Altice France
(formerly SFR Group)

Condensed consolidated financial statements for the three-month period ended March 31, 2018

Altice France
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Consolidated Statement of Income

(in € millions)	March 31, 2018	March 31, 2017 restated (*)
Revenues	**2,576**	**2,661**
Purchasing and subcontracting	(852)	(990)
Other operating expenses	(654)	(660)
Staff costs and employee benefit expenses	(183)	(239)
Depreciation, amortization and impairment	(613)	(564)
Non-recurring income and expenses	(341)	(103)
Operating income	**(67)**	**105**
Financial income	1	1
Cost of gross financial debt	(188)	(193)
Other financial expenses	(12)	(14)
Net financial income (expense)	**(200)**	**(207)**
Share in net income (loss) of associates	(0)	1
Income (loss) before taxes	**(266)**	**(101)**
Income tax income (expense)	65	14
Net income (loss) from continuing operations	**(201)**	**(88)**
Net income (loss) from discontinued operations	-	-
Net income (loss)	**(201)**	**(88)**
■ **Group share**	**(198)**	**(86)**
■ **Non-controlling interests**	**(3)**	**(2)**

(*) Refer to Note 19 – Restated information

Consolidated Statement of Comprehensive Income

(in € millions)	**March 31, 2018**	**March 31, 2017 restated (*)**
Net income (loss)	**(201)**	**(88)**
Items that may be subsequently reclassified to profit or loss :		
Foreign currency translation adjustments	0	(1)
Cash flow hedges	(104)	126
Related taxes	27	(32)
Other items related to associates	0	0
Items that will not be subsequently reclassified to profit or loss :		
Actuarial gain (loss)	-	-
Related taxes	-	-
Comprehensive income (loss)	**(278)**	**5**
Of which :		
Comprehensive income (loss), Group share	*(275)*	*7*
Comprehensive income (loss), Non-controlling interests	*(3)*	*(2)*

(*) Refer to Note 19 – Restated information

Consolidated Statement of Financial Position

(in € millions)	**March 31, 2018**	**December 31, 2017 restated (*)**
Assets		
Goodwill	11,199	11,199
Intangible assets	6,401	6,519
Contracts costs	156	152
Property, plant and equipment	6,491	6,424
Investments in associates	26	23
Non-current financial assets	536	736
Deferred tax assets	3	12
Other non-current assets	215	195
Non-current assets	**25,027**	**25,259**
Inventories	324	289
Trade and other receivables	3,632	3,616
Contracts assets	236	266
Income tax receivable	142	151
Current financial assets	4	17
Cash and cash equivalents	354	451
Assets held for sale	77	(0)
Current assets	**4,768**	**4,791**
Total Assets	**29,795**	**30,050**

(in € millions)	**March 31, 2018**	**December 31, 2017 restated (*)**
Equity and liabilities		
Share capital	444	444
Additional paid- in capital	5,403	5,403
Reserves	(3,022)	(2,738)
Equity attributable to owners of the company	**2,825**	**3,108**
Non-controlling interests	(88)	(85)
Consolidated equity	**2,737**	**3,023**
Non-current borrowings and other financial liabilities	16,725	16,854
Other non-current financial liabilities	229	248
Non-current provisions	457	476
Non-current contracts liabilities	477	455
Deferred tax liabilities	239	357
Other non-current liabilities	123	112
Non-current liabilities	**18,249**	**18,503**
Current borrowings and financial liabilities	494	351
Other current financial liabilities	1,095	1,107
Trade payables and other liabilities	6,155	6,045
Current contracts liabilities	544	517
Income tax liabilities	105	105
Current provisions	295	350
Other current liabilities	41	49
Liabilities directly associated to assets held for sale	81	(0)
Current liabilities	**8,809**	**8,524**
Total Equity & liabilities	**29,795**	**30,050**

(*) Refer to Note 19 – Restated information

Consolidated Statement of Changes in Equity

(in € millions)	Capital	Additional paid-in capital	Reserves	Other comprehensive income	Total	Non-controlling interests	Consolidated equity
Position at December 31, 2016	**443**	**5,388**	**(1,854)**	**(367)**	**3,609**	**(37)**	**3,572**
IFRS 15 - Retrospective application	**-**	**-**	**251**	**-**	**251**	**-**	**251**
Restated position at December 31, 2016	**443**	**5,388**	**(1,603)**	**(367)**	**3,860**	**(37)**	**3,823**
Comprehensive income	-	-	(86)	93	7	(2)	5
Issuance of new shares	0	0	-	-	1	-	1
Share-based compensation	-	-	0	-	0	-	0
Purchase of treasury shares	-	-	(0)	-	(0)	-	(0)
Other movements	-	-	1	-	1	(0)	1
Restated position at March 31, 2017	**443**	**5,388**	**(1,688)**	**(274)**	**3,869**	**(39)**	**3,830**
Dividends paid	-	-	-	-	-	(7)	(7)
Comprehensive income (loss)	-	-	(676)	(59)	(736)	(20)	(755)
Issuance of new shares	1	15	-	-	16	-	16
Share-based compensation	-	-	2	-	2	-	2
Purchase of treasury shares	-	-	1	-	1	-	1
Other movements (a)	-	-	(43)	-	(43)	(19)	(63)
Restated position at December 31, 2017	**444**	**5,403**	**(2,405)**	**(333)**	**3,108**	**(85)**	**3,023**
IFRS 9 - Prospective application	**-**	**-**	**21**	**-**	**21**	**-**	**21**
Position at January 1st, 2018	**444**	**5,403**	**(2,384)**	**(333)**	**3,130**	**(85)**	**3,045**
Comprehensive income (loss)	-	-	(198)	(77)	(275)	(3)	(278)
Other movements (b)	-	-	(30)	-	(30)	-	(30)
Position at March 31, 2018	**444**	**5,403**	**(2,611)**	**(410)**	**2,825**	**(88)**	**2,737**

(a) *Of which compensation paid to SFR stock-options holders following the buyout offer: € 34 million (refer to Note 26 - Share-based payments in the Group's 2017 annual consolidated financial statements).*

