

**ALTICE S.A.**

**SOCIETE ANONYME (PUBLIC LIMITED LIABILITY COMPANY) LISTED ON EURONEXT  
AMSTERDAM**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF AND  
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2015**

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**Condensed consolidated statement of income**  
**For the three months ended March 31, 2015**

	Notes	Three months ended March 31, 2015	Three months ended March 31, 2014 (revised *)
<i>(In millions €)</i>			
Revenues.....	3	<b>3,263.1</b>	<b>578.4</b>
Purchasing and subcontracting expenses .....		(979.5)	(137.5)
Other operating expenses.....		(559.5)	(79.3)
Staff costs and employee benefit expenses .....		(247.6)	(50.6)
General and administrative expenses.....		(63.7)	(22.8)
Other sales and marketing expenses .....		(296.3)	(29.3)
<b>Operating profit before depreciation, amortization and restructuring costs .....</b>		<b>1,116.5</b>	<b>259.1</b>
Depreciation and amortization.....		(738.0)	(176.9)
Restructuring costs and other expenses .....	10	(16.6)	(28.4)
<b>Operating profit.....</b>		<b>361.9</b>	<b>53.8</b>
Gain recognized on step acquisition .....	9	-	256.3
Gain recognized on extinguishment of a financial liability .....	11	643.5	-
Finance income.....		303.2	0.3
Finance costs.....		(389.6)	(153.0)
Share of profit of associates.....		1.0	1.3
<b>Profit before income tax .....</b>		<b>919.9</b>	<b>158.6</b>
Income tax expenses .....		(85.6)	10.2
<b>Profit for the period.....</b>		<b>834.3</b>	<b>168.9</b>
<i>Attributable to equity holders of the parent .....</i>		<i>637.5</i>	<i>157.3</i>
<i>Attributable to non-controlling interests .....</i>		<i>196.8</i>	<i>11.6</i>
Earnings per share (Basic)		2.57	1.13
Earnings per share (Diluted)		2.47	0.96

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

(\*) For the details of the revision see note 16

**Condensed consolidated statement of other comprehensive income  
For the three months ended March 31, 2015**

	Notes	Three months ended March 31, 2015 <i>(In millions €)</i>	Three months ended March 31, 2014 <i>(revised *)</i>
<b>Profit for the period</b> .....		<b>834.3</b>	<b>168.9</b>
<b>Other comprehensive (expenses)/income</b>			
Exchange differences on translating foreign operations.....		(0.8)	(0.1)
Revaluation of available for sale financial assets, net of taxes.....		(2.0)	3.4
Gain on cash flow hedge, net of taxes.....	5.3,7.6	63.7	-
Actuarial gains and losses, net of taxes.....		-	(0.2)
<b>Total other comprehensive income</b> .....		<b>61.0</b>	<b>3.1</b>
<b>Total comprehensive profit for the period</b> .....		<b>895.3</b>	<b>172.1</b>
<i>Attributable to equity holders of the parent</i> .....		<i>664.5</i>	<i>160.5</i>
<i>Attributable to non-controlling interests</i> .....		<i>230.8</i>	<i>11.6</i>

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(\*) For the details of the revision see note 16

**Condensed consolidated statement of financial position**  
**March 31, 2015**

	Notes	March 31, 2015	December 31, 2014 (revised *)
<i>(In millions €)</i>			
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents .....	8	1,341.8	1,563.6
Restricted cash .....	8	5,763.3	-
Trade and other receivables .....		2,358.3	2,612.2
Inventories .....		246.6	277.2
Current tax assets .....		925.0	868.3
<b>Total Current assets</b> .....		<b>10,634.9</b>	<b>5,321.3</b>
<b>Non-current assets</b>			
Deferred tax assets .....		603.1	686.5
Investment in associates .....		131.2	130.0
Other financial assets .....	7	3,323.4	1,391.3
Trade and other receivables .....		36.1	30.7
Property, plant & equipment .....		7,558.7	7,602.8
Intangible assets .....		5,236.6	5,309.6
Goodwill .....	4	15,831.9	15,682.5
<b>Total non-current assets</b> .....		<b>32,721.0</b>	<b>30,833.3</b>
<i>Assets classified as held for sale</i> .....	3.4	183.7	77.3
<b>Total assets</b> .....		<b>43,539.6</b>	<b>36,231.9</b>

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

(\*) For the details of the revision see note 16

**Condensed consolidated statement of financial position  
March 31, 2015**

	Notes	March 31, 2015	December 31, 2014 (revised *)
<b><i>EQUITY AND LIABILITIES</i></b>			
<b>Current liabilities</b>			
<i>(In millions €)</i>			
Borrowings .....	7	418.2	612.0
Deferred revenue .....		709.5	695.5
Trade and other payables .....		5,034.2	5,215.8
Other financial liabilities .....	7	2,090.2	626.8
Provisions .....		305.4	300.1
Current tax liabilities .....		962.6	864.6
<b>Total current liabilities</b> .....		<b>9,520.1</b>	<b>8,314.8</b>
<b>Non-current liabilities</b>			
Borrowings .....	7	27,856.7	20,455.4
Other financial liabilities .....	7	2,333.7	918.2
Deferred revenue .....		352.1	390.3
Trade and other payables .....		225.2	25.9
Retirement benefit obligations .....		135.0	131.2
Provisions .....		226.7	253.7
Deferred tax liabilities .....		518.6	483.4
<b>Total non-current liabilities</b> .....		<b>31,648.0</b>	<b>22,658.0</b>
<i>Liabilities directly associated with assets classified as held for sale</i> .....	3.4	<i>112.8</i>	<i>22.5</i>
<b>Equity</b> .....			
Issued capital .....	5.1	2.5	2.5
Additional paid in capital .....	5.2	1,151.4	2,971.0
Other reserves .....		(66.1)	(93.1)
Accumulated losses .....		(284.1)	(927.0)
<b>Equity attributable to owners of the Company</b> .....		<b>803.6</b>	<b>1,953.5</b>
Non-controlling interests .....	5.4	1,455.0	3,283.1
<b>Total equity</b> .....		<b>2,258.6</b>	<b>5,236.6</b>
<b>Total equity and liabilities</b> .....		<b>43,539.6</b>	<b>36,231.9</b>

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

(\*) For the details of the revision see note 16

ALTICE S.A.

**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	Accumulat ed losses	Currency reserve	Cash Flow hedge reserve	Available for sale	Reserves			Total equity
								Employee Benefits & Share based payments	Total equity attributable to equity holders of the parent	Non- controlling interests	
<i>(In millions €)</i>											
Equity at January 1, 2015 (revised *)	247,950,186	2.5	2,971.1	(927.0)	(7.0)	(85.4)	1.9	(2.6)	1,953.4	3,283.2	5,236.6
Profit for the period.....	-	-	-	637.5	-	-	-	-	637.5	196.8	834.3
Other comprehensive income.....	-	-	-	-	(0.6)	29.6	(2.0)	-	27.0	34.0	61.0
<b>Comprehensive income.....</b>	-	-	-	-	-	-	-	-	-	-	-
Issuance of new shares.....	-	-	-	-	-	-	-	-	-	-	-
Share based payment .....	-	-	-	5.3	-	-	-	-	5.3	0.9	6.2
Actuarial loss .....	-	-	-	-	-	-	-	-	-	-	-
Transaction with non-controlling interests .....	-	-	(1,830.8)	-	-	-	-	-	(1,830.8)	(2,065.7)	(3,896.5)
Other items .....	-	-	11.1	-	-	-	-	-	11.1	5.9	17.0
<b>Equity at March 31, 2015 .....</b>	<b>247,950,186</b>	<b>2.5</b>	<b>1,151.4</b>	<b>(284.1)</b>	<b>(7.6)</b>	<b>(55.8)</b>	<b>(0.1)</b>	<b>(2.6)</b>	<b>803.6</b>	<b>1,455.0</b>	<b>2,258.6</b>

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ALTICE S.A.

