



Altice Europe N.V.

Interim Financial Report

**As of and for the six-month period ended
June 30, 2020**

Table of Contents

INTERIM MANAGEMENT REPORT

Introduction	3
Principal activities of the Group	3
1. Discussion and analysis of the results of the Group	3
1.1 Significant events affecting historical results	3
1.2 Significant post balance sheet events that do not have an impact on the condensed interim consolidated financial statements as at and for the three and six-month periods ended June 30, 2020	6
1.3 Share performance	8
2. Principal risks and uncertainties	8
3. Related party transactions	9
Auditor's involvement	12
Board of Directors' statement	13

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Condensed Consolidated Statement of Income	16
Condensed Consolidated Statement of Comprehensive Income	16
Condensed Consolidated Statement of Financial Position	17
Condensed Consolidated Statement of Changes in Equity	18
Condensed Consolidated Statement of Cash Flows	19
Notes to the Condensed Interim Consolidated Financial Statements	21

INTERIM MANAGEMENT REPORT

(for the six-month period ended June 30, 2020)

INTRODUCTION

The Board of Altice Europe N.V. (the “Board”) (the “Company”) has the pleasure in presenting the interim management report of the Company and its subsidiaries (the “Group”) as at and for the six-month period ended June 30, 2020, prepared in accordance with IAS 34. This report comprises regulated information within the meaning of articles 1:1 and 5:25d of the Dutch Financial Markets Supervision Act (*Wet op het Financieel Toezicht*). This report, along with the condensed interim consolidated financial statements and the Board of Directors’ statement, forms the Interim Financial Report of the Company.

PRINCIPAL ACTIVITIES OF THE GROUP

The Company is a public limited liability company (“*Naamloze vennootschap*”) incorporated in the Netherlands and its address is Oostdam 1, 3441 EM, Woerden, the Netherlands. The Company is the parent entity of the Group. The Company is ultimately controlled by Patrick Drahi (via Next Alt S.à r.l., “Next Alt”). As of June 30, 2020, Next Alt held 77.58% of the share capital of the Company.

The Group is a convergent leader in telecoms, content, media, entertainment and advertising. The Group delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 30 million customers over fibre networks and mobile broadband. The Group is also a provider of enterprise digital solutions to millions of business customers. The Group innovates with technology, research and development and enables people to live out their passions by providing original content, high-quality and compelling TV shows, and international, national and local news channels. The Group delivers live broadcast premium sports events and enables its customers to enjoy the most well-known media and entertainment.

1. DISCUSSION AND ANALYSIS OF THE RESULTS OF THE GROUP

1.1. Significant events affecting historical results

A summary of the significant events since December 31, 2019, that had a material impact on the condensed interim consolidated financial statements as of June 30, 2020, is given below:

1.1.1. Update on the COVID-19 pandemic

On March 11, 2020, the COVID-19 outbreak was declared by the World Health Organization (WHO) as a global pandemic, highlighting the health risks of the disease. In this context and following regulatory requirements published by governments over the last months in the countries in which the Group operates, the Group activated a response program in order to minimize the impact of the COVID-19 pandemic (please refer to note 35.9 of the annual consolidated financial statements for further detail).

The COVID-19 pandemic had a limited impact on the condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the three and six-month periods then ended. Indeed, the Group has been impacted by a decline in handsets sales (low margin activity) in the context of the closure of the shops in many countries where the Group operates, a decrease in roaming revenue, some delays in the construction of FTTH homes passed in France and a decline in the advertising businesses (Teads and NextRadioTV). The impact has remained limited since the beginning of the crisis demonstrating the resilience of the Group’s telecom business in the countries where the Group operates. Although the situation continues to evolve, the Company expects that the COVID-19 pandemic will have limited effects on the Group’s operations and financial performance for future periods.

As part of economic measures meant to mitigate the impact of the COVID-19 pandemic on industry, the French State announced a series of measures, some of which the Group had recourse to during the mandatory stay at home period, especially partial unemployment. The Group decided to apply for partial unemployment for c. 4,200 employees whose jobs were directly impacted by the mandatory quarantine imposed by the French State. Thus, the State paid the concerned employees the equivalent of 84% of their fixed and variable pay per month and the

Group paid the remaining 16%. There were no restrictions associated with using this measure. In other countries where the Group operates, the Group did not benefit from specific programs that required the compliance with particular conditions.

The Group has taken this situation into account in its estimates, notably those related to the non-current and current assets valuation (including goodwill). The valuation of the non-current and current assets has not been adjusted as of June 30, 2020 as a result of the COVID-19 outbreak.

Based on the above and information in note 17 to the condensed interim consolidated financial statements, the Group determined that the going concern assumption is still appropriate.

1.1.2. Sale of a 25% equity stake in OMTEL

On January 2, 2020, the Company announced the sale of the 25% equity interest held by PT Portugal in Belmont Infra Holding S.A. ("Belmont"), that owns 100% in a tower company OMTEL, to Cellnex Telecom S.A.. Total cash proceeds amounted to €201.0 million. The total capital gain recorded for the six-month period ended June 30, 2020 amounted to €97.7 million.

The sale by PT Portugal of its 25% equity interest in OMTEL is part of a larger transaction pursuant to which Cellnex Telecom S.A. acquired 100% of the share capital of OMTEL. In September 2018, at the time of its sale of OMTEL to a consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners, PT Portugal had reinvested €108.8 million for a 25% equity interest in OMTEL.

1.1.3. Closing of the partnership with Morgan Stanley Infrastructure Partners and the sale of 49.99% interest in Fastfiber (formerly known as Altice Portugal FTTH)

On December 12, 2019, PT Portugal entered into an agreement with Morgan Stanley Infrastructure Partners regarding the sale of a 49.99% interest in the Portuguese fibre business to be carved-out into a dedicated wholesale vehicle, Fastfiber (formerly known as Altice Portugal FTTH), comprising of the fibre passive infrastructure assets and rights, related contracts and underlying agreements, thereby creating a nationwide fibre wholesaler in Portugal. On April 17, 2020, the transaction was closed and the Group received €1,573.1 million of proceeds from this transaction.

Fastfiber will sell wholesale services to all operators at the same financial terms. MEO will sell technical services to Fastfiber for the construction, the subscriber connection and the maintenance of its fibre network.

1.1.4. Monetization of the Altice USA stake

On June 22, 2020, the Company completed the sale of a large part of its remaining indirect stake in Altice USA, commensurate with its previously stated strategy. The Group sold 24.2 million Altice USA shares of Class A common stock over the period from June 4, 2020 until June 22, 2020, for a total consideration of approximately \$583.0 million (€528.8 million). The Company retained approximately 0.3 million Altice USA shares of Class A common stock.

1.1.5. Financing activities

During the six-month period ended June 30, 2020, the following financing transactions have been closed.

1.1.5.1. Redemption and repurchase of notes

The Group has undertaken the following redemptions of notes since January 1, 2020:

- On January 13, 2020, Altice Finco redeemed in full the outstanding 2013 Altice Finco Euro Senior Notes, in an aggregate principal amount of €250 million, in accordance with the 2013 Altice Finco Euro Senior Notes Indenture;
- On February 10, 2020, Altice Finco redeemed in full the outstanding 2013 Altice Finco Dollar Senior Notes, in an aggregate principal amount of \$400 million, in accordance with the 2013 Altice Finco Dollar Senior Notes Indenture;
- On February 18, 2020, Altice Financing redeemed in full the outstanding 2015 Altice Financing Senior Secured Notes, in an aggregate principal amount of €2,400.0 million equivalent, in accordance with the 2015 Altice Financing Senior Secured Notes Indenture;
- On February 24, 2020 and March 9, 2020, Altice Luxembourg redeemed in full the outstanding 2015

Altice Luxembourg Senior Notes, in two parts, in an aggregate principal amount of €2,108.0 million equivalent, in accordance with the 2015 Altice Luxembourg Senior Notes Indenture;

- On March 6, 2020, Altice Luxembourg redeemed in full the outstanding 2019 Altice Luxembourg Euro Senior Notes, in an aggregate principal amount of €82.6 million, in accordance with the 2019 Altice Luxembourg Senior Notes Indenture; and
- On March 6, 2020, Altice Luxembourg redeemed in full the outstanding 2019 Altice Luxembourg Dollar Senior Notes, in an aggregate principal amount of \$38.0 million, in accordance with the 2019 Altice Luxembourg Senior Notes Indenture.

In addition, over the period from June 4, 2020 until June 30, 2020, Altice Financing repurchased and cancelled \$156.7 million of its 7.5% 2026 notes.

1.1.5.2. Issuance of the 2020 Altice Financing Senior Secured Notes

On January 22, 2020, Altice Financing issued \$1,200 million aggregate principal amount of 5.000% Senior Secured Notes due January 15, 2028, €1,100 million aggregate principal amount of 3.000% Senior Secured Notes due January 15, 2028 and €600 million aggregate principal amount of 2.250% Senior Secured Notes due January 15, 2025 (together, the “2020 Altice Financing Senior Secured Notes”).

1.1.5.3. Exchange offer completed by Ypso Finance Bis

As part of this transaction, on January 24, 2020, the Company announced that it would significantly simplify the Group’s capital structure through the removal of Altice Luxembourg HoldCo, a long-standing objective for the Group. Following an exchange offer and the Automatic Exchange (please also refer to paragraph 1.1.5.9), this resulted in a Group’s capital structure with direct access to cashflows from two distinct, diversified funding pools.

On January 24, 2020, Ypso Finance Bis, a subsidiary of the Group, commenced an exchange offer to noteholders of Altice Luxembourg’s (i) 2019 Altice Luxembourg Dollar Senior Notes and (ii) 2019 Altice Luxembourg Euro Senior Notes, to exchange the 2019 Altice Luxembourg Dollar Senior Notes for an equal aggregate principal amount of corresponding dollar denominated 10.500% senior notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Dollar Notes”) and the 2019 Altice Luxembourg Euro Senior Notes for an equal aggregate principal amount of corresponding euro denominated 8.000% senior notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Euro Notes”).

At the expiration of the exchange offer, a total of \$1,562 million (accounting for 97.63% of the outstanding aggregate principal) of the 2019 Altice Luxembourg Dollar Senior Notes and €1,317 million (accounting for 94.10% of the outstanding aggregate principal) of the 2019 Altice Luxembourg Euro Senior Notes were tendered and accepted. On February 27, 2020, \$1,562 million of Ypso Finance Bis Exchange Dollar Notes and €1,317 million of Ypso Finance Bis Exchange Euro Notes were issued by Ypso Finance Bis.

On March 6, 2020, Altice Luxembourg redeemed the remaining €82.6 million aggregate principal amount of the 2019 Altice Luxembourg Euro Senior Notes and the remaining \$38.0 million aggregate principal amount of the 2019 Altice Luxembourg Dollar Senior Notes, in each case not tendered in and exchanged in connection with the exchange offer.

1.1.5.4. Issuance of the 2020 Altice France Senior Secured Notes

On February 6, 2020, Altice France issued €500 million aggregate principal amount of its euro denominated 2.125% Senior Secured Notes due February 15, 2025.

1.1.5.5. Issuance of the 2020 Ypso Finance Bis Senior Notes

On February 6, 2020, Ypso Finance Bis issued \$1,225 million aggregate principal amount of its dollar denominated 6.000% Senior Notes due February 15, 2028 (the “2020 Ypso Finance Bis Dollar Senior Notes”) and €500 million aggregate principal amount of its euro denominated 4.000% Senior Notes due February 15, 2028 (the “2020 Ypso Finance Bis Euro Senior Notes” and, together with the 2020 Ypso Finance Bis Dollar Senior Notes, the “2020 Ypso Finance Bis Senior Notes”).

1.1.5.6. Amendment of 2014 Altice Financing Revolving Credit Facility Agreement

On February 20, 2020, all of the lenders under the 2014 Altice Financing Revolving Credit Facility Agreement agreed to amend the 2014 Altice Financing Revolving Credit Facility Agreement to extend the maturity date to February 20, 2025, reduce the margin and make certain other changes.

1.1.5.7. Bridge facility

On March 3, 2020, Altice Finco entered into a term loan credit agreement providing for, among other things, a euro denominated term loan in an aggregate principal amount of €500 million (the “2020 Altice Finco Bridge Credit Facility”). The term loan bears interest at a rate per annum equal to the weighted average rate of 2-month and 3-month EURIBOR for the period between the funding date of the 2020 Altice Finco Bridge Credit Facility (March 5, 2020) and the maturity date of the 2020 Altice Finco Bridge Credit Facility (May 29, 2020), plus the applicable margin of 2.5% per annum. The proceeds from the term loan borrowed under the 2020 Altice Finco Bridge Credit Facility were used to fund in part the redemption of the 2015 Altice Luxembourg Senior Notes. On April 17, 2020, Altice Finco fully repaid the 2020 Altice Finco Bridge Credit Facility.

1.1.5.8. New revolving credit facility at Altice France Holding

On March 26, 2020, all of the lenders under the 2014 Altice Luxembourg Revolving Credit Facility Agreement agreed to amend and restate the 2014 Altice Luxembourg Revolving Credit Facility Agreement to replace Altice Luxembourg as borrower thereunder with Altice France Holding, and make certain other related changes.

1.1.5.9. Automatic Exchange

On March 26, 2020, upon satisfaction of certain conditions, comprising full discharge, cancellation and/or redemption of the 2019 Altice Luxembourg Senior Notes and the 2015 Altice Luxembourg Senior Notes, (i) the Ypso Finance Bis Exchange Dollar Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 10.500% senior notes due 2027 issued by Altice France Holding, (ii) the Ypso Finance Exchange Euro Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 8.000% senior notes due 2027 issued by Altice France Holding, (iii) the 2020 Ypso Finance Bis Dollar Senior Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 6.000% senior notes due 2028 issued by Altice France Holding and (iv) the 2020 Ypso Finance Bis Euro Senior Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 4.000% senior notes due 2028 issued by Altice France Holding (the actions described in sub-clauses (i)-(iv) collectively, the “Automatic Exchange”).

After the Automatic Exchange, the Altice Luxembourg group does not hold any third party debentures or loans from lenders and therefore does not have any reporting requirements towards lenders anymore.

1.1.5.10. Partial repayment and extension of the maturity of the Altice Corporate Financing facility

On May 19, 2020, the Company announced the extension of the maturity and a partial repayment of the Altice Corporate Financing (“ACF”) facility. The Company repaid €668 million of the ACF facility with cash available on balance sheet. After this repayment, the ACF facility has been reduced from €1,728 million to €1,060 million. The coupon has been reduced from 6.85% to 6.625%. The maturity of the remaining facility has been extended from June 30, 2021 to June 30, 2023.

1.2. Significant post balance sheet events that do not have an impact on the condensed interim consolidated financial statements as at and for the three and six-month periods ended June 30, 2020

1.2.1. Portuguese Competition Authority Investigation

On July 16, 2020, the Portuguese Competition Authority issued a Statement of Objections regarding its preliminary view that MEO, NOS – Comunicações, S.A. NOWO – Communications, S.A. and Vodafone Portugal – Comunicações Pessoas, S.A. were part of an agreement in accordance with which all those entities would not bid for certain key Google AdWords of the other operators, which according to the Portuguese Competition Authority is similar to an agreement to indirectly fix the acquisition price of certain Google AdWords related to the retail telecommunications market. The Portuguese Competition Authority concluded that telecommunications operators distorted competition of the Portuguese online search advertising, between 2010 and 2018 in the case of MEO. The maximum fine applicable for this kind of infraction corresponds to 10% of the turnover of each company in the specific markets that were impacted by the alleged illegal practices. In relation to MEO, such

maximum fine amounts to approximately €136 million, based on the Portuguese Competition Authority's estimate of the relevant market for this purpose. MEO is expected to submit its written defense to the Statement of Objections in September, after which the Portuguese Competition Authority will decide whether to issue a final condemnatory action and in that case the amount of the fine. Due to the high level of uncertainty associated with the possible outcome of the fine to be decided by the Portuguese Competition Authority, little previous background of similar cases, as well as early stage of the process, management considers that the risk could not be reliably estimated and thus no provision was recognized as at June 30, 2020.

1.2.2. Redemption of the Altice Finco \$385 million 2025 senior notes

On June 22, 2020, Altice Finco announced that it will fully redeem \$385 million 7.63%, 2025 notes at call date on July 22, 2020. On July 22, 2020, Altice Finco redeemed in full the outstanding \$385 million 7.63%, 2025 notes in an aggregate principal amount of \$385 million (€332.6 million equivalent). The call premium paid on July 22, 2020 related to the redemption amounted to \$14.7 million (€12.7 million equivalent).

1.2.3. Media restructuring

On May 19, 2020, NextRadioTV announced a restructuring plan to take into account the changing environment for the media industry in France and the impact of the COVID-19 pandemic on the advertising market. This plan, based on voluntary departures, aims at reducing the employee workforce by limiting the use of part time workers, freelancers and consultants. The details of the plan (the Livre 2) were shared with the workers' council in accordance with French law and will have to be consequently homologated by the French Labour Authorities ("DIRECCTE"). As the details had not been shared with the workers' council and the conditions of the departure plan were not yet final as of June 30, 2020, management considers that the conditions for recording a provision were not met as per IAS 37 - *Provisions, contingent liabilities and contingent assets* as at June 30, 2020.

On July 24, 2020, management of the Group presented the Livre 2, the document that outlines the restructuring plan announced in May 2020 to the workers' council. As per the document, the Group intends to introduce a voluntary departure plan aimed at reducing the workforce by around 228 full time employees. The plan is expected to start at the end of 2020 or in early 2021. Management has also committed not to undertake a compulsory employee redundancy plan before November 2021 in the event that the targeted redundancies are not met. Following the end of negotiations with the workers' council, the Livre 2 will be sent for homologation to the DIRECCTE.

1.2.4. Mediapro

On July 27, 2020, Altice Europe announced two agreements with Mediapro. Firstly, for the season 2020/21, Altice Europe will resell the UEFA rights to Mediapro in exchange for Altice Europe's right to resell Mediapro's TELEFOOT channel (including the main football matches for French Ligue 1 and Ligue 2). This will allow Mediapro to broadcast the UEFA Champions League and Europa League. Both the RMC Sport channel and Mediapro's TELEFOOT channel will broadcast the two competitions from October 2020. SFR will offer all of the football to its customers with RMC Sport, TELEFOOT, Canal+ and BeIN SPORTS. SFR will be the only operator in France to offer its subscribers all French (Ligue 1, Ligue 2) and European (UEFA Champions League, UEFA Europa League, English Premier League, Spanish and Italian championships) football. Secondly, for the seasons 2021/22, 2022/23 and 2023/24, Altice Europe entered into a distribution agreement with Mediapro to resell the TELEFOOT channel (including the main football matches for French Ligue 1 and Ligue 2) with a revenue share mechanism. This is expected to generate additional revenues for the Altice France residential segment. With this agreement, Altice Europe maintains the commitment to improve Altice TV cash flow trends, approaching break-even, while SFR customers will continue to benefit from the best football offer in France.

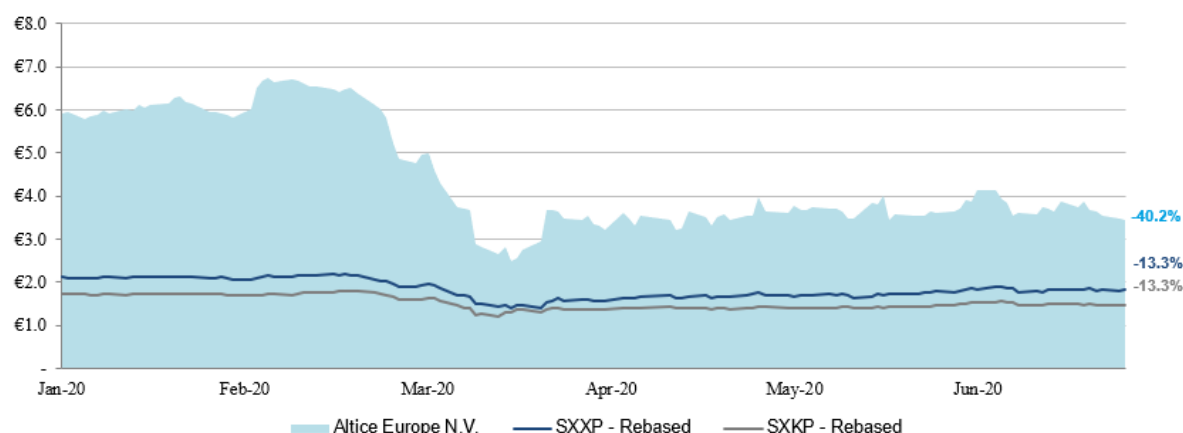
1.3. Share performance

The evolution of the price of the Company's Common Shares A during the six-month period ended June 30, 2020 is presented below and is based on data available from public sources.