(b) *Revalorisation of the put option of ACL.*

Breakdown of changes in equity related to other comprehensive income

(in € millions)	December 31, 2016 restated (*)	March 31, 2017 restated (*)	*Change*	December 31, 2017 restated (*)	March 31, 2018	*Change*
Hedging instruments	(498)	(373)	*126*	(442)	(546)	*(104)*
Related taxes	140	108	*(32)*	114	141	*27*
Actuarial gains and losses	(10)	(10)	-	(10)	(9)	*0*
Related taxes	1	1	-	2	2	*(0)*
Foreign currency translation adjustments	(2)	(3)	*(1)*	(1)	(1)	*0*
Items related to associates	3	3	*0*	3	3	*0*
Total	**(367)**	**(274)**	***93***	**(333)**	**(410)**	***(77)***

(*) Refer to Note 19 – Restated information

Consolidated Statement of Cash Flows

(in € millions)	March 31, 2018	March 31, 2017 restated (*)
Net income, Group share	**(198)**	**(86)**
Adjustments:		
Non-controlling interests	(3)	(2)
Depreciation, amortization and provisions	554	524
Share in net income (loss) of associates	0	(1)
Net income from sale of property, plant and equipment and intangible assets	2	27
Net financial expense (income)	200	207
Income tax expense (income)	(65)	(14)
Other non-cash items	0	1
Income tax paid	(7)	(19)
Change in working capital	188	(261)
Net cash flow provided (used) by operating activities	**671**	**378**
Acquisitions of property, plant and equipment and intangible assets	(571)	(491)
Acquisition of consolidated entities, net of cash acquired	(19)	(24)
Acquisitions of other financial assets	(10)	(3)
Disposals of property, plant and equipment and intangible assets	3	15
Disposal of consolidated entities, net of cash disposals	(0)	-
Disposal of other financial assets	5	6
Change in working capital related to property, plant and equipment and intangible assets	(95)	(142)
Net cash flow provided (used) by investing activities	**(687)**	**(638)**
Purchases of treasury shares	-	0
Capital increase	0	1
Dividends paid	-	-
< *to owners of the company*	-	-
< *to non-controlling interests*	-	-
Dividends received	1	-
Issuance of debt	330	-
Repayment of debt	(14)	(13)
Interest paid	(336)	(406)
Other flows from financing activities (a)	(0)	474
Net cash flow provided (used) by financing activities	**(20)**	**56**
Net increase (decrease) in cash and cash equivalents	**(36)**	**(204)**
Exchange rate impact on cash in foreign currencies	**(0)**	**(0)**
Net cash and cash equivalents at beginning of period	**373**	**400**
Net cash and cash equivalents at end of period	**337**	**196**
of which cash and cash equivalents	*354*	*318*
of which bank overdrafts	*(17)*	*(122)*

(*) Refer to Note 19 – Restated information

(a) Of which: €(35) million of commercial paper and €62 million of reverse factoring as of March 31, 2018 and €356 million of commercial paper as of March 31, 2017.

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1. Basis of preparation of the consolidated financial statements

On February, 9 2018, the company's Board of Directors, decided to rename SFR Group S.A. in Altice France S.A.

Altice France (hereinafter **"the Company" or "the Group")** is a limited liability corporation (*société anonyme*) formed under French law in August 2013 with headquarters in France.

Created subsequent to the merger of Numericable and SFR, the Group Altice France aims to become, on the back of the largest fiber optic network and a leading mobile network, the national leader in France in very-high-speed fixed-line/mobile convergence. The Group has major positions in all segments of the French B2C, B2B, local authorities and wholesale telecommunications market.

Altice France is also adopting a new and increasingly integrated model around access and content convergence. Its division Media includes SFR Presse companies, which cover the Group's Press activities in France (Groupe l'Express, Libération, etc) and NextRadioTV, which covers the Group's audiovisual activities in France (SFR Sport, BFM TV, BFM Business, BFM Paris, RMC, RMC Découverte, ...).

As of March 31, 2018, Altice N.V. directly or indirectly held 100% of the capital of Altice France S.A.

This Note describes the changes in the accounting principles adopted by the Group for the interim consolidated financial statements for the three-month period ended March 31, 2018 based on the annual consolidated financial statements for the year ended December 31, 2017.

1.1. Basis of preparation of financial information

On May 15, 2018, the Company's Board of Directors approved the interim condensed consolidated financial statements for the three-month period ended March 31, 2018.

The interim condensed consolidated financial statements for the three-month period ended March 31, 2018 were prepared in accordance with IAS 34 – *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

They should be read in conjunction with the Group's 2017 annual consolidated financial statements.

The interim condensed consolidated financial statements were prepared in accordance with the same principles as for December 31, 2017, excepted for new standards effective on January 1, 2018.

The Group has applied for the first time IFRS 15 - *Revenue from Contracts with Customers* and IFRS 9 - *Financial Instruments*, leading to restate the consolidated financial statements of previous periods. As IAS 34 requires, the nature and impact of these restatements are presented in Note 19 – *Restated Information*.

1.2. Use of estimates and judgements

In preparing the Group's financial statements, Management makes estimates insofar as many factors included in the financial statements cannot be measured accurately. The assumptions on which key estimates are based are the same as those described in Note 3 – *Use of estimates and judgements* of the consolidated financial statements for the year ended December 31, 2017, excepted for new assumptions related to IFRS 15. Management reviews such estimates as the circumstances on which they are based change or as a result of new information or additional experience. Consequently, the estimates made as of March 31, 2018 may be significantly modified in subsequent periods, and actual amounts may differ from estimates.

In addition to the description in note 3 – Use of estimates and judgment of the annual consolidated financial statements and with respect to revenue recognition, judgment and estimates are made for the determination of the enforceable period that is used for the recognition of contract assets and the amortization of the contract costs.

1.3. New standards and interpretations

Standards and interpretations applied from January 1, 2018

The application from January 1, 2018 of the mandatory standards and amendments are listed below and will leaid to a change of accounting policies as presented in note 2 – *Accounting policies and methods* in annual consolidated financial statements.

IFRS 15 - *Revenue from Contracts with Customers*

In May 2014, the IASB issued IFRS 15 which establishes a single comprehensive 5-step model to account for revenue arising from contracts with customers. IFRS 15 supersedes all current revenue recognition guidance including IAS 18 Revenue, IAS 11 Construction Contracts and the related Interpretations.

Revenue recognition

Revenue from the Group's activities mainly consists of services (telephone packages, TV subscriptions, high-speed Internet, telephony and installation services), equipment sales and telecommunications network leases.

Since the acquisitions of Altice Media Group France (became SFR Presse) and NextRadioTV during the fiscal year 2016, revenue from the Group's activities integrates products such as magazines and dailies, advertising revenues and other related services.