**Condensed consolidated statement of changes in equity  
For the three months ended March 31, 2014 (revised \*)**

	Number of issued shares	Share capital	Invested equity	Additional paid in capital	Accumulat ed losses	Currency reserve	Cash Flow hedge reserve <i>(In millions €)</i>	Available for sale	Reserves			Total equity
									Employee Benefits & Share based payments	Total equity attributable to equity holders of the parent	Non- controlling interests	
<b>Equity at January 1, 2014.....</b>	-	-	95.8	-	-	-	-	-	-	95.8	(0.5)	95.3
Loss for the period .....	-	-	-	-	157.3	-	-	-	-	157.3	11.6	168.9
Other comprehensive income.....	-	-	-	-	-	-	-	3.4	(0.2)	3.2	(0.1)	3.1
<b>Comprehensive income.....</b>												
Incorporation of Altice S.A.....	3,100,000	-	(95.8)	624.2	(522.1)	(6.7)	-	(0.4)	0.8	-	0.5	0.5
Contribution of Altice France and Altice International.....	172,900,000	1.7	-	(66.8)	-	-	-	-	-	(65.1)	(0.2)	(65.3)
Issuance of new shares.....	28,902,102	0.3	-	787.7	-	-	-	-	-	788.0	-	788.0
Share based payment .....	-	-	-	-	2.2	-	-	-	-	2.2	-	2.2
Transaction with non-controlling interests .....	-	-	-	1.8	-	-	-	-	-	1.8	459.3	461.1
Other items .....	-	-	-	-	-	-	-	-	-	-	(0.2)	(0.2)
<b>Equity at March 31, 2014 (revised *).</b>	<b>204,902,102</b>	<b>2.0</b>	<b>-</b>	<b>1,346.9</b>	<b>(362.7)</b>	<b>(6.8)</b>	<b>-</b>	<b>3.0</b>	<b>0.6</b>	<b>983.0</b>	<b>470.3</b>	<b>1,453.4</b>

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**Condensed consolidated statement of cash flows**  
**For the three months ended March 31, 2015**

	Notes	Three months ended March 31, 2015	Three months ended March 31, 2014 (revised *)
		<i>(In millions €)</i>	
<b>Net profit, including non-controlling interests .....</b>		<b>834.3</b>	<b>168.9</b>
Adjustments for:			
Depreciation and amortization.....		738.0	176.9
Share of profit of associates .....		(1.0)	(1.3)
Losses on disposals of tangible and intangible assets.....		6.6	-
Gain on step acquisition .....	9	-	(256.3)
Gain on extinguishment of a financial liability.....	11	(643.5)	-
Expenses related to share based payment .....		6.2	3.6
Other non-cash operating gains, net .....		(8.5)	(7.1)
Finance costs recognized in the statement of income .....		86.4	152.7
Income tax expense recognized in the statement of income .....		85.6	(10.2)
Income tax paid .....		(63.7)	(6.8)
Changes in working capital .....		312.5	10.2
<b>Net cash provided by operating activities .....</b>		<b>1,352.9</b>	<b>230.6</b>
Payments to acquire tangible and intangible assets .....		(531.4)	(138.1)
Payments to acquire financial assets.....		(14.4)	-
Proceeds from disposal of tangible, intangible and financial assets .....		3.8	-
Use of restricted cash to acquire subsidiaries .....		-	282.6
Payment to acquire subsidiaries, net.....		-	(526.0)
<b>Net cash used in investing activities .....</b>		<b>(542.0)</b>	<b>(381.5)</b>
Proceeds from issue of equity instruments .....		-	722.0
Proceeds from issuance of debts.....	7	5,587.5	28.7
Payments to redeem debt instruments .....		(618.5)	(56.2)
Payments to holders of convertible preferred equity certificates		-	(190.0)
Proceeds from restricted cash.....	8	(5,516.0)	-
Interest paid .....		(495.0)	(70.5)
<b>Net cash (used in)/provided by financing activities .....</b>		<b>(1,042.0)</b>	<b>433.9</b>
Effects of exchange rate changes on the balance of cash held in foreign currencies.....		9.3	-
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(221.8)</b>	<b>283.0</b>
Cash and cash equivalents at beginning of period .....	8	1,563.6	61.3
<b>Cash and cash equivalents at end of the period .....</b>	<b>8</b>	<b>1,341.8</b>	<b>344.3</b>

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

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**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

<b>Note 1</b>	<b>Basis of preparation</b>
<b>Note 2</b>	<b>Main changes in the scope of consolidation</b>
<b>Note 3</b>	<b>Segment reporting</b>
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<b>Note 11</b>	<b>Gain recognised on extinguishment of a financial liability</b>
<b>Note 12</b>	<b>Litigations</b>
<b>Note 13</b>	<b>Commitments</b>
<b>Note 14</b>	<b>Related party disclosures</b>
<b>Note 15</b>	<b>Going concern</b>
<b>Note 16</b>	<b>Revised information</b>
<b>Note 17</b>	<b>Events after the reporting period</b>

## 1 - Basis of preparation

The condensed consolidated financial statements of Altice S.A. (the “Company”, the “Group”, “Altice” or “Altice Group”) as of March 31, 2015 and for the three months period then ended were approved by the Board of Directors and authorized for issue on May 11, 2015.

The condensed consolidated financial statements of the Group as of March 31, 2015 and for the three months 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 and the notes thereto as of and for the year ended December 31, 2014 which have been prepared in accordance with International Financial Reporting Standards as adopted in the European Union (“IFRS”).

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

- (i) The application of IFRIC 21 Levies, applicable retrospectively from January 1, 2015.
  - IFRIC 21 Levies addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.
  - IFRIC 21 has mainly affected the timing of recognition of certain levies in France such as “C3S” and the flat-rate levy on French network operators (“IFER”). The impact on shareholders equity as of January 1, 2015 is € 13.0 million after taxes. The impact on the statement of income of IFER and C3S for the three months period ended March 31, 2014 is not significant due to the fact that SFR only entered the scope at the end of November 2014. For the three months period ended March 31, 2015, the impact of the recognition of the French levies (IFER,C3S) on the condensed consolidated statement of income amounts to €52.0 million net of taxes (€ 77.0 million before taxes).
- (ii) Annual improvements 2011-2013 which include amendments to the following standards:
  - IFRS 3 Business Combination - Scope of exception for joint ventures,
  - IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
  - IAS 40 Investment Property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

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

As of December 31, 2014, brands acquired in a business combination had either definite or indefinite useful lives. During the three months ended March 31, 2015, the Board of Directors has reviewed the useful lives of the brands currently recognized and assessed that these brands have a definite useful life, based on the Group's strategy. This change has been applied prospectively. A total expense of €45.9 million (before tax impact) was recorded in the condensed consolidated statement of income for the three months ended March 31, 2015.

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

In the application of the Group's accounting policies, the Board of Directors of the Company are 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-employment benefits, revenue recognition, fair value of financial instruments, deferred taxes, impairment of goodwill and useful lives of intangible assets and property, plant and equipment. These estimates and assumptions are described in the note 2.26 to the consolidated financial statements for the year end December 31, 2014.

### **Revised information**

The comparative information for the three months ended March 31, 2014 and for the year ended December 31, 2014 has been revised to reflect the impact of the finalization of the purchase price of Numericable Group S.A., Tricom S.A. and Altice Hispaniola S.A. (previously Orange Dominicana S.A.) acquired during the course of FY 2014. (See note 16)

The comparative information has also been revised to take into account the purchase price adjustment regarding SFR described in note 2.2..

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

### ***2.1 Changes in consolidation scope as of March 31, 2015***

There were no changes in the scope of consolidation for the period ended March 31, 2015.

### ***2.2 Transactions in progress as of March 31, 2015***

#### ***Acquisition of Portugal Telecom***

On December 9, 2014, the Company announced that it has signed a definitive agreement with Oi to purchase the Portuguese assets of Portugal Telecom (or “P.T.”). These assets comprise the existing business of Portugal Telecom outside of Africa and excludes Portugal Telecom's Rio Forte debt securities, Oi treasury shares and Portugal Telecom financing vehicles. The transaction values Portugal Telecom at an enterprise value of €7.4bn on a cash and debt-free free basis which includes €500 million consideration related to the future revenue generation of Portugal Telecom. The transaction, net of financial debt, accrued post-retirement liabilities and other purchase price adjustments will be financed by new debt and existing cash from Altice. The transaction requires corporate approvals and is subject to standard regulatory approvals customary for a transaction of this nature.