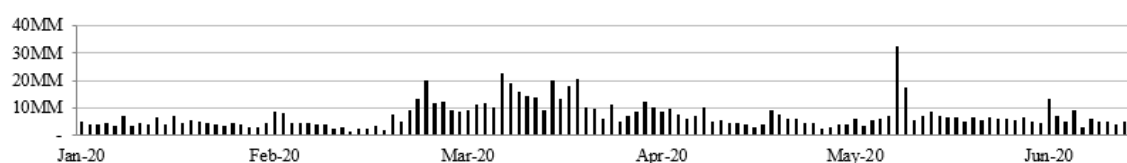
Altice Europe - Share Price and Volume Evolution - H1 2020

Source: Bloomberg

Share Price Evolution



Altice Europe Volume Evolution



[Source: Bloomberg]

The share price of Common Shares A started the year at €5.75 but was impacted as from March 2020 by the COVID-19 pandemic, which had a significant adverse on the global stock markets. The financial gearing of the Company is high relative to peers, which contributed to the relative volatility of the share price performance of Common Shares A during the six-month period ended June 30, 2020.

2. PRINCIPAL RISKS AND UNCERTAINTIES

The Group recognizes that effective risk management is critical to enable the Group to meet its strategic objectives. As a structured approach, risk management is integrated in the Group's strategic planning and operational management procedures and relies on the commitment of all employees to adopt risk management as an integral part of their duties, notably by identifying, reporting and implementing risk mitigation measures and behaviors. Therefore, the Group is continuously monitoring its risk management framework, policies and procedures, to adapt to the ever-changing business environment where the Group operates.

The Group conducts annual risk assessments to identify the main risks the Group is exposed to and to determine appropriate measures with the view to focus on internal controls in the relevant areas. The Group therefore operates a risk management framework designed to account for its geographically diversified market presence and product portfolio. The Group's risk management framework enables its risks to be identified, assessed, managed and monitored. The Group categorizes its risks into four groups:

- Strategic risks – risks and uncertainties that may hamper the achievement of strategic and/or business plans of the Group;
- Operational risks – risks and uncertainties that may potentially affect the effectiveness and efficiency of the Group's current business and operations;
- Financial risks – risks and uncertainties with respect to the Group's financial position; and
- Compliance risks – risk and uncertainties with respect to laws and regulations that can have an impact on the Group's organization and/or business processes and operations.

The Group's risk assessment approach consists of two parts:

- Identification of the key risks and events that can materially affect the Group's strategic objectives and operations, using a "top down" and a "bottom up" exercise conducted in its key operations and geographies – France, Portugal, the Dominican Republic and Israel; and
- Assessment of the probability of occurrence of such risks and of their impact on the Group's strategy and operations, and determination of the level of control the Group has over those risks (risk mapping).

The Board has evaluated the principal risks and uncertainties faced by the Group in the first six months of 2020 and has determined that there are no significant changes in these risks and uncertainties as compared to those disclosed in the Annual Report of the Company for the year ended December 31, 2019. A summary of the principal risks and uncertainties is provided below:

- Competition
- Regulation - Compliance - Legal and administrative proceedings
- Business continuity management
- Taxation
- Quality of service - Services failures
- Growth strategy - Investment management - Innovation
- Revenue assurance
- Reliability of financial statements
- Reputation
- Talent retention and human resource management
- Network and IT systems reliability and security
- Supply chain performance
- Debt and liquidity management
- Fraud
- Macroeconomic and political risks
- Business Ethics - Human rights
- Climate change

A detailed description of these risks and uncertainties is provided in the Annual Report of the Company for the financial year ended December 31, 2019, and an updated impact assessment for the COVID-19 pandemic is detailed in section 1.1.1 of this Interim Financial Report. The Board also believes that the Group's exposure to these risks will not evolve significantly over the coming six months.

3. RELATED PARTY TRANSACTIONS

Transactions with related parties during the six-month period ended June 30, 2020 are mainly related to transactions with Altice USA, transactions with associates and joint ventures of the various operating entities of the Group and payments for services rendered by the controlling shareholder of the Group. Such transactions include:

- exchange of services between Altice France and PT Portugal and their associates (please refer to note 6 to the condensed interim consolidated financial statements for more details on Altice France's and PT Portugal's associates);
- exchange of services between Altice USA, Teads and PT Portugal;
- exchange of services like healthcare insurance, infrastructure services and broadcasting of sport events between PT Portugal and its associates;
- services between Altice France and SFR FTTH, its joint venture partner for FTTH build-out services; and
- rental agreements entered into with Quadrans, a company controlled by the ultimate beneficial owner of the Group, for office space in France for the Altice France group.

Revenue reported with the Company's equity holder of €21.6 million and €7.8 million was recognised in the consolidated statement of income for the six-month period ended June 30, 2020 and June 30, 2019, respectively. The revenues with the Company's equity holder for the six-month period ended June 30, 2020 mainly related to the sale of equipment from PT Portugal and online advertising services from Teads to Altice USA. For the six-

month period ended June 30, 2019, the revenue primarily related to the sale of software licences and equipment, online advertising services and long-distance traffic to Altice USA.

A total operating expense with the Company's equity holder of €24.0 million and €20.0 million was recognised in the consolidated statement of income for the six-month period ended June 30, 2020 and June 30, 2019, respectively, related to the share-based expense and rental expenses from Quadrans (which is controlled by the Company's controlling shareholder). A financial expense related to the interest expense of lease liabilities recognised under IFRS 16 *Leases* with the Company's equity holder of €7.8 million and €10.6 million was recognised in the consolidated statement of income for the six-month period ended June 30, 2020 and June 30, 2019, respectively.

Transactions with related parties are not subject to any guarantees. The table below shows a summary of the Group's related party transactions for the six-month period ended June 30, 2020 and 2019, respectively and outstanding balances as at June 30, 2020 and December 31, 2019.

Related party transactions - income and expense (€m)	June 30, 2020				
	Revenue	Operating expenses	Financial expenses	Financial income	Capex
Equity holder	21.6	24.0	7.8	-	-
Associates, joint ventures and NCI	474.1	72.2	20.7	1.0	31.9
Total	495.7	96.2	28.5	1.0	31.9

Related party transactions - income and expense (€m)	June 30, 2019				
	Revenue	Operating expenses	Financial expenses	Financial income	Capex
Equity holder	7.8	20.0	10.6	-	-
Associates, joint ventures and NCI	284.1	62.7	-	0.7	20.0
Total	291.9	82.7	10.6	0.7	20.0

Related party balances - assets (€m)	June 30, 2020			December 31, 2019		
	Investment, Right-of-use assets, loans and receivables	Trade receivables and other	Current accounts	Investment, Right-of-use assets, loans and receivables	Trade receivables and other	Current accounts
Equity holder	485.6	6.7	-	474.3	3.4	-
Associates, joint ventures and NCI	65.6	374.4	28.9	62.9	210.0	25.2
Total	551.2	381.2	28.9	537.2	213.4	25.2

Related party balances - liabilities (€m)	June 30, 2020			December 31, 2019		
	Lease and Other financial liabilities	Trade payables and other	Current accounts	Lease and Other financial liabilities	Trade payables and other	Current accounts
Equity holder	463.2	0.6	0.7	449.1	3.1	0.5
Associates, joint ventures and NCI	-	147.3	0.1	0.4	141.3	-
Total	463.2	147.9	0.8	449.5	144.3	0.5

The revenue reported with associates, joint ventures and NCI mainly related to:

- in France:
 - revenues for the mobile services delivered to La Poste Telecom; and
 - revenues for the build out of the FTTH network for SFR FTTH.
- in Portugal:
 - revenues for the specialized works and the lease to Fibroglobal - Comunicações Electrónicas of ducts, posts and technical spaces through which the Group's network passes.

The operating expense reported with associates, joint ventures and NCI mainly related to:

- in France:
 - La Poste Telecom for the use of mobile services on their network;
 - SFR FTTH for operating expenses for the access to the FTTH network; and
- in Portugal:
 - Fibroglobal - Comunicações Electrónicas for fibre network infrastructure management, which related to a fee for any new customer installation and a monthly fee for PT Portugal's customer base through the network of Fibroglobal - Comunicações Electrónicas;

- Sport TV for broadcasting of sports events; and
- OMTEL for operating expenses related to fees of the infrastructure service of towers during 2019 (the remaining 25% equity stake held by PT Portugal in OMTEL was sold on January 2, 2020).

For the six-month period ended June 30, 2020 and June 30, 2019, the Company recorded an operating expense with its equity holder which mainly relates to depreciation expenses related to the right-of-use assets recognised under IFRS 16 *Leases* in connection with rental agreements with Quadrans (which is controlled by the Company's controlling shareholder) and a share-based compensation expense.

The financial expense with the Company's equity holder is related to the interest expense of lease liabilities recognised under IFRS 16 *Leases*. The financial expense reported with associates, joint ventures and NCI related to the write down of the accrued interest on the Wananchi subordinated loan.

The capital expenditures reported with associates, joint ventures and NCI mainly related to capital expenditures with SFR FTTH for the build out of the FTTH network in 2019 and 2020.

The investment, right-of-use assets, loans and receivables of associates, joint ventures and NCI and with the Company's equity holder as of June 30, 2020 and December 31, 2019 mainly related to:

- a loan granted to Fibroglobal - Comunicações Eletrónicas that provides fibre network and infrastructure management services to PT Portugal;
- a loan receivable with Synerail in relation to the GSMR project in France; and
- a subordinated loan with Wananchi.

Right-of-use assets with the Company's equity holder related to right-of-use assets as recorded under IFRS 16 *Leases* for rental agreements for office space in France for the Altice France group, entered into by the Group with Quadrans, a company controlled by the ultimate beneficial owner of the Group for €485.6 million as of June 30, 2020 and €474.3 million as of December 31, 2019.

The trade receivables and other and the current accounts of associates, joint ventures and NCI as of June 30, 2020 and December 31, 2019 mainly related to:

- in France:
 - La Poste Telecom trade receivables and current account; and
 - SFR FTTH trade receivables.
- in Portugal:
 - Altice - Associação de Cuidados de Saúde trade receivables related to the employee healthcare insurance in PT Portugal; and
 - Sport TV trade receivables.

Lease and other financial liabilities with the Company's equity holder related to lease liabilities as recorded under IFRS 16 *Leases* for rental agreements for office space in France for the Altice France group entered into by the Group with Quadrans, a company controlled by the ultimate beneficial owner of the Group for €463.2 million as of June 30, 2020 and €449.1 million as of December 31, 2019.

The trade payables and other of associates, joint ventures and NCI as of December 31, 2019 mainly related to:

- in France:
 - SFR FTTH trade payables.
- in Portugal:
 - OMTEL trade payable related to infrastructure services of towers (the remaining 25% equity stake held by PT Portugal in OMTEL was sold on January 2, 2020);
 - Altice - Associação de Cuidados de Saúde, which provides healthcare insurance for the PT Portugal's active and retired employees; and
 - Sport TV trade payable for broadcasting services of sport events.

AUDITOR'S INVOLVEMENT

The interim management report for the six-month period ended June 30, 2020 and the condensed interim consolidated financial statements as of and for the three and six-month periods ended June 30, 2020 included therein have not been audited or reviewed by an external auditor.

BOARD OF DIRECTORS' STATEMENT

The Board hereby declares that, to the best of its knowledge, the condensed interim consolidated financial statements prepared in accordance with IAS 34, "Interim Financial Reporting", provide a true and fair view of the assets, liabilities, financial position and profit or loss of Altice Europe N.V. and the undertakings included in the consolidation taken as a whole and that the Interim Management Report includes a fair review of the information required pursuant to article 5:25d(8)/(9) of the Dutch Act on Financial Supervision (*Wet op het Financieel Toezicht*).

Amsterdam, July 30, 2020

The Board of Directors

Mr. Patrick Drahi, President and Executive Director

Mr. Alain Weill, Chief Executive Officer and Executive Director

A4 S.A., Vice-President and Executive Director, represented by Mr. Dennis Okhuijsen

Ms. Natacha Marty, General Counsel and Executive Director

Mr. Jurgen Johannes Van Breukelen, Chairman and Non-Executive Director

Mr. Thierry Sauvaire, Non-Executive Director

Mr. Philippe Besnier, Non-Executive Director

Mr. Nicolas Paulmier, Non-Executive Director

Altice Europe N.V.



Condensed Interim Consolidated Financial Statements

**As of and for the three and six-month periods ended
June 30, 2020**

Table of Contents

Condensed Consolidated Statement of Income	16
Condensed Consolidated Statement of Comprehensive Income	16
Condensed Consolidated Statement of Financial Position	17
Condensed Consolidated Statement of Changes in Equity	18
Condensed Consolidated Statement of Cash Flows	19
Notes to the Condensed Interim Consolidated Financial Statements	21
1 About Altice Europe N.V.	21
2 Accounting policies	21
3 Acquisition and divestments	23
4 Segment reporting	25
5 Goodwill	31
6 Associates and joint ventures	31
7 Financial assets	32
8 Shareholders' equity	32
9 Earnings per share	34
10 Borrowings, other financial liabilities and lease liabilities	34
11 Fair value of financial assets and liabilities	39
12 Taxation	42
13 Net finance costs	42
14 Related party transactions	43
15 Contractual obligations and commercial commitments	45
16 Litigation	45
17 Going concern	47
18 Events after the reporting period	49
19 Restated information	50

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Income	Notes	Three months ended		Six months ended	
		June 30, 2020	June 30, 2019 (*restated)	June 30, 2020	June 30, 2019 (*restated)
(€m)					
Revenues	4	3,540.1	3,593.2	7,165.5	7,104.3
Purchasing and subcontracting costs	4	(912.3)	(977.0)	(1,883.7)	(1,878.0)
Other operating expenses	4	(601.0)	(596.6)	(1,337.9)	(1,320.5)
Staff costs and employee benefits	4	(325.3)	(368.4)	(712.5)	(754.8)
Depreciation, amortization and impairment	4	(1,190.0)	(1,343.6)	(2,463.8)	(2,627.5)
Other (expenses) and income	4	(112.9)	7.4	(33.2)	1,769.2
Operating profit	4	398.6	315.0	734.4	2,292.7
Interest relative to gross financial debt	13	(422.7)	(542.2)	(873.7)	(1,043.9)
Realized and unrealized gains on derivative instruments linked to financial debt	13	(255.2)	394.1	339.9	432.1
Other financial expenses	13	(29.1)	(484.4)	(327.3)	(568.8)
Finance income	13	1.1	(9.5)	4.2	14.4
Net result on extinguishment of a financial liability	13	(28.7)	(127.8)	(200.3)	(127.8)
Finance costs, net	13	(734.6)	(769.8)	(1,057.2)	(1,294.0)
Share of loss of associates and joint ventures	6	(76.6)	(66.8)	(129.0)	(69.0)
(Loss)/profit before income tax		(412.6)	(521.6)	(451.8)	929.7
Income tax (expense)/benefit	12	(58.9)	9.7	(131.6)	58.7
(Loss)/profit for the period		(471.5)	(511.9)	(583.4)	988.4
Attributable to equity holders of the parent		(502.6)	(525.1)	(626.4)	961.6
Attributable to non-controlling interests		31.1	13.3	43.0	26.9
Earnings per share					
(Loss)/earnings per share (basic)	9	(0.4)	(0.4)	(0.5)	0.8
(Loss)/earnings per share (diluted)	9	(0.4)	(0.4)	(0.5)	0.8

Condensed Consolidated Statement of Comprehensive Income (€m)	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019 (*restated)
(Loss)/profit for the period	(471.5)	(511.9)	(583.4)	988.4
Other comprehensive income				
Items that may be reclassified subsequently to profit or loss				
Exchange differences on translating foreign operations	(0.1)	(42.7)	10.5	(46.1)
Gain on cash flow hedge	20.5	85.8	201.5	153.7
Related taxes	(5.2)	(23.8)	(50.5)	(45.3)
Other items related to associates	(0.1)	-	-	0.1
Item that will not be reclassified subsequently to profit or loss				
Change of fair value of equity instruments at fair value through OCI	39.7	56.8	(73.0)	166.0
Actuarial gain/(loss)	(44.1)	(32.4)	30.1	(59.8)
Related taxes	6.8	10.2	(9.8)	18.8
Total other comprehensive income	17.5	53.9	108.8	187.4
Total comprehensive (loss)/income for the period	(454.0)	(458.0)	(474.6)	1,175.8
Attributable to equity holders of the parent	(484.8)	(470.9)	(517.0)	1,148.4
Attributable to non-controlling interests	30.8	13.0	42.4	27.5

(*) Previously published information has been restated to take into account the impact from capital gain correction of SFR FTTH. Please refer to note 19 for the reconciliation to previously published results.

The accompanying notes on pages 21 to 52 form an integral part of these condensed interim consolidated financial statements.

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Financial Position (€m)	Notes	As of June 30, 2020	As of December 31, 2019
Non-current assets			
Goodwill	5	14,536.5	14,655.5
Other intangible assets		6,827.1	7,458.4
Property, plant & equipment		9,896.7	9,974.6
Right-of-use assets		4,256.6	4,289.8
Contract costs		245.6	263.8
Investment in associates and joint ventures	6	1,457.9	1,567.4
Financial assets	7	1,461.4	1,626.7
Deferred tax assets		219.2	300.2
Other non-current assets		764.3	439.6
Total non-current assets		39,665.3	40,576.0
Current assets			
Inventories		514.1	479.4
Contract assets		225.1	254.1
Trade and other receivables		4,489.9	4,463.7
Current tax assets		164.9	99.8
Financial assets	7	36.1	47.8
Cash and cash equivalents		1,573.3	1,022.1
Restricted cash		35.4	119.5
		7,038.8	6,486.4
Assets classified as held for sale		43.4	119.0
Total current assets		7,082.2	6,605.4
Total assets		46,747.5	47,181.4
Equity			
Issued capital	8.1	59.5	59.5
Treasury shares	8.2	(0.4)	(0.4)
Additional paid in capital		5.7	5.7
Other reserves	8.3	(551.8)	(500.5)
Accumulated losses		(1,513.8)	(2,098.9)
Equity attributable to equity holders of the parent		(2,000.8)	(2,534.6)
Non-controlling interests	3.3	267.0	213.7
Total equity		(1,733.8)	(2,320.9)
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	10	31,126.3	32,101.9
Other financial liabilities	10.7	1,277.9	476.2
Non-current lease liabilities	10	3,607.9	3,644.6
Provisions		1,401.9	1,441.8
Deferred tax liabilities		132.3	164.6
Non-current contract liabilities		568.8	588.4
Other non-current liabilities		52.7	233.0
Total non-current liabilities		38,167.8	38,650.5
Current liabilities			
Short-term borrowings, financial liabilities	10	421.4	432.7
Other financial liabilities	10.7	1,654.0	1,822.3
Current lease liabilities	10	785.7	758.4
Trade and other payables		6,147.7	6,486.6
Contract liabilities		656.9	614.3
Current tax liabilities		228.1	261.4
Provisions		202.6	227.9
Other current liabilities		193.6	247.9
		10,290.0	10,851.5
Liabilities directly associated with assets classified as held for sale		23.5	0.3
Total current liabilities		10,313.5	10,851.8
Total liabilities		48,481.3	49,502.3
Total equity and liabilities		46,747.5	47,181.4

The accompanying notes on pages 21 to 52 form an integral part of these condensed interim consolidated financial statements.