Revenue corresponds to the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intragroup sales between entities included in the scope of consolidation.

In accordance with IFRS 15, the revenue recognition model includes five steps for analyzing transactions so as to determine when to recognize revenue and at what amount:

- Identifying the contract with the customer,
- Identifying separate performance obligations in the contract,
- Determining the transaction price,
- Allocating the transaction price to separate performance obligations,
- Recognizing revenue when the performance obligations are satisfied.

For bundled packages, the Group accounts for individual products and services separately if there are distinct – i.e. if a product or service is separately identifiable from other items in the bundled package and if a customer can benefit from it. The consideration is allocated between separate products and services in a bundle based on their stand-alone selling prices. The stand-alone selling prices are determined based on the market prices at which the Group sells the mobile devices and telecommunications services.

This leads to the recognition of a contract asset – a receivable arising from the customer contract that has not yet legally come into existence – in the statement of financial position. The contract asset is reversed over the enforceable period. Enforceable period has been determined for each company. It represents the period over which rights and obligation are enforceable. This period is determined not only by the commitment period as stated in the contract but also by business practices and contracts mechanisms (early renewal, exit options, penalties and other clauses).

Revenues from Mobile devices

The Group recognizes revenues when a customer takes possession of the device. This usually occurs when the customer signs a new contract. The amount of revenue includes the sale of mobile devices and ancillary equipment for those devices. For mobile devices sold separately, customers pay in full at the point of sale or in several installments (credit agreement). For mobile devices sold in bundled packages, customer usually pay monthly in equal installments over the contractual period.

Revenue from services

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

Installation revenue

Installation service revenue is deferred and recognized over the benefit period. For B2B customers, the benefit period is the contract term. For B2C, the benefit period is less than one year.

Agent versus principal

The Group determines whether it is acting as a principal or as an agent. The Group is acting as a principal if it controls a promised good or service before they are transferred to a customer.

Indicators for acting as a principal include: (i) the Group is primarily responsible for fulfilling the promise to provide the specified good or service, (ii) the Group has inventory risk in the specified good or service and (iii) the Group has discretion in establishing the price for the specified good or service.

On the other hand, the Group is acting as an agent or an intermediary, if these criteria are not met. When the Group is acting as an agent, revenue is presented on a net basis in the statement of income. When the Group is acting as principal, revenue is presented on a gross basis.

Contract costs

The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if it expects to recover those costs. The incremental costs of obtaining a contract are those costs that the Group incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained. Commissions to third parties and sales incentives to internal employees are considered as costs to obtain a contract and are recognized under the balance sheet caption “contract costs”.

Assets recognized as contract costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. The asset may relate to goods or services to be transferred under a specific anticipated contract. The amortization charge is recognized in the income statement caption “Depreciation, amortization and impairment”.

As a practical expedient, the Group recognizes the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset that the Group otherwise would have recognized is one year or less.

The Group has adopted IFRS 15 for annual period beginning on January 1, 2018, in accordance with the full retrospective method by restating each prior period and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented (January 1, 2017, refer to Note 19 – Restated Information).

IFRS 9 - *Financial Instruments*

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

IFRS 9 allows two methods for measurement:

- Amortized cost: this is the original amount minus principal repayments, cumulative amortizations and impairments. The amortized cost must be determined by using the effective interest rate method,
- Fair value: this is the amount for which an asset could be exchanged or a liability paid, between two willing parties, in an arm’s length transaction.

Classification and measurement

Except for certain trade receivables, under IFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS 9, debt financial assets are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI).

The classification is based on two criteria: the Group’s business model for managing the assets; and whether the instruments’ contractual cash flows represent ‘solely payments of principal and interest’ on the principal amount outstanding (the ‘SPPI criterion’).

The new classification and measurement of the Group's debt financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's Trade and other receivables, and Loans included under balance sheet caption "Financial assets" (non-current and current portion).
- Debt instruments at FVOCI, with gains or losses recycled to profit or loss on derecognition. The Groups has no instrument in this new category.

Other financial assets are classified and subsequently measured, as follows:

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its quoted and unquoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as AFS financial assets.
- Financial assets at FVPL comprise derivative instruments. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.
The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the statement of profit or loss.
Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at the asset's original effective interest rate.
For Contract assets and Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Hedge accounting

As allowed under IFRS 9, the Group continues to apply the requirement of IAS 39 related to hedge accounting.

Financial liabilities restructuring

Based on the IFRS 9, the Group removes a financial liability (or a part of a financial liability) from its statement of financial position when, and only when, it is extinguished—ie when the obligation specified in the contract is discharged or cancelled or expires.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

The Group implemented the standard based on the simplified retrospective approach (refer to Note 19 – *Restated Information*).

Standards and interpretations not yet applied

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for period started from January 1, 2018 and that may impact the amounts reported.

- IFRS 16 - *Leases*, effective on or after January 1, 2019;
- Annual improvements cycle 2017-2019, effective on or after January 1, 2019;
- IFRIC 23 - *Uncertainty over Income Tax Treatments*, applicable for annual periods beginning on or after January 1, 2019.
- IFRS 9 amendments - *Prepayment Features with Negative Compensation*, effective on or after January 1, 2019.

The impacts of implementing these news standards and amendments are currently being analysed by the Group. It is not practicable to provide a reasonable estimate of the quantitative effects of IFRS 16 until the project have been completed.

2. Significant events of the period

Altice Group Reorganization

On January, 8 2018 Altice N.V. announced the separation of American businesses from European businesses, Altice N.V. becoming then Altice Europe. The closing of this transaction is expected in the end of the second quarter 2018.

Altice N.V. also announced that existing sports content wholesale contracts between Altice France and Altice TV would be cancelled and replaced by new contracts (revenue sharing) with a lower guaranteed minimum income. Altice TV will be eligible to receive an indemnity of €300 million as part of the renegotiation. This amount has been recorded as expenses as of March 31, 2018.

Altice Europe will reorganize its structure comprising Altice France, Altice International and Altice TV.
Altice France will acquire the shares held by Altice International in Outremer Telecom, Altice Technical Services France and Altice Customer Services. The total amount of these transactions is expected to amount to €710million euros.

Agreement with ARCEP concerning "Zones blanches" sites

On January 14, 2018, Altice France, along with the operators in the French telecom market, reached an agreement with the French telecom regulator ("ARCEP") and the French state in order to improve mobile coverage in certain poorly covered mobile areas ("Zones blanches"), in exchange for concessions on future mobile spectrum auctions and the scrapping of a specific spectrum based tax for the new sites deployed as part of this initiative ("IFER").

