**	**93.9**	**3,263.1**

***** *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.*

3.2.4 Capital expenditure

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

	March 31, 2016						
(in € millions)	**France**	**Portugal**	**US**	**Israel**	**Dominican Republic**	**Others**	**Total**
Capital expenditure	429.5	127.5 (*)	68.3	62.4	25.3	47.3	760.4

	March 31, 2015					
(in € millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**Others**	**Total**
Capital expenditure	400.0	6.1	81.7	22.9	20.6	531.4

(*) Includes a one-off capital expenditure related to the multi-year Porto canal contract amounting to €44.4 million.

4 - Goodwill

Goodwill recorded in the statement of financial position of the Group was allocated to the different groups of cash generating units ("GCGU") (except for Switzerland and GNP which are CGUs on their own) as defined by the Group. Summary of goodwill recognized on the different acquisitions is provided below:

	December 31, 2015 (revised)*	Recognized on business combinations	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	**March 31, 2016**
				(In million €)				
France	**11,565.5**	**5.2**	-	-	-	-	-	**11,570.8**
Portugal	**1,706.2**	-	-	-	-	-	-	**1,706.2**
US	**1,901.6**	-	-	-	(83.2)	-	-	**1,818.5**
Israel	**697.8**	-	-	-	(7.6)	-	-	**690.2**
Dominican Republic	**858.9**	-	-	-	(36.9)	-	-	**822.0**
GNP	**-**	**630.4**	-	-	-	-	-	**630.4**
French Overseas Territories	**281.1**	-	-	-	-	-	-	**281.1**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Switzerland	**18.2**	-	-	-	-	-	-	**18.2**
Total Gross Value	**17,324.7**	**635.7**	-	-	**(127.7)**	-	-	**17,832.7**
France	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
US	-	-	-	-	-	-	-	-
Israel	**(144.2)**	-	-	-	**1.6**	-	-	**(142.4)**
Dominican Republic	-	-	-	-	-	-	-	-
GNP	-	-	-	-	-	-	-	-
French Overseas Territories	**(4.6)**	-	-	-	-	-	-	**(4.6)**
Belgium and Luxembourg	-	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(148.6)**	-	-	-	**1.6**	-	-	**(147.0)**
France	**11,565.5**	**5.2**	-	-	-	-	-	**11,570.8**
Portugal	**1,706.2**	-	-	-	-	-	-	**1,706.2**
US	**1,901.6**	-	-	-	(83.2)	-	-	**1,818.5**
Israel	**553.6**	-	-	-	(6.0)	-	-	**547.6**
Dominican Republic	**858.9**	-	-	-	(36.9)	-	-	**822.0**
GNP		**630.4**	-					**630.4**
French Overseas Territories	**276.5**	-	-	-	-	-	-	**276.5**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Switzerland	**18.2**	-	-	-	-	-	-	**18.2**
Total Net book value	**17,176.4**	**635.7**	-	-	**(126.2)**	-	-	**17,685.9**

(*) For the revision impact please see note 15

	December 31, 2014 (revised)*	Recognized on business combinations	Variat ions	Impairmen t losses	Changes in foreign currency translation	Held for sale	Dispo sals	**December 31, 2015 (*Revised)**
				(In million €)				
France	**11,565.5**	-	-	-	-	-	-	**11,565.5**
Portugal	-	1,706.2	-	-	-	-	-	**1,706.2**
US	**1.3**	1,905.5	-	-	(3.8)	(1.3)	-	**1,901.6**
Israel	**627.2**	-	-	-	70.6	-	-	**697.8**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French Overseas Territories	**281.1**	-	-	-	-	-		**281.1**
Belgium and Luxembourg	**295.5**	-	-	-	-	-		**295.5**
Switzerland	**18.2**	-	-	-	0.1	-	-	**18.2**
Total Gross Value	**13,555.9**	**3,611.6**	**-**	**-**	**158.5**	**(1.3)**	**-**	**17,324.7**
France	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
US	-	-	-	-	-	-	-	-
Israel	**(129.4)**	-	-	-	**(14.7)**	-	-	**(144.2)**
Dominican Republic	-	-	-	-	-	-	-	-
French Overseas Territories	**(4.6)**	-	-	-	-	-	-	**(4.6)**
Belgium and Luxembourg	-	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(134.0)**	**-**	**-**	**-**	**(14.7)**	**-**	**-**	**(148.6)**
France	**11,565.5**	-	-	-	-	-	-	**11,565.5**
Portugal	-	1,706.2	-	-	-	(1.3)	-	**1,706.2**
US	**1.3**	1,905.5	-	-	(3.8)	-	-	**1,901.6**
Israel	**497.8**	-	-	-	55.8	-	-	**553.6**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French Overseas Territories	**276.5**	-	-	-	-	-	-	**276.5**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Switzerland	**18.2**	-	-	-	0.1	-	-	**18.2**
Total Net book value	**13,422.1**	**3,611.6**	**-**	**-**	**143.9**	**(1.3)**	**-**	**17,176.4**