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Equity	Number of shares on issue			Share capital	Treasury shares	Additional paid in capital	(Accumulated losses)/retained earnings	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI	Employee benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Common Shares A	Common Shares B	Preference Shares B											
Equity at January 1, 2020	1,038,014,875	196,261,727	1,391,748	59.5	(0.4)	5.7	(2,098.9)	(305.3)	(284.2)	236.5	(147.5)	(2,534.6)	213.7	(2,320.9)
(Loss)/profit for the period	-	-	-	-	-	-	(626.4)	-	-	-	-	(626.4)	43.0	(583.4)
Other comprehensive profit/(loss)	-	-	-	-	-	-	-	11.1	151.0	(73.0)	20.3	109.4	(0.6)	108.8
Comprehensive profit/(loss)	-	-	-	-	-	-	(626.4)	11.1	151.0	(73.0)	20.3	(517.0)	42.4	(474.6)
Conversion Common Shares B to Common Shares A	19,515,025	(780,601)	-	-	-	-	-	-	-	-	-	-	-	-
Issuance of Preference Shares B ¹	-	-	463,916	-	-	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	-	(31.0)	-	-	-	-	(31.0)	-	(31.0)
Altice USA shares disposal	-	-	-	-	-	-	160.7	(1.1)	-	(159.6)	-	-	-	-
Transactions with non-controlling interests ²	-	-	-	-	-	-	1,084.1	-	-	-	-	1,084.1	10.8	1,094.9
Other	-	-	-	-	-	-	(2.3)	-	-	-	-	(2.3)	0.1	(2.2)
Equity at June 30, 2020	1,057,529,900	195,481,126	1,855,664	59.5	(0.4)	5.7	(1,513.8)	(295.3)	(133.2)	3.9	(127.2)	(2,000.8)	267.0	(1,733.8)

1 Preference Shares B were issued to the Company's CEO, Mr. Alain Weil, on January 6, 2020. Please refer to note 8.1.

2 Transactions with non-controlling interests mainly related to the acquisition of minority stakes of Irisé S.A.S. and Rhon Telecom S.A.S. by Altice France (please refer to note 3.3), the change in the fair value of minority put options of Teads (please refer to note 11.1.2) and the sale of 49.99% of the Portuguese fibre business (please refer to note 3.1.2).

Condensed Consolidated Statement of Changes in Equity (*restated)	Number of shares on issue			Share capital	Treasury shares	Additional paid in capital	(Accumulated losses)/retained earnings	Currency translation reserve	Cash flow hedge reserve	Fair value through OCI	Employee Benefits	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
	Common shares A	Common shares B	Preference shares B											
Equity at January 1, 2019	1,596,608,025	209,318,001	927,832	68.3	(14.6)	-	(2,401.5)	(280.1)	(473.2)	4.0	(34.2)	(3,131.4)	226.7	(2,904.7)
IFRS 16 transition impact	-	-	-	-	-	-	40.1	-	-	-	-	40.1	-	40.0
Equity at January 1, 2019¹	1,596,608,025	209,318,001	927,832	68.3	(14.6)	-	(2,361.4)	(280.1)	(473.2)	4.0	(34.2)	(3,091.3)	226.7	(2,864.6)
Profit for the period	-	-	-	-	-	-	961.6	-	-	-	-	961.6	26.9	988.5
Other comprehensive (loss)/profit	-	-	-	-	-	-	-	(46.7)	108.5	166.0	(41.0)	186.8	0.6	187.4
Comprehensive profit/(loss)	-	-	-	-	-	-	961.6	(46.7)	108.5	166.0	(41.0)	1,148.4	27.5	1,175.9
Conversion common shares B to common shares A	261,603,450	(10,464,138)	-	-	-	-	-	-	-	-	-	-	-	-
Cancellation of treasury shares	(685,000,000)	-	-	(6.9)	11.6	-	(4.8)	-	-	-	-	(0.1)	-	(0.1)
Transaction on treasury shares	-	-	-	-	-	-	32.5	-	-	-	-	32.5	-	32.5
Issuance of preference shares B ²	-	-	463,916	-	-	-	-	-	-	-	-	-	-	-
Distribution of Altice USA shares	-	-	-	-	-	-	(26.8)	-	-	-	-	(26.8)	-	(26.8)
Share based payments	-	-	-	-	-	-	16.2	-	-	-	-	16.2	-	16.2
Transactions with non-controlling interests	-	-	-	-	-	-	(8.2)	-	-	-	-	(8.2)	(0.2)	(8.4)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(22.6)	(22.6)
Other	-	-	-	-	-	-	13.8	-	-	-	-	13.8	(1.9)	11.9
Equity at June 30, 2019	1,173,211,475	198,853,863	1,391,748	61.4	(3.0)	-	(1,377.1)	(326.8)	(364.7)	170.0	(75.2)	(1,915.5)	229.5	(1,686.0)

1 Equity as at January 1, 2019 includes the impact from the adoption of IFRS 16 Leases as of January 1, 2019 by the Group.

2 Preference Shares B were issued to the Company's CEO, Mr. Alain Weil, on January 9, 2019. Please refer to note 8.1.

(*) Previously published information has been restated to take into account the impact from capital gain correction of SFR FTTH.

The accompanying notes on pages 21 to 52 form an integral part of these condensed interim consolidated financial statements.

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Cash Flows	Six months ended	
	June 30, 2020	June 30, 2019 (*restated)
(€m)		
(Loss)/profit for the period	(583.4)	988.4
<i>adjustments for:</i>		
Share of loss of associates and joint ventures	129.0	69.0
Depreciation and amortization	2,463.8	2,627.5
Gain/(loss) related to share-based payment	(23.9)	24.5
Loss (gain) on disposal of business	62.3	(2,083.8)
Gain on sale of interest in associates	(97.7)	-
Other non-cash operating (gain) loss, net ¹	(44.7)	189.6
Pension plan liability	(50.1)	(50.2)
Finance costs recognised in the statement of income	1,057.2	1,293.9
Income tax expense/(benefit) recognised in the statement of income	131.6	(58.7)
Income tax paid	(232.5)	(176.1)
Changes in working capital ²	(85.4)	(403.0)
Net cash provided by operating activities	2,726.2	2,421.1
Payments to acquire tangible and intangible assets	(1,687.1)	(1,676.7)
Proceeds (payments) related to disposal or acquisition of financial assets ³	509.6	(169.3)
(Payments)/proceeds from disposal of business ⁴	(6.7)	1,618.5
Proceeds from disposal of tangible and intangible assets	5.7	4.2
Proceeds (payments) related to sale or acquisition of interests in associates ⁵	201.0	(19.6)
Payment to acquire subsidiaries, net of cash ⁶	(16.6)	(0.3)
Transfers from restricted cash ⁷	84.1	-
Dividend received	4.6	-
Net cash (used in)/provided by investing activities	(905.4)	(243.2)
Proceeds from issue of equity instruments by a subsidiary	-	32.5
Proceeds from issuance of debts	6,166.6	3,200.0
Payments to redeem debt instruments ⁸	(7,600.8)	(5,019.8)
Payments to non-controlling interests ⁹	(11.1)	(11.1)
Proceeds (payments) from the sale of minority stake ¹⁰	1,573.1	(15.1)
Lease payment (principal) related to ROU ¹¹	(428.8)	(417.1)
Lease payment (interest) related to ROU ¹¹	(86.9)	(98.3)
Interest paid ¹²	(872.4)	(1,030.3)
Proceeds from the monetization of swaps ¹³	281.3	540.3
Dividend paid to non-controlling interests	-	(20.3)
Other cash used by financing activities ¹⁴	(282.5)	(221.8)
Net cash used in financing activities	(1,261.5)	(3,061.0)
Classification of cash as held for sale	-	(10.2)
Effects of exchange rate changes on the balance of cash held in foreign currencies	(8.1)	1.8
Net change in cash and cash equivalents	551.2	(891.5)
Cash and cash equivalents at beginning of the period	1,022.1	1,837.0
Cash and cash equivalents at end of the period	1,573.3	945.5

- 1 Other non-cash items include allowances and writebacks for provisions and gains and losses recorded on the disposal of tangible and intangible assets.
- 2 Changes in working capital relate to payments and receipts related to inventories, trade and other receivables and trade and other payables.
- 3 The net proceeds related to financial assets relate mainly to proceeds of the sale of 24.2 million Altice USA shares of Class A common stock for an amount of €528.8 million.
- 4 Payments for the disposal of consolidated entities include purchase price adjustments related to the sale of the international wholesale business which was closed on July 18, 2018.
- 5 Proceeds from the sale of interests in associates mainly relate to the proceeds received from the sale of PT Portugal's 25% equity interest in the tower company OMTEL to Cellnex Telecom S.A. which was closed on January 2, 2020.
- 6 Payment to acquire subsidiaries relates to participations acquired by Altice France in Rhon Telecom S.A.S. and in certain DSP's (*Délégation de service public*).
- 7 The transfer of restricted cash related to the release of the restricted cash in connection with the Altice Corporate Financing facility.
- 8 Payments to redeem debt instruments include net repayments of €117.5 million related to commercial paper and €15.4 million related to various other loans.
- 9 Transactions with non-controlling interest relate to payments made to former minority shareholders of ERT Luxembourg S.A.
- 10 Proceeds from the sale of a minority stake relates to the sale of the 49.99% interest in the Portuguese FTTH business to Morgan Stanley Infrastructure Partners on April 17, 2020.
- 11 Repayment of lease liabilities (IFRS 16 lease payment and the interest related to right-of-use ("ROU")) are reported under financing activities upon adoption of IFRS 16 *Leases*.
- 12 Interest paid on debt includes interest received from / paid on interest derivatives.
- 13 Proceeds from the monetization of swaps relate to the swap monetization proceeds of €281.3 million recorded in Altice Luxembourg, Altice France and Altice Financing.
- 14 Other cash used in financing activities include an amount of €156.9 million of call premium related to the repayment of bonds resulting from the refinancing transactions which occurred during the three months ended March 31, 2020, €128.9 million of net repayments related to factoring arrangements (consisting of €684.8 million of payments made to suppliers through the factoring arrangements and €813.7 million of payments made to the factoring company), €24.0 million related to interest on factoring arrangements and payments of €6.1 million related to other financing related activities. These payments were partially offset by proceeds of €24.1 million related to cash received for an FX forward contract and €9.2 million related to securitisation arrangements.

Altice Europe N.V.**Condensed Interim Consolidated Financial Statements**

(*) Previously published information has been restated to take into account the impact from capital gain correction of SFR FTTH and other adjustments. Please refer to note 19 for the reconciliation to previously published results.

The accompanying notes on pages 21 to 52 form an integral part of these condensed interim consolidated financial statements.

1. About Altice Europe N.V.

Altice Europe N.V. (the “Company”) is a public limited liability company (“*Naamloze vennootschap*”) incorporated in the Netherlands and its address is Oostdam 1, 3441 EM, Woerden, the Netherlands. The Company is the parent entity of the Altice Europe N.V. consolidated group (the “Group”). The Company is ultimately controlled by Patrick Drahi (via Next Alt S.à r.l., “Next Alt”). As of June 30, 2020, Next Alt held 77.58% of the share capital of the Company.

The Group is a convergent leader in telecoms, content, media, entertainment and advertising. The Group delivers innovative, customer-centric products and solutions that connect and unlock the limitless potential of its over 30 million customers over fibre networks and mobile broadband. The Group is also a provider of enterprise digital solutions to millions of business customers. The Group innovates with technology, research and development and enables people to live out their passions by providing original content, high-quality and compelling TV shows, and international, national and local news channels. The Group delivers live broadcast premium sports events and enables its customers to enjoy the most well-known media and entertainment.

2. Accounting policies

2.1. Basis of preparation

These condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the three and six-month periods then ended were approved by the Board of Directors and authorized for issue on July 30, 2020.

These condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the three and six-month periods then ended, are presented in millions of Euros, except as otherwise stated, and have been prepared in accordance with International Accounting Standard (“IAS”) 34 *Interim Financial Reporting*. They should be read in conjunction with the annual consolidated financial statements of the Group and the notes thereto as of and for the year ended December 31, 2019 which were prepared in accordance with International Financial Reporting Standards as adopted in the European Union (“IFRS”) (the “annual consolidated financial statements”).

The accounting policies applied for the condensed interim consolidated financial statements as of June 30, 2020 do not differ from those applied in the annual consolidated financial statements as of and for the year ended December 31, 2019, except for the adoption of new standards effective as of January 1, 2020.

2.1.1. Standards applicable for the reporting period

The following standards have mandatory application for periods beginning on or after January 1, 2020 as described in note 1.3.2 to the annual consolidated financial statements:

- Amendments to IAS 1 and IAS 8 *Definition of Material*, effective on or after January 1, 2020;
- Amendments to IFRS 3 *Definition of a Business*, effective on or after January 1, 2020;
- Amendments to References to the Conceptual Framework in IFRS Standards, effective on or after January 1, 2020.

The application of amendments to IAS 1 and IAS 8, IFRS 3 and to References of the Conceptual Framework in IFRS standards had no material impact on the amounts recognised and on the disclosures in these condensed interim consolidated financial statements.

2.1.2. Standards and interpretations not applicable as of reporting date

The Group has not early adopted the following standards and interpretations, for which application is not mandatory for period started from January 1, 2020 and that may impact the amounts reported:

- Amendments to IFRS 10 and IAS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, effective date of the amendments has not yet been determined by the IASB; and
- Amendments in Classification of Liabilities as Current or Non-Current (Amendments to IAS 1), effective on or after January 1, 2023;
- Annual Improvements to IFRS Standards 2018-2020, effective on or after January 1, 2022;
- Amendments to IFRS 16 *Leases, Covid-19-Related Rent Concessions*, effective on or after June 1, 2020, with early application permitted.

The Board of Directors anticipates that the application of those amendments will not have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities.

2.1.3. *Significant accounting judgments and estimates*

In the application of the Group's accounting policies, the Board of Directors is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are 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 key areas of judgments and estimates, as disclosed in the annual consolidated financial statements are:

- Revenue recognition
- Estimations of provisions for claims;
- Measurement of post-employment benefits;
- Fair value measurement of financial instruments;
- Measurement of deferred taxes;
- Estimation of useful lives of intangible assets and property, plant and equipment;
- Impairment of intangible assets;
- Estimation of impairment losses for contract assets and trade receivables; and
- Determination of the right-of-use and lease liabilities.

As of June 30, 2020, there were no changes in the key areas of judgements and estimates.

2.1.4. *Update on the COVID-19 pandemic*

On March 11, 2020, the COVID-19 outbreak was declared by the World Health Organization (WHO) as a global pandemic, highlighting the health risks of the disease. In this context and following regulatory requirements published by governments over the last months in the countries in which the Group operates, the Group activated a response program in order to minimize the impact of the COVID-19 pandemic (please refer to note 35.9 of the annual consolidated financial statements for further detail).

The COVID-19 pandemic had a limited impact on the condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the three and six-month periods then ended. Indeed, the Group has been impacted by a decline in handsets sales (low margin activity) in the context of the closure of the shops in many countries where the Group operates, a decrease in roaming revenue, some delays in the construction of FTTH homes passed in France and a decline in the advertising businesses (Teads and NextRadioTV). The impact has remained limited since the beginning of the crisis demonstrating the resilience of the Group's telecom business in the countries where the Group operates. Although the situation continues to evolve, the Company expects that the COVID-19 pandemic will have limited effects on the Group's operations and financial performance for future periods.

As part of economic measures meant to mitigate the impact of the COVID-19 pandemic on industry, the French State announced a series of measures, some of which the Group had recourse to during the mandatory stay at home period, especially partial unemployment. The Group decided to apply for partial unemployment for c. 4,200 employees whose jobs were directly impacted by the mandatory quarantine imposed by the French State. Thus, the State paid the concerned employees the equivalent of 84% of their fixed and variable pay per month and the Group paid the remaining 16%. There were no restrictions associated with using this measure. In other countries where the Group operates, the Group did not benefit from specific programs that required the compliance with particular conditions.

The Group has taken this situation into account in its estimates, notably those related to the non-current and current assets valuation (including goodwill). The valuation of the non-current and current assets has not been adjusted as of June 30, 2020 as a result of the COVID-19 outbreak.

Based on the above and information in note 17, the Group determined that the going concern assumption is still appropriate.

3. Acquisition and divestments

The following changes occurred during the six-month period ended June 30, 2020, which impacted the scope of consolidation compared to that presented in the annual consolidated financial statements.

3.1. Transactions completed in the current period

3.1.1. Sale of a 25% equity stake in OMTEL

On January 2, 2020, the Company announced the sale of the 25% equity interest held by PT Portugal in Belmont Infra Holding S.A. ("Belmont"), that owns 100% in a tower company OMTEL, to Cellnex Telecom S.A.. Total cash proceeds amounted to €201.0 million. The total capital gain recorded for the six-month period ended June 30, 2020 amounted to €97.7 million (please refer to note 4.3.2.2).

The sale by PT Portugal of its 25% equity interest in OMTEL is part of a larger transaction pursuant to which Cellnex Telecom S.A. acquired 100% of the share capital of OMTEL. In September 2018, at the time of its sale of OMTEL to a consortium including Morgan Stanley Infrastructure Partners and Horizon Equity Partners, PT Portugal had reinvested €108.8 million for a 25% equity interest in OMTEL.

3.1.2. Closing of the partnership with Morgan Stanley Infrastructure Partners and the sale of 49.99% interest in Fastfiber (formerly known as Altice Portugal FTTH)

On December 12, 2019, PT Portugal entered into an agreement with Morgan Stanley Infrastructure Partners regarding the sale of a 49.99% interest in the Portuguese fibre business to be carved-out into a dedicated wholesale vehicle, Fastfiber (formerly known as Altice Portugal FTTH), comprising of the fibre passive infrastructure assets and rights, related contracts and underlying agreements, thereby creating a nationwide fibre wholesaler in Portugal. On April 17, 2020, the transaction was closed and the Group received €1,573.1 million of proceeds from this transaction.

Fastfiber will sell wholesale services to all operators at the same financial terms. MEO will sell technical services to Fastfiber for the construction, the subscriber connection and the maintenance of its fibre network.

3.1.3. Monetization of the Altice USA stake

On June 22, 2020, the Company completed the sale of a large part of its remaining indirect stake in Altice USA, commensurate with its previously stated strategy. The Group sold 24.2 million Altice USA shares of Class A common stock over the period from June 4, 2020 until June 22, 2020, for a total consideration of approximately \$583.0 million (€528.8 million). The Company retained approximately 0.3 million Altice USA shares of Class A common stock.

3.2. Transactions completed in the prior period

3.2.1. Change in consolidation method in PHI

In January 2019, HOT Mobile and Partner signed an amendment to the Network Sharing Agreement with respect to the governance of the company PHI, effective on January 1, 2019. Following this amendment, the parties have joint control over PHI (compared to significant influence before the amendment); accordingly, PHI is accounted under the provisions of IFRS 11 *Joint Arrangements* as joint operation (recognition of HOT Mobile's interests in PHI's assets, liabilities, revenues and expenses) instead of equity method.

3.2.2. Closing of the sale of 49.99% in SFR FTTH

On November 30, 2018, Altice France entered into an exclusivity agreement with Allianz Capital Partners, AXA Investment Managers - Real Assets, acting on behalf of its clients and OMERS Infrastructure (together the "Partners") regarding the sale of a 49.99% equity stake in SFR FTTH.