As part of the deal, and in exchange for a prolongation of the existing spectrums bands (900/1800/2100 Mhz), the Group has agreed to generalize 4G coverage on all the mobile sites (and 75% of the Zones blanches sites) in 2020 and the implementation of 4G on all Zones blanches site by 2022.

Altice N.V. enters into exclusivity for the sale of its international wholesale voice carrier business

On March 12, 2018, Altice NV and Altice France announced that they had entered into exclusivity with Tofane Global, a Paris-based telecommunications and digital player specializing in international carrier services, for the sale of its international wholesale voice carrier business in France.

This transaction shows further execution of the Group's non-core asset disposal program to strengthen the company's long-term balance sheet position and focus on improving the operational and financial results of its key franchises.

In accordance to IFRS 5 – *Non-current Assets Held for Sale and Discontinued Operations*, assets intended for sale and liabilities related to assets held for sale were placed on specific items in the statement of financial position for the amounts of €77 million and €81 million respectively; given that the impact on the statement of financial performance and the statement of cash flows is not substantial, these statements were not restated.

Sale of mobile towers

In its annual results call held on March 16, 2018, Altice N.V. confirmed that the sales process to dispose of the mobile towers in France, Dominican Republic and Portugal is underway. The signing of an agreement is expected during the first half year of 2018 (Refer to Note 18 – *Subsequent events*).

3. Change in scope

In the three-month period ended March 31, 2018, the main changes in scope as described in Note 34 – *List of consolidated entities* to the Group's 2017 annual consolidated financial statements, concen the entry in the Group of two new DSP (Martinique THD and Connect 76) and the transfer of all assets and liabilbities ("Transmission Universelle de Patrimoine") of Decovery and Technologues Culturels to Groupe l'Express.

4. Revenue

The breakdown of revenue by segment is detailed as follows:

(in € millions)	**March 31, 2018**	**March 31, 2017 restated**
Mobile-service	1,011	1,020
Mobile-equipment sales	183	167
Fixe	981	1,028
Wholesale	290	318
Media	111	127
Total	**2,576**	**2,661**

5. Reconciliation of operating income to Adjusted EBITDA

The following table shows the reconciliation of the operating income in the Consolidated Financial Statements to Adjusted EBITDA:

(in € millions)	**March 31, 2018**	**March 31, 2017 restated**
Operating income	**(67)**	**105**
Depreciation, amortization and impairment	613	564
Restructuring costs	(0)	16
Costs relating to stock option plans	-	0
Other non-recurring costs (a)	341	90
Adjusted EBITDA	**888**	**776**

(a) As of March 31, 2018, includes the break-up fee with Altice Entertainment News & Sport (€(300) million). Refer to Note 2 – Significant events of the period)

6. Financial income

Financial income is broken down below:

(in € millions)	March 31, 2018	March 31, 2017 restated
Cost of gross financial debt	**(188)**	**(193)**
Other financial income	1	1
Financial income	**1**	**1**
Provisions and unwinding of discount	(4)	(6)
Other	(8)	(8)
Other financial expenses	**(12)**	**(14)**
Net financial income (expense)	**(200)**	**(207)**

The cost of gross financial debt decreased from €193 million as of December 31, 2017 to €188 million as of March 31, 2018.

7. Income tax expense

For interim condensed financial statements, the tax expense or tax income on profit or loss is determined in accordance with IAS 34, based on the best estimate of the annual average tax rate expected for the full fiscal year, restated for non-recurring items (which are recorded in the period as incurred).

8. Other non-current assets

Other non-current assets are detailed as follows:

(in € millions)	March 31, 2018	December 31, 2017 restated
Derivative financial instruments (a)	447	650
Other	89	86
Non-current financial assets	536	736
Other non-current assets (b)	215	195
Other non- current assets	**752**	**931**

(a) Refer to Note 12 - Derivative instruments.
(b) Of which €205 million of non- current prepaid expenses compared to € 184 million as of December 31, 2017.

9. Cash and cash equivalents

Cash and cash equivalents are broken down below:

(in € millions)	March 31, 2018	December 31, 2017 restated
Cash	291	385
Cash equivalents (a)	62	66
Cash and cash equivalents	**354**	**451**

(a) Cash equivalents mainly consisted of money-market UCITS.

10. Equity

As of March 31, 2018, Altice France's share capital amounted to €443,706,618 comprising 443,706,618 ordinary shares with a par value of €1 each.

Date	Transaction	Shares issued
December 31, 2017		**443,706,618**
January to March		-
March 31, 2018		**443,706,618**

11. Financial liabilities

11.1. Financial liabilities breakdown

Financial liabilities break down as follows:

(in € millions)	**March 31, 2018**	**December 31, 2017 restated**	**March 31, 2018**	**December 31, 2017 restated**	**March 31, 2018**	**December 31, 2017 restated**
Bonds	91	274	10,780	10,993	10,871	11,267
Term loans (a)	404	77	4,875	5,005	5,279	5,082
Derivative instruments	-	-	1,069	856	1,069	856
Borrowings	**494**	**351**	**16,725**	**16,854**	**17,219**	**17,206**
Finance lease liabilities	48	33	13	40	61	73
Perpetual subordinated notes ("TSDI")	-	-	50	50	50	50
Deposits received from customers	45	52	155	147	200	200
Bank overdrafts	17	78	-	-	17	78
Securitization	239	248	-	-	239	248
Reverse factoring	618	556	-	-	618	556
Commercial paper	-	35	-	-	-	35
Other (b)	127	104	11	12	138	116
Other financial liabilities	**1,095**	**1,107**	**229**	**248**	**1,323**	**1,355**
Financial liabilities	**1,589**	**1,458**	**16,953**	**17,103**	**18,542**	**18,561**

(a) This amount includes €330 million of RCF and a NextRadioTV term loan (€25 million of which €6 millon at short term).

(b) As of March 31, 2018, this amount includes € 100 million related to the fair value of the put and call options as part of the acquisition of NextRadioTV (€70 million as of December 31, 2017).