(*) For the revision impact please see note 15

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 (except for Switzerland, tested at CGU level). The GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use. The Group determined to calculate value in use for purposes of its impairment testing and, accordingly, did not determine the fair value of the GCGUs. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period, except for the France GCGU, for which the fair value is determined on the basis of the observable price of its publicly traded shares.

The Board of Directors has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable and therefore no updated impairment model analysis has been carried out nor any impairment recorded for the three months ended March 31, 2016.

4.2 Purchase price allocation

4.2.1 Portugal Telecom

During the three months period ended March 31, 2016, the Group has 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 has identified the following assets and liabilities to which the purchase price will be allocated as described above. The fair value was determined by an independent external appraiser based on a business plan prepared as of the date of the acquisition:

a) Customer relationships: Customer relationships were determined for each operating segment of PT-Portugal, namely B2C, B2B and Wholesale customers (for both the fixed and mobile businesses). They were evaluated using the excess earnings method and the useful life reflects the economic life of the asset. The total value of customer relationships was €1,247.0 million (€904.1 million net of taxes).

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

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

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

Following the purchase price allocation, the preliminary allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the period ended March 31, 2016:

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

4.2.2 Groupe News Participations

The Group obtained control over Groupe News Participation (GNP) during the period ended March 31, 2016 (refer to note 2.1)

This transaction qualified as a step acquisition as per IFRS 3, *Business Combinations*, and goodwill was calculated as follows:

Carrying amount of equity investment	€0.3 million
Gain on step acquisition	€0.0 million
Fair value of identifiable assets, liabilities and contingent liabilities	€(630.1) million
Goodwill...	€630.4 million

No gain on step acquisition was recorded as the carrying amount of the investment was higher than the fair value of the investment.

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.

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

5.1.1 Issued capital

As of March 31, 2016, the authorised share capital is split as follows:

	Total shares authorised	Total capital authorised (€)	Number of shares issued
Common A shares	8,168,062,375	81,680,624	841,272,450
Common B shares	299,128,063	74,782,016	272, 279,140
Preference A shares	4,700,000,000	188,000,000	-
Preference B shares	150,000,000	1,500,000	-
Total		**345,962,640**	

As of March 31, 2016, no Preference A or B shares have been issued.

For the period ended March 31, 2016, the Company had received and executed conversion orders amounting to a total of 1,101 common B shares.

Taking into account the impact of the conversions listed above, as of March 31, 2016, total issued capital of the Company amounted to €76.4 million, and was composed of 841,272,450 common A shares and 272,279,140 common B outstanding shares, with a nominal value of €0.01 and €0.25 each.

5.1.2 Treasury shares

As of March 31, 2016, the Company held a total of 25,426,488 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 March 31, 2016, total additional paid in capital of the Group amounted to €2,280.5 million.