On January 22, 2015, the shareholder meeting of PT S.G.P.S approved the sale of P.T. to Altice. The Company and certain of its subsidiaries subsequently completed the issuance of new senior and senior secured notes and made borrowings under a new term loan facility on February 4, 2015 (refer to note 7). The proceeds of the issuance of these notes and borrowings under the term loan facility have been placed in escrow and will be released to finance this acquisition when all approvals have been obtained.

EU Competition authorities approved the acquisition on April 20, 2015. As part of the approval, the Group has agreed to the disposal of its current operations in Portugal, namely Cabovisao and ONI. The closing of the transaction is expected to occur in Q2 2015. (see note 3.4)

***Buy-out of minorities in Numericable-SFR***

On February 27, 2015, the Company, through its subsidiaries Altice France, and Numericable-SFR announced that they have entered into final agreements with Vivendi S.A. regarding the acquisition of the 20% stake Vivendi owns in Numericable-SFR, for a price of 40 euros per share. Numericable-SFR (“NSFR”) will acquire half of Vivendi's stake through a share buyback program which will be submitted to a vote at the shareholders' meeting of Numericable-SFR. The remainder of the Vivendi's stake will be acquired by Altice France bis S.à r.l., a wholly owned subsidiary of Altice France at the same time. The purchase of the Numericable-SFR shares by Altice France bis S.à r.l. is being financed by a vendor loan franchised to Altice France S.A. for an amount of €1,948 million. This vendor loan bears interest at 3.8% annually. In connection with this acquisition, the Group has obtained commitments from a syndicate of financial institutions to underwrite or place up to €2,025 million of shares of common equity linked securities of the Company at a price to be determined by the Company and such financial institutions acting reasonably and in good faith and in light of prevailing market conditions. The closing of this transaction was completed on May 6, 2015, following the shareholders' meeting of Numericable-SFR, which was held on April 28, 2015. This transaction will in particular result in the termination of the shareholders' agreement and the call options agreements entered into between Altice France and Vivendi in connection with the SFR acquisition. Upon this transaction, Altice France's stake in the share capital and voting rights of Numericable-SFR will increase from 60.4% to 70.4% (i.e. 78.2% excluding treasury shares held by Numericable-SFR). The Board of Directors of Numericable-SFR has elected to cancel the treasury shares acquired.

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

In case of non-completion of the transaction, for reasons other than administrative or judicial or attributable to Vivendi, Altice S.A. would have been required to pay a break-up fee of €120 million to Vivendi. As the operation was successfully completed on May 6, 2015, this clause is no longer applicable.

As part of this agreement, the earn-out of €750 million due to Vivendi and contingent upon the completion of certain financial and operational KPIs was extinguished resulting in a gain of €643.5 million (See note 11).

As per the guidance of IFRS 3, the Board of Directors has assessed that the transaction has been consummated in substance as of March 31, 2015 (given the certainty around the decision following the agreements entered into on February 27, 2015 by Altice, Numericable-SFR and Vivendi to ratify the sale during the general assembly of the Numericable-SFR group held on April 28, 2015). Thus, the acquisition has been recorded in the condensed consolidated accounts of the Group for the three months ended March 31, 2015 and the related impacts are disclosed in notes 2, 3, 4, 11 and 16.

***Sale of mobile activities in La Reunion and Mayotte***

Following the French Competition Authority's conditional approval to the purchase of SFR by the Group, the Group has agreed to dispose OMT's mobile business in the Reunion Islands and Mayotte. OMT's Indian Ocean assets are included in the reporting segment French Overseas Territories (FOT) in note 3 – Segment analysis.

On March 6, 2015, Altice announced that it has entered into exclusivity with the Hiridjee Group, controlling shareholder of Telma, the leading telecom operator in Madagascar, for the sale of its mobile activities in La Reunion and Mayotte, pursuant to the requirement and subject to the approval of the French antitrust authority. More information on the assets held for sale is presented in note 3.4.

### 3 – Segment reporting

The segments presented are consistent with the ones presented in the consolidated financial statements as at December 31, 2014. The businesses that the Group owns and operates do not show significant seasonality.

There are few operational transactions between the different segments defined by the Board of Directors above. Intersegment revenues are considered to be non-material by the Board of Directors and, hence, not in the scope of regular operational reviews. Intersegment revenues represented less than 0.5% of total revenues for the three months ended March 31, 2015 and 2014, respectively.

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

#### 3.2 Segment information

Details regarding revenues and Operating profit before depreciation, amortization and restructuring costs are presented below:

<i>(in € millions)</i>	March 31, 2015							Total
	France (*)	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium & Luxembourg	Others	
Total Revenues	2,736.5	224.8	169.2	57.1	39.0	17.5	19.0	3,263.1
Total Purchasing and subcontracting costs	(856.5)	(51.0)	(35.0)	(13.2)	(14.9)	(2.0)	(6.9)	(979.5)
Other operating expenses <sup>(1)</sup>	(1,006.3)	(70.0)	(45.3)	(16.4)	(10.9)	(2.9)	(15.3)	(1,167.1)
<b>Operating profit before depreciation, amortization and restructuring costs</b>	<u>873.7</u>	<u>103.8</u>	<u>88.9</u>	<u>27.5</u>	<u>13.2</u>	<u>12.6</u>	<u>(3.2)</u>	<u>1,116.5</u>
Depreciation and amortization <sup>(2)</sup>								(738.0)
Restructuring costs and other expenses								(16.6)
<b>Operating income</b>								<b>361.9</b>
Share of profit of associates								1.0
Gain arising from extinguishment of a financial liability								643.5
Net finance costs								(86.4)
<b>Profit before income tax</b>								<b>919.9</b>

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

(1)-This caption is the sum of the line items 'other operating expenses, other sales and marketing expenses, general and administrative expenses and staff costs and employee benefit expenses as reported in the condensed consolidated statement of income.

(2)- Includes an expense of €19.8 million relating to the discontinued use of the ONLY brand in the Antilles-Guyane region of the French Overseas Territories segment, following the replacement of the ONLY brand with the SFR brand.

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<i>(in € millions)</i>	March 31, 2014 (revised)							
	France	Israel	Dominican Republic	French Overseas Territories	Portugal	Belgium & Luxembourg	Others	Total
Total Revenues	217.4	213.1	7.6	59.4	46.1	18.1	16.7	578.4
Total Purchasing and subcontracting costs	(50.5)	(41.7)	(1.6)	(15.6)	(18.8)	(2.9)	(6.2)	(137.5)
Other operating expenses <sup>(1)</sup>	(62.6)	(69.3)	(3.3)	(21.0)	(12.5)	(2.7)	(10.5)	(182.0)
<b>Operating profit before depreciation, amortization and restructuring costs</b>	<u>104.3</u>	<u>102.1</u>	<u>2.7</u>	<u>22.8</u>	<u>14.7</u>	<u>12.4</u>	<u>(0.1)</u>	<u>259.1</u>
Depreciation and amortization <sup>(2)</sup>								(176.9)
Restructuring costs and other expenses								(28.4)
<b>Operating income</b>								<b>53.8</b>
Share of profit of associates								1.3
Gain recognized on step acquisition								256.3
Net finance costs								(152.7)
<b>Profit before income tax</b>								<b>158.6</b>

(\*) For the revision impact please see note 16

(1)-This caption is the sum of the line items 'other operating expenses, other sales and marketing expenses, general and administrative expenses and staff costs and employee benefit expenses as reported in the condensed consolidated statement of income.

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

As had been previously disclosed, and following the integration of Numericable, Altice Hispaniola and SFR in 2014, the Board of Directors has reviewed its operating segment. In order to better reflect the evolving business lines of the Group, the Board of Directors has decided to provide additional information on the revenue split as follows:

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

The presentation was amended for comparative purposes for the three months ended March 31, 2014.