Financial liabilities issued in US dollars are converted at the following closing rate:

- As of March 31, 2018: €1 = 1.2327 USD
- As of December 31, 2017: €1 = 1.2022 USD

11.2. Net financial debt

Net financial debt as defined and utilized by the Group can be broken down as follows:

(in € millions)	March 31, 2018	December 31, 2017 restated
Bonds	10,821	11,038
Term loans	5,347	5,103
Finance lease liabilities	61	73
Commercial paper	0	*35*
Bank overdrafts	17	78
Other financial liabilities	54	55
Financial Liabilities contributing to net financial debt (a)	**16,299**	**16,381**
Cash and cash equivalents	354	451
Net derivative instruments - currency translation impact	256	547
Financial Assets contributing to net financial debt (b)	**610**	**998**
Net financial debt (a) – (b)	**15,690**	**15,383**

(a) Liability items correspond to the nominal value of financial liabilities excluding accrued interest, impact of EIR, perpetual subordinated notes, operating debts (notably guarantee deposits, securitization debts and reverse factoring). All these liabilities are converted at the closing exchange rates. Refer to Note 11.3 – Reconciliation between net financial liabilities and net financial debt.

(b) Asset items consist of cash and cash equivalents and the portion of the fair value of derivatives related to the currency translation impact (€256 million as of March 31, 2018 and €547 million as of December 31, 2017). The fair value of derivatives related to the exchange rate impacts (€(878) million as of March 31,2018 and €(753) million as of December 31, 2017) is not included.

11.3. Reconciliation between net financial liabilities and net financial debt

The following table shows the reconciliation between net financial liabilities in the consolidated statement of financial position and the net financial debt:

(in € millions)	March 31, 2018	December 31, 2017 restated
Financial liabilities	18,542	18,561
Cash and cash equivalents	(354)	(451)
Derivative instruments - asset	(447)	(650)
Net financial debt - consolidated statement of financial position	**17,741**	**17,460**
Reconciliation :		
Net derivative instruments - rate impact	(878)	(753)
Accrued interest	(153)	(335)
EIR	190	148
Perpetual subordinated notes ("TSDI")	(50)	(50)
Deposits received from customers	(200)	(200)
Securitization	(239)	(248)
Reverse factoring	(618)	(556)
Debt on share purchase	(101)	(71)
Dividend to pay	(2)	(2)
Current accounts	(0)	(9)
Other	(1)	(2)
Net financial debt	**15,690**	**15,383**

11.4. Reconciliation between change on financial liabilities and flows related to financing

In accordance with the amendment to IAS 7 applicable from January 1, 2017 onwards, this table presents the reconciliation between change on financial liabilities and flows related to financing as presented in the consolidated statement of cash flows.

(in € millions)	December 31, 2017 restated	Consolidated statement of cash flows		Other flows - non cash	March 31, 2018
		Net cash flow - financing activities	Other flows		
Non-current borrowings and other financial liabilities	16,854	(14)	-	(116)	16,725
Other non-current financial liabilities	248	(11)	-	(8)	229
Non-current financial liabilities	**17,103**	**(25)**	-	**(125)** [2]	**16,953**
Current borrowings and financial liabilities	351	(6)	-	149	494
Other current financial liabilities	1,107	12	(55)	31	1,095
Current financial liabilities	**1,458**	**6**	**(55)** [1]	**180** [3]	**1,589**
Financial liabilities	**18,561**	**(19)**	**(55)**	**55**	**18,542**

1. Of which bank overdraft for €(60) million;
2. Of which change effect for €(290) million, EIR for €(39) million and change in fair value of derivative instruments for €213 million. It should be noted that flows related to EIR include IFRS 9 impact for €(56) million (change in accounting method as of January 1, 2018) ;
3. Of which accrued interests for €185 million, change in fair value of swaps for €(31) million and change in fair value of the put and call options of ACL for €30 million.

11.5. Fair value hierarchy of financial assets and liabilities

The following table show the net carrying amount and the fair value of the Group's financial instruments:

(in € millions)	March 31, 2018		December 31, 2017 restated	
	Net carrying amount	Fair value	Net carrying amount	Fair value
Assets				
Trade and other receivables*	3,485	3,485	3,484	3,484
Derivative instruments classified as assets	447	447	650	650
Non-current financial assets	89	89	86	86
Other non-current assets	11	11	11	11
Current financial assets	4	4	17	17
Cash and cash equivalents	354	354	451	451
Liabilities				
Non-current borrowings and financial liabilities [1]	15,665	15,348	15,998	16,206
Derivative instruments classified as liabilities	1,069	1,069	856	856
Other non-current financial liabilities	229	229	248	248
Other non-current liabilities *	123	123	112	112
Current borrowings and financial liabilities	495	495	351	351
Other financial liabilities	1,095	1,095	1,107	1,107
Trade payables and other liabilities	6,236	6,236	6,045	6,045
Other current liabilities *	41	41	49	49

* *Excluding prepaid expenses and contracts assets and liabilities*

1 *This amount includes a NextRadioTV term loan (€25 million of which €6 million at short term).*

No significant events occurred in the three-month period ended March 31, 2018 that would affect the fair value of financial assets and liabilities (including no transfer into or out of a fair level value and no change in the measurement methods used).

12. Derivative instruments

The following table shows the derivative instruments fair value:

(in € millions) Type	Underlying element	March 31, 2018	December 31, 2017 restated
Cross-currency Swaps	2022 USD bonds	314	459
	2024 USD bonds	9	59
	2026 USD bonds	(654)	(450)
	January 2026 USD term loan	(59)	(49)
	January 2026 USD term loan	(111)	(89)
	July 2025 USD term loan	20	50
Interest rate swaps	Fixed rate - Floating rate USD	(123)	(176)
	January 2026 USD term loan	(18)	(12)
	Fixed rate - EURIBOR 3 months	0	1
	Derivative instruments classified as assets	447	650
	Derivative instruments classified as liabilities	(1,069)	(856)
	Net Derivative instruments	**(622)**	**(206)**
	o/w currency effect	256	547
	o/w interest rate effect	(878)	(753)

In accordance with IFRS 9, the Group uses the fair value method to recognize its derivative instruments.

The fair value of derivative financial instruments (cross currency swaps) traded over-the-counter is calculated on the basis of models commonly used by traders to measure these types of instruments. The resulting fair values are checked against bank valuations.

The measurement of the fair value of derivative financial instruments includes a “counterparty risk” component for asset derivatives and an “own credit risk” component for liability derivatives. Credit risk is measured on the basis of the usual mathematical models and market data (implicit credit spreads).