5.3 Other reserves

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

(in € millions)	March 31, 2016			December 31, 2015 (revised)*		
	Pre-tax amount	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(18.9)	3.7	(15.2)	(3.5)	(0.5)	(4.0)
Items not potentially reclassified to profit and loss	**(18.9)**	**3.7**	**(15.2)**	(3.5)	(0.5)	(4.0)
Available for sale	2.8	-	2.8	2.4	-	2.4
Currency reserve	(23.3)	-	(23.3)	3.3	-	3.3
Cash flow hedge	(357.0)	112.7	(244.2)	(317.9)	100.3	(217.6)
Items potentially reclassified to profit and loss	**(377.5)**	**112.7**	**(264.8)**	(311.7)	100.3	(211.9)
Total other reserves	**(396.4)**	**116.4**	**(279.9)**	**(315.2)**	**99.8**	**(216.0)**

5.4 Variations in non-controlling interests

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

	March 31, 2016	**December 31, 2015 (revised)***
	(In millions €)	
Balance at beginning of the period/year	**925.2**	**3,278.2**
Share of (loss)/profit for the period/year	(70.0)	98.8
Other comprehensive income	(26.5)	7.3
Transactions with non-controlling interests in NSFR S.A.	22.3	(2,492.2)
Non-controlling interests on acquisition of Portugal Telecom	-	0.5
Transactions with non-controlling interests in CVC 2 B.V.	(0.7)	(17.1)
Transactions with non-controlling interests in Altice Content Luxembourg S.A.	(13.9)	50.0
Other variations	(0.5)	(0.2)
Balance at end of the period/year	**836.0**	**925.2**

(*) For the revision impact please see note 15

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

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interests held by non-controlling interests		Loss allocated to non-controlling interests		Accumulated non-controlling interests	
		March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Numericable-SFR S.A.	France	22.23%	21.9%	(9.1)	150.4	954.2	944.6
Altice Bahamas S.à r.l.	Luxembourg	2.8%	2.8%	0.2	(1.2)	2.0	1.8
Altice Blue Two S.A.S.	France	0.15%	0.15%	-	0.1	0.7	0.7
Deficom Telecom S.à r.l.	Luxembourg	26.02%	26.0%	(1.2)	(3.1)	(19.4)	(18.4)
Green.ch	Switzerland	0.43%	0.43%	-	(0.1)	0.1	0.1
Green Datacenter AG	Switzerland	1.37%	1.37%	-	0.1	0.2	0.2
Cool Holding Ltd	Israel	-	-	-	-	9.3	9.3
CVC 2 B.V.	The Netherlands	30.19%	30.2%	(55.7)	(47.0)	(143.3)	(63.7)
Altice Content Luxembourg S.à r.l.	Luxembourg	24.0%	24.0%	(0.2)	(0.4)	35.4	49.7
Winreason S.A.	Portugal	-	-	-	-	-	0.9
PT-Portugal	Portugal	-	-	-	-	0.5	-
Groupe News Participations	France	51.0%	-	(4.0)	-	(4.0)	-
Total				**(70.0)**	**98.8**	**836.0**	**925.2**

(*) For the revision impact please see – Note 15

6 - Earnings per share

	Three months ended March 31, 2016	Three months ended March 31, 2015 (Revised)* (***)
Earnings		
Profit/(loss) for the period attributable to equity holders of the parent..	(264.5)	593.9
Basic earnings per ordinary share (**) (in €)......	*(0.24)*	*0.60*
Number of shares (in millions)		
Weighted average number of ordinary shares for basic EPS	1,088.1	992.0
Effect of dilutive potential ordinary shares:		
Stock options and management investment plan	41.5	39.6
Weighted average number of ordinary shares for the purposes of diluted EPS	**1,129.7**	**1,031.6**
Diluted earnings per ordinary share (**) (in €)...	*(0.23)*	*0.58*

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

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

(***) For the revision impact please see - Note 15

7 - Borrowings and other financial liabilities

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

	March 31, 2016	December 31, 2015
	(In millions €)	
Long term borrowings. Financial liabilities and related hedging instruments	**44,637.0**	**45,682.8**
- Debentures	28,872.9	29,898.8
- Loans from financial institutions	15,265.0	15,684.3
- Derivative financial instruments	499.1	99.7
Other non-current financial liabilities:	**1,745.2**	**1,566.1**
- Finance leases	87.0	100.4
- Other financial liabilities	1,658.2	1,465.6
Non-current liabilities	**46,382.3**	**47,248.8**
Short term borrowing, liabilities and related hedging instruments ...	**785.1**	**380.6**
- Debentures	29.1	29.7
- Loans from financial institutions	756.0	350.9
Other financial liabilities:	**1,735.1**	**1,484.4**
- Other financial liabilities	720.0	526.1
- Bank overdraft	261.1	126.6
- Accrued interests	694.4	764.2
- Finance leases	59.6	67.5
Current liabilities	**2,520.2**	**1,864.9**
Total	**48,902.5**	**49,113.7**