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

Revenues split by activity are presented below:

		<b>March 31, 2015</b>						
<i>(in € millions)</i>	<b>France</b>	<b>Israel</b>	<b>Belgium &amp; Luxembourg</b>	<b>Portugal</b>	<b>French Overseas Territories</b>	<b>Dominican Republic</b>	<b>Others</b>	<b>Total</b>
Fixed – B2C	717.6	157.9	14.3	22.9	18.0	26.5	5.6	<b>962.6</b>
Fixed B2B	359.7	17.5	1.6	12.8	4.0	9.3	7.0	<b>411.9</b>
Wholesale	328.3	-	-	3.1	1.5	14.5	-	<b>347.4</b>
Mobile – B2C	1,145.9	36.0	0.3	-	32.7	104.5	-	<b>1,319.4</b>
Mobile B2B	189.0	13.2	-	-	1.4	12.0	-	<b>215.6</b>
Other	-	-	1.2	0.8	0.1	5.1	6.5	<b>13.7</b>
<i>Adjustments</i>	<i>(3.9)</i>	<i>0.3</i>	<i>-</i>	<i>(0.6)</i>	<i>(0.6)</i>	<i>(2.7)</i>	<i>-</i>	<b><i>(7.5)</i></b>
<b>Total</b>	<b>2,736.5</b>	<b>224.8</b>	<b>17.5</b>	<b>39.0</b>	<b>57.1</b>	<b>169.2</b>	<b>19.0</b>	<b>3,263.1</b>

		<b>March 31, 2014</b>						
<i>(in € millions)</i>	<b>France</b>	<b>Israel</b>	<b>Belgium &amp; Luxembourg</b>	<b>Portugal</b>	<b>French Overseas Territories</b>	<b>Dominican Republic</b>	<b>Others</b>	<b>Total</b>
Fixed – B2C	146.2	152.5	14.6	25.5	19.2	6.9	5.7	<b>370.6</b>
Fixed B2B	52.1	16.4	1.6	13.6	4.2	0.7	6.4	<b>95.0</b>
Wholesale	20.7	-	-	5.7	1.4	-	-	<b>27.8</b>
Mobile – B2C	-	30.5	0.4	-	33.2	-	-	<b>64.1</b>
Mobile B2B	-	12.6	-	-	1.7	-	-	<b>14.3</b>
Other	-	-	1.6	1.4	-	-	6.3	<b>9.3</b>
<i>Adjustments</i>	<i>(1.7)</i>	<i>1.1</i>	<i>-</i>	<i>(0.1)</i>	<i>(0.2)</i>	<i>-</i>	<i>(1.7)</i>	<b><i>(2.4)</i></b>
<b>Total</b>	<b>217.4</b>	<b>213.1</b>	<b>18.1</b>	<b>46.1</b>	<b>59.4</b>	<b>7.6</b>	<b>16.7</b>	<b>578.4</b>



### 3.3 Reconciliation of EBITDA with operating profit before depreciation, amortization and restructuring costs

A reconciliation between operating profit before depreciation, amortisation and restructuring costs and EBITDA is presented below:

(in € millions)	March 31, 2015							Total
	France	Israel	Belgium & Luxembourg	Portugal	French Overseas Territories	Dominican Republic	Others	
<b>Operating profit before depreciation, amortization, and restructuring costs</b>	<b>873.7</b>	<b>103.8</b>	<b>12.6</b>	<b>13.2</b>	<b>27.5</b>	<b>88.9</b>	<b>(3.2)</b>	<b>1,116.5</b>
Expenses related to share based payment	2.2						4.0	6.2
French value added tax	21.7							21.7
Restructuring, deal fees and other expenses	32.1							32.1
<b>EBITDA</b>	<b>929.7</b>	<b>103.8</b>	<b>12.6</b>	<b>13.2</b>	<b>27.5</b>	<b>88.9</b>	<b>0.8</b>	<b>1,176.5</b>

### 3.4 Assets held for sale

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

As mentioned in note 2, the Group has agreed to dispose of OMT's mobile business in the Reunion Islands and Mayotte. The Group is currently in negotiation with the Hirdjee Group, the owners of Telma, a Madagascar based Telecoms Company.

These assets were considered as assets held for sale as per the requirements of IFRS 5, *Non-current assets held for sale and discontinued operations* as at December 31, 2014. As at December 31, 2014, OMT's mobile business were accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The same accounting treatment has been applied as at March 31, 2015 and the Board of Directors has not noted any impairment indicator as of March 31, 2015.

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

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

In the context of Portugal Telecom acquisition, ONI and Cabovisao have been considered as assets held for sale as per the requirements of IFRS 5, *Non-current assets held for sale and discontinued operations* as at March 31, 2015. ONI and Cabovisao's businesses are accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The Board of Directors has not noted any impairment indicator as of March 31, 2015.

These assets are reported in the 'Portugal' segment.

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

**Statement of financial position**

<i>(In € millions)</i>	<b>March 31, 2015</b>				<b>December 31, 2014</b>
	<i>FOT</i> (2)	<i>Cabovisao</i>	<i>ONI</i>	<i>Total</i>	<i>FOT</i> (2)
Goodwill (1)	35.3	-	1.3	36.6	35.3
Tangible and intangible assets	24.4	3.3	71.2	98.9	34.8
Other non-current assets	1.7	0.5	0.9	3.1	7.2
Other current assets	7.3	14.1	23.7	45.1	
<b>Total assets held for sale</b>	<b>68.7</b>	<b>17.9</b>	<b>97.1</b>	<b>183.7</b>	<b>77.3</b>
Other non-current liabilities	2.2	6.7	1.2	10.1	2.4
Current trade payables	7.7	22.3	33.7	63.7	11.1
Other current liabilities	3.7	22.3	13.0	39.0	9.0
<b>Total liabilities related to asset held for sale</b>	<b>13.5</b>	<b>51.3</b>	<b>48.0</b>	<b>112.8</b>	<b>22.5</b>

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

**Statement of financial income**

<i>(In € millions)</i>	<b>March 31, 2015</b>			<b>December 31, 2014</b>
	<i>FOT</i>	<i>Cabovisao</i>	<i>ONI</i>	<i>FOT</i>
Revenues	12.6	23.1	15.9	
Operating income	3.6	(23.5)	(5.5)	6.1
Finance costs, nets	-	(1.0)	(1.0)	-
Income tax	(1.3)	7.9	2.2	(2.4)
<b>Net income attributed to asset held for sale</b>	<b>2.3</b>	<b>(16.6)</b>	<b>(4.3)</b>	<b>3.8</b>

**Statement of cash flows**

<i>(In € millions)</i>	<b>March 31, 2015</b>			<b>December 31, 2014</b>
	<i>FOT</i>	<i>Cabovisao</i>	<i>ONI</i>	<i>FOT</i>
Net cash provided by operating activities	1.0	5.6	2.5	13.7
Net cash used in investing activities	(1.8)	(2.2)	(2.8)	(3.6)
Net cash used in financing activities	-	(0.8)	0.3	-
<b>Net change in cash and cash equivalents</b>	<b>(0.7)</b>	<b>2.6</b>	<b>(0.1)</b>	<b>10.1</b>

#### 4 - Goodwill

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

	December 31, 2014 (*revised)	Recognized on business combina- tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	March 31, 2015
	<i>(In millions €)</i>							
France .....	13,825.9	-	-	-	-	-	-	13,825.9
Dominican Republic ....	767.3	-	-	-	98.7	-	-	865.9
Israel .....	627.2	-	-	-	65.5	-	-	692.6
FOT .....	281.1	-	-	-	-	-	-	281.1
Belux .....	295.5	-	-	-	-	-	-	295.5
Green.ch ....	18.3	-	-	-	0.1	-	-	18.3
Portugal .....	1.3	-	-	-	-	(1.3)	-	-
<b>Total Gross Value .....</b>	<b>15,816.5</b>				<b>164.2</b>	<b>(1.3)</b>		<b>15,979.4</b>
France .....	-	-	-	-	-	-	-	-
Dominican Republic ....	-	-	-	-	-	-	-	-
Israel .....	(129.4)	-	-	-	(13.5)	-	-	(142.9)
FOT .....	(4.6)	-	-	-	-	-	-	(4.6)
Belux .....	-	-	-	-	-	-	-	-
Green.ch ....	-	-	-	-	-	-	-	-
Portugal .....	-	-	-	-	-	-	-	-
<b>Total Cumulative impairment</b>	<b>(134.0)</b>				<b>(13.5)</b>			<b>(147.5)</b>
France .....	13,825.9	-	-	-	-	-	-	13,825.9
Dominican Republic ....	767.3	-	-	-	98.7	-	-	865.9
Israel .....	497.8	-	-	-	51.9	-	-	549.7
FOT .....	276.5	-	-	-	-	-	-	276.5
Belux .....	295.5	-	-	-	-	-	-	295.5
Green.ch ....	18.3	-	-	-	-	-	-	18.3
Portugal .....	1.3	-	-	-	-	(1.3)	-	-
<b>Total Net book value</b>	<b>15,682.5</b>				<b>150.7</b>	<b>(1.3)</b>		<b>15,831.9</b>