The transaction closed on March 27, 2019. The consideration received was €1.7 billion, based on a €3.4 billion equity value. The total capital gain recorded for the six-month period ended June 30, 2019 was €2,085.6 million (please refer to note 4.3.2.3). This partnership created the leading FTTH infrastructure wholesaler in France and brought an additional €1.7 billion of cash to Altice France. Following the closing of the transaction, Altice France lost exclusive control over SFR FTTH as Altice France and the Partners have joint control over the new entity based on the provisions of IFRS 11 *Joint Arrangements*. Furthermore, as SFR FTTH is a joint venture (joint

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement), SFR FTTH is accounted for under the equity method based on the provisions of IAS 28 *Investments in Associates and Joint Ventures*.

3.3. Variations in non-controlling interests

Variations in non-controlling interests (€m)	Altice France	Hivory ¹	Altice Technical Services	Other	Group
Opening balance at January 1, 2019	3.3	220.7	(13.8)	16.5	226.7
Net income	9.5	36.3	(1.9)	1.8	45.7
Other comprehensive income	(0.1)	-	0.5	0.1	0.5
Transaction with NCI in ERT Lux	(2.0)	-	-	-	(2.0)
Transaction with NCI in GNP	6.1	-	-	-	6.1
Sale of SIRESP	-	-	-	(3.6)	(3.6)
Dividends	(10.1)	(37.6)	(12.1)	-	(59.8)
Other	(0.1)	-	(0.2)	0.4	0.1
Closing at December 31, 2019	6.6	219.4	(27.5)	15.2	213.7
Net income	9.9	28.6	(1.6)	6.1	43.0
Other comprehensive income	(0.1)	-	(0.5)	-	(0.6)
Transaction with NCI in Rhon'Telecom S.A.S.	1.5	-	-	-	1.5
Transaction with NCI in Irisé S.A.S.	4.5	-	-	-	4.5
Transaction with NCI in Moselle Telecom S.A.S.	1.4	-	-	-	1.4
Transaction with NCI in Fastfiber	-	-	-	4.0	4.0
Sale of SBS Morocco to Intelcia	(0.5)	-	-	-	(0.5)
Sale of Tnord and Sudtel to Portugal	-	-	-	-	-
Other	-	-	-	-	-
Closing at June 30, 2020	23.3	248.0	(29.6)	25.3	267.0

¹ This column presents the impact of the sale by Altice France of a minority stake in Hivory (an entity created by Altice France to which Altice France contributed some of its telecommunication towers) that was closed on December 18, 2018. Following the closing of the sale, Altice France keeps exclusive control of Hivory which is consolidated in Altice France.

The main change in non-controlling interests ("NCI") as at June 30, 2020 was mainly due to:

- net income attributable to the non-controlling interest for the six-month period ended June 30, 2020 of €43.0 million, mainly in Altice France and Hivory; and
- transactions with NCI which mainly related to the acquisition of minority interests by Altice France in Irisé S.A.S., Rhon'Telecom S.A.S and Moselle Telecom S.A.S., increasing NCI by €7.4 million and the sale of 49.99% of the Portuguese fibre business increasing NCI by €4.0 million.

3.4. Assets held for sale

On May 14, 2020, Altice France announced that it would transfer Libération, the daily newspaper, to Presse Indépendante SAS, a management and holding company mainly owned by a non-profit organization (Fonds de Dotation pour une Presse Indépendante "FDPI"). As part of the project, Altice France will make an initial donation to FDPI, which FDPI can then use to invest into Presse Indépendante.

The closing of the sale is expected in the third quarter of 2020. Following the closing of the transaction, the Group will no longer exercise control over Libération and therefore the assets and associated liabilities of Libération were classified as held for sale as per the provisions of IFRS 5 Non-currents assets Held for sale and discontinued operations. The estimated capital loss has been recorded in the statement of income for the six-month period ended June 30, 2020 for €52.0 million in the caption Other expense and income.

Disposal groups held for sale (€m)	June 30, 2020			December 31, 2019		
	Libération	Other	Total	Belmont	Other	Total
Goodwill	1.2	-	1.2	-	-	-
Tangible and intangible assets	15.4	4.6	20.0	-	9.3	9.3
Investment in associates	-	4.1	4.1	103.3	4.4	107.7
Currents assets	16.2	1.9	18.1	-	2.0	2.0
Total assets held for sale	32.8	10.6	43.4	103.3	15.7	119.0
Non-current liabilities	6.9	-	6.9	-	(0.1)	(0.1)
Current liabilities	16.3	0.3	16.6	-	(0.3)	(0.3)
Total liabilities related to assets held for sale	23.2	0.3	23.5	-	(0.4)	(0.4)

4. Segment reporting

4.1. Definition of segments

Given the geographical spread of the entities within the Group, analysis by geographical area is fundamental in determining the Group's strategy and managing its different businesses. The Group's chief operating decision maker is the Board of Directors. The Board of Directors analyses the Group's results across geographies, and certain key areas by activity. The presentation of the segments here is consistent with the reporting used internally by the Board of Directors to track the Group's operational and financial performance. The businesses that the Group owns and operates do not show significant seasonality, except for the mobile residential and business services, which can show significant changes in sales at year end and at the end of the summer season (the "back to school" period). The business services are also impacted by the timing of preparation of the annual budgets of public and private sector companies. The accounting policies of the reportable segments are the same as the Group's accounting policies.

The segments that are presented are detailed below:

- **France:** The Group controls Altice France S.A. ("Altice France"), the second largest telecom operator in France, which provides residential, business, mobile and high-speed internet services using SFR and the associated brands. Additionally, the media division of Altice France includes NextRadioTV and SFR Presse companies, which cover audio-visual and press activities in France, respectively. This segment also comprises of the French Overseas Territories ("FOT"), ATS France and Altice Customer Services S.à r.l. ("ACS").
- **Portugal:** The Group owns Portugal Telecom ("PT Portugal"), the largest telecom operator in Portugal. PT Portugal caters to fixed residential, mobile residential and business services clients using the MEO brand. This segment also includes the Altice Technical Services entities in Portugal.
- **Israel:** Fixed and mobile services are provided using the HOT telecom, HOT mobile and HOT net brands to residential and business services clients. HOT also produces award winning exclusive content that it distributes using its fixed network, as well as content application called Next and OTT services through Next Plus. This segment also includes the Altice Technical Services entity in Israel.
- **Dominican Republic:** The Group provides fixed residential, mobile residential and business services using the Altice brand. This segment also includes the Altice Technical Services entity in the Dominican Republic.
- **Teads:** Provides digital advertising solutions.
- **Altice TV:** Content business from the use of content rights.
- **Others:** Corporate entities are reported under "Others".

4.2. Financial Key Performance Indicators ("KPIs")

The Board of Directors has defined certain financial KPIs that are tracked and reported by each operating segment every month to the senior executives of the Company. The Board of Directors believes that these indicators offer them the best view of the operational and financial efficiency of each segment and this follows best practices in the rest of the industry, thus providing investors and other analysts a suitable base to perform their analysis of the Group's results.

The financial KPIs tracked by the Board of Directors are:

- Adjusted EBITDA: by segment
- Revenues: by segment and in terms of activity,
- Capital expenditure ("Capex"): by segment, and
- Operating free cash flow ("OpFCF"): by segment.

4.2.1. Non-GAAP measures

Adjusted EBITDA, Capex and OpFCF are non-GAAP measures. These measures are useful to readers of the condensed interim consolidated financial statements as they provide a measure of operating results excluding certain items that the Group's management believe are either outside of its recurring operating activities, or items that are non-cash. Excluding such items enables trends in the Group's operating results and cash flow generation to be more easily observable. The non-GAAP measures are used by the Group internally to manage and assess the results of its operations, make decisions with respect to investments and allocation of resources, and assess the performance of management personnel. Such performance measures are also the de facto metrics used by investors and other members of the financial community to value other companies operating in the same industry as the Group and thus are a basis for comparability between the Group and its peers. Moreover, the debt covenants of the Group are based on the Adjusted EBITDA and other associated metrics. The definition of Adjusted EBITDA

used in the covenants has not changed with the adoption of IFRS 15 *Revenue from Contracts with Customers* and IFRS 16 *Leases* by the Group.

4.2.1.1. *Adjusted EBITDA*

Following the application of IFRS 16 *Leases*, Adjusted EBITDA is defined as operating income before depreciation and amortization, other expenses and income (capital gains, non-recurring litigation, restructuring costs) and share-based expenses and after operating lease expenses (i.e., straight-line recognition of the rent expense over the lease term as performed under IAS 17 *Leases* for operating lease). This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating income as the effects of depreciation, amortization and impairment, excluded from Adjusted EBITDA, do ultimately affect the operating results. Operating results presented in the condensed interim consolidated financial statements are in accordance with IAS 1 *Presentation of Financial Statements*.

4.2.1.2. *Capex*

Capex is an important indicator to follow, as the profile varies greatly between activities:

- The fixed business has fixed Capex requirements that are mainly discretionary (network, platforms, general), and variable capex requirements related to the connection of new customers and the purchase of Customer Premise Equipment (TV decoder, modem, etc.).
- Mobile Capex is mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate; once engaged and operational, there are limited further Capex requirements.
- Other Capex is mainly related to costs incurred in acquiring content rights.

4.2.1.3. *Operating free cash flow*

OpFCF is defined as Adjusted EBITDA less Capex. This may not be comparable to similarly titled measures used by other entities. Further, this measure should not be considered as an alternative for operating cash flow as presented in the condensed consolidated statement of cash flows in accordance with IAS 7 *Statement of Cashflows*.

4.2.2. *Revenues*

Additional information on the revenue split is presented as follows:

- Residential revenue
 - Fixed: revenues from fixed services to B2C customers;
 - Mobile: revenues from mobile services to B2C subscribers;
 - Equipment business to B2C subscribers;
- Business services: revenues from B2B customers, wholesale (including the construction of the FTTH network for SFR FTTH) and other revenues; and
- Media: media, content and advertisement revenues in Altice France, Teads and Altice TV.

Intersegment revenues represented 1.9% of total revenues for the six-month period ended June 30, 2020, compared to 2.1% of total revenues for the six-month period ended June 30, 2019 (€136.0 million compared to €147.0 million). Intersegment revenues mainly relate to services rendered by certain centralized Group functions (relating to content production, content distribution and centralized research and development) to the operational segments of the Group. A significant proportion of Altice TV's revenues (based on contractual terms) and activities are within the Group and therefore are eliminated.

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

4.3. Segment results

4.3.1. Operating profit by segment

For the three months ended June 30, 2020 €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Inter- segment elimination	Total
Revenues	2,601.1	499.5	245.6	117.9	82.3	58.0	0.2	(64.4)	3,540.1
Purchasing and subcontracting costs	(698.7)	(118.7)	(74.8)	(27.3)	-	(54.5)	-	61.6	(912.3)
Other operating expenses	(398.3)	(92.0)	(49.4)	(18.8)	(38.1)	(0.1)	(5.4)	1.1	(601.0)
Staff costs and employee benefit expenses	(212.4)	(69.8)	(18.4)	(7.4)	(18.7)	(0.0)	1.3	0.1	(325.3)
Total	1,291.8	219.0	102.9	64.4	25.5	3.4	(3.9)	(1.6)	1,701.5
Share-based expense	(29.4)	0.2	0.0	0.2	-	-	(5.0)	-	(34.0)
Rental expense operating lease1	(198.8)	(18.0)	(7.5)	(5.8)	(1.6)	-	-	-	(231.6)
Adjusted EBITDA	1,063.6	201.2	95.4	58.9	23.9	3.4	(8.9)	(1.6)	1,435.9
Depreciation, amortisation and impairment	(821.9)	(180.3)	(83.6)	(35.8)	(6.2)	(62.2)	-	-	(1,190.0)
Share-based expense	29.4	(0.2)	(0.0)	(0.2)	-	-	5.0	-	34.0
Other expenses and income	(52.6)	(18.8)	(5.7)	1.6	(0.2)	(10.4)	(26.8)	-	(112.9)
Rental expense operating lease1	198.8	18.0	7.5	5.8	1.6	-	-	-	231.6
Operating profit/(loss)	417.2	19.8	13.6	30.2	19.1	(69.2)	(30.6)	(1.6)	398.6

For the three months ended June 30, 2019 €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Inter- segment elimination	Total
Revenues	2,606.3	521.6	234.9	140.5	109.3	56.6	0.3	(76.4)	3,593.2
Purchasing and subcontracting costs	(735.2)	(133.9)	(68.9)	(36.3)	-	(77.5)	-	74.9	(977.0)
Other operating expenses	(363.2)	(91.7)	(50.1)	(20.6)	(63.3)	(1.7)	(4.5)	(1.5)	(596.6)
Staff costs and employee benefit expenses	(240.6)	(64.5)	(17.2)	(7.5)	(25.4)	(0.5)	(12.8)	0.1	(368.4)
Total	1,267.3	231.5	98.7	76.1	20.7	(23.2)	(17.0)	(2.9)	1,651.2
Share-based expense	1.4	-	-	-	-	-	8.6	-	10.1
Rental expense operating lease1	(196.4)	(18.1)	(8.7)	(6.3)	(1.1)	-	-	-	(230.5)
Adjusted EBITDA	1,072.3	213.4	90.0	69.8	19.6	(23.2)	(8.4)	(2.9)	1,430.7
Depreciation, amortisation and impairment	(898.2)	(180.0)	(89.2)	(33.1)	(4.7)	(138.2)	(0.1)	-	(1,343.3)
Share-based expense	(1.4)	-	-	-	-	-	(8.6)	-	(10.1)
Other expenses and income	8.2	(11.1)	(2.4)	(1.0)	(0.9)	-	14.5	0.1	7.4
Rental expense operating lease1	196.4	18.1	8.7	6.3	1.1	-	-	-	230.5
Operating profit/(loss)	377.2	40.4	7.1	42.0	15.0	(161.5)	(2.6)	(2.8)	315.2

¹ This line corresponds to the operating lease expenses which impacts are included in Adjusted EBITDA following the definition stated in note 4.2.1.1.

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Inter- segment elimination	Total
Revenues	5,243.8	1,021.8	492.1	250.5	172.2	120.7	0.4	(136.0)	7,165.5
Purchasing and subcontracting costs	(1,401.7)	(255.7)	(153.2)	(58.9)	-	(145.6)	-	131.4	(1,883.7)
Other operating expenses	(912.7)	(184.6)	(99.9)	(39.8)	(94.5)	(0.4)	(7.8)	1.9	(1,337.9)
Staff costs and employee benefit expenses	(476.9)	(135.3)	(36.7)	(15.4)	(42.6)	(0.3)	(5.4)	0.1	(712.5)
Total	2,452.6	446.2	202.2	136.5	35.1	(25.6)	(12.9)	(2.6)	3,231.4
Share-based expense	(22.5)	0.3	0.0	0.2	-	-	(2.0)	-	(23.9)
Rental expense operating lease ¹	(391.9)	(35.1)	(16.2)	(11.4)	(2.6)	-	-	-	(457.1)
Adjusted EBITDA	2,038.2	411.4	186.0	125.3	32.5	(25.6)	(14.9)	(2.6)	2,750.4
Depreciation, amortisation and impairment	(1,672.6)	(362.6)	(167.0)	(67.7)	(11.1)	(182.8)	-	-	(2,463.8)
Share-based expense	22.5	(0.3)	(0.0)	(0.2)	-	-	2.0	-	23.9
Other expenses and income	(70.6)	75.1	(8.1)	0.3	(0.2)	(10.4)	(19.3)	-	(33.2)
Rental expense operating lease ¹	391.9	35.1	16.2	11.4	2.6	-	-	-	457.1
Operating profit/(loss)	709.4	158.7	27.1	69.1	23.7	(218.8)	(32.1)	(2.6)	734.4

For the six months ended June 30, 2019 €m	France	Portugal	Israel	Dominican Republic	Teads	Altice TV	Others	Inter- segment elimination	Total
Revenues	5,164.7	1,030.5	466.6	279.4	193.4	116.3	0.4	(147.0)	7,104.3
Purchasing and subcontracting costs	(1,389.9)	(260.8)	(143.0)	(70.3)	-	(157.5)	-	143.5	(1,878.0)
Other operating expenses	(873.0)	(179.7)	(98.9)	(41.0)	(115.1)	(2.3)	(10.3)	(0.2)	(1,320.5)
Staff costs and employee benefit expenses	(495.9)	(134.0)	(33.3)	(15.0)	(50.2)	(1.3)	(25.3)	0.2	(754.8)
Total	2,405.9	456.0	191.4	153.1	28.1	(44.8)	(35.2)	(3.5)	3,151.0
Share-based expense	2.2	-	-	-	-	-	22.3	-	24.5
Rental expense operating lease ¹	(380.1)	(36.1)	(16.9)	(12.5)	(2.0)	-	-	-	(447.6)
Adjusted EBITDA	2,028.0	419.9	174.5	140.6	26.1	(44.8)	(12.9)	(3.5)	2,727.9
Depreciation, amortisation and impairment	(1,731.4)	(358.5)	(179.7)	(63.4)	(9.8)	(284.6)	(0.1)	-	(2,627.5)
Share-based expense	(2.2)	-	-	-	-	-	(22.3)	-	(24.5)
Other expenses and income	2,031.9	(283.3)	(3.5)	(5.3)	(0.9)	-	30.5	(0.2)	1,769.2
Rental expense operating lease ¹	380.1	36.1	16.9	12.5	2.0	-	-	-	447.6
Operating profit/(loss)	2,706.4	(185.8)	8.2	84.4	17.4	(329.4)	(4.8)	(3.7)	2,292.7

¹ This line corresponds to the operating lease expenses which impacts are included in Adjusted EBITDA following the definition stated in note 4.2.1.1.

Regarding the share-based expenses, the Group has several share-based compensation plans across its various entities comprising of mainly the Long-Term Incentive Plan (“LTIP”), the Share Option Plan (“SOP”), the options granted to Next Alt and the preference shares granted to the Company’s CEO, Mr. Alain Weill. During the six-month period ended June 30, 2020, the Group recorded a share-based expense credit of €23.9 million, compared to a charge of €24.5 million in the six-month period ended June 30, 2019. Following the reassessment by management of the non-market vesting conditions included in free Preference Shares B granted to Mr. Weill in July 10, 2018 (please refer to section 26.2 of annual financial statements for the year ended December 31, 2019), the Company has reversed the share based payment expense recognized from the grant date for an amount of €35.0 million in the six-month period ended June 30, 2020.

4.3.2. Other expenses and income

Other expenses and income mainly relate to provisions for ongoing and announced restructuring, net gain of sale of interest in associates and consolidated entities and other expenses (for example gains and losses on disposal of assets, deal fees on acquisitions of entities and provisions for litigations).

Details of costs incurred during the three and six-month periods ended June 30, 2020 and 2019 are provided in the following table:

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Other expenses and income (€m)	For the three months ended June 30, 2020	For the three months ended June 30, 2019 (*restated)	For the six months ended June 30, 2020	For the six months ended June 30, 2019 (*restated)
Restructuring costs	2.3	4.3	6.1	264.8
Disputes and litigation	12.3	(0.8)	14.8	12.1
Net gain on sale of interest in associates	-	-	(97.7)	-
Net loss/(gain) on sale of consolidated entities	62.3	(28.0)	62.3	(2,083.8)
Other, net	35.9	17.1	47.7	37.7
Other expenses and (income)	112.9	(7.4)	33.2	(1,769.2)

4.3.2.1. Restructuring costs

For the six-month period ended June 30, 2020, restructuring costs related to restructuring costs in France of €3.3 million and in PT Portugal of €2.8 million. Restructuring costs for the six-month period ended June 30, 2019 mainly related to the restructuring plans in PT Portugal for which a €254.7 million provision fully tax deductible was recorded in connection with the voluntary employee reduction program undertaken in 2019 covering approximately 850 employees (mainly in support functions) in order to improve operational flexibility of PT Portugal.

4.3.2.2. Net loss/gain on sale of interest in associates

For the six-month period ended June 30, 2020, this related to the capital gain of €97.7 million from the sale of Portugal's 25% equity stake in Belmont (please refer to note 3.1.1).