13. Provisions

The following table details the amount of provisions:

	March 31, 2018					
(in € millions)	Opening	Increase	Utilization	Reversal and changes of accounting estimates	Other	Closing
Employee benefit plans	124	3	(0)	(0)	-	127
Restructuring (a)	46	-	(12)	-	0	35
Technical site restoration (b)	97	-	-	-	-	97
Litigation and other (c)	559	2	(51)	(1)	(16)	493
Provisions	**826**	**5**	**(63)**	**(1)**	**(16)**	**752**
Current provisions	*350*	*-*	*(54)*	*(1)*	*0*	*295*
Non-current provisions	*476*	*5*	*(9)*	*(0)*	*(16)*	*457*

(a) Concern mainly the reversal of provision of the Telecom division for €(10) million.

(b) Site restoration expenses: the Group has an obligation to restore the technical sites of its network at the end of the lease when they are not renewed or are terminated early.

(c) Litigation and other: these are included in provisions mainly when their amounts and types are not disclosed, because disclosing them may harm the Group. Provisions for litigation cover the risks connected with court action against the Group (Refer to Note 16 - Litigation). All provisioned disputes are currently awaiting hearing or motions in a court. The unused portion of provisions recognized at the beginning of the period reflects disputes that have been settled by the Group paying amounts smaller than those provisioned, or to a downward re-assessment of the risk.

The table for fiscal year 2017 is presented below:

	December 31, 2017 restated					
(in € millions)	**Opening**	**Increase**	**Utilization**	**Reversal and changes of accounting estimates**	**Other**	**Closing**
Employee benefit plans	161	15	(1)	(49)	(2)	124
Restructuring	146	746	(766)	(46)	(35)	46
Technical site restoration	119	3	(11)	-	(15)	97
Litigation and other	811	231	(201)	(301)	19	559
Provisions	**1,236**	**996**	**(978)**	**(396)**	**(32)**	**826**
Current provisions	*396*	*839*	*(826)*	*(43)*	*(17)*	*350*
Non-current provisions	*840*	*157*	*(152)*	*(354)*	*(15)*	*476*

14. Related party transactions

Parties related to the Group include:

- All companies included in the consolidation scope, regardless of whether they are fully consolidated or equity associates;
- Altice N.V., the entities that it consolidates and its related parties;
- All the members of the Executive Committee of Altice France and companies in which they hold a directorship.

Transactions between fully consolidated entities within the consolidation scope have been eliminated when preparing the Consolidated Financial Statements. Details of transactions between the Group and other related parties are disclosed below.

As of March 31, 2018, the overview of these transactions was as follows:

(in € millions)	**March 31, 2018**	**March 31, 2017 restated**
Total income	15	15
Total expenses	(360)	(147)
Total	**(345)**	**(133)**

As of March 31, 2018, the significant changes in the statement of income concern:

- Decrease in purchase of customer services from Altice Management International and Intelcia : €11 million,
- Decrease in purchase of TV channels programs, including sports channel, (saving of €98 million) from Altice Entertainment News & Sport and Ma Chaîne Sport offset by €300 million of break-up fee (refer to Note 2 – *Significant events of the period*).

Investments made (especially construction and deployment of networks with ATS) amounted to €89 million as of March 31, 2018 compared to €60 million as of March 31, 2017.

As a consequence of the contract renegociation of TV channels with Altice Entertainment News & Sport, the commitments are expected to decrease of an amount of €1 billion.

15. Commitments and contractual obligations

There was no significant change in the commitments and contractual obligations undertaken or received by the Group as described in the Group's 2017 annual consolidated financial statements, excepted for commitments related to purchase of TV channels programs, as mentioned in the previous note.

16. Litigation

In the normal course of business, the Group is subject to a number of lawsuits and governmentalarbitration and administrative proceedings as a plaintiff or a defendant.

This Note discloses significant disputes that have appeared or significantly changed since the publication of 2017 consolidated financial statements and that have had or may have a material impact on the Group's financial position.

16.1. Consumer Disputes

CLCV's summons and complaint against SFR

On January 7, 2013, the consumer association CLCV filed a complaint against SFR in the Paris Commercial Court. CLCV claimed that some of the clauses in SFR's general terms of subscription, and those of some other telephone operators, were unfair. It also asked for compensation for the collective loss suffered. The Paris District Court ruled that the clauses were unfair. On February 24, 2015, the Paris District court ruled that eight clauses included in the general terms of subscription were unfair and ordered SFR to publish the ruling on its website and three daily print publications. SFR was also asked to pay € 30,000 in damages to the CLCV. This decision was not executory and SFR appealed this ruling on April 16, 2015. The case was pleaded before the court of appeals of Paris on October 19, 2017.

On March 30, 2018, the Appeals court of Paris ruled that seven (of the fifty or so clauses which the CLCV claimed were unfair/abusive) were unfair and demanded that SFR publish the entire ruling on its website preceded by the phrase,'legal communique' and ordered SFR to remove said clauses from the general terms of subscription with a penalty of upto 300 euros per day of delay.

SFR against Iliad, Free and Free mobile: unfair competition by disparagement

On May 27, 2014, SFR filed a complaint against Iliad, Free and Free Mobile in the Paris Commercial Court for unfair competition claiming that when Free Mobile was launched and afterwards, Iliad, Free and Free Mobile were guilty of disparaging SFR services. SFR claimed €493 million in damages.

On September 9, 2016 by pleadings on counterclaims, Free requested the court to judge that SFR denigrated their capacities and services and claimed €475 million in damages. The Paris Commercial Court rendered its judgment on January 29, 2018. The Court sentenced Free Mobile to pay to SFR €20 million as moral damage as a result of unfair competition made by disparagement.

In addition, the court sentenced SFR to pay to Free Mobile €25 million as moral and material damage as a result of unfair competition made by disparagement.

Accordingly, the court sentences, as compensation, SFR to pay to Free Mobile €5 million as damages. This decision has not yet been made executory.

16.2. Other disputes

Canal Plus Group (GCP) against SFR and NC Numericable

On October 4, 2017, GCP summoned SFR and NC Numericable before Paris Commercial Court. GCP claimed that both SFR and NC Numericable breached their contractual obligations and notably:

- the marketing of substitute products to the GCP allowing customer poaching from GCP offers to the benefit of « Altice » offers ;
- the decrease of GCP's offers promotions ;
- the promotion of migration of the subscribers base in favour of FTTB offer, which does not allow access to Canalsat offer ;
- misleading advertising on contents (ex : « Le Grand Football est chez SFR ») ;

- the refusal to set up new offers ;
- the modification of the GCP channels numbering ;
- The GCP channels denigration on SC platforms.