(\*) For the revision impact please see note 16

	December 31, 2013	Recognized on business combina- tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2014 (*revised)
	<i>(In millions €)</i>							
France(*) ...	-	13,831.1	(5.2)	-	-	-	-	13,825.9
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
Israel .....	620.3	-	-	-	6.9	-	-	627.2
FOT .....	298.5	17.9	-	-	-	(35.3)	-	281.1
Belux .....	295.5	-	-	-	-	-	-	295.5
Green.ch ...	17.8	0.5	-	-	0.0	-	-	18.3
Portugal .....	1.3	-	-	-	-	-	-	1.3
<b>Total Gross Value</b>	<b>1,233.4</b>	<b>14,517.4</b>	<b>(5.2)</b>	<b>-</b>	<b>106.2</b>	<b>(35.3)</b>	<b>-</b>	<b>15,816.5</b>
France .....	-	-	-	-	-	-	-	-
Dominican Republic	-	-	-	-	-	-	-	-
Israel .....	(128.0)	-	-	-	(1.4)	-	-	(129.4)
FOT .....	(4.6)	-	-	-	-	-	-	(4.6)
Belux .....	-	-	-	-	-	-	-	-
Green.ch ...	-	-	-	-	-	-	-	-
Portugal .....	-	-	-	-	-	-	-	-
<b>Total Cumulative impairment</b>	<b>(132.6)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1.4)</b>	<b>-</b>	<b>-</b>	<b>(134.0)</b>
France .....	-	13,831.1	(5.2)	-	-	-	-	13,825.9
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
Israel .....	492.3	-	-	-	5.5	-	-	497.8
FOT .....	293.9	17.9	-	-	-	(35.3)	-	276.5
Belux .....	295.5	-	-	-	-	-	-	295.5
Green.ch ...	17.8	0,5	-	-	0.0	-	-	18.3
Portugal .....	1.3	-	-	-	-	-	-	1.3
<b>Total Net book value</b>	<b>1,100.7</b>	<b>14,517.4</b>	<b>(5.2)</b>	<b>-</b>	<b>104.8</b>	<b>(35.3)</b>	<b>-</b>	<b>15,682.5</b>

(\*) For the revision impact please see note 16

\* In the fourth quarter of 2014, Numericable-SFR S.A. informed Vivendi S.A. of a purchase price adjustment of up to €220 million. During the first quarter of 2015, the two parties finalised the purchase price adjustment at €120 million. This adjustment, being directly related to the consideration transferred to acquire the share capital of SFR S.A. was reflected in the amount of the provisional goodwill recognised at acquisition.

#### 4.1 Impairment of goodwill

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

The Board of Directors has determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable and therefore no updated impairment model analysis has been carried out nor any impairment recorded for the three months ended March 31, 2015.

#### 4.2 Purchase price allocation

During the three month period ended March 31, 2015, the Group has finalised the purchase price allocation of acquisitions completed during the year 2014. The final fair values attributed to various class of assets for the Numericable Group S.A., Altice Hispaniola S.A. and Tricom S.A. are given below:

##### 4.2.1 Numericable Group S.A. (“NG”)

As mentioned in note 3.2.1.1 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed as per the provisions of IFRS 3 in the three month period ended March 31, 2015.

The final fair value of the asset acquired at the date of acquisition was determined as follows:

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

The Group identified the following assets and liabilities at acquisition, which were revaluated at their fair value. The valuation of these assets was finalised in the three month period ended March 31, 2015 and the results are presented below:

- Property, plant and equipment: the Board of Directors appointed an independent expert to determine the fair value of the fixed cable and network infrastructure owned and operated by NG. The expert used the replacement cost method to calculate the fair value of NG’s tangible assets, based on inputs from the Board of Directors and NG’s own technical teams. As of December 31, 2014, the evaluation had been completed and a fair value adjustment of €266.2 million (€174.5 million net of deferred taxes) was allocated to the property, plant and equipment of NG.
- Client relationships: €239.7 million (€157.1 million net of deferred tax), was recognised and allocated amongst operating segments. The average useful life of the assets was determined based on specific reporting segments of the target and are summarised below. The fair value of client relationships was identified for each operating segment, using the following parameters:

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

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

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

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

Following the purchase price allocation, the preliminary allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated accounts for the 3 month period ended March 31, 2015:

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

#### 4.2.1 Dominican Entities

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

As mentioned in note 3.2.1.2 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed as per the provisions of IFRS 3 in the three month period ended March 31, 2015.

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

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

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

Following the purchase price allocation, the residual amount of €72.7 million over the consideration paid was recognised as goodwill in the Group's condensed consolidated financial statements for the 3 month period ended March 31, 2015.

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

As mentioned in note 3.2.1.2 to the consolidated financial statements of the Group as of December 31, 2014, the purchase price allocation has been completed as per the provisions of IFRS 3 in the three month period ended March 31, 2015.

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

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

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

Following the purchase price allocation, the residual amount of €595.3 million over the consideration paid was recognised as goodwill in the Group’s condensed consolidated financial statements for the 3 month period ended March 31, 2015.

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

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

**5 - Shareholders’ equity (including non-controlling interests)**

**5.1 Issued capital**

As of March 31, 2015, the authorised share capital is €5 million of ordinary shares and a maximum of €20 million of Class B shares. The total class B shares issued as at March 31, 2015, is nil.

All ordinary shares have equal voting rights and a right to receive dividends.

As of March 31, 2015, total issued capital of the Company amounts to €2.5 million, and is composed of 247,950,186 outstanding ordinary shares, with a nominal value of €0.01 each.

There were no changes in the issued capital of the Group for the three month period ended March 31, 2015.

**5.2 Additional paid in capital**

As of March 31, 2015, total paid-in capital of the Group amounted to €1,151.4 million.

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

### 5.3 Other reserves

The components of the Group's reserves with their respective tax effects is provided below:  
(in € millions)

	March 31, 2015			March 31, 2014		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(2.6)	-	(2.6)	0.6	-	0.6
<b>Items not potentially reclassified to profit and loss</b>	<b>(2.6)</b>	<b>-</b>	<b>(2.6)</b>	<b>0.6</b>	<b>-</b>	<b>0.6</b>
Available for sale	(0.1)	-	(0.1)	3.0	-	3.0
Currency reserve	(7.6)	-	(7.6)	(6.7)	-	(6.7)
Cash flow hedge	(79.9)	24.1	(55.8)	-	-	-
<b>Items potentially reclassified to profit and loss</b>	<b>(87.6)</b>	<b>24.1</b>	<b>(63.5)</b>	<b>(3.7)</b>	<b>-</b>	<b>(3.7)</b>
<b>Total other comprehensive income</b>	<b>(90.2)</b>	<b>24.1</b>	<b>(66.1)</b>	<b>(3.1)</b>	<b>-</b>	<b>(3.1)</b>

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

### 5.4 Variations in non-controlling interests

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

	March 31, 2015	December 31, 2014
	<i>(In millions €)</i>	
<b>Balance at beginning of the year</b>	<b>3,283.3</b>	<b>(0.5)</b>
Share of profit/(loss) for the period .....	196.8	(144.9)
Other comprehensive income .....	34.0	2.6
Acquisition of non-controlling interests in Numericable-SFR S.A. ....	(2,065.7)	3,424.6
Acquisition of non-controlling interests in Dominican entities .....	-	2.2
Acquisition of non-controlling interests in OMT Invest S.A.S. ....	-	0.1
Other variations .....	6.8	(0.8)
<b>Balance at end of the period/year</b>	<b>1,455.0</b>	<b>3,283.3</b>

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

Name of subsidiary	Place of incorporation and operation	Proportion of ownership interests and voting rights held by non-controlling interests		Profit/(Loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		March 31, 2015	December 31, 2014	March 31, 2015	December 31, 2014 (*revised)	March 31, 2015	December 31, 2014 (*revised)
Numericable-SFR SA	France	21.8%	39.7%	197.6	(138.8)	1,457.8	3,285.8
Deficom Telecom S.à r.l.	Luxembourg	26%	26%	-	(6.2)	(15.3)	(15.3)
Altice Bahamas S.à r.l.	Luxembourg	2.8%	2.8%	(0.8)	(0.2)	1.7	2.0
Cool Holding Ltd.....	Israel	-	-	-	-	9.4	9.4
Altice Blue Two S.A.S	France	0.15%	0.15%	-	0.3	1	0.7
Other.....	-	-	-	-	-	0.6	0.7
<b>Total.....</b>				<b>196.8</b>	<b>(144.9)</b>	<b>1,455.0</b>	<b>3,283.3</b>

The decrease in non-controlling interests as of March 31, 2015 is due to the recognition of the impact of the buyout of certain non-controlling interests in Numericable-SFR.