7.1 Debentures and loans from financial institutions

As at March 31, 2016, the details of the loans from financial institutions and debentures are given in the sections that follow.

	March 31, 2016	December 31, 2015
Debentures.......	28,902.0	29,928.4
Loans from financial institutions.......	16,021.0	16,035.2
Total.......	**44,923.0**	**45,963.6**

7.2 Debentures

During the three months ended March 31, 2016, there was no significant reimbursement of debentures nor issuance of additional debentures. The decrease for the period is mostly linked to strengthening of euro vs US dollar.

7.3 Covenants

There was no change regarding the covenants impacting the Group and its subsidiaries during the period ended March 31, 2016 compare to December 31, 2015.

We were in compliance with all our covenants as of March 31, 2016.

7.4 Loans from financial institutions

As of March 31, 2016, the loans from financial institutions are composed of the following:

	March 31, 2016	**< 1 year**	**One year or more**	**December 31, 2015**
		(In millions €)		
Numericable Term Loans	6,450.8	39.3	6,411.5	6,632.3
Cablevision Term Loans.....................	3,246.0	33.4	3,212.6	3,390.8
Suddenlink Term Loans......................	1,990.0	91.9	1,898.1	2,085.0
Altice Financing Term Loans	2,126.3	22.6	2,104.3	2,194.6
Altice Corporate Financing Term Loan	1,088.0	-	1,088.0	1,088.0
Altice Financing RCF	565.0	565.0	-	160.0
Numericable-SFR RCF	475.0	-	475.0	450.0
Others	79.4	3.8	75.6	34.0
Total	**16,021.0**	**756.0**	**15,265.0**	**16,035.2**

The increase in loans from financial institutions was mainly due to additional drawdowns on the revolving credit facilities at NSFR and Altice Financing (See below).

GNP had loans from financial institutions amounting to €43.2 million as of March 31, 2016, which was fully consolidated in the condensed consolidated financial statements of the Group, following the change in consolidation method for GNP in February 2016.

In February 2016, the Group 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). This increases to two-third of the total principal amount once the facility is fully drawn (expected after the closing of the Cablevision acquisition, following which €1,000 million of the total principal will have been extended). The remaining portion becomes due in May 2017. Additionally, the Group has access to an additional tranche of €538 million (including pre funded interests), which will be used to finance part of the acquisition of Cablevision.

Available credit facilities:

As of March 31, 2016, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €2,628.7 million:

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

    Altice Financing S.A.: €981 million (of which €565 million drawn as of March 31, 2016);
  - (ii) Following the closing of the Suddenlink transaction, the Group had access to $350.0 million facility (€307.4 million).
  - (iii) Numericable-SFR S.A.: €1,125 million (of which €475 million drawn as of March 31, 2016); and;

- Guarantee facilities:

  Altice Financing S.A.: €15 million.

  As of March 31, 2016, compared to December 31, 2015, the following facilities had remained drawn:

  - The RCF facilities at Altice Financing S.A., which remained drawn for an aggregate amount of €565 million.
  - NSFR drew an additional €25 million on its existing RCF, thus bringing the total drawn amount as of March 31, 2016 to €475 million.

Upon closing of the acquisition of Cablevision, the Group will have access to a revolving credit facility amounting to $2.000 million (equivalent to €1,756.7 million).

7.5 Other financial liabilities

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

Non-current portion:

1.) 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 €58.0 million.
2.) The re-measurement of the put option held by non-controlling interests in CVC2 BV, leading to an increase of €70.3 million.