GCP requested the termination of the above under financial penalty of thirty thousand euros per day, and damages in the amount of €174 million. SFR fully contests the facts and has intiated its own evaluation of damages suffered before intiaitng its own demands against Canal Plus.

17. Entity consolidating the financial statements

The consolidated financial statements of Altice France are included in the consolidated financial statements of Altice N.V., a company listed for trading in the Netherlands.

18. Subsequent events

Acquisition by Altice France of the minority stake held by News Participations in Altice Content Luxembourg

On April 5, 2018, Altice France acquired the minority stake held by News Participations (NP) in Altice Content Luxembourg (ACL) for the amount of €100 million by exercing the call option it held on NP's 25% stake in ACL. This amount was recognized in liabilities as of March 31, 2018.

Approval of the "Conseil Supérieur de l'Audiovisuel" (CSA) for taking exclusive control of NextRadioTV

On January 30, 2017, NextRadioTV and Altice France announced that they have submitted an application to the Conseil Supérieur de l'Audiovisuel (CSA) for approval to enter into a new phase of their strategic partnership by increasing its stake in the holding company GNP to 100%.

On April 20, 2018, the CSA announced its approval for the acquisition of an additional stake in NextRadioTV by Altice France. The convergence between Telecom and Media, initiated since July 2015 with the acquisition of 49% of NextRadioTV by Altice (then acquired in 2016 by Altice France), has reached a new step by obtaining all clereance to acquire the remaining 51% stake held by News Participations in GNP.

Creation of "SFR Pylônes"

Owning passive infrastructures (pylons, masts, rooftop) enables SFR to have the necessary potential to create the biggest "Towerco" (Tower Company) in France and one of the biggest in Europe.

In order to develop this activity, Altice France created a new entity called "SFR Pylônes". This will be an independent enough to carry out its mission of operating its tower park and business development.

SFR Pylônes is a long-term industrial project. Given the large number of sites, their singular location and to the quality of the infrastructures, SFR Pylônes will have all assets to be a key player in this growing market.

Closing of the previously announced acquisitions of Altice Customer Services and Altice Technical Services

On May 16, 2018 the Group successfully closed the acquisitions of Altice Customer Services and Altice Technical Services as previously announced.

Altice France acquired a 65% stake in the capital of Altice Customer Services from Altice International for a total consideration of €64 million, of which €30 million for the shares of the company and €34 million in financial assets

held by Altice International against Altice Customer Services. The seller has consented to a vendor note to Altice France for the total amount of the consideration transferred.

Altice France also acquired a 100% stake in Altice Technical Services from Altice International for a total consideration of €175 million.

19. Restated information

The consolidated financial statements as of December 31, 2017 and as of March 31, 2017 have been restated for the impacts of IFRS15. The consolidated statement of financial position as of January 1, 2018 has been restated for the impacts of IFRS9. Refer to Note 1 – *Basis of preparation of the consolidated financial statements*.

IFRS 15 - *Revenue from Contracts with Customers*

The Group has adopted IFRS 15 *Revenue from Contracts with Customers* for annual period beginning on January 1, 2018, in accordance with the full retrospective method by restating each prior period and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented (January 1st 2017).

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Under IFRS 15, an entity recognizes revenue when the 'control' of the goods or services is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific situations. Furthermore, extensive disclosures are required by IFRS 15. In addition, in April 2016, the IASB issued Clarifications to IFRS 15 in response to feedback received by the IASB and FASB Joint Transition Resource group for Revenue recognition. The clarifications provide additional guidance on identifying performance obligations, principal versus agent consideration and licensing application guidance.

The details of the significant changes and quantitative impact of the changes are set out below.

Mobile activities:

The most significant impact is in the mobile activities (B2C and B2B transactions) as some arrangements include multiple elements that are being bundled: a handset component sold at a discounted price and a communication service component. In application of IFRS 15, the group has identified those items as separate performance obligations. Total revenue will be allocated to both elements based on their stand-alone selling price, leading to more revenue being allocated to the handset upfront. This will also impact the timing of revenue recognition as the handset is delivered up-front, even though total revenue will not change in most cases over the life of the contract. Other IFRS 15 topics impacting the accounts include capitalization of commissions (including prepaid and renewal commissions which will be broader than the current capitalization model, along with depreciation pattern which will require estimates relating to the contract duration in some instances (prepaid business for example).

Fixed activities

In most cases, the service and the equipment will not be considered as distinct performance obligations. Additional services will be examined separately.
Other identified topics relate to connection fees, related costs and capitalization of commissions. Related estimates include the determination of capitalized assets depreciation period based (i) on contract period and (ii) possible additional periods related to anticipated contract that the Group can specifically identify.

The quantitative impact of IFRS 15 at the opening balance is detailed below:

- Shareholders' equity as of December 31, 2017 increased by €251 million after deferred tax effect mainly due to the mobile handsets subsidies contract assets and the effect of the change in commission capitalization and amortization pattern,
- Revenue and Adjusted EBITDA decreased by €95 million and €78 million, respectively, for the year ended December 31, 2017. The impact is mainly linked to:
    - The handsets subsidies adjustments as described above linked to a decrease in the sale of mobile bundles offers over the last years.
    - Change in the scope of commissions capitalized under IFRS 15.
- Thus net result for the year ended 2017 decreased by €69 million.

IFRS 9 – *Financial Instruments*

IFRS 9 Financial Instruments issued on July 24, 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting. The Group implemented the standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with no impact on 2017 and can be broken as follows:.

- Financial liabilities restructuring : €41 million,
- Bad debt provision: €(20) million.

Main impacts of IFRS 9 are explained below:

- Based on the IFRS 9 guidance, financial liabilities that have been renegotiated in previous period, where the renegotiated terms were considered as a non-substantial modification of the initial terms (cash flows modified in a proportion equal to or lower than 10%), requires a specific treatment upon transition to IFRS 9. Under IFRS 9, the Company should use the original effective interest rate to calculate the carrying value of the debt which is the present value of the modified future cash flows. Under IAS 39, for financial liabilities that have been renegotiated, the effective interest rate is changed on a prospective basis, with no income statement impact at the renegotiation date. For restructuring of financial liabilities that have been treated as extinguishment of debt, there is no impact under IFRS 9.