4.3.2.3. Net gain on sale of consolidated entities

For the six-month period ended June 20, 2020, the loss resulted from the sale of Milibris SAS and Libération (please refer to note 3.4). For the six-month period ended June 30, 2019, the gain related to the capital gain from the sale of a 49.99% equity stake in SFR FTTH and the remeasurement at fair value of residual interest in SFR FTTH of €2,085.6 million (please refer to note 3.2.2).

4.3.3. Revenues by activity

The tables below provide the split of revenues by activity as defined in note 4.2.2.

For the three months ended June 30, 2020 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Total
Fixed	633.6	149.3	145.9	23.3	-	-	952.0
Mobile	866.6	113.1	54.1	66.2	-	-	1,100.1
Residential service	1,500.1	262.4	200.1	89.5	-	-	2,052.2
Residential equipment	131.2	21.3	14.6	8.1	-	-	175.1
Total Residential	1,631.3	283.6	214.6	97.6	-	-	2,227.2
Business services	907.6	215.9	30.9	20.1	-	0.2	1,174.8
Media	62.1	-	-	-	82.3	58.0	202.3
Total standalone revenues	2,601.1	499.5	245.6	117.7	82.3	58.0	3,604.4
Intersegment elimination	(6.9)	(19.5)	(0.1)	-	(0.5)	(37.3)	(64.4)
Total consolidated	2,594.2	480.0	245.5	117.7	81.8	20.7	3,540.1

For the three months ended June 30, 2019 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Total
Fixed	617.6	154.1	135.1	26.0	-	-	932.8
Mobile	869.6	115.9	49.5	76.1	-	-	1,111.2
Residential service	1,487.2	270.0	184.6	102.1	-	-	2,044.0
Residential equipment	181.2	21.6	16.6	12.0	-	-	231.4
Total Residential	1,668.4	291.6	201.2	114.1	-	-	2,275.3
Business services	817.2	230.1	33.7	26.5	-	0.3	1,107.8
Media	120.7	-	-	-	109.3	56.6	286.5
Total standalone revenues	2,606.3	521.6	235.0	140.5	109.3	56.6	3,669.6
Intersegment elimination	(19.5)	(17.5)	(0.0)	(0.3)	(0.6)	(38.3)	(76.4)
Total consolidated	2,586.8	504.1	234.9	140.2	108.6	18.3	3,593.2

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

For the six months ended June 30, 2020 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Total
Fixed	1,274.4	304.4	291.9	48.5	-	-	1,919.2
Mobile	1,766.5	230.8	108.2	141.5	-	-	2,246.9
Residential service	3,040.9	535.1	400.1	190.0	-	-	4,166.1
Residential equipment	266.0	44.7	29.7	17.2	-	-	357.6
Total Residential	3,306.8	579.7	429.8	207.3	-	-	4,523.6
Business services	1,779.3	442.1	62.3	43.3	-	0.4	2,327.2
Media	157.7	-	-	-	172.2	120.7	450.7
Total standalone revenues	5,243.8	1,021.8	492.1	250.5	172.2	120.7	7,301.5
Intersegment elimination	(23.1)	(33.8)	(0.1)	-	(0.9)	(78.0)	(136.0)
Total consolidated	5,220.8	988.0	491.9	250.4	171.3	42.7	7,165.5

For the six months ended June 30, 2019 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Total
Fixed	1,245.4	307.6	274.6	51.3	-	-	1,879.0
Mobile	1,748.2	231.5	94.4	152.9	-	-	2,227.0
Residential service	2,993.5	539.2	369.0	204.2	-	-	4,105.9
Residential equipment	314.3	42.0	35.5	22.3	-	-	414.0
Total Residential	3,307.8	581.2	404.5	226.4	-	-	4,519.9
Business services	1,624.1	449.4	62.1	53.0	-	0.4	2,188.9
Media	232.9	-	-	-	193.4	116.3	542.5
Total standalone revenues	5,164.7	1,030.5	466.6	279.4	193.4	116.3	7,251.3
Intersegment elimination	(40.7)	(27.7)	(0.1)	(0.3)	(1.4)	(76.7)	(147.0)
Total consolidated	5,124.1	1,002.8	466.5	279.1	191.9	39.6	7,104.3

The table below provides the standalone and consolidated revenues in accordance with IFRS 15 *Revenue from Contracts with Customers* for the three and six-month periods ended June 30, 2020 and 2019.

Revenues split IFRS 15 (€m)	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Fixed residential	952.0	932.8	1,919.2	1,879.0
Mobile residential	1,100.1	1,111.2	2,246.9	2,227.0
Business services	1,115.8	1,063.5	2,200.4	2,107.5
Total telecom excluding equipment sales	3,168.0	3,107.4	6,366.4	6,213.5
Equipment sales	234.1	275.6	484.4	495.3
Media	202.3	286.5	450.7	542.5
Total standalone revenues	3,604.4	3,669.7	7,301.5	7,251.3
Intersegment elimination	(64.4)	(76.4)	(136.0)	(147.0)
Total consolidated	3,540.1	3,593.2	7,165.5	7,104.3

4.3.4. Capital expenditure

The table below details capital expenditure by segment and reconciles to the payments to acquire capital items (tangible and intangible assets) as presented in the condensed consolidated statement of cash flows.

For the six months ended June 30, 2020 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV ¹	Others	Eliminations	Total
Capital expenditure - accrued	978.5	218.2	130.2	57.2	3.7	-	-	(2.6) 1,385.3
Capital expenditure - working capital items	119.3	14.7	(2.9)	(5.3)	-	175.7	-	0.4 301.9
Payments to acquire tangible and intangible assets¹	1,097.8	232.9	127.3	52.0	3.7	175.7	-	(2.3) 1,687.1

For the six months ended June 30, 2019 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV ¹	Others	Eliminations	Total
Capital expenditure - accrued	1,147.2	196.4	117.7	59.4	2.1	7.5	-	(3.7) 1,526.5
Capital expenditure - working capital items	(43.5)	12.1	2.7	(5.3)	-	184.1	-	- 150.2
Payments to acquire tangible and intangible assets¹	1,103.8	208.5	120.4	54.1	2.1	191.6	-	(3.7) 1,676.8

¹ The capital expenditure – working capital items in Altice TV for the six-month period ended June 30, 2020 and 2019 corresponded to the payments of Champions League rights for France acquired by the Group in 2018.

4.3.5. Adjusted EBITDA less accrued Capex

The table below details the calculation of operating free cash flows (“OpFCF”) from Adjusted EBITDA less accrued Capex, as presented to the Board of Directors. This measure is used as an indicator of the Group’s financial performance as the Board of Directors believes it is one of several benchmarks used by investors, analysts and peers for comparison of performance in the Group’s industry, although it may not be directly comparable to similar measures reported by other companies. Adjusted EBITDA and accrued Capex are both reconciled to GAAP reported figures in this note; this measure is a calculation using these two non-GAAP figures, therefore no further reconciliation is provided.

For the six months ended June 30, 2020 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Adjusted EBITDA	2,038.2	411.4	186.0	125.3	32.5	(25.6)	(14.9)	(2.6) 2,750.4
Capital expenditure - accrued	(978.5)	(218.2)	(130.2)	(57.2)	(3.7)	-	-	2.6 (1,385.3)
Operating free cash flow (OpFCF)	1,059.7	193.2	55.8	68.1	28.8	(25.6)	(14.9)	- 1,365.1

For the six months ended June 30, 2019 €m	France	Portugal	Israel Dominican Republic	Teads	Altice TV	Others	Eliminations	Total
Adjusted EBITDA	2,028.0	419.8	174.5	140.7	26.1	(44.8)	(12.9)	(3.5) 2,727.8
Capital expenditure - accrued	(1,147.2)	(196.4)	(117.7)	(59.4)	(2.1)	(7.5)	-	3.7 (1,526.5)
Operating free cash flow (OpFCF)	880.7	223.4	56.8	81.3	24.1	(52.3)	(12.9)	0.2 1,201.3

5. Goodwill

Goodwill is reviewed at the level of each different group of cash generating units (“GCGU” or “CGU” for cash generating units) annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the CGU/GCGU level for impairment as of December 31, 2019. The CGU/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 post-tax discount rates, the terminal growth rate, revenue, Adjusted EBITDA and capital expenditures.

The Board of Directors and the Group’s senior executives have determined that there have not been any changes in circumstances indicating that the carrying amount of goodwill may not be recoverable. In addition, there were no significant changes in assets or liabilities in any CGU/GCGU, while the recoverable amounts continue to significantly exceed the carrying amounts. Therefore, no updated impairment testing was performed, nor any material impairment recorded, for the six-month period ended June 30, 2020.

6. Associates and joint ventures

6.1. Investment in associates and joint ventures

Investments in associates and joint ventures (€m)	As of June 30, 2020	As of December 31, 2019
Associates and joint ventures of Altice France	1,446.8	1,551.4
Associates and joint ventures of PT Portugal	11.1	16.0
Total	1,457.9	1,567.4

6.2. Share of earnings of associates and joint ventures

Share of earnings/(loss) of associates and joint ventures (€m)	Six months ended June 30, 2020	Six months ended June 30, 2019
Associates and joint ventures of Altice France	(114.1)	(68.6)
Associates and joint ventures of PT Portugal	(1.8)	(0.4)
L'Express	(13.1)	-
Total	(129.0)	(69.0)

Share of loss of associates and joint ventures for the six-month period ended June 30, 2020 amounted to €129.0 million loss, an increase in loss of €60.0 million compared to the same period in 2019. The increase was mainly

related to the share of loss related to SFR FTTH (please refer to note 3.2.2) and L'Express (please refer to note 3.2.3).

7. Financial assets

Financial assets (€m)	Note	As of June 30, 2020	As of December 31, 2019
Derivative financial assets	7.1	1,165.0	746.0
Loans and receivables		170.0	160.1
Call options with non-controlling interests	7.2	122.3	142.1
Equity instruments at fair value through OCI	7.3	10.5	601.0
Other financial assets		29.7	25.3
Total		1,497.5	1,674.5
Current		36.1	47.8
Non-current		1,461.4	1,626.7

7.1. Derivative financial assets

The Group has a significant debt book and executes derivative contracts to hedge its position in compliance with its treasury policy. All derivatives are measured at their fair value at the balance sheet date. The total asset position as of June 30, 2020 was €1,165.0 million (2019: €746.0 million) and the increase was mainly caused by the increase in the fair value of derivative assets in Altice France of €210.2 million and in Altice Financing of €217.5 million. Please also refer to note 10.3 for details on each of these derivatives held by the Group and to note 11 for information on the fair value of the derivatives, including the fair value hierarchy.

7.2. Call options with non-controlling interests

Through the various acquisitions that the Group has completed in recent years, the Group signed agreements whereby it has a call option to acquire certain residual non-controlling interests in entities that it has not acquired 100%. The call options are derivative financial instruments and must be re-measured to their fair value at the balance sheet date. The carrying amount of the call options is detailed in note 11.1.

7.3. Equity instrument at fair value through OCI

As of June 30, 2020, the decrease in the equity instruments at fair value through OCI was mostly due to the sale of 24.2 million Altice USA shares of Class A common stock (please see note 3.1.3) for \$583.0 million (€528.8 million). These investments in equity instruments are not held for trading. Instead, they are held for medium term. Accordingly, the Board of Directors has elected to designate these as equity instruments at fair value through other comprehensive income ("FVTOCI").

8. Shareholders' equity

Equity attributable to owners of the Company (€m)	Notes	As of June 30, 2020	As of December 31, 2019
Issued capital	8.1	59.5	59.5
Treasury shares	8.2	(0.4)	(0.4)
Additional paid in capital		5.7	5.7
Other reserves	8.3	(551.8)	(500.5)
Accumulated losses		(1,513.8)	(2,098.9)
Total		(2,000.8)	(2,534.6)

8.1. Issued capital

Share capital	Total shares authorized (number)	Total capital authorized (€m)	Number of shares issued (number)	Value per share (cents)	Total capital issued (€m)
June 30, 2020					
Common Shares A	4,774,066,475	47.7	1,057,529,900	0.01	10.6
Common Shares B	209,037,341	52.3	195,481,126	0.25	48.9
Preference Shares A	4,000,000,000	160.0	-	0.04	-
Preference Shares B	150,000,000	1.5	1,855,664	0.01	0.0
Total	9,133,103,816	261.5	1,254,866,690		59.5

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Share capital	Total shares authorized (number)	Total capital authorized (€m)	Number of shares issued (number)	Value per share (cents)	Total capital issued (€m)
December 31, 2019					
Common Shares A	4,754,551,450	47.5	1,038,014,875	0.01	10.4
Common Shares B	209,817,942	52.5	196,261,727	0.25	49.1
Preference Shares A	4,000,000,000	160.0	-	0.04	-
Preference Shares B	150,000,000	1.5	1,391,748	0.01	0.0
Total	9,114,369,392	261.5	1,235,668,350		59.5

As at June 30, 2020, the Company had a total of 1,194,011,147 common shares outstanding (998,530,021 common shares A and 195,481,126 common shares B) and 1,855,664 preference shares B outstanding in the market. The Company held a total of 58,999,879 common shares A with a nominal value of €0.01 as treasury shares as of June 30, 2020. The preference shares B were issued to the Company's CEO (927,832 shares issued on July 20, 2018, 463,916 shares issued on January 9, 2019 and 463,916 shares issued on January 6, 2020).

8.2. Treasury shares

The table below provides a reconciliation of treasury shares held by the Company and the movements in the period.

Reconciliation of treasury shares	Six months ended June 30, 2020	Year ended December 31, 2019
Opening	40,265,455	615,998,253
Conversions	18,734,424	313,350,576
Cancellation of treasury shares	-	(885,000,000)
Share transfer	-	(4,083,374)
Closing	58,999,879	40,265,455
Common shares A	58,999,879	40,265,455
Common shares B	-	-

8.2.1. Shares conversions

For the six-month period ended June 30, 2020, the Company received and executed conversion orders, amounting to a total of 780,601 common shares B. For each conversion, 1 common share B is converted to 25 common shares A and 24 common shares A are subsequently acquired by the Company for nil consideration and retained as treasury shares. As a result, a total of 19,515,025 common shares A was created during the period, of which 18,734,424 shares were held as treasury shares.

8.3. Other reserves

The tax effects of the Group's currency, fair value through OCI, cash flow hedge and employee benefits reserves are provided below:

Other reserves (€m)	June 30, 2020			December 31, 2019		
	Pre-tax amount	Tax effect	Net amount	Pre-tax amount	Tax effect	Net amount
Actuarial gains and losses	(162.9)	35.7	(127.2)	(193.1)	45.5	(147.6)
Items not reclassified to profit or loss	(162.9)	35.7	(127.2)	(193.1)	45.5	(147.6)
Fair value through OCI	3.9	-	3.9	236.5	-	236.5
Currency translation reserve	(295.3)	-	(295.3)	(305.3)	-	(305.3)
Cash flow hedge reserve	(237.3)	104.1	(133.2)	(438.8)	154.6	(284.2)
Items potentially reclassified to profit or loss	(528.7)	104.1	(424.6)	(507.6)	154.6	(353.0)
Total	(691.6)	139.8	(551.8)	(700.7)	200.1	(500.6)

9. Earnings per share

Earnings per share (€m)	For the three months ended June 30, 2020	For the three months ended June 30, 2019	For the six months ended June 30, 2020	For the six months ended June 30, 2019 (*restated)
(Loss)/profit for the period attributable to equity holders of the parent	(502.6)	(525.1)	(626.4)	961.6
Basic earnings per share				
Weighted average number of ordinary shares	1,195.9	1,191.7	1,195.9	1,191.7
<i>Basic (loss)/earnings per ordinary share (in €)</i>	<i>(0.4)</i>	<i>(0.4)</i>	<i>(0.5)</i>	<i>0.8</i>
Diluted earnings per share				
Dilutive shares: stock options and management investment plan	-	-	-	65.6
Weighted average number of ordinary shares including dilutive shares	1,195.9	1,191.7	1,195.9	1,257.3
<i>Diluted (loss)/earnings per ordinary share (in €)</i>	<i>(0.4)</i>	<i>(0.4)</i>	<i>(0.5)</i>	<i>0.8</i>

As both common shares A and common shares B have the same economic rights, basic earnings per share is calculated using the aggregate number of shares in circulation, excluding treasury shares held by the Company.

10. Borrowings, other financial liabilities and lease liabilities

Borrowings, other financial liabilities and lease liabilities (€m)	Notes	June 30, 2020	December 31, 2019
Long term borrowings, financial liabilities and related hedging instruments		31,126.3	32,102.0
- <i>Debentures</i>	<i>10.1</i>	<i>20,136.1</i>	<i>20,627.3</i>
- <i>Loans from lenders</i>	<i>10.1</i>	<i>10,057.6</i>	<i>10,767.9</i>
- <i>Derivative financial instruments</i>	<i>10.3</i>	<i>932.6</i>	<i>706.8</i>
Other non-current financial liabilities	<i>10.7</i>	1,277.9	476.2
Lease liabilities non-current		3,607.9	3,644.6
Non-current liabilities		36,012.1	36,222.8
Short term borrowing, financial liabilities and related hedging instruments		421.4	432.8
- <i>Debentures</i>	<i>10.1</i>	<i>355.5</i>	<i>257.5</i>
- <i>Loans from lenders</i>	<i>10.1</i>	<i>70.3</i>	<i>163.5</i>
- <i>Derivative financial instruments</i>	<i>10.3</i>	<i>(4.4)</i>	<i>11.8</i>
Other financial liabilities	<i>10.7</i>	1,654.0	1,822.2
- <i>Other financial liabilities</i>		<i>1,132.3</i>	<i>1,274.4</i>
- <i>Bank overdraft</i>		<i>12.2</i>	<i>6.7</i>
- <i>Accrued interests</i>		<i>509.5</i>	<i>541.1</i>
Lease liabilities current		785.7	758.4
Current liabilities		2,861.1	3,013.4
Total		38,873.2	39,236.2

10.1. Debentures and loans from lenders

Debentures and loans from lenders (€m)	Notes	June 30, 2020	December 31, 2019
Debentures	10.1.1	20,491.6	20,884.8
Loans from lenders	10.1.2	10,127.9	10,931.4
Total		30,619.5	31,816.2

10.1.1. Debentures

Maturity of debentures (€m)	Less than one year	One year or more	June 30, 2020	December 31, 2019
Altice France	-	10,160.4	10,160.4	9,671.9
Altice France Holding	-	4,258.3	4,258.3	-
Altice Luxembourg	-	-	-	4,839.6
Altice Financing	-	5,043.9	5,043.9	4,750.8
Altice Finco	355.5	673.5	1,029.0	1,622.5
Total	355.5	20,136.1	20,491.6	20,884.8

10.1.2. *Loans from lenders*

Maturity of loans from lenders (€m)	Less than one year	One year or more	June 30, 2020	December 31, 2019
Altice France (including RCF) *	51.2	7,166.5	7,217.7	7,340.4
Altice Corporate Financing	-	1,059.6	1,059.6	1,728.0
Altice Financing (including RCF) *	19.1	1,831.3	1,850.4	1,861.4
Others	-	0.2	0.2	1.6
Total	70.3	10,057.6	10,127.9	10,931.4

* RCF amounts have been classified as amounts which mature in less than one year, but can be extended till the maturity date of the RCF agreement. Please refer to note 10.6 for further details regarding the credit facilities.

10.2. **Financing activities**

During the six-month period ended June 30, 2020, the following financing transactions have been closed.