Current portion:

3.) Increase in bank overdrafts by €134.6 million from €126.6 million to €261.1 million
4.) Increase in other financial liabilities, mainly related to increase in debts related to securitisation and reverse factoring at NSFR for a total amount of €202.0 million.

7.6 Derivatives and hedge accounting

Compared to the year ended December 31, 2015, the Group entered into new interest rate swaps at Altice financing and NSFR with the following characteristics:

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.

The Group is continuing its strategy to hedge financial risks by converting approximately two-thirds of its variable rate borrowings into fixed rates. As a result, around 80% of the NSFR's long-term debt is fixed-rate. These trades also help limit the Group's exposure to a rise in the 3m EURIBOR rate in the future.

These derivatives do not quality for hedge accounting.

7.6.1 Reconciliation to swap adjusted debt

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:

	March 31, 2016			
	In million €			
	Carrying value as recorded in statement of financial position	Transaction Costs	Adjustment for debts recorded at fair value at closing	Nominal Amount Excl. impact of transaction costs
Total debenture and loans from financial institutions	44,923.0	639.7	211.2	45,774.0
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-	-	(18,632.3)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-	-	16,618.9
Total swap adjusted value of debentures and loans from financial institutions	**44,923.0**	**639.7**	**211.2**	**43,760.6**

7.7 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities is presented below:

	March 31, 2016		December 31, 2015	
	Carrying value	Fair value	Carrying value	Fair value
	(In millions €)			
Current assets				
Financial assets	-	-		
Cash and cash equivalents...	2,649.6	2,649.6	2,527.0	2,527.0
Restricted cash	7,474.8	7,474.8	7,737.0	7,737.0
Non-current assets				
Restricted cash	-	-	0.6	0.6
Available for Sale financial assets	6.8	6.8	6.5	6.5
Derivative instruments	1,849.0	1,849.0	2,548.7	2,548.7
Other financial assets	266.5	266.5	256.2	256.2
Financial assets..................	**12,246.8**	**12,246.8**	**13,076.0**	**13,076.0**

	March 31, 2016		December 31, 2015	
	Carrying value	Fair value	Carrying value	Fair value
	(In millions €)			
Current liabilities				
Short term borrowings, financial liabilities and related hedging instruments	785.1	785.1	380.6	380.6
Other financial liabilities.....	1,735.1	1,735.1	1,484.4	1,484.4
Non-current liabilities				
Long term borrowings, financial liabilities and related hedging instruments	44,637.0	42,152.7	45,682.8	45,447.8
Other financial liabilities.....	1,745.2	1,745.2	1,566.1	1,566.1

During the three months ended March 31, 2016, there have been no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

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

8 – Cash and cash equivalents and current restricted cash

	March 31, 2016	December 31, 2015
	(In millions €)	
Term deposits	232.3	222.2
Bank balances[1]	2,417.2	2,304.8
Cash and cash equivalents	**2,649.6**	**2,527.0**
Restricted cash [2]	7,474.8	7,737.0
Restricted cash	**7,474.8**	**7,737.0**

(1) Includes € 1,583.7 ($1,803.0 million equivalent) million that will be used to fund the Company's equity commitment related to the acquisition of Cablevision, refer to note 2

(2) Mostly consist in cash held in escrow to finance part of the acquisition of Cablevision, refer to note 7.

9 – Contractual obligations and commercial commitments

During the three months ended March 31, 2016, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2015.

10- Gain recognized on extinguishment of a financial liability

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

There was no such gain for the three months ended March 31, 2016.

11- Income tax

	March 31, 2016	March 31, 2015
Current tax	(47.5)	(43.0)
Deferred tax	90.8	(19.9)
Total	**43.3**	**(62.9)**

For the three month period ended March 31, 2016, the Group recorded an income tax credit of €43.3 million compared to an income tax expense of €62.9 million for the three months ended March 31, 2015. The variations in the income tax recorded resulted mainly from an income tax expense of €47.5 million for the three months ended March 2016 (compared to an expense of €43.0 million in 2015), owing to the first consolidation of Portugal Telecom and Suddenlink (not included in the consolidation scope in the first quarter of 2015). The Group also recorded a deferred tax income of €90.8 million for the three months ended March 31, 2016 (compared to an expense of €19.9 million in 2015) mainly linked to the first consolidation of Portugal Telecom and Suddenlink (not included in the consolidation scope in the first quarter of 2015) and the change in fair value recorded on derivative instruments.