(\* ) For the revision impact please see note 16



## 6 - Earnings per share

	<b>Three months ended March 31, 2015</b>	<b>Three months ended March 31, 2014 (Revised *)</b>
	<i>(In millions €)</i>	
<b>Earnings</b>		
Earnings for the period .....	637.5	157.3
<i>Basic earnings per share (in €)</i> .....	<u>2.57</u>	<u>1.13</u>
<b>Number of shares</b>		
Weighted average number of ordinary shares for basic EPS .....	248.0	138.9
Effect of dilutive potential ordinary shares:		
Stock options and management investment plan.....	9.9	7.2
Shares to be provided to other shareholders	-	17.4
<b>Weighted average number of ordinary shares for the purposes of diluted EPS</b> .....	<u>257.9</u>	<u>163.5</u>
<i>Diluted earnings per share (in €)</i> .....	<u>2.47</u>	<u>0.96</u>

(\*) For the revision impact please see note 16

## 7 - Borrowings and other financial liabilities

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

	<b>March 31, 2015</b>	<b>December 31, 2014</b>
	<i>(In millions €)</i>	
Borrowings .....	27,856.7	20,455.4
- <i>Loans from financial institutions and bonds</i> .....	27,856.7	20,455.4
Other financial liabilities: .....	2,333.7	918.2
- <i>Finance leases</i> .....	51.2	49.4
- <i>Other financial liabilities</i> .....	2,156.2	841.0
- <i>Financial instruments</i> .....	126.3	27.8
<b>Non-current liabilities</b> .....	<b>30,190.4</b>	<b>21,373.6</b>
Borrowings: .....	418.2	612.0
- <i>Loans from financial institutions and bonds</i> .....	128.8	166.6
- <i>Bank overdraft</i> .....	20.5	41.5
- <i>Accrued interest</i> .....	268.9	403.9
Other financial liabilities: .....	2,090.2	626.8
- <i>Other financial liabilities</i> .....	2,044.9	581.7
- <i>Finance leases</i> .....	45.3	45.1
<b>Current liabilities</b> .....	<b>2,508.4</b>	<b>1,238.8</b>
<b>Total</b> .....	<b><u>32,698.8</u></b>	<b><u>22,612.4</u></b>

### 7.1 *Loans from financial institutions and bonds*

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

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
Bonds .....	21,871.4	15,807.2
Loans from financial institutions .....	6,114.1	4,814.8
<b>Total.....</b>	<b><u>27,985.5</u></b>	<b><u>20,622.0</u></b>

### 7.2 *Bonds*

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

Compared to the year ended December 31, 2014, in relation with its announced acquisition of the Portuguese assets of PT S.G.P.S, on January 31, 2015, the Group completed the pricing of an offering of:

- (i) €750 million in aggregate principal amount of its 6¼% Senior Notes due 2025 and \$1,480 million aggregate principal amount of its 7⅝% Senior Notes due 2025 (the "Senior Notes"),
- (ii) \$2,060 million aggregate principal amount of Altice Financing S.A.'s 6⅝% Senior Secured Notes due 2023 and €500 million aggregate principal amount of Altice Financing S.A.'s 5¼% Senior Secured Notes due 2023 (the "Altice Financing Senior Secured Notes"), and
- (iii) \$385 million aggregate principal amount of Altice Finco S.A.'s 7⅝% Senior Notes due 2025 (the "Altice Finco Senior Notes", and together with the Altice Financing Senior Secured Notes and the Senior Notes, the "Notes").

The offering of the Notes has closed on February 4, 2015, and the proceeds from such offering are now held in segregated escrow accounts pending satisfaction of certain escrow release conditions (including the completion of the Portugal Telecom acquisition) (see note 8 Cash and cash equivalents and current restricted cash and note 17 Events after the reporting period).

During the three months ended March 31, 2015, there was no significant reimbursement of bonds. In addition, upon condition of the completion of the Portugal Telecom acquisition, Altice Financing S.A. will have access to borrowings under an additional Revolving Credit Facility for a total aggregate principal amount of €330 million.

### 7.3 *Covenants*

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

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

The financial covenants related to the borrowings are described in the consolidated financial statements as of December 31, 2014 (see Note 15.3). As at March 31, 2015, the Group is not in breach of any of its financial covenants.

#### 7.4 Loans from financial institutions

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

- (i) A €400 million term loan facility with a maturity of seven (7) years and bearing interest at Euribor (3m) +4.25%, with a Euribor floor of 1%, and
- (ii) A \$500 million (€464.7 million equivalent) term loan facility with a maturity of seven (7) years and bearing interest at Libor (3m)+4.25%, with a Libor floor of 1%.

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

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

	<b>March 31, 2015</b>	<b>&lt; 1 year</b>	<b>One year or more</b>	<b>December 31, 2014</b>
	<i>(In millions €)</i>			
Numericable Term Loans .....	4,216.0	-	4,216.0	3,828.8
Altice Financing Term Loans .....	1,770.3	14.7	1,755.6	820.1
Altice Financing RCF .....	80.0	80.0	-	126.2
Others .....	47.8	5.3	42.5	39.8
<b>Total</b> .....	<b>6,114.1</b>	<b>100.0</b>	<b>6,014.1</b>	<b>4,814.8</b>

#### Available credit facilities:

As of March 31, 2015, the Group had access to the following credit and guarantee facilities, for a total amount of euro equivalent amount of €1,620.4 million:

##### - Revolving credit facilities:

- Altice S.A.: €200 million
- Altice Financing S.A.: €80 million
- Altice Financing S.A.: \$80 million, equivalent to €74.4 million as at March 31, 2015
- Numericable-SFR S.A.: €750 million, and
- Altice International S.à r.l.: €501 million.

##### - Guarantee facilities:

- Altice Financing S.A.: €15 million.

In addition to the facilities described above, Altice Financing S.A. will have access to an additional RCF of up to €330 million upon completion of the Portugal Telecom acquisition.

Additionally, on April 23, 2015, the aggregate principal amount available under the Numericable-SFR RCF was increased by €375 million, thus bringing the total available amount to €1,125 million.

As of March 31, 2015, compared to December 31, 2014, the €80 million RCF facility remained fully drawn, and the Group had repaid the partially drawn portion of the \$80 million RCF (\$56 million/€52.0 million equivalent).

#### **7.5 Other financial liabilities**

The following significant movements occurred during the three months ended March 31, 2015:

- (i) On February 6, 2015, Altice France S.A., a 100% subsidiary of the Company, repaid its debt amounting to €529.2 million (included in the caption “Other financial liabilities” in the consolidated statement of financial position as at December 31, 2014) towards Carlyle and Cinven (former minority shareholders of NG).
- (ii) On February 27, 2015, the Company, through its direct subsidiaries Altice France S.A. and Numericable Group S.A., signed an agreement with Vivendi S.A. to acquire the 20% stake (10% each) held by Vivendi in the NSFR group. The total consideration paid will amount to €3,895.5 million and has been recorded as other financial liabilities, with a current portion pertaining to the stake that will be acquired by NSFR and a non-current portion pertaining to the stake acquired by Altice France Bis S.à r.l., a new indirectly controlled entity that was incorporated in April 2015. The sale was voted on and ratified during the general assembly of NSFR held on April 28, 2015 and was completed on May 5, 2015. NSFR paid for its share (€1,947.8 million) using cash on balance sheet and drew down on its Revolving Credit Facility (see note 7.4). The purchase of the NSFR shares by Altice France Bis S.à r.l. is being financed by a vendor loan franchised to Altice France S.A. for an amount of €1,947.8 million. This vendor loan bears interest at 3.8% annually. In connection with this acquisition, the Group has obtained commitments from a syndicate of financial institutions to underwrite or place up to €2,025 million of shares of common equity linked securities of the Company at a price to be determined by the Company and such financial institutions acting reasonably and in good faith and in light of prevailing market conditions.