10.2.1. *Redemption and repurchase of notes*

The Group has undertaken the following redemptions of notes since January 1, 2020:

- On January 13, 2020, Altice Finco redeemed in full the outstanding 2013 Altice Finco Euro Senior Notes, in an aggregate principal amount of €250 million, in accordance with the 2013 Altice Finco Euro Senior Notes Indenture;
- On February 10, 2020, Altice Finco redeemed in full the outstanding 2013 Altice Finco Dollar Senior Notes, in an aggregate principal amount of \$400 million, in accordance with the 2013 Altice Finco Dollar Senior Notes Indenture;
- On February 18, 2020, Altice Financing redeemed in full the outstanding 2015 Altice Financing Senior Secured Notes, in an aggregate principal amount of €2,400.0 million equivalent, in accordance with the 2015 Altice Financing Senior Secured Notes Indenture;
- On February 24, 2020 and March 9, 2020, Altice Luxembourg redeemed in full the outstanding 2015 Altice Luxembourg Senior Notes, in two parts, in an aggregate principal amount of €2,108.0 million equivalent, in accordance with the 2015 Altice Luxembourg Senior Notes Indenture;
- On March 6, 2020, Altice Luxembourg redeemed in full the outstanding 2019 Altice Luxembourg Euro Senior Notes, in an aggregate principal amount of €82.6 million, in accordance with the 2019 Altice Luxembourg Senior Notes Indenture; and
- On March 6, 2020, Altice Luxembourg redeemed in full the outstanding 2019 Altice Luxembourg Dollar Senior Notes, in an aggregate principal amount of \$38.0 million, in accordance with the 2019 Altice Luxembourg Senior Notes Indenture.

In addition, over the period from June 4, 2020 until June 30, 2020, Altice Financing repurchased and cancelled \$156.7 million of its 7.5% 2026 notes.

10.2.2. *Issuance of the 2020 Altice Financing Senior Secured Notes*

On January 22, 2020, Altice Financing issued \$1,200 million aggregate principal amount of 5.000% Senior Secured Notes due January 15, 2028, €1,100 million aggregate principal amount of 3.000% Senior Secured Notes due January 15, 2028 and €600 million aggregate principal amount of 2.250% Senior Secured Notes due January 15, 2025 (together, the “2020 Altice Financing Senior Secured Notes”).

10.2.3. *Exchange offer completed by Ypso Finance Bis*

As part of this transaction, on January 24, 2020, the Company announced that it would significantly simplify the Group’s capital structure through the removal of Altice Luxembourg HoldCo, a long-standing objective for the Group. Following an exchange offer and the Automatic Exchange (please also refer to note 10.2.9), this resulted in a Group’s capital structure with direct access to cashflows from two distinct, diversified funding pools.

On January 24, 2020, Ypso Finance Bis, a subsidiary of the Group, commenced an exchange offer to noteholders of Altice Luxembourg’s (i) 2019 Altice Luxembourg Dollar Senior Notes and (ii) 2019 Altice Luxembourg Euro Senior Notes, to exchange the 2019 Altice Luxembourg Dollar Senior Notes for an equal aggregate principal amount of corresponding dollar denominated 10.500% senior notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Dollar Notes”) and the 2019 Altice Luxembourg Euro Senior Notes for an equal aggregate principal amount of corresponding euro denominated 8.000% senior notes due 2027 issued by Ypso Finance Bis (the “Ypso Finance Bis Exchange Euro Notes”).

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

At the expiration of the exchange offer, a total of \$1,562 million (accounting for 97.63% of the outstanding aggregate principal) of the 2019 Altice Luxembourg Dollar Senior Notes and €1,317 million (accounting for 94.10% of the outstanding aggregate principal) of the 2019 Altice Luxembourg Euro Senior Notes were tendered and accepted. On February 27, 2020, \$1,562 million of Ypso Finance Bis Exchange Dollar Notes and €1,317 million of Ypso Finance Bis Exchange Euro Notes were issued by Ypso Finance Bis.

On March 6, 2020, Altice Luxembourg redeemed the remaining €82.6 million aggregate principal amount of the 2019 Altice Luxembourg Euro Senior Notes and the remaining \$38.0 million aggregate principal amount of the 2019 Altice Luxembourg Dollar Senior Notes, in each case not tendered in and exchanged in connection with the exchange offer.

10.2.4. Issuance of the 2020 Altice France Senior Secured Notes

On February 6, 2020, Altice France issued €500 million aggregate principal amount of its euro denominated 2.125% Senior Secured Notes due February 15, 2025.

10.2.5. Issuance of the 2020 Ypso Finance Bis Senior Notes

On February 6, 2020, Ypso Finance Bis issued \$1,225 million aggregate principal amount of its dollar denominated 6.000% Senior Notes due February 15, 2028 (the “2020 Ypso Finance Bis Dollar Senior Notes”) and €500 million aggregate principal amount of its euro denominated 4.000% Senior Notes due February 15, 2028 (the “2020 Ypso Finance Bis Euro Senior Notes”) and, together with the 2020 Ypso Finance Bis Dollar Senior Notes, the “2020 Ypso Finance Bis Senior Notes”).

10.2.6. Amendment of 2014 Altice Financing Revolving Credit Facility Agreement

On February 20, 2020, all of the lenders under the 2014 Altice Financing Revolving Credit Facility Agreement agreed to amend the 2014 Altice Financing Revolving Credit Facility Agreement to extend the maturity date to February 20, 2025, reduce the margin and make certain other changes.

10.2.7. Bridge facility

On March 3, 2020, Altice Finco entered into a term loan credit agreement providing for, among other things, a euro denominated term loan in an aggregate principal amount of €500 million (the “2020 Altice Finco Bridge Credit Facility”). The term loan bears interest at a rate per annum equal to the weighted average rate of 2-month and 3-month EURIBOR for the period between the funding date of the 2020 Altice Finco Bridge Credit Facility (March 5, 2020) and the maturity date of the 2020 Altice Finco Bridge Credit Facility (May 29, 2020), plus the applicable margin of 2.5% per annum. The proceeds from the term loan borrowed under the 2020 Altice Finco Bridge Credit Facility were used to fund in part the redemption of the 2015 Altice Luxembourg Senior Notes. On April 17, 2020, Altice Finco fully repaid the 2020 Altice Finco Bridge Credit Facility.

10.2.8. New revolving credit facility at Altice France Holding

On March 26, 2020, all of the lenders under the 2014 Altice Luxembourg Revolving Credit Facility Agreement agreed to amend and restate the 2014 Altice Luxembourg Revolving Credit Facility Agreement to replace Altice Luxembourg as borrower thereunder with Altice France Holding, and make certain other related changes.

10.2.9. Automatic Exchange

On March 26, 2020, upon satisfaction of certain conditions, comprising full discharge, cancellation and/or redemption of the 2019 Altice Luxembourg Senior Notes and the 2015 Altice Luxembourg Senior Notes, (i) the Ypso Finance Bis Exchange Dollar Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 10.500% senior notes due 2027 issued by Altice France Holding, (ii) the Ypso Finance Exchange Euro Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 8.000% senior notes due 2027 issued by Altice France Holding, (iii) the 2020 Ypso Finance Bis Dollar Senior Notes were automatically exchanged for an equal aggregate principal amount of dollar-denominated 6.000% senior notes due 2028 issued by Altice France Holding and (iv) the 2020 Ypso Finance Bis Euro Senior Notes were automatically exchanged for an equal aggregate principal amount of euro-denominated 4.000% senior notes due 2028 issued by Altice France Holding (the actions described in sub-clauses (i)-(iv) collectively, the “Automatic Exchange”).

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

After the Automatic Exchange, the Altice Luxembourg group does not hold any third party debentures or loans from lenders and therefore does not have any reporting requirements towards lenders anymore.

10.2.10. Partial repayment and extension of the maturity of the Altice Corporate Financing facility

On May 19, 2020, the Company announced the extension of the maturity and a partial repayment of the Altice Corporate Financing (“ACF”) facility. The Company repaid €668 million of the ACF facility with cash available on balance sheet. After this repayment, the ACF facility has been reduced from €1,728 million to €1,060 million. The coupon has been reduced from 6.85% to 6.625%. The maturity of the remaining facility has been extended from June 30, 2021 to June 30, 2023.

10.3. Derivatives and hedge accounting

As part of its financial risk management strategy, the Group enters certain hedging operations. The main instruments used are fixed to fixed or fixed to floating cross-currency and interest rate swaps (“CCIRS”) that cover against foreign currency and interest rate risk related to the Group’s debt obligations. The Group applies hedge accounting for the operations that meet the eligibility criteria as defined by IAS 39 *Financial Instruments: Recognition and Measurement* (the Group continues to apply the requirement of IAS 39 related to hedge accounting, as allowed under IFRS 9 *Financial Instruments*).

For calculating the value of the derivatives, the future cash flows are estimated using market observable data at the end of the reporting period (namely, forward exchange rates and interest rates) and the contracted rates of the derivative discounted at a rate that reflects the counterparty credit risk.

10.3.1. CCIRS

The following table provides a summary of the Group’s CCIRS.

Entity Maturity	Notional amount due from counterparty (millions)	Notional amount due to counterparty (millions)	Interest rate due from counterparty	Interest rate due to counterparty	Accounting treatment ¹
Altice France S.A.					
July 2022	USD 550	EUR 498	3m LIBOR+3.25%	3m EURIBOR+2.93%	FVPL
January 2023	USD 1,240	EUR 1,096	3m LIBOR+4.00%	3m EURIBOR+4.27%	FVPL
January 2024	USD 1,425	EUR 1,164	3m LIBOR+4.25%	3m EURIBOR+4.41%	FVPL
April 2024	USD 2,349	EUR 2,069	7.38%	5.76%	FVPL
July 2024	USD 1,989	EUR 1,644	7.38%	6.21%	FVPL
February 2028	USD 1,150	EUR 1,046	6.00%	4.06%	FVPL
January 2026	USD 350	EUR 298	LIBOR+3.00%	3m EURIBOR+2.76%	FVPL
May 2026	USD 852	EUR 768	7.38%	4.78%	FVPL
August 2026	USD 2,514	EUR 2,073	LIBOR+4.00%	5.50%	FVPL
February 2027	USD 1,736	EUR 1,435	8.13%	6.15%	FVPL
May 2027	USD 200	EUR 175	10.50%	7.86%	FVPL
January 2028	USD 1,100	EUR 996	5.50%	3.32%	FVPL
Altice Financing S.A.					
May 2022	USD 350	EUR 305	7.50%	5.25%	FVPL
May 2026	USD 1,150	EUR 1,004	10.50%	7.91%	FVPL
May 2026	USD 930	EUR 853	7.50%	7.40%	FVPL
July 2025	USD 485	EUR 449	3m LIBOR+2.75%	3m EURIBOR+2.55%	FVPL
July 2024	USD 1,660	EUR 1,403	7.50%	6.06%	FVPL
February 2022	EUR 94	USD 107	3m EURIBOR+4.13%	3m LIBOR+4.25%	FVPL
January 2028	USD 1,200	EUR 1,079	5.00%	3.04%	FVPL

¹ The derivatives are all measured at fair value. The change in fair value of derivatives classified as cash flow hedges (“CFH”) in accordance with IAS 39 is recognized in the cash flow hedge reserve. The derivatives for which no hedge accounting has been applied have the change in fair value recognised immediately in profit or loss (“FVPL”).

The change in fair value of all derivative instruments designated as cash flow hedges was recorded in other comprehensive income for the six-month period ended June 30, 2020. Before the impact of taxes, gains of €201.5 million were recorded in other comprehensive income (€151.0 million net of taxes).

10.3.2. Interest rate swaps

The Group enters into interest rate swaps to cover its interest rate exposure in line with its treasury policy. These swaps cover the Group’s debt portfolio and do not necessarily relate to specific debt issued by the Group. The details of the instruments are provided in the following table.

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Entity Maturity	Notional amount due from counterparty (millions)	Notional amount due to counterparty (millions)	Interest rate due from counterparty	Interest rate due to counterparty	Accounting treatment
Altice France S.A.					
August 2020	USD 2,481	USD 2,481	1m LIBOR+0.14%	3m LIBOR	FVPL
July 2024	EUR 1,400	EUR 1,400	6.68%	6m EURIBOR + 3.0%	FVPL
April 2024	EUR 2,000	EUR 2,000	5.76%	6m EURIBOR + 3.0%	FVPL
January 2030	EUR 3,400	EUR 3,400	6m EURIBOR+3.0%	4.63%	FVPL
January 2023	EUR 4,000	EUR 4,000	3m EURIBOR	-0.12%	FVPL
Altice Financing S.A.					
April 2021	USD 878	USD 878	1m LIBOR	3m LIBOR - 0.200%	FVPL
April 2021	USD 883	USD 883	1m LIBOR	3m LIBOR - 0.200%	FVPL
January 2030	EUR 750	EUR 750	3m EURIBOR	-0.44%	FVPL

10.4. Reconciliation to swap adjusted debt

The various hedge transactions mitigate interest and foreign exchange risks on the debt instruments issued by the Group. Such instruments cover both the principal and the interest due. A reconciliation from the carrying amount of the debt as per the statement of financial position and the amount due of the debt, considering the effect of the hedge operations (i.e., the “swap adjusted debt”), and a reconciliation to net debt is provided below:

Net debt reconciliation (€m)	June 30, 2020	December 31, 2019
Debentures and loans from lenders	30,619.5	31,816.2
Transaction costs	265.9	300.9
Total (including transaction costs)	30,885.4	32,117.1
Conversion of debentures and loans in foreign currency (at closing spot rate)	(43,387.9)	(35,837.1)
Conversion of debentures and loans in foreign currency (at hedged rates)	42,861.6	34,992.7
Total swap adjusted debt	30,359.0	31,272.7
Finance lease liabilities	94.6	105.9
Commercial paper	31.5	149.0
Other	39.3	66.0
Gross debt	30,524.4	31,593.6
Cash and cash equivalents	(1,573.3)	(1,022.1)
Restricted cash related to Altice Corporate Financing facility	-	(82.1)
Net debt	28,951.1	30,489.4

10.5. 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:

Reconciliation between Net Financial Liabilities and Net Financial Debt (€m)	June 30, 2020	December 31, 2019
Financial liabilities	38,873.2	39,236.2
Derivative assets	(1,165.0)	(746.0)
Cash and cash equivalents	(1,573.3)	(1,022.1)
Restricted cash related to Altice Corporate Financing facility	-	(82.1)
Net financial debt - consolidated statement of financial position	36,134.9	37,386.0
<i>Reconciliation:</i>		
Transaction costs	265.9	300.9
Rate impact derivative instruments	(289.6)	(817.0)
Lease liabilities	(4,299.0)	(4,297.1)
Reverse factoring and securitisation	(1,042.1)	(1,046.1)
Accrued interest	(509.5)	(541.1)
Mandatory Convertible Notes	(799.8)	-
Put options with non-controlling interests	(197.5)	(193.4)
Deposits received	(199.2)	(201.2)
Buy out minority interest ERT Lux	(30.0)	(41.1)
Perpetual subordinated notes ("TSDI") - Altice France	(58.7)	(56.8)
Other	(24.3)	(3.7)
Net financial debt	28,951.1	30,489.4

10.6. Available credit facilities

Available credit facilities (€m)	Total facility	Drawn
Altice France S.A.	1,601.0	10.0
Altice Financing S.A.	581.0	-
Revolving credit facilities	2,182.0	10.0

Compared to December 31, 2019, the available credit facilities in Altice France increased by €186.0 million due to new revolving credit facility at Altice France Holding, please also refer to note 10.2.8. Drawings of the revolving credit facilities are mainly used for working capital related expenditures.

10.7. Other financial liabilities

Other financial liabilities (€m)	June 30, 2020			December 31, 2019		
	Current	Non-current	Total	Current	Non-current	Total
Reverse factoring and securitisation	1,042.1	-	1,042.1	1,046.1	-	1,046.1
Accrued interest	509.5	-	509.5	541.1	-	541.1
Mandatory Convertible Notes	-	799.8	799.8	-	-	-
Put options with non-controlling interests	-	197.5	197.5	-	193.4	193.4
Deposits received	27.6	171.6	199.2	33.9	167.3	201.2
Bank overdraft	12.2	-	12.2	6.7	-	6.7
Commercial paper	31.5	-	31.5	149.0	-	149.0
Buy out minority interest ERT Lux	10.0	20.0	30.0	11.1	30.0	41.1
Perpetual subordinated notes ("TSDI") - Altice France	-	58.7	58.7	-	56.8	56.8
Other	21.2	30.3	51.5	34.3	28.7	63.0
Total	1,654.0	1,277.9	2,931.9	1,822.2	476.2	2,298.4

10.7.1. Reverse factoring and securitisation

Through the use of reverse factoring structures, the Group extends its payment terms up to 360 days, reducing its requirements for working capital. The contractual arrangements in place permit the supplier to obtain the amounts invoiced at agreed payment term with the amounts paid by the banks that participate in the reverse factoring structure. The Group will repay the banks the full invoice amount, with interest, on the scheduled payment date as required by the reverse factoring agreement. Based on the scheduled payment dates, the amounts payable under this arrangement are accounted for as current liabilities. As the amounts are payable to the participating banks, the amounts have been presented under Other financial liabilities. In the condensed consolidated statement of cash flows, the cash flows related to reverse factoring are presented under Changes in working capital for the movement in Trade payable and Other cash provided by financing activities relating to the net payment to the banks. The decrease in reverse factoring and securitisation as at June 30, 2020 compared to December 31, 2019 is due to the combination of timing of reverse factoring capacity with the banks and a reduction of secured business services receivables resulting from recovery efforts in Altice France.

10.7.2. Mandatory convertible notes

On April 17, 2020, PT Portugal and Morgan Stanley Infrastructure Partners entered into a subscription agreement regarding the issuance and subscription of €1,600.0 million mandatory convertible notes in which the parties subscribed considering the percentage of interest in equity of Fastfiber. The €799.8 million relates to the financial liability of the Group towards Morgan Stanley Infrastructure Partners.

10.7.3. Commercial paper

During the six-month period ended June 30, 2020, Altice France decreased its borrowings under its commercial paper program by €117.5 million.

11. Fair value of financial assets and liabilities

11.1. Fair value of assets and liabilities

The table below shows the carrying value compared to fair value of financial assets and liabilities:

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Fair values of assets and liabilities (€m)	June 30, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Cash and cash equivalents	1,573.3	1,573.3	1,022.1	1,022.1
Restricted cash	35.4	35.4	119.5	119.5
Derivatives	22.4	22.4	31.0	31.0
Other financial assets	13.7	13.7	16.8	16.8
Current assets	1,644.8	1,644.8	1,189.4	1,189.4
Derivatives	1,142.6	1,142.6	715.0	715.0
Call options on non-controlling interests	122.3	122.3	142.1	142.1
Equity instruments at fair value through OCI	10.5	10.5	601.0	601.0
Other financial assets	186.0	186.0	168.6	168.6
Non-current assets	1,461.4	1,461.4	1,626.7	1,626.7
Short term borrowings and financial liabilities	425.8	425.8	421.0	421.0
Derivatives	(4.4)	(4.4)	11.8	11.8
Lease liabilities	785.7	785.7	758.4	758.4
Reverse factoring and securitisation	1,042.1	1,042.1	1,046.1	1,046.1
Accrued interest	509.5	509.5	541.1	541.1
Commercial paper	31.5	31.5	149.0	149.0
Bank overdrafts	12.2	12.2	6.7	6.7
Other financial liabilities	58.7	58.7	79.3	79.3
Current liabilities	2,861.1	2,861.1	3,013.4	3,013.4
Long term borrowings and financial liabilities	30,193.7	30,310.6	31,395.2	33,039.6
Put options with non-controlling interests	197.5	197.5	193.4	193.4
Mandatory Convertible Notes	799.8	799.8	-	-
Derivatives	932.6	932.6	706.8	706.8
Lease liabilities	3,607.9	3,607.9	3,644.6	3,644.6
Other financial liabilities	280.6	280.6	282.8	282.8
Non-current liabilities	36,012.1	36,129.0	36,222.8	37,867.2

During the six-month period ended June 30, 2020, there were no transfers of assets or liabilities between levels of the fair value hierarchy. There are no non-recurring fair value measurements. The Group's trade and other receivables and trade and other payables are not shown in the table above as their carrying amounts approximate their fair values.

11.1.1. New put and call options

During the six-month period ended June 30, 2020, the Group did not enter into new put-call option contracts.

