Altice N.V.

Annual Report 2015

Prins Bernhardplein 200

1097 JB Amsterdam

The Netherlands

Letter from the CEO

Dear Shareholders,

Altice is starting 2016 with great satisfaction over the achievements of the Group in 2015 and we are looking forward to the completion and integration of many projects and previously announced acquisitions in 2016. 2015 has been a major step forward for our Group and we have been constantly growing. Notably we completed the acquisition of Portugal Telecom; purchased Vivendi's remaining stake in Numericable-SFR; entered the US market with the acquisition of Suddenlink and an agreement to acquire Cablevision; completed the cross-border merger between Altice N.V. and Altice S.A.; entered into a strategic partnership with NextRadioTV; and made substantial progress in the integration of the acquisitions of Tricom and Altice Hispaniola in the Dominican Republic, SFR in France and Portugal Telecom in Portugal.

At the same time, in every country in which we operate, significant projects have been announced to offer our customers the best speed, the best quality, the best networks, the best services and the best content.

I would like to recall some of the Groups' achievements in 2015 without being exhaustive.

The acquisition of Portugal Telecom

The acquisition of Portugal Telecom was significant for several reasons, including the fact that this is Altice's first acquisition of an incumbent PTO with a highly diversified revenue base. Being a market leader in fixed, mobile, B2B and B2C in Portugal, we believe we can leverage its state-of-the-art infrastructure with its leading FTTH network, national DTH coverage and leading 4G-LTE coverage. Furthermore, Portugal Telecom is also a highly successful multi-play operator and leader in converged services, with its best-in class highly innovative offering and products. We therefore believe that Altice's best-in-class expertise can be utilized to drive efficiencies and margin expansion in a market that Altice understands very well.

Our first step(s) in the US market

The acquisition of Suddenlink which we completed in December 2015 constituted the first major step in our strategy of entering the US market. Suddenlink, the 7th largest US cable operator has 1.5 million residential and 90,000 business customers and has operations primarily located in the states of Texas, West Virginia, Louisiana, Arkansas and Arizona. In 2015, Suddenlink generated EUR 2.2 billion in revenue and over EUR 889 million in Adjusted EBITDA with a balanced revenue mix between residential video, broadband, telephony and business services. With a well invested, leading broadband network across its footprint, Suddenlink has a strong operational and financial growth track record and is the market leader in pay television and broadband in its markets. Suddenlink represents an excellent fit for the Group and will benefit from the operational expertise, scale and investment support that are at the core of the Altice business model. With this acquisition, the Group entered the large and attractive US telecommunications market and takes a further step in diversifying and balancing its portfolio of high-quality businesses. The acquisition was made in partnership with BCP and CPPIB, the previous owners of the business who retained a 30% stake.

This acquisition opened an attractive industrial and strategic avenue for Altice in the US. Indeed, on 16 September 2015, we announced our second step into the US, with an agreement to acquire Cablevision, subject to regulatory approval, in partnership with BCP and CPPIB. Cablevision is the leading operator in the New York metropolitan area (New York, New Jersey, Connecticut), which represents the most attractive US cable market characterized by affluence and population density. Cablevision has a DOCSIS 3.0 enabled network passing more than 5 million homes and serves more than 3.1 million residential and business customers. Approximately 64% of its cable/fiber customers subscribe to triple-play services, helping Cablevision generate industry-leading Average Revenue Per Unit ("ARPU") and high customer loyalty. Cablevision is highly regarded for its customer services with one of the lowest churn rates in the US. The acquisition also includes: Lightpath, the company's business services unit; News 12 Networks, a local news channel which is the first, largest, and most-watched 24-hour local television news network in the US, delivering local news to more than 3.7 million homes in the New York tri-state area; Newsday Media Group with Newsday, the Pulitzer Prize-winning newspaper distributing over 1.8 million weeklies on Long Island, and New York, the prominent free daily newspaper in the US with a circulation of approximately 319,000 on weekdays (including digital editions); and Cablevision Media Sales, the company's advertising sales division.