- Based on the IFRS 9 guidance, the Group has applied the simplified model for trade receivables and contracts assets (without significant financing component) and has applied the expected credit loss model (i.e. including forward looking information) on assets (i.e. trade receivables not yet due and contract assets IFRS 15 Revenue from Contracts with Customers). Under currents standard, the bad debt was calculated based on incurred losses.

- The new standard also implies change of classification in financial assets.

19.1. Consolidated Statement of Financial Position

(in € millions)	December 31, 2017	IFRS 15 Impact	December 31, 2017 restated	IFRS9 Impact	January 1st 2018 restated
Assets					
Goodwill	11,199	-	11,199	-	11,199
Intangible assets	6,666	(147)	6,519	-	6,519
Contracts costs	-	152	152	-	152
Property, plant and equipment	6,424	-	6,424	-	6,424
Investments in associates	23	-	23	-	23
Non-current financial assets	736	-	736	-	736
Deferred tax assets	12	-	12	11	22
Other non-current assets	195	-	195	-	195
Non-current assets	**25,255**	**5**	**25,259**	**11**	**25,270**
Inventories	289	-	289	-	289
Trade and other receivables	3,616	-	3,616	(18)	3,598
Contracts assets	-	266	266	(13)	254
Income tax receivable	151	-	151	-	151
Current financial assets	17	-	17	-	17
Cash and cash equivalents	451	-	451	-	451
Assets held for sale	(0)	-	(0)	-	(0)
Current assets	**4,524**	**266**	**4,791**	**(31)**	**4,760**
Total Assets	**29,779**	**271**	**30,050**	**(20)**	**30,030**

(in € millions)	December 31, 2017	IFRS15 Impact	December 31, 2017 restated	IFRS9 Impact	January 1st 2018 restated
Equity and liabilities					
Share capital	444	-	444	-	444
Additional paid- in capital	5,403	-	5,403	-	5,403
Reserves	(2,920)	182	(2,738)	21	(2,717)
Equity attributable to owners of the company	**2,927**	**182**	**3,108**	**21**	**3,130**
Non-controlling interests	(85)	-	(85)	-	(85)
Consolidated equity	**2,841**	**182**	**3,023**	**21**	**3,045**
Non-current borrowings and other financial liabilities	16,854	-	16,854	(56)	16,798
Other non-current financial liabilities	248	-	248	-	248
Non-current provisions	480	(4)	476	-	476
Non-current contracts liabilities	-	455	455	-	455
Deferred tax liabilities	263	93	357	14	371
Other non-current liabilities	568	(455)	112	-	112
Non-current liabilities	**18,414**	**89**	**18,503**	**(42)**	**18,461**
Current borrowings and financial liabilities	351	-	351	-	351
Other current financial liabilities	1,107	-	1,107	-	1,107
Trade payables and other liabilities	6,045	-	6,045	-	6,045
Current contracts liabilities	-	517	517	-	517
Income tax liabilities	105	-	105	-	105
Current provisions	350	-	350	-	350
Other current liabilities	566	(517)	49	-	49
Liabilities directly associated to assets held for sale	(0)	-	(0)	-	(0)
Current liabilities	**8,524**	**-**	**8,524**	**-**	**8,524**
Total Equity & liabilities	**29,779**	**271**	**30,050**	**(20)**	**30,030**

19.2. Consolidated Statement of Income

(in € millions)	March 31, 2017	IFRS 15 impact	March 31, 2017 restated
Revenues	**2,705**	**(45)**	**2,661**
Purchasing and subcontracting	(986)	(4)	(990)
Other operating expenses	(662)	2	(660)
Staff costs and employee benefit expenses	(242)	3	(239)
Depreciation, amortization and impairment	(557)	(8)	(564)
Non-recurring income and expenses	(103)	-	(103)
Operating income	**156**	**(51)**	**105**
Financial income	1	-	1
Cost of gross financial debt	(193)	-	(193)
Other financial expenses	(14)	-	(14)
Net financial income (expense)	**(207)**	**-**	**(207)**
Share in net income (loss) of associates	0	0	1
Income (loss) before taxes	**(50)**	**(51)**	**(101)**
Income tax income (expense)	(4)	18	14
Net income (loss) from continuing operations	**(54)**	**(34)**	**(88)**
Net income (loss) from discontinued operations	-	-	-
Net income (loss)	**(54)**	**(34)**	**(88)**
■ **Group share**	**(52)**	**(34)**	**(86)**
■ **Non-controlling interests**	**(2)**	**(0)**	**(2)**

19.3. Consolidated Statement of Cash Flows

(in € millions)	March 31, 2017	IFRS 15 Impact	March 31, 2017 restated
Net income, Group share	**(52)**	**(34)**	**(86)**
Adjustments:			
Non-controlling interests	(2)	-	(2)
Depreciation, amortization and provisions	516	8	524
Share in net income (loss) of associates	(0)	(0)	(1)
Net income from sale of property, plant and equipment and intangible assets	27	-	27
Net financial expense (income)	207	-	207
Income tax expense (income)	4	(18)	(14)
Other non-cash items	1	-	1
Income tax paid	(19)	-	(19)
Change in working capital	(310)	49	(261)
Net cash flow provided (used) by operating activities	**373**	**5**	**378**
Acquisitions of PPE, intangible assets and contact costs	(486)	(5)	(491)
Acquisition of consolidated entities, net of cash acquired	(24)	-	(24)
Acquisitions of other financial assets	(3)	-	(3)
Disposals of property, plant and equipment and intangible assets	15	-	15
Disposal of consolidated entities, net of cash disposals	-	-	-
Disposal of other financial assets	6	-	6
Change in working capital related to property, plant and equipment and intangible assets	(142)	-	(142)
Net cash flow provided (used) by investing activities	**(633)**	**(5)**	**(638)**
Purchases of treasury shares	0	-	0
Capital increase	1	-	1
Dividends paid	-	-	-
- *to owners of the company*	-	-	-
- *to non-controlling interests*	-	-	-
Dividends received	-	-	-
Issuance of debt	-	-	-
Repayment of debt	(13)	-	(13)
Interest paid	(406)	-	(406)
Other flows from financing activities	474	-	474
Net cash flow provided (used) by financing activities	**56**	**-**	**56**
Net increase (decrease) in cash and cash equivalents	**(204)**	**0**	**(204)**
Net cash and cash equivalents at beginning of period	**400**	**-**	**400**
Net cash and cash equivalents at end of period	**196**	**-**	**196**
of which cash and cash equivalents	*318*	-	*318*
of which bank overdrafts	*(122)*	-	*(122)*