11.1.2. Fair value hierarchy

The following table provides information about the fair values of the Group's financial assets and liabilities and which level in the fair value hierarchy they are classified.

Fair value measurement (€m)	Fair value hierarchy	Valuation technique	June 30, 2020	December 31, 2019
Financial Liabilities				
Derivative financial instruments	Level 2	Discounted cash flows	928.2	718.5
Minority Put Option - Teads	Level 3	Discounted cash flows	157.3	153.4
Minority Put Option - Intelcia	Level 3	Discounted cash flows	40.0	40.0
Financial Assets				
Derivative financial instruments	Level 2	Discounted cash flows	1,165.0	746.0
Minority Call option - Teads	Level 3	Black and Scholes model	93.8	113.6
Minority Call option - Intelcia	Level 3	Black and Scholes model	28.5	28.5
Altice USA shares ¹	Level 1	Quoted share price	6.1	595.9
Equity instruments at FVOCI - Partner Co. Ltd.	Level 1	Quoted share price	4.4	5.1

1 The interest in Altice USA was revalued at fair value through Other Comprehensive Income, based on the requirements of IFRS 9 *Financial Instruments*. During June 2020, 24.2 million of the 24.5 million Altice USA shares of Class A common stock have been sold for an amount of €528.8 million (please refer to note 3.1.3).

11.1.3. Information on valuation techniques

11.1.3.1. Investments in listed entities

Quoted prices directly available from an active market are used to source the fair value, i.e. the quoted share price of the listed investments in Altice USA and Partner Co. These valuations are directly observable in an open market and therefore the Group has concluded that these instruments should be classified within Level 1 of the fair value hierarchy.

11.1.3.2. *Derivative financial instruments*

Future cash flows are estimated using market observable data at the end of the reporting period (namely, forward exchange rates and interest rates) and the contracted rates of the derivative discounted at a rate that reflects the counterparty credit risk. Since model inputs can generally be verified and do not involve significant management judgement, the Company has concluded that these instruments should be classified within Level 2 of the fair value hierarchy.

11.1.3.3. *Put options*

Each contract has specific terms and conditions, and the valuation is performed using the contracted terms and assessment against market comparable information where appropriate. For example, the exercise price in the option may be determined based on an EBITDA multiple minus the net financial debt. In all instances, the probabilities of the option being exercised is determined using management's best estimate and judgement. The resulting fair value is discounted using appropriate discount rates of the related funding pool (4.0%). These models use a variety of inputs that use judgements not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

11.1.3.4. *Call options*

The valuation is derived by calculating the intrinsic value, being the difference in the value of the underlying asset and the options exercise price, and time value of the option, which accounts for the passage of time until the option expires. Various inputs are used, including the price of the underlying asset and its volatility, the strike price and maturity in the contract, and the risk-free rate and dividend yield. The model calculates the possible prices of the underlying asset and their respective probability of occurrence, given these inputs. These models use a variety of inputs that use judgements not able to be verified externally, therefore the Group has concluded that these instruments should be classified within Level 3 of the fair value hierarchy.

11.2. Level 3 financial instruments

11.2.1. *Assumptions with management judgement used in fair value measurement*

The instruments in Level 3 are the put and call options with the non-controlling interests in acquired entities. The valuation methods used to determine the fair value of these instruments include certain inputs that do not use publicly available information and therefore require management's judgement. Those with significant impact on the fair value of the instruments concerned are deemed to be categorized as Level 3 of the fair value hierarchy. Further details on these valuation methods and the associated inputs using judgements and which can have a significant impact on the fair value are presented below.

Valuation method	Inputs with significant judgement	How management determines inputs	Relationship to fair value
Black and Scholes model (call options)	Price of the underlying asset	Based on EBITDA multiple approach using business plans prepared by management to derive an appropriate EBITDA of the company to use in the valuation	An increase in projected EBITDA used in isolation would result in increase in the fair value
	Volatility of underlying asset	Based on analysis of peers' volatility to derive an appropriate volatility rate	A significant increase in the volatility used in isolation would result in significant increase in the fair value
Multiples approach (put options)	Projected group net sales	Projected sales are determined using internally produced budgets using management's best estimates of future operations of the entities concerned	A slight increase in the projected group net sales used in isolation would result in significant increase in the fair value
	Projected group financial net debt	Projected net debt is determined using internally produced budgets using management's best estimates of future operations of the entities concerned	An increase in the projected net debt used in isolation would result in decrease in the fair value
	Discount rate	Based upon the cost of debt of the funding pool	An increase in the discount rate used in isolation would result in decrease in the fair value

11.2.2. *Reconciliation of movement in fair value of Level 3 financial instruments*

Change in fair value of level 3 instruments (€m)	Available for sale unlisted shares	Minority put options	Minority call options	June 30, 2020
Opening balance	-	(193.4)	142.1	(51.3)
Change in value of minority put options recorded in equity	-	(3.9)	-	(3.9)
Gains or losses recognised in profit or loss	-	-	(19.8)	(19.8)
Closing balance	-	(197.3)	122.3	(75.0)

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Change in fair value of level 3 instruments (€m)	Available for sale unlisted shares	Minority put options	Minority call options	December 31, 2019
Opening balance	-	(161.6)	63.5	(98.1)
Change in value of minority put options recorded in equity	-	(31.8)	-	(31.8)
Gains or losses recognised in profit or loss	-	-	78.6	78.6
Closing balance	-	(193.4)	142.1	(51.3)

12. Taxation

Tax expense (€m)	Six months ended June 30, 2020	Six months ended June 30, 2019 (*restated)
Profit before income tax and share of earnings of associates and joint ventures	(322.8)	998.7
Income tax (expense)/benefit	(131.6)	58.7
Effective tax rate	-41%	-6%

The Group is required to use an estimated annual effective tax rate to measure the income tax benefit or expense recognized in an interim period.

The Group recorded an income tax expense of €131.6 million for the six-month period ended June 30, 2020, reflecting a negative effective tax rate of 41% compared to an income tax benefit of €58.7 million for the six-month period ended June 30, 2019, reflecting a negative effective tax rate of 6%. Without the effect of the capital gain in France related to the disposal of a 49.99% equity stake in SFR FTTH on March 27, 2019 (please refer to note 3.2.2), the effective tax rate for the six-month period ended June 30, 2019 would have been an effective tax rate of 6.5%.

Non-deductible expenses and other permanent differences as well as non-recognition of tax losses as deferred tax assets had the impact of increasing the Group's income tax expense for the six-month period ended June 30, 2020, which resulted in a more negative effective tax rate in the context of a negative income.

Income tax litigation

There was no significant development in existing tax litigations since the publication of the annual consolidated financial statements that have had, or that may have, a significant effect on the financial position of the Group.

13. Net finance costs

Net finance costs (€m)	Three months ended June 30, 2020	Three months ended June 30, 2019	Six months ended June 30, 2020	Six months ended June 30, 2019
Interest relative to gross financial debt	(422.7)	(542.2)	(873.7)	(1,043.9)
Realized and unrealized gains on derivative instruments linked to financial debt	(255.2)	394.1	339.9	432.1
Interest on lease liabilities	(47.5)	(45.3)	(87.6)	(93.7)
Net foreign exchange losses	45.0	(406.0)	(179.3)	(406.0)
Impairment of available for sale financial assets	(7.9)	(3.2)	(3.7)	(3.2)
Other	(18.8)	(29.9)	(56.7)	(65.9)
Other financial expenses	(29.1)	(484.4)	(327.3)	(568.8)
Finance income	1.1	(9.5)	4.2	14.4
Net result on extinguishment of financial liabilities	(28.7)	(127.8)	(200.3)	(127.8)
Finance costs, net	(734.6)	(769.7)	(1,057.2)	(1,294.0)

The net finance costs for the six-month period ended June 30, 2020 decreased by €236.8 million compared to €1,294.0 million for the same period in 2019. The decrease was mainly attributed to:

- lower interest relative to gross financial debt mainly in Altice Luxembourg and Altice France following the refinancing activities in 2018, 2019 and in the first quarter of 2020 (please refer to note 10.2);
- lower realized and unrealized gains on derivative instruments due to higher gains in variation in the mark to market of the swaps of Altice Financing and Altice France;
- a decrease in interest expenses related to lease liabilities, included in the caption Other financial expenses, that amounted to €87.6 million (2019: €93.7 million);
- lower net foreign exchange loss, amounting to a €179.3 million loss (2019: €406.0 million gain) mainly in Altice Financing and Altice Luxembourg; and

- a higher loss on extinguishment of financial liability that amounted to €200.3 million (2019: €127.8 million), which resulted from redemptions of the Group's notes in Altice Luxembourg, Altice Financing and Altice Finco (please refer to note 10.2.1).

14. Related party transactions

Transactions with related parties during the six-month period ended June 30, 2020 are mainly related to transactions with Altice USA, transactions with associates and joint ventures of the various operating entities of the Group and payments for services rendered by the controlling shareholder of the Group. Such transactions include:

- exchange of services between Altice France and PT Portugal and their associates (please refer to note 6 for more details on Altice France's and PT Portugal's associates);
- exchange of services between Altice USA, Teads and PT Portugal;
- exchange of services like healthcare insurance, infrastructure services and broadcasting of sport events between PT Portugal and its associates;
- services between Altice France and SFR FTTH, its joint venture partner for FTTH build-out services; and
- rental agreements entered into with Quadrans, a company controlled by the ultimate beneficial owner of the Group, for office space in France for the Altice France group.

Revenue reported with the Company's equity holder of €21.6 million and €7.8 million was recognised in the consolidated statement of income for the six-month period ended June 30, 2020 and June 30, 2019, respectively. The revenues with the Company's equity holder for the six-month period ended June 30, 2020 mainly related to the sale of equipment from PT Portugal and online advertising services from Teads to Altice USA. For the six-month period ended June 30, 2019, the revenue primarily related to the sale of software licences and equipment, online advertising services and long-distance traffic to Altice USA.

A total operating expense with the Company's equity holder of €24.0 million and €20.0 million was recognised in the consolidated statement of income for the six-month period ended June 30, 2020 and June 30, 2019, respectively, related to the share-based expense and rental expenses from Quadrans (which is controlled by the Company's controlling shareholder). A financial expense related to the interest expense of lease liabilities recognised under IFRS 16 *Leases* with the Company's equity holder of €7.8 million and €10.6 million was recognised in the consolidated statement of income for the six-month period ended June 30, 2020 and June 30, 2019, respectively.

Transactions with related parties are not subject to any guarantees. The table below shows a summary of the Group's related party transactions for the six-month period ended June 30, 2020 and 2019, respectively and outstanding balances as at June 30, 2020 and December 31, 2019.

Related party transactions - income and expense		June 30, 2020			
(€m)	Revenue	Operating expenses	Financial expenses	Financial income	Capex
Equity holder	21.6	24.0	7.8	-	-
Associates, joint ventures and NCI	474.1	72.2	20.7	1.0	31.9
Total	495.7	96.2	28.5	1.0	31.9

Related party transactions - income and expense		June 30, 2019			
(€m)	Revenue	Operating expenses	Financial expenses	Financial income	Capex
Equity holder	7.8	20.0	10.6	-	-
Associates, joint ventures and NCI	284.1	62.7	-	0.7	20.0
Total	291.9	82.7	10.6	0.7	20.0

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Related party balances - assets	June 30, 2020			December 31, 2019		
	Investment, Right-of-use assets, loans and receivables	Trade receivables and other	Current accounts	Investment, Right-of-use assets, loans and receivables	Trade receivables and other	Current accounts
(€m)						
Equity holder	485.6	6.7	-	474.3	3.4	-
Associates, joint ventures and NCI	65.6	374.4	28.9	62.9	210.0	25.2
Total	551.2	381.2	28.9	537.2	213.4	25.2

Related party balances - liabilities	June 30, 2020			December 31, 2019		
	Lease and Other financial liabilities	Trade payables and other	Current accounts	Lease and Other financial liabilities	Trade payables and other	Current accounts
(€m)						
Equity holder	463.2	0.6	0.7	449.1	3.1	0.5
Associates, joint ventures and NCI	-	147.3	0.1	0.4	141.3	-
Total	463.2	147.9	0.8	449.5	144.3	0.5

The revenue reported with associates, joint ventures and NCI mainly related to:

- in France:
 - revenues for the mobile services delivered to La Poste Telecom; and
 - revenues for the build out of the FTTH network for SFR FTTH.
- in Portugal:
 - revenues for the specialized works and the lease to Fibroglobal - Comunicações Eletrónicas of ducts, posts and technical spaces through which the Group's network passes.

The operating expense reported with associates, joint ventures and NCI mainly related to:

- in France:
 - La Poste Telecom for the use of mobile services on their network;
 - SFR FTTH for operating expenses for the access to the FTTH network; and
- in Portugal:
 - Fibroglobal - Comunicações Eletrónicas for fibre network infrastructure management, which related to a fee for any new customer installation and a monthly fee for PT Portugal's customer base through the network of Fibroglobal - Comunicações Eletrónicas;
 - Sport TV for broadcasting of sports events; and
 - OMTEL for operating expenses related to fees of the infrastructure service of towers during 2019 (the remaining 25% equity stake held by PT Portugal in OMTEL was sold on January 2, 2020).

For the six-month period ended June 30, 2020 and June 30, 2019, the Company recorded an operating expense with its equity holder which mainly relates to depreciation expenses related to the right-of-use assets recognised under IFRS 16 *Leases* in connection with rental agreements with Quadrans (which is controlled by the Company's controlling shareholder) and a share-based compensation expense.

The financial expense with the Company's equity holder is related to the interest expense of lease liabilities recognised under IFRS 16 *Leases*. The financial expense reported with associates, joint ventures and NCI related to the write down of the accrued interest on the Wananchi subordinated loan.

The capital expenditures reported with associates, joint ventures and NCI mainly related to capital expenditures with SFR FTTH for the build out of the FTTH network in 2019 and 2020.

The investment, right-of-use assets, loans and receivables of associates, joint ventures and NCI and with the Company's equity holder as of June 30, 2020 and December 31, 2019 mainly related to:

- a loan granted to Fibroglobal - Comunicações Eletrónicas that provides fibre network and infrastructure management services to PT Portugal;
- a loan receivable with Synerail in relation to the GSMR project in France; and
- a subordinated loan with Wananchi.

Right-of-use assets with the Company's equity holder related to right-of-use assets as recorded under IFRS 16 *Leases* for rental agreements for office space in France for the Altice France group, entered into by the Group with Quadrans, a company controlled by the ultimate beneficial owner of the Group for €485.6 million as of June 30, 2020 and €474.3 million as of December 31, 2019.

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

The trade receivables and other and the current accounts of associates, joint ventures and NCI as of June 30, 2020 and December 31, 2019 mainly related to:

- in France:
 - o La Poste Telecom trade receivables and current account; and
 - o SFR FTTH trade receivables.
- in Portugal:
 - o Altice - Associação de Cuidados de Saúde trade receivables related to the employee healthcare insurance in PT Portugal; and
 - o Sport TV trade receivables.

Lease and other financial liabilities with the Company's equity holder related to lease liabilities as recorded under IFRS 16 *Leases* for rental agreements for office space in France for the Altice France group entered into by the Group with Quadrans, a company controlled by the ultimate beneficial owner of the Group for €463.2 million as of June 30, 2020 and €449.1 million as of December 31, 2019.

The trade payables and other of associates, joint ventures and NCI as of December 31, 2019 mainly related to:

- in France:
 - o SFR FTTH trade payables.
- in Portugal:
 - o OMTEL trade payable related to infrastructure services of towers (the remaining 25% equity stake held by PT Portugal in OMTEL was sold on January 2, 2020);
 - o Altice - Associação de Cuidados de Saúde, which provides healthcare insurance for the PT Portugal's active and retired employees; and
 - o Sport TV trade payable for broadcasting services of sport events.

15. Contractual obligations and commercial commitments

During the six-month period ended June 30, 2020, no significant contractual obligations and commercial commitments have been signed as compared to the year ended December 31, 2019 except the additional commitments described below:

- In connection with the VAT contingencies related to the sale of credits, MEO has provided bank guarantees for an amount of €28.4 million;
- Teads and publishers' commitments under the Minimum Guarantee Agreements were suspended from March 17, 2020 to June 30, 2020 following the force majeure event caused by the global pandemic and triggered by the World Health Organizations declaration of global pandemic on March 11, 2020. The quarterly and annually commitments for the next periods are currently under renegotiation, both in terms of volume and pricing.

16. Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative lawsuits. Provisions are recognised by the Group when management believe that it is more likely than not that such lawsuits will result in an amount to be settled by the Group, and the magnitude of the amount can be reliably estimated. The magnitude of the provisions recognised is based on the best estimate of the level of the expenditure required to settle the obligation, on a case-by-case basis, considering that the occurrence of events during the legal action involves constant re-estimation of the risk.

This note describes the new proceedings and developments in existing litigations that have occurred since the publication of the annual consolidated financial statements as of December 31, 2019 and that have had or that may have a significant effect on the financial position of the Group.

16.1. Portugal

16.1.1. European Commission Investigation

After having approved the acquisition of PT Portugal by the Group on April 20, 2015, the European Commission initiated an investigation into infringement by the Company of the obligation of prior notification of concentrations under Article 4(1) of the Merger Regulation and/or of the stand-still obligation laid down in Article 7(1) of the Merger Regulation. The European Commission issued a statement of objections on May 18, 2017, informing the Company of the objections raised against it.

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

On April 24, 2018, the European Commission notified the Company of its decision to impose upon it two fines totalling €124.5 million. The Commission found that the Company infringed the prior notification obligation of a concentration under Article 4(1) of the EU Merger Regulation, and the stand-still obligation under Article 7(1) of the EU Merger Regulation. The Company fully disagrees with the Commission's decision, and in particular, it considers that this case differs entirely from the French Numéricable/Altice France/Virgin gun jumping case, in which the Group had agreed not to challenge the allegations brought against it. In the Company's opinion, the Commission's decision relies on a wrongful definition of the notion of "implementation" of a concentration. Further, the transaction agreement governing the management of the target during the pre-closing period provided the Company with a consultation right on certain exceptional matters relating to PT Portugal aimed at preserving the value and integrity of the target prior to closing and was in accordance with well-established M&A market practice.

In any event, the Company considers that the elements in the Commission's file do not establish the exercise of influence, as alleged by the Commission, by the Company over PT Portugal's business conduct neither prior to the merger notification to the Commission nor prior to the Commission's clearance.

On July 5, 2018, the Company filed an Application for annulment against the Commission's decision before the EU General Court to request that the decision as a whole be annulled or, at the very least, that the sanction be significantly reduced (Case T-425/18). The Commission's decision does not affect the approval granted by the European Commission on April 20, 2015 for the acquisition of PT Portugal by the Group.

On November 6, 2018, the Council of the European Union filed an Application to intervene in the case before the EU General Court. Both the Company and the European Commission confirmed they had no observations to the Council's Application to intervene. The Council requested an extension of the time-limit to file its Statement of intervention. The Court granted that extension until February 25, 2019.

On November 30, 2018, the European Commission filed its Defence requesting the Court (1) to dismiss the Company's Application and (2) to order the Company to pay the costs. The said Defence was notified to the Company on December 14, 2018. On December 20, 2018, the Company requested an extension of one month to lodge its Reply. The extension was granted on January 4, 2019, until February 25, 2019.

On February 25, 2019, the Company filed its Reply to the Commission's Defence adhering to the conclusions and orders sought in its Application for annulment.

On March 15, 2019, the Company filed its observations on the Statement of intervention of the Council of the European Union, which essentially mirror the corresponding allegations in the Company's Application and reply to the Commission's defence.

On March 18, 2019, the Company received the copy of the Commission's observations on the Statement of intervention of the Council of the European Union, which merely state it does not have any observations, as its position and that of the Council of the European Union are aligned.