Income tax litigation

There were no significant evolutions in tax litigation for the three months ended March 31, 2016.

12 – Litigations

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

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

12.1 France

Civil and commercial disputes in France

12.1.1 Wholesale disputes

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 lower rate of 2% for 2006 and 15% 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 Appeals dismissed SFR's claim. SFR filed an appeal before the French Supreme Court on March 14, 2016.

Compensation disputes

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

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

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

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

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

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

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

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

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

SFR against 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 abusing of its dominant position in the retail market for mobile telephony services for non-residential customers.

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

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

On April 2, 2014, Orange appealed the decision of the Commercial Court on the merits. On October 8, 2014, the Paris Court of Appeals overturned the Paris Commercial Court's ruling of February 12, 2014 and dismissed SFR's requests. The Court of Appeals ruled that it had not been proven that a pertinent market limited to second homes actually exists. In the absence of such a market, there was no exclusion claim to answer, due to the small number of homes concerned. On October 13, 2014 SFR received notification of the judgment of the Paris Court of Appeals of October 8, 2014 and repaid the €51 million to Orange in November 2014. On November 19, 2014, SFR appealed the ruling.

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

Orange against SFR and Bouygues Telecom (Sharing Agreement)

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

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

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

Orange appealed the Competition Authority's decision to dismiss its interim measures requests.

The Court of Appeals upheld this decision on January 29, 2015. Orange is now appealing the matter to the French Supreme Court. Regarding the merits of the case, the French Competition Authority continues its investigations.

eBizcuss.com against Virgin

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

Complaint by Numericable to the French Competition Authority

On May 20, 2015, Numericable filed a complaint against Groupe Canal Plus before the French Competition Authority based upon an abuse of dominant position of Groupe Canal Plus regarding GCP's auto-distribution.

12.1.2 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 harm inflicted. The Paris District Court ruled that the clauses were unfair. SFR appealed this ruling on April 15, 2015.

Apart from the updates presented above there were no other significant evolutions in litigations in other Group companies.

13 – Related party disclosure

During the three months ended March 31, 2016, no operations had significant effect on the amounts of the transactions with related parties as compared to the year ended December 31, 2015, except for transactions with GNP, which have been reported as intercompany transactions for the three months ended March 31, 2016 and hence eliminated (following the change in method of consolidation of GNP, see note 2.1).

14 - Going concern

As of March 31, 2016, the Group had net current asset position of €4,415.5 million (mainly due to restricted cash of €7,474.8 million related to cash held in escrow to finance the acquisition of Cablevision) and a negative working capital of €1,849.6 million. During the 3 months period ended March 31, 2016, the Group registered a net loss of €334.5 million (compared to an income of €761.9 million for the 3 month period ended March 31, 2015, which was mainly due to a one-off non-recurring gain on step acquisition as explained in note 10) and generated cash flows from operations of €1,244.0 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short DSOs (Days of Sales Outstanding) and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€4,141.1 million vs. €6,334.8 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of March 31, 2016, the Group's short term borrowings mainly comprised of accrued interests for €688.6 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 March 31, 2016, the revolving credit facilities at Altice Financing S.A. remained drawn in an aggregate amount of €565 million, but these facilities had been repaid in full as of the date of this report.

As mentioned in note 16, the Group has pushed back most of its significant debt reimbursements to 2022 through some refinancing that were completed in April 2016.

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

- The Group has a strong track record of generating positive Adjusted EBITDA and generated strong positive operating cash flows for the three month period ended March 31, 2016 (€1,244.0 million).

Adjusted EBITDA amounted to €1,615.0 million, an increase of 39.8% compared to March 31, 2015. This increase in Adjusted EBITDA is mainly due to the integration of newly acquired entities (see note 3) which contributed to this increase compared to prior year. The Board of Directors is of the view that such EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.