News, Sports, Series-Movies: our content strategy

Altice and NextRadioTV, a French multimedia company, have announced the signing of a strategic partnership to invest in and to accelerate the development of multimedia projects in both France and other international markets. Alain Weill and Altice will be partners in a joint-company dedicated to investments in media companies which will benefit from the TV channels, radio, fixed and mobile digital media NextRadio TV operates in five news areas – general news, sport, economy, high-tech and discovery – which include BFMTV, the leading news channel and also the leading video news brand on the web in France, RMC Découverte, the first free documentaries-only channel in France, RMC, the leading French general radio station for the under 50s, and BFM Business, which is both a radio station and a TV channel, as France's leading audiovisual financial news media. This partnership also constituted an important step in our media strategy, which is based on the convergence of our telecom assets with media channels, distribution, content development and production. We have also focused on providing premium content to our customers and in 2015 have acquired exclusive rights to premium sports content in several of our markets. In particular, we have entered into a new partnership with the English Premier League, the world's most prominent football championship. This is another major step for Altice's investment strategy to provide the best in class television content as part of highly enriched broadband packages to its customers across the world. We have acquired the exclusive football broadcasting rights for the English Premier League in France and Monaco, enabling our fixed and mobile customers in these regions to watch all of the 380 games among England's top-tier teams live, anywhere, and on any device in 4K resolution. The contract runs for the next three seasons, starting in August 2016. Furthermore we also entered into a long-term partnership with one of Portugal's leading football clubs, FC Porto. We have obtained the rights to broadcast "Porto Canal" (FC Porto's own TV channel) from 1 January 2016 onwards for a period of twelve and a half seasons and also became FC Porto's main sponsor with rights to place advertising on the team shirts for a period of seven and a half seasons. Moreover, from 1 July 2018, we will own TV broadcasting rights for games played by FC Porto in the Portuguese Premier League and be able to use advertising space in the Estádio do Dragão for a period of ten sports seasons. Also, in furtherance of our strategy to focus on sports, we announced an exceptional partnership with Cristiano Ronaldo, three time FIFA World Footballer of the Year and the current Captain of the Portuguese National team, for all of our brands and in all of our countries of operation.

Moreover, we have launched a new video-on-demand subscription service "Zive" for SFR customers, with a unique catalogue of HD and 4K/UHD TV content in four categories: Kids, Series, Cinema and Fun, which has been sourced from the world's major studios and production companies. Zive benefits from Altice's 20 years of experience in sourcing media content and from the Group's international footprint and ability to enter into agreements with the largest French and international production companies, extending its catalogue of media partners. We also introduced "Fibre Zive" de SFR, a next-gen set-top box with unique features, including near field communication ("NFC") and Bluetooth, and innovative services such as "Restart", "Picture in Picture", and "Quick'Zap" to enjoy the best TV content and services from the comfort of one's couch.

Fiber investments in France and Portugal

With Numericable-SFR and Portugal Telecom being strong players in the markets in which they each operate, we have made extensive plans to accelerate the pace of our fiber build-out in both France and Portugal which will actively contribute to the development and competitiveness of the two countries. This decision further reinforces Altice's strategic focus on continuing to be the market leader in fiber infrastructure, technology innovation and customer experience.

Launch of Altice Labs

Altice recently launched "Altice Labs", an initiative which aims at further streamlining the products and technologies created by the Group entities. We also aim to promote innovation and creativity by seeking partnerships with universities, corporate networks, and start-ups. Having integrated Portugal Telecom's R&D unit, PT Inovação, with Altice Labs, we aim to open similar facilities in France, the United States, Israel and the Dominican Republic.

The cross-border merger

On 9 August 2015, we completed the cross-border merger of Altice N.V., as the acquiring company, and Altice S.A. Pursuant to the merger, shareholders of Altice S.A. received 3 Common A Shares with 1 voting right each and a nominal value of one eurocent, and 1 Common B Share with 25 voting rights each and a nominal value of 25 eurocents in Altice N.V., in exchange for each issued and outstanding share in the capital of Altice S.A. Both Common A Shares and Common B Shares have equal economic rights and are listed on Euronext Amsterdam

(AEX). The merger has enabled the Group to benefit from a powerful equity acquisition currency without prejudicing voting control of Altice's founding shareholder group.

A new corporate organization

In parallel to our acquisitions in the US and Portugal and the implementation of our media strategy, we have continued to strengthen our global organization, whilst maintaining a clear Group vision and strategy. In particular, we have further optimized our operational excellence by leveraging our best-in-class practices and worldwide experience to bring support to our local operations. To do so, the Group expanded its corporate management team with the arrivals of several executive managers with great track records, in particular Michel Combes who joined us on 1 September 2015 as Group Chief Operating Officer ("Group COO") and Chairman of Numericable-SFR. Moreover, through our new partnership with NextRadioTV, Alain Weill has invested in a subsidiary of Altice dedicated to investments in media companies with an on-going focus on expansion in and outside of France. Furthermore, he serves on Altice's Executive Committee.

The above named initiatives and projects have further enabled us to grow our businesses organically and enhance our operational performance. Our ambition is to strengthen our businesses further and to continue to develop our international group offering to give our customers the best networks, the best experience, the best services and the best quality.

Dexter Goei, Chief Executive Officer

1 April 2016

ANNUAL REPORT 2015 – ALTICE N.V.

MANAGEMENT REPORT 2015 – ALTICE N.V.