#### **7.6 Derivatives and hedge accounting**

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

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

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

- Hedged items: \$2,060 million bonds bearing interest at a coupon of 6.625%, \$385 million bonds bearing interest at 7.625% and \$1,480.0 million bonds bearing interest at a coupon of 7.625%.
- Hedging instruments: Cross currency swaps, swapping fixed USD coupon payments into fixed euro payments. The fixed EUR/USD rate was fixed at 1.1312.

The table below summarizes the details of the swap and its novation:

<u>Nominal USD</u> <i>(In millions)</i>	<u>Nominal EUR</u> <i>(In millions)</i>	<u>Effective date</u>	<u>Termination date</u>	<u>USD coupon</u>	<u>EUR coupon</u>	
<b>Fixed/Fixed cross currency swap</b>						
2,060.0	1,821.1	04/02/2015	15/02/2023	6.625%	5.236%	to
					5.306%	
385.0	340.3	04/02/2015	15/02/2023	7.625%	6.184%	to
					6.245%	
1,480.0	1,308.3	04/02/2015	15/02/2023	7.625%	6.434%	to
					6.504%	
<b>LIBOR/EURIBOR Interest rate swap</b>						
500.0	442.0	04/02/2015	04/02/2022	L+4.25%	E+4.163%	to
					E+4.233%	

Thus, the fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the year ended December 31, 2014. Before the impact of taxes, an income of €142.9 million was recorded as other comprehensive income (€63.7 million net of taxes).

#### 7.7 Fair value of financial assets and liabilities

Fair value of financial assets and liabilities is presented below:

	<u>March 31, 2015</u>		<u>December 31, 2014</u>	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
<i>(In millions €)</i>				
<b>Current assets</b>				
Cash and cash equivalents .....	1,341.8	1,341.8	1,563.6	1,563.6
Restricted cash .....	5,763.3	5,763.3	-	-
<b>Non-current assets</b>				
Restricted cash .....	-	-	0.6	0.6
Available for Sale .....	39.8	39.8	42.0	42.0
Derivative instruments .....	3,108.1	3,108.1	1,195.8	1,195.8

	March 31, 2015		December 31, 2014	
	Carrying value	Fair value	Carrying value	Fair value
	<i>(In millions €)</i>			
<b>Current liabilities</b>				
Borrowings.....	418.2	418.2	612.0	612.0
Other financial liabilities.....	2,090.2	2,090.2	626.8	626.8
<b>Non-current assets</b>				
Borrowings.....	27,856.7	28,806.9	20,455.4	20,898.8
Other financial liabilities.....	2,333.7	2,333.7	918.2	918.2

During the three months ended March 31, 2015, there have been no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

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

#### 8 - Cash and cash equivalents and current restricted cash

	March 31, 2015	December 31, 2014
	<i>(In millions €)</i>	
Term deposits.....	100.0	550.4
Bank balances.....	1,241.8	1,013.2
<b>Cash and cash equivalents</b>	<b>1,341.8</b>	<b>1,563.6</b>
Restricted cash <sup>(1)</sup> .....	5,763.3	-
<b>Restricted cash</b> .....	<b>5,763.3</b>	-

(1) Restricted cash held on the statement of financial position as of March, 2015 is linked to the debt issuance for the acquisition of Portugal Telecom, refer to note 7.

The Group has entered into a FX forward trade with a consortium of financial institutions to secure future cash flows from the USD portion of the bond and term loan, currently held in an escrow account. As per terms of the contract, at a given execution date, the Company will receive € 2,603.4 million (net of the swap credit charge) in exchange for the \$ 2,945.0 million held in escrow (at a USD/EUR forward rate of \$1.1312/€).

#### 9 - Gain recognized on step-acquisition

For the period ended March 31, 2014, a gain was realised on the step acquisition of Numericable Group S.A., and amounted to €256.3 million. No such transaction or gain was recognised for the period ended March 31, 2015.

## 10 - Restructuring costs and other expenses

Restructuring, deal fees and related expenses incurred in the three months ended March 31, 2015 and 2014 pertain mainly to one-off payments and transaction costs relating to acquisitions or other similar operations. Details are given below:

	March 31, 2015	March 31, 2014
	<i>(In millions €)</i>	
HOT Mobile restructuring costs (related to network sharing deal) .....	-	11.0
Restructuring costs (employee provisions, contract negotiations) .....	3.3	2.7
<b>Restructuring costs</b> .....	<b>3.3</b>	<b>13.7</b>
Fees related to the IPO of Altice S.A. ....	-	11.9
Fees related to the closing of the ODO/Tricom transaction .....	-	1.3
Fees related to the Portugal Telecom acquisition .....	4.2	-
Capital loss on the disposal of assets.....	6.6	-
Other expenses .....	2.5	1.5
<b>Deal fees and related expenses</b> .....	<b>13.3</b>	<b>14.7</b>
<b>Total Restructuring costs and other expenses</b> .....	<b>16.6</b>	<b>28.4</b>

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

Restructuring costs mainly include costs related to provisions for employee redundancies.

## 11- Gain recognized on extinguishment of a financial liability

The caption is explained by a one-off financial income recorded on the cancellation of the earn-out due to Vivendi as part of the acquisition of SFR by Numericable. The earn-out was carried at its fair value, which amounted to €643.5 million as of March 31, 2015. 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 described in note 17, as this cancellation was a result of an event separate from the original contract.

## 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, 2014 and that have had or that may have a significant effect on the financial position of the Group.

### 12.1 France

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

### 13 – Commitments

For the first three months of 2015, the Board of Directors has not identified any significant changes to the commitments of the subsidiaries of the Group as compared to the period ended December 31, 2014. The commitments regarding the February 2015 issuance have been disclosed in the notes to the consolidated financial statements as at December 31, 2014.

### 14 – Related party disclosure

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

### 15 - Going concern

As of March 31, 2015, the Group had net asset position of €1,114.8 million (mainly due to current restricted cash of €5,763.3) and a negative working capital of €2,429.3 million. During the quarter ended March 31, 2015, the Group registered a net income of €834.3 million (profit of €168.9 million for the quarter ended March 31, 2014) and generated cash flows from operations of €1,353.2 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 (€2,358.3million vs. €5,034.2 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of March 31, 2015, the Group's short term borrowings mainly comprised of the accrued interests for €268.9.5 million on the bonds and loans from financial institutions which are repaid on a semi-annual basis and some local bonds and amortization on certain term loans for €128.8 million. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries.

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

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

- The Group has a strong track record of generating positive EBITDA and generated strong positive operating cash flows in the first quarter of 2015 (€1,353.2 million). EBITDA amounted to €1,116.5 million, an increase of 331% compared to March 31, 2014. This increase in EBITDA is mainly due to the integration of newly acquired entities (see note 3) which contributed to this increase compared to prior year. The Board of Directors is of the view that such EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.
- The Group had healthy unrestricted cash reserves as of March 31, 2015 (€1,341.8 million vs. €1,563.6 million as of December 31, 2014), which would allow it to cover any urgent cash needs. Additionally, as of March 31, 2015, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €1,620.4 million (out of which €80 million has been drawn as at March 31, 2015). In addition, the Group repaid its debt (€529.2 million) towards Carlyle and Cinven in February 2015 (see note 7) confirming the Group's capacity to meet its repayment obligations. Additionally, Group will have access to two new revolving credit facilities (a €375 million facility at NSFR, which became available on April 23, 2015 and an additional €330 million facility at Altice Financing S.A. upon completion of the Portugal Telecom acquisition).