- The Group had healthy unrestricted cash reserves as of March 31, 2016 (€2,649.6 million vs. €2,527.0 million as of December 31, 2015), which would allow it to cover any urgent cash needs. Additionally, as of March 31, 2016, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €2,628.7 million.
- As of March 31, 2016, the Group had a positive equity position of €1,365.4 million, of which €529.4 million attributable to the equity owners of the Company.

The Executive Committee tracks operational key performance indicators (KPIs) on a weekly basis, thus closely tracking top line trends very closely. This allows the Executive Committee 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.

15 – 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 months ended March 31, 2015 and for the year ended December 31, 2015.

The total impact for the statement of financial position and income statement as of December 31, 2015 is:

	December 31, 2015 (previously reported)	**Revision**	**December 31, 2015 (revised)**
		(In millions €)	
Goodwill	17,319.8	*(143.5)*	17,176.4
Intangible asset	16,519.0	*31.1*	16,550.1
Property plant and equipment	12,262.6	*64.2*	12,326.8
Other non-current assets	3,338.2	*(10.8)*	3,327.4
Deferred tax assets	444.3	*53.5*	497.9
Non-current assets	**49,883.9**	***(5.3)***	**49,878.6**
Current assets	***14,791.3***	***(0.5)***	**14,790.8**
Assets classified as held for sale	*122.1*	-	*122.1*
Total assets	**64,797.3**	***(5.8)***	**64,791.5**
Equity	1,977.9	*(81.6)*	1,896.3
Other non-current liabilities	**49,825.0**	***(28.2)***	**49,796.8**
Deferred tax liabilities	**2,914.5**	***87.2***	**3,001.7**
Non-current liabilities	**52,739.5**	***59.0***	**52,798.5**
Current liabilities	9,995.1	*16.8*	10,012.0
Liabilities directly associated with assets classified as held for sale	*84.6*	-	*84.6*
Total liability and equity	**64,797.3**	***(5.8)***	**64,791.5**

	December 31, 2015 (previously reported)	Revision	December 31, 2015 (revised)
		(In millions €)	
Revenue	14,550.3	-	14,550.3
Other 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)	-	(426.0)
Operating profit	**1,221.3**	***(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 total impact for the condensed statement of financial position and income statement as of March 31, 2015 is:

	March 31, 2015 (previously reported)	Revision	March 31, 2015 (revised)
		(In millions €)	
Goodwill	15,831.9	-	15,831.9
Intangible asset	5,236.6	*(204.3)*	5,032.3
Property plant and equipment	7,558.7	*48.0*	7,606.7
Other non-current assets	3,490.7	-	3,490.7
Deferred tax assets	603.1	*(7.3)*	595.8
Non-current assets	**32,721.0**	***(163.9)***	**32,557.4**
Current assets	**10,634.9**	**-**	**10,634.8**
Assets classified as held for sale	*183.7*	-	*183.7*
Total assets	***43,539.6***	***(163.9)***	**43,375.9**
Equity	2,258.6	*(85.1)*	2,173.5
Other non-current liabilities	31,129.4	*(14.6)*	31,114.8
Deferred tax liabilities	518.6	***(64.4)***	**454.2**
Non-current liabilities	**31,648.0**	***(78.9)***	**31,569.1**
Current liabilities	**9,520.1**	***0.4***	**9,520.5**
Liabilities directly associated with assets classified as held for sale	*112.8*	-	*112.8*
Total liability and equity	**43,539.6**	***(163.9)***	**43,375.9**

	March 31, 2015 (previously reported)	Revision	March 31, 2015 (revised)
		(In millions €)	
Revenue	3,263.1	-	3,263.1
Other expenses	(2,146.8)	*39.0*	(2,107.8)
Depreciation, amortisation and impairment	(738.0)	*(127.8)*	(865.8)
Other expenses and income	(16.6)	*(8.2)*	(24.8)
Operating profit	**361.9**	***(97.1)***	**264.8**
Net finance costs	(86.4)	*2.0*	(84.4)
Gain on extinguishment of a financial liability	643.5	-	643.5
Share of profit in associates	1.0	-	1.0
Profit before taxes	**919.9**	***(95.1)***	**824.8**
Income tax expense	(85.6)	*22.7*	(62.9)
Profit for the period	**834.3**	***(72.4)***	**761.9**
Comprehensive income	**895.3**	***(72.4)***	**822.9**

16- Events after the reporting period

Refinancing of existing debts

NSFR

On April 7, 2016, NSFR announced the successful placement of a new 10 year senior secured notes for an aggregate amount of $5.2 billion.