(for the financial year ended 31 December 2015)

This management report has been prepared in compliance with the requirements of Dutch law, including the Dutch Corporate Governance Code.

1. PRINCIPAL ACTIVITIES OF THE GROUP

In this section, the term "Company" refers to Altice N.V., and the terms "Group", "we", "us" and "our" refer to Altice N.V. and its subsidiaries (including the Portugal Telecom Group, the NSFR Group and the Cequel Group).

Overview of our Business

We are a multinational cable and telecommunications company operating in Western Europe (including France, Portugal, Benelux and Switzerland), the United States, Israel, the Dominican Republic and the French Overseas Territories. The parent company of the Group is Altice N.V. which succeeded Altice S.A. pursuant to a cross-border merger completed on 9 August 2015.

We have expanded internationally through a number of price-disciplined acquisitions of telecommunications businesses, including, but not limited to: SFR and PT Portugal in Western Europe; HOT in Israel; Altice Hispaniola and Tricom in the Dominican Republic; and, more recently, Cequel in the United States (which operates under the "Suddenlink" brand). In September 2015, we agreed to acquire 70% of the equity interests in Cablevision, which is subject to various on-going regulatory approvals. Our acquisition strategy has allowed us to target cable and FTTH operators with what we believe to be high-quality networks in markets we find attractive from an economic, competitive and regulatory standpoint and create value at the acquired businesses by implementing operational improvements and leveraging economies of scale, as well as pursuing in-market consolidation and attractive diversification with business-to-business ("B2B"), DSL and mobile add-on opportunities. Furthermore, our acquisition strategy has enabled us to grow the businesses we acquire organically while we continue to focus on cost optimization and increasing economies of scale and operational synergies as our Group develops.

Products, services and brands

Through our various Group companies we provide cable- and fiber-based fixed services and mobile telephony services (other than in the United States) in all of the geographies in which we operate to residential ("B2C") and B2B customers. In addition, we offer a variety of wholesale and other services across our footprint. We also invest in specific content to supplement and enrich the services we provide.

We offer a variety of services over our fixed line and mobile infrastructure, including, but not limited to, pay TV, broadband internet access, fixed-line telephony and (other than in the United States) mobile telephony to our B2C customers, and, to a lesser extent and depending on the geography, telecom services to our B2B customers. In certain geographies we also provide wholesale services. We track the performance of our business by geography and further analyse our revenues by segment, which include fixed B2C, fixed B2B, mobile B2C, mobile B2B, wholesale and others.

Our fixed-based services (high-quality pay TV, broadband internet and fixed line telephony) are provided over our cable- and fiber-based network infrastructure which are either DOCSIS 3.0, DOCSIS 2.0 or FTTH enabled, offering download speeds of between 30 Mbps and 800 Mbps depending on geography. For example, as of 31 December 2015, we had total pay TV Revenue Generating Units ("RGUs") of 4.2 million, total broadband RGUs of 4.1 million and total fixed-line telephony RGUs of 3.4 million. Furthermore, on a blended basis, our fixed services passed 20.7 million cable/fiber homes, with 5.0 million Cable/Fiber Customer Relationships and cable/fiber RGUs of 11.7 million. To a lesser extent, we offer xDSL/DSL/DTH services, with 14.9 xDSL/DSL/DTH customers. We also offer mobile-based services in the geographies in which we operate, through 2G, 3G and 4G-LTE technology, and, on a blended basis, as of 31 December 2015, we had 26.7 million B2C customers (of which 17.4 million were postpaid customers).

In all geographies in which we operate we are focused on the convergence of fixed and mobile services by cross-selling and up-selling our offerings to further increase our multi-play penetration. Our cable, fiber and mobile technologies enable us to offer premium digital services, attractive interactive features (such as our “Meo Go!” offering in Portugal) and local content (for example through our “HOT 3” channel in Israel) to our subscribers, including, in the future, exclusive football rights in France and Monaco for the English Premier League as well as our broadcasting and advertising rights in Portugal for FC Porto. We have leveraged our network advantage to drive our multi-play strategy and offer an attractive combination of content, speed and functionality. We offer our B2C customers bundled double- and triple-play services comprising pay TV, broadband internet access and fixed-line telephony services (for example through our “Box Home de SFR” offering in France) at what we believe are attractive prices. We believe the demand for our multi-play packages is primarily driven by the inherent quality of the various products included in them, which we believe are among the best available in the markets in which we operate. Although we believe our products offer the best value for money and cost-savings for customers when purchased as part of multi-play packages, we typically also offer most of these services on a stand-alone basis in most of our geographies.

We are also focused on strategically developing content to complement our fixed and mobile services with exclusive or high-quality content offerings. For example, we have entered into a strategic joint partnership with NextRadioTV to