- As of March 31, 2015, the Group had a positive equity position of €2,258.6 million, of which €803.6 million attributable to the equity owners of the Company.

In addition to the points enumerated above, the Group has implemented a new budgeting exercise, with monthly account reviews with CFOs of operating companies to track budget accuracy. This exercise is complemented by a mid-year reforecast based on real first semester numbers.

The Board of Directors also 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 consolidated financial statements and has hence deemed it appropriate to prepare these condensed 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 the Numericable Group, Tricom and ODO at their fair value was revised for the three months ended March 31, 2014 and for the year ended December 31, 2014.

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

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
	<i>(In millions €)</i>		
Goodwill.....	15,835.4	(152.9)	15,682.5
Intangible asset.....	5,199.1	110.4	5,309.6
Property plant and equipment .....	7,602.1	0.7	7,602.8
Other non-current assets .....	1,551.9	-	1,551.9
Deferred tax assets.....	648.4	38.1	686.5
<b>Non-current assets.....</b>	<b>30,836.9</b>	<b>(3.6)</b>	<b>30,833.3</b>
<b>Current assets.....</b>	<b>5,200.9</b>	<b>120.4</b>	<b>5,321.3</b>
<i>Assets classified as held for sale.....</i>	<i>77.3</i>	<i>-</i>	<i>77.3</i>
<b>Total assets.....</b>	<b>36,115.1</b>	<b>116.8</b>	<b>36,231.9</b>
<b>Equity.....</b>	<b>5,196.3</b>	<b>40.3</b>	<b>5,236.6</b>
Other non-current liabilities.....	22,174.7	-	22,174.7
Deferred tax liabilities .....	406.9	76.5	483.4
<b>Non-current liabilities.....</b>	<b>22,581.6</b>	<b>76.5</b>	<b>22,658.0</b>
<b>Current liabilities.....</b>	<b>8,314.8</b>	<b>-</b>	<b>8,314.8</b>
<i>Liabilities directly associated with assets classified as held for sale.....</i>	<i>22.5</i>	<i>-</i>	<i>22.5</i>
<b>Total liability and equity.....</b>	<b>36,115.1</b>	<b>116.8</b>	<b>36,231.9</b>

	December 31, 2014 (previously reported)	Revision	December 31, 2014 (revised)
		<i>(In millions €)</i>	
Revenue	3,934.5	-	3,934.5
Other expenses	(2,458.6)	-	(2,458.6)
<b>Operating profit before depreciation and amortisation, restructuring and other expenses</b>	<b>1,475.9</b>	<b>-</b>	<b>1,475.9</b>
Depreciation and amortisation	(1,098.5)	(22.2)	(1,120.7)
Other operating income and expenses	(219.3)	-	(219.3)
<b>Operating profit</b>	<b>158.0</b>	<b>(22.2)</b>	<b>135.9</b>
Net Finance costs	(1,136.2)	-	(1,136.2)
Gain on step acquisition	256.3	-	256.3
Share of profit in associates	4.8	-	4.8
<b>Loss before taxes</b>	<b>(717.1)</b>	<b>(22.2)</b>	<b>(739.3)</b>
Income tax expense	164.7	7.6	172.3
<b>Loss for the period</b>	<b>(552.4)</b>	<b>(14.6)</b>	<b>(567.0)</b>
<b>Comprehensive income</b>	<b>(682.9)</b>	<b>(14.6)</b>	<b>(697.5)</b>

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

	March 31, 2014 (previously reported)	Revision	March 31, 2014 (revised)
		<i>(In millions €)</i>	
Goodwill	3,964.2	(262.6)	3,701.6
Intangible asset	872.3	420.1	1,292.4
Property plant and equipment	2,743.2	294.4	3,037.6
Other non-current assets	85.5	-	85.5
Deferred tax assets	210.2	62.7	272.9
<b>Non-current assets</b>	<b>7,875.3</b>	<b>514.7</b>	<b>8,390.0</b>
<b>Current assets</b>	<b>2,067.6</b>	<b>-</b>	<b>2,067.6</b>
<b>Total assets</b>	<b>9,942.9</b>	<b>514.7</b>	<b>10,457.6</b>
<b>Equity</b>	<b>1,176.7</b>	<b>276.5</b>	<b>1,453.3</b>
Other non-current liabilities	6,975.7	-	6,975.7
Deferred tax liabilities	172.8	236.8	409.7
<b>Non-current liabilities</b>	<b>7,148.5</b>	<b>236.8</b>	<b>7,385.3</b>
<b>Current liabilities</b>	<b>1,617.7</b>	<b>1.3</b>	<b>1,619.0</b>
<b>Total liability and equity</b>	<b>9,942.9</b>	<b>514.7</b>	<b>10,457.6</b>

	March 31, 2014 (previously reported)	<i>Revision</i>	March 31, 2014 (revised)
		<i>(In millions €)</i>	
Revenue	578.4	-	578.4
Other expenses	(319.4)	-	(319.3)
<b>Operating profit before depreciation and amortisation, restructuring and other expenses</b>	<b>259.1</b>	<b>-</b>	<b>259.1</b>
Depreciation and amortisation	(162.2)	<i>(14.9)</i>	(176.9)
Other operating income and expenses	(28.4)	-	(28.4)
<b>Operating profit</b>	<b>68.9</b>	<b><i>(14.9)</i></b>	<b>53.8</b>
Net Finance costs	<i>(152.7)</i>	-	<i>(152.7)</i>
Gain on step acquisition	256.3	-	256.3
Share of profit in associates	1.3	-	1.3
<b>Profit before taxes</b>	<b>173.7</b>	<b><i>(14.9)</i></b>	<b>158.6</b>
Income tax expense	5.1	<i>5.1</i>	10.2
<b>Profit for the period</b>	<b>178.6</b>	<b><i>(9.7)</i></b>	<b>168.9</b>
<b>Comprehensive income</b>	<b>181.8</b>	<b><i>(9.7)</i></b>	<b>172.1</b>

## 17 - Events after the reporting period

### 17.1 Completion of the acquisition of Vivendi's 20% stake in Numericable-SFR

On May 6, 2015, Altice and Numericable-SFR announced that they had, together, acquired Vivendi's 20% stake in Numericable-SFR, for a price of €40 per share. The Board of Directors of Numericable-SFR has decided that the entirety of the 10% stake of shares being repurchased by Numericable-SFR will be cancelled. The remaining 10% stake in Numericable-SFR held by Vivendi has been acquired by an indirect wholly-owned subsidiary of the Company. As a result of this transaction, the shareholders' agreement and the call option agreements entered into between Altice and Vivendi in connection with the SFR acquisition were terminated. Altice thus holds, directly and indirectly, approximately 70.4% of the share capital and voting rights of Numericable-SFR (i.e. 78.2% excluding treasury shares held by Numericable-SFR).

To finance the acquisition of its tranche, Numericable-SFR used €897 million of cash available on balance sheet and drew a total of €1,050 million on its Revolver Credit Facility. Thus, a portion of the current liability recorded in the condensed consolidated financial statements of the Group as of March 31, 2015 was extinguished with the completion of this acquisition, for a total amount of € 1,947 million.

### 17.2 E.U. approval of the Portugal Telecom acquisition

On April 20, 2015, EU Competition authorities approved the acquisition of Portugal Telecom by an indirect subsidiary of the Group. As part of the approval, the Group has agreed to the disposal of its current operations in Portugal, namely Cabovisao and ONI. The closing of the transaction is expected to occur in Q2 2015.

To the Shareholders of  
Altice S.A.  
3, boulevard Royal  
L-2449 Luxembourg

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

### *Introduction*

We have reviewed the accompanying condensed consolidated statement of financial position of Altice S.A. as of March 31, 2015, the related condensed consolidated statements of income, other comprehensive income, changes in equity and cash flows for the three month 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.

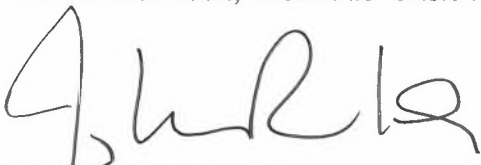
### *Scope of Review*

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

### *Conclusion*

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

For Deloitte Audit, *Cabinet de révision agréé*



John Psaila, *Réviseur d'entreprises agréé*  
Partner

May 13, 2015