The proceeds from the issuance of this new debt were used to fully refinance the following debts:

- $2.4 billion notes due 2019
- €475 million currently drawn on the existing RCF
- €1.9 billion term loan due 2019 and $2,6 billion term loan due 2020, following the acceptance of certain amendment by the lenders under this facility

The Group also managed to extend the maturity of the $1,425 million and €850 million term loans by another three years.

The debt was priced at 7.375%. The equivalent swapped coupon for the euro repayments is c. 5.7%

Following this refinancing, the average maturity of NSFR's debt was increased from 5.8 years to 7.9 years

Altice Financing S.A.

On April 19, 2016, Altice Financing S.A., an indirect subsidiary of the Company, announced that it had successfully priced a new 10 year senior secured bond for an aggregate amount of $2.75 billion. The new debt will pay a coupon of 7.5% (c .5.8% swapped into euros). The proceeds from this issuance were used to refinance the following debts:

- $460 million senior secured notes due 2019
- €210 million senior secured notes due 2019
- $1,013 million of loans under the 2019 Term Loan facility
- €855 million of loans under the 2022 Term Loan facility

Following this refinancing, the average maturity of Altice International's debt was increased from 6.0 years to 7.7 years

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 $1.5 billion. The proceeds of this issuance were used to repay the entire $1,481 million aggregate amount of loans under Suddenlink's existing Term Loan facility that matures in 2019.

The new notes will pay a coupon of 5.5%.

Following this refinancing, the average maturity of Suddenlink was extended from 5.7 years to 7.3 years.

Acquisition of Altice Media Group by NSFR

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

The proposed transaction values Altice Media Group France at an enterprise value of €241 million or 4.5x Adjusted EBITDA pro forma for synergies and tax losses carried forward.

The proposed transaction will be presented to relevant bodies representing the employees of Altice Media Group France for consultation before entering final negotiations.

This transaction, along with the proposed sale of Altice Content Luxembourg, represents a unique opportunity to develop SFR into a true cross-media content publisher, capitalizing on a highly diversified portfolio of premium brands. The acquisitions support SFR's business strategy by accelerating the deployment of the global convergence of telecoms + media/content + advertising.

On May 12, 2016, the sale of Altice Content Luxembourg to SFR was finalised. The sale was funded at SFR by drawing on the RCF and cash on balance sheet. The proceeds from this sale were used by the Altice International Group to repay its drawn RCFs (€565 million).

The acquisition of AMG was successfully completed on May 25, 2016, using a combination of cash on balance sheet at SFR and vendor financing provided by the sellers of AMG.

Penalty imposed by the *Autorité de la concurrence* (French anti-trust agency)

On April 19, 2016, the French anti-trust authority issued a notice to Altice Luxembourg (with NSFR as a guarantor), imposing a fine of €15 million related to the disposal of OMT's Indian Ocean assets in 2015. The payment of the fine is not contingent upon the appeals process and becomes payable upon receipt of the notice. The Group has thus recorded a provision of €15 million to account for the cash out for the three months ended March 31, 2016. The Group intends to appeal the decision.

To the Board of Directors of
Altice N.V.
Prins Bernhardplein 200
1097 JB Amsterdam
The Netherlands

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

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Altice N.V. as of March 31, 2016, the related condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the three months period then ended and the other explanatory notes (collectively, the "Interim Financial Statements"). The Board of Directors is responsible for the preparation and fair presentation of the Interim Financial Statements in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as adopted in the European Union. Our responsibility is to express a conclusion on these Interim Financial Statements based on our review.

Scope of Review

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

Conclusion

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

For Deloitte Audit, *Cabinet de révision agréé*

Originally signed by Eddy R. Termaten, *Réviseur d'entreprises agréé*

May 27, 2016