After an extension of the deadline, the Commission filed its Rejoinder to the Company's reply on May 10, 2019. The written phase of the procedure has now been closed. The President will fix a date on which the Judge-Rapporteur is to present a preliminary report to the General Court. The preliminary report shall contain an analysis of the relevant issues of fact and of law raised by the action, proposals as to whether measures of organization of procedure or measures of inquiry should be undertaken, whether there should be an oral part of the procedure and whether the case should be referred to the Grand Chamber or to a Chamber sitting with a different number of Judges.

The Company submitted a reasoned request for a hearing on May 29, 2019.

On March 10, 2020, the Company received from the General Court an invitation addressed to all the parties to submit observations regarding the possible consequences of the Court of Justice of the European Union (CJEU) judgment on another case by March 25, 2020. On March 25, 2020, the Company lodged its observations and reiterated its submission filed on May 29, 2019, regarding the importance of a hearing in the present case.

On March 23, 2020, the Commission and the Council of the European Union lodged their observations, which have been transmitted to the Company on March 31, 2020. In essence, the Commission and the Council concluded by reiterating that the Company's application should be rejected.

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

On June 3, 2020, the Company received the decision from the General Court to open the oral part of the procedure. The hearing will take place on September 24, 2020. On July 21, 2020, the Company received the report for the hearing prepared by the Judge-Rapporteur summarizing the facts relied on and the arguments of each party and of the Council as the intervener.

The Company would expect a judgment in the first half of 2021.

As of June 30, 2020, a liability of €128.1 million (including accrued interests) is recorded at Altice Portugal, as it is the acquiring entity of PT Portugal. On July 25, 2018, the Group issued a bank guarantee to the European Commission of €124.5 million (excluding accrued interests).

16.2. Altice USA

Altice USA and the Company – securities lawsuit

In the latter half of 2018, eight named plaintiffs, each on behalf of a putative class of stockholders who purchased Altice USA common stock in the Altice USA's IPO pursuant to the Registration Statement and Prospectus, filed complaints (seven in New York State Supreme Court, one in United States District Court for the Eastern District of New York). The lawsuits name as defendants Altice USA, the Company, and Altice USA's directors, among others, and assert that all defendants violated Sections 11 and 12 of the Securities Act of 1933 (the "Securities Act") and that the individual defendants violated Section 15 of the Securities Act as control persons. In a consolidated amended complaint filed in the lawsuit in the Eastern District of New York, plaintiff also asserts violations of Section 10(b) of the Securities Act of 1934, Rule 10b-5 promulgated thereunder, and Section 20 of the Securities Act of 1934 against Altice USA, the Company, and certain individual directors. The facts underlying each case are substantively similar, with plaintiffs alleging that the Registration Statement and Prospectus misrepresented or omitted material facts relating to the negative performance of Altice France and Altice Portugal, the disclosure of which in November 2017 negatively impacted the value of Altice USA's stock. In June 2019, plaintiffs in the New York State action filed a consolidated amended complaint, which Altice USA and the Company moved to dismiss in July 2019. They moved to dismiss the complaint in the Eastern District of New York in October 2019. On June 26, 2020, the state Court granted Altice USA and the Company's motion to dismiss. Plaintiffs in the New York State action filed a notice of appeal on July 21, 2020.

Altice USA and the Company intend to vigorously defend the lawsuits. Although the outcome of the matter cannot be predicted and the impact of the final resolution of this matter on the Group's results of operations in any particular subsequent reporting period is not known at this time, management does not believe that the ultimate resolution of the matter will have a material adverse effect on the operations or financial position of the Group or the ability of the Group to meet its financial obligations as they become due.

16.3. Israel

Consumer class action

In June 2014, a claim and a motion to approve it as class action was filed at the Central District Court against HOT- Telecommunication Systems Ltd. and HOT Telecom (together "HOT"). The claim is based on the allegation that HOT violated its licenses terms by failing to meet the required standards for response times in its call centers and by failing to operate the call centers during the entire working hours as required. In addition, the claimants argue that HOT did not comply with the Consumer Protection Regulations regarding the operation of a call back service in its call centers. The amount of the claim was estimated by the claimants at €10.3 million. On August 26, 2017, the Court certified the motion to approve the claim as class action based on the causes described above. Following the Court's decision, the parties submitted their statements of claim and defense and preliminary proceedings were conducted. At the recommendation of the Court, the parties agreed to conduct mediation proceedings. The mediation is still in progress and a provision was recorded as of June 30, 2020 based on management's estimation after consulting with the company's external legal attorneys.

17. Going concern

As at June 30, 2020, the Group had net current liability position of €3,231.3 million (mainly due to trade payables amounting to €6,147.7 million) and a negative working capital of €1,143.7 million. During the six-month period ended June 30, 2020, the Group registered a net loss of €583.4 million and generated cash flows of €2,726.2 million from operating activities.

Altice Europe N.V.

Condensed Interim Consolidated Financial Statements

As at June 30, 2020, the Group had a negative equity position of €1,733.8 million compared to negative equity position of €2,320.9 million as at December 31, 2019. The equity position improved from the prior period due to the positive impact of the sale of 49.99% of the Portuguese fibre business on equity although this was partially offset by the comprehensive loss for the six-month period ended June 30, 2020.

The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short days of sales outstanding and suppliers are paid under standard commercial terms, except for invoices of suppliers under factoring arrangements, thus generating a negative working capital. This is evidenced by the difference in the level of receivables and payables; €4,489.9 million compared to €6,147.7 million as at June 30, 2020, as compared to €4,463.7 million and €6,486.6 million as at December 31, 2019. Payables due the following month are covered by revenues and cash flows from operations (if needed).

As at June 30, 2020, the Group's short-term borrowings comprised mainly of short-term loans of €355.5 million for Altice Finco, €51.2 million for Altice France and €19.1 million for Altice Financing. As at December 31, 2019, the Group's short-term borrowings amounted to €421.4 million. The short-term obligations are covered by the proceeds of the refinancing transaction in Altice France and the operating cash flows of the operating subsidiaries. The expected interest payments for the 12 months period ending June 30, 2021 amount to approximately €1,402.0 million.

As at June 30, 2020, the amount drawn on the revolving credit facilities at Altice France and Altice Financing amounted to €10.0 million. A listing of available credit facilities by silo is provided in note 10.6 and the amounts available per segments are sufficient to cover the short-term debt and interest expense needs of each of these segments, if needed.

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

- The Group's performance on Adjusted EBITDA and operating cash flows:
 - Adjusted EBITDA for the six-month period ended June 30, 2020 amounted to €2,750.4 million, an increase of 82.3% compared to the same period last year. This increase in Adjusted EBITDA is mainly linked to a better performance in the France, Israel, Teads and Altice TV segments, which was partially offset by a decrease in performance in Portugal and the Dominican Republic segments.
 - Operating cash flows for the six-month period ended June 30, 2020 were €2,726.2 million.
- The Group had unrestricted cash reserves of €1,573.3 million as at June 30, 2020, an increase of €551.3 million compared to €1,022.1 million as at December 31, 2019. The unrestricted cash reserves as at June 30, 2020 will allow it to cover any urgent cash needs. The Group can move its cash from one segment to another under certain conditions as allowed by its debentures and debt covenants. Cash reserves in operating segments carrying debt obligations were as follows:
 - France: €485.5 million
 - Altice International: €1,076.3 million
- Additionally, as of June 30, 2020, the Group had access to revolving credit facilities of up to €2,182.0 million (of which €10.0 million were drawn as of June 30, 2020) and has access to an equity market where it can issue additional equity.

The Group's senior executives track operational KPIs on a weekly basis, thus tracking trends closely. This allows the Group's senior executives and local CEOs to ensure proper alignment with budget targets and respond with speed and flexibility to counter any unexpected events and help to ensure that the budgeted targets are met.

On April 17, 2020, the Group closed the transaction to sell 49.99% interest in the Portuguese fibre business to Morgan Stanley Infrastructure Partners. On April 17, 2020, the Group received €1,573.1 million of proceeds from this transaction.

On March 11, 2020, the COVID-19 outbreak was declared by the World Health Organization (WHO) as a global pandemic, highlighting the health risks of the disease. The COVID-19 pandemic had a limited impact on the condensed interim consolidated financial statements of the Group as of June 30, 2020 and for the three and six-month periods then ended. Although the situation continues to evolve, the Company expects that the COVID-19 pandemic will have limited effects on the Group's operations and financial performance for future periods. Please refer to note 2.1.4 for more details.

Management expects the available cash on hand at June 30, 2020 and the expected limited impact of COVID-19 on the Group's cash flows to be sufficient to continue the Group's operations and to repay all contractual obligations that fall due in the next 12 months. Accordingly, 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 financial statements and has hence deemed it appropriate to prepare these condensed interim consolidated financial statements using the going concern assumption.

18. Events after the reporting period

18.1. Portuguese Competition Authority Investigation

On July 16, 2020, the Portuguese Competition Authority issued a Statement of Objections regarding its preliminary view that MEO, NOS – Comunicações, S.A. NOWO – Communications, S.A. and Vodafone Portugal – Comunicações Pessoas, S.A. were part of an agreement in accordance with which all those entities would not bid for certain key Google AdWords of the other operators, which according to the Portuguese Competition Authority is similar to an agreement to indirectly fix the acquisition price of certain Google AdWords related to the retail telecommunications market. The Portuguese Competition Authority concluded that telecommunications operators distorted competition of the Portuguese online search advertising, between 2010 and 2018 in the case of MEO. The maximum fine applicable for this kind of infraction corresponds to 10% of the turnover of each company in the specific markets that were impacted by the alleged illegal practices. In relation to MEO, such maximum fine amounts to approximately €136 million, based on the Portuguese Competition Authority's estimate of the relevant market for this purpose. MEO is expected to submit its written defense to the Statement of Objections in September, after which the Portuguese Competition Authority will decide whether to issue a final condemnatory action and in that case the amount of the fine. Due to the high level of uncertainty associated with the possible outcome of the fine to be decided by the Portuguese Competition Authority, little previous background of similar cases, as well as early stage of the process, management considers that the risk could not be reliably estimated and thus no provision was recognized as of June 30, 2020.

18.2. Redemption of the Altice Finco \$385 million 2025 senior notes

On June 22, 2020, Altice Finco announced that it will fully redeem \$385 million 7.63%, 2025 notes at call date on July 22, 2020. On July 22, 2020, Altice Finco redeemed in full the outstanding \$385 million 7.63%, 2025 notes in an aggregate principal amount of \$385 million (€332.6 million equivalent). The call premium paid on July 22, 2020 related to the redemption amounted to \$14.7 million (€12.7 million equivalent).

18.3. Media restructuring

On May 19, 2020, NextRadioTV announced a restructuring plan to take into account the changing environment for the media industry in France and the impact of the COVID-19 pandemic on the advertising market. This plan, based on voluntary departures, aims at reducing the employee workforce by limiting the use of part time workers, freelancers and consultants. The details of the plan (the Livre 2) were shared with the workers' council in accordance with French law and will have to be consequently homologated by the French Labour Authorities ("DIRECCTE"). As the details had not been shared with the workers' council and the conditions of the departure plan were not yet final as of June 30, 2020, management considers that the conditions for recording a provision were not met as per IAS 37 - *Provisions, contingent liabilities and contingent assets* as at June 30, 2020.

On July 24, 2020, management of the Group presented the Livre 2, the document that outlines the restructuring plan announced in May 2020 to the workers' council. As per the document, the Group intends to introduce a voluntary departure plan aimed at reducing the workforce by around 228 full time employees. The plan is expected to start at the end of 2020 or in early 2021. Management has also committed not to undertake a compulsory employee redundancy plan before November 2021 in the event that the targeted redundancies are not met. Following the end of negotiations with the workers' council, the Livre 2 will be sent for homologation to the DIRECCTE.

18.4. Mediapro

On July 27, 2020, Altice Europe announced two agreements with Mediapro. Firstly, for the season 2020/21, Altice Europe will resell the UEFA rights to Mediapro in exchange for Altice Europe's right to resell Mediapro's TELEFOOT channel (including the main football matches for French Ligue 1 and Ligue 2). This will allow Mediapro to broadcast the UEFA Champions League and Europa League. Both the RMC Sport channel and Mediapro's TELEFOOT channel will broadcast the two competitions from October 2020. SFR will offer all of

Altice Europe N.V.**Condensed Interim Consolidated Financial Statements**

the football to its customers with RMC Sport, TELEFOOT, Canal+ and BeIN SPORTS. SFR will be the only operator in France to offer its subscribers all French (Ligue 1, Ligue 2) and European (UEFA Champions League, UEFA Europa League, English Premier League, Spanish and Italian championships) football. Secondly, for the seasons 2021/22, 2022/23 and 2023/24, Altice Europe entered into a distribution agreement with Mediapro to resell the TELEFOOT channel (including the main football matches for French Ligue 1 and Ligue 2) with a revenue share mechanism. This is expected to generate additional revenues for the Altice France residential segment. With this agreement, Altice Europe maintains the commitment to improve Altice TV cash flow trends, approaching break-even, while SFR customers will continue to benefit from the best football offer in France.

19. Restated information

The Company had reassessed the application of paragraph IAS 36.86 with respect to goodwill allocation related to the SFR FTTH transaction, which was included in the group of CGUs Altice France. In 2018, the goodwill associated with SFR FTTH was not measured on the basis of the relative values of the operation disposed of and the portion of the group of CGUs retained and therefore no goodwill was allocated to SFR FTTH Assets held for sale. As a consequence of this reassessment, based on the provisions of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, the Company restated the condensed consolidated statement of income for the six-month period ended June 30, 2019 and restated the capital gain from the sale of SFR FTTH by €1,118.2 million. In addition, the restated condensed consolidated statement of income for the six-month period ended June 30, 2019 also includes a reclassification within net finance costs since the Group decided to separate impacts of the variations of derivative instruments in order to improve the readability of its interest expense.

Condensed Consolidated Statement of Income	Three months ended June 30, 2019	Reclassifications	Adjustments	Three months ended June 30, 2019
(€m)				
Revenues	3,593.2	-	-	3,593.2
Purchasing and subcontracting costs	(977.0)	-	-	(977.0)
Other operating expenses	(596.6)	-	-	(596.6)
Staff costs and employee benefits expenses	(368.4)	-	-	(368.4)
Depreciation, amortization and impairment	(1,343.6)	-	-	(1,343.6)
Other (expenses) and income	7.4	-	-	7.4
Operating profit/(loss)	315.0	-	-	315.0
Interest relative to gross financial debt	(148.1)	(394.1)	-	(542.2)
Realized and unrealized gains on derivative instruments linked to financial debt	-	394.1	-	394.1
Other financial expenses	(484.4)	-	-	(484.4)
Finance income	(9.5)	-	-	(9.5)
Net result on extinguishment of a financial liability	(127.8)	-	-	(127.8)
Finance costs, net	(769.8)	-	-	(769.8)
Share of earnings of associates	(66.8)	-	-	(66.8)
Loss before income tax	(521.6)	-	-	(521.6)
Income tax benefit	9.7	-	-	9.7
Loss for the period	(511.9)	-	-	(511.9)
<i>Attributable to equity holders of the parent</i>	<i>(525.1)</i>	-	-	<i>(525.1)</i>
<i>Attributable to non-controlling interests</i>	<i>13.3</i>	-	-	<i>13.3</i>

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

Condensed Consolidated Statement of Income	Six months ended June 30, 2019 reported	Reclassifications	Adjustment SFR FTTH	Six months ended June 30, 2019 restated
(€m)				
Revenues	7,104.3	-	-	7,104.3
Purchasing and subcontracting costs	(1,878.0)	-	-	(1,878.0)
Other operating expenses	(1,320.5)	-	-	(1,320.5)
Staff costs and employee benefits expenses	(754.8)	-	-	(754.8)
Depreciation, amortization and impairment	(2,627.5)	-	-	(2,627.5)
Other (expenses) and income	2,887.4	-	(1,118.2)	1,769.2
Operating profit/(loss)	3,410.9	-	(1,118.2)	2,292.7
Interest relative to gross financial debt	(611.8)	(432.1)	-	(1,043.9)
Realized and unrealized gains on derivative instruments linked to financial debt	-	432.1	-	432.1
Other financial expenses	(568.9)	-	-	(568.8)
Finance income	14.4	-	-	14.4
Net result on extinguishment of a financial liability	(127.8)	-	-	(127.8)
Finance costs, net	(1,294.0)	-	-	(1,294.0)
Share of earnings of associates	(69.0)	-	-	(69.0)
Gain/(loss) before income tax from continuing operations	2,047.9	-	(1,118.2)	929.7
Income tax benefit	58.7	-	-	58.7
Gain/(loss) for the period	2,106.6	-	(1,118.2)	988.4
<i>Attributable to equity holders of the parent</i>	2,079.8	-	(1,118.2)	961.6
<i>Attributable to non-controlling interests</i>	26.9	-	-	26.9

Altice Europe N.V.
Condensed Interim Consolidated Financial Statements

The condensed consolidated statement of cash flows had been restated as of and for the six-month period ended June 30, 2019 to take into account the adjustment in the capital gain from the sale of SFR FTTH and reclassifications of repayments of commercial paper and interest proceeds from interest rate swaps from net cash used in financing activities to payments to redeem debt instruments and interest paid respectively.

Condensed Consolidated Statement of Cash Flows	Six months ended June 30, 2019 Reported	Reclassifications	Adjustment SFR FTTH	Six months ended June 30, 2019 Restated
(€m)				
Profit/(loss) for the period	2,106.6	-	(1,118.2)	988.4
<i>adjustments for:</i>				
Share of profit of associates and joint ventures	69.0	-	-	69.0
Depreciation and amortization	2,627.5	-	-	2,627.5
Charge related to share-based payment	24.5	-	-	24.5
Gain on disposal of business	(3,202.0)	-	1,118.2	(2,083.8)
Other non-cash operating gain/(loss), net	189.6	-	-	189.6
Pension plan liability	(50.2)	-	-	(50.2)
Finance costs recognised in the statement of income	1,294.0	-	-	1,294.0
Income tax (benefit)/expense recognised in the statement of income	(58.7)	-	-	(58.7)
Income tax paid	(176.1)	-	-	(176.1)
Changes in working capital	(403.0)	-	-	(403.0)
Net cash provided by operating activities	2,421.2	-	-	2,421.2
Payments to acquire tangible and intangible assets	(1,676.7)	-	-	(1,676.7)
Proceeds (Payments) to acquire financial assets	(169.4)	-	-	(169.4)
Proceeds from disposal of business	1,618.5	-	-	1,618.5
Proceeds from disposal of tangible, intangible and financial assets	4.2	-	-	4.2
Payment to acquire interests in associates	(19.6)	-	-	(19.6)
Payment to acquire subsidiaries, net	(0.3)	-	-	(0.3)
Net cash used in investing activities	(243.3)	-	-	(243.3)
Proceeds from issue of equity instruments by a subsidiary	32.5	-	-	32.5
Proceeds from issuance of debts	3,200.0	-	-	3,200.0
Payments to redeem debt instruments	(5,012.8)	(7.0)	-	(5,019.8)
Other transactions with non-controlling interests	(11.1)	-	-	(11.1)
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	(15.1)	-	-	(15.1)
Lease payment (principal) related to ROU	(417.1)	-	-	(417.1)
Lease payment (interest) related to ROU	(98.3)	-	-	(98.3)
Dividends paid	(20.3)	-	-	(20.3)
Interest paid	(1,088.6)	58.3	-	(1,030.3)
Swap proceeds	540.3	-	-	540.3
Other cash provided by financing activities	(170.3)	(51.3)	-	(221.6)
Net cash used in financing activities	(3,060.8)	-	-	(3,060.8)
Classification of cash as held for sale	(10.2)	-	-	(10.2)
Effects of exchange rate changes on the balance of cash held in foreign currencies	1.8	-	-	1.8
Net change in cash and cash equivalents	(891.3)	-	-	(891.3)
Cash and cash equivalents at beginning of the period	1,837.0	-	-	1,837.0
Cash and cash equivalents at end of the period	945.7	-	-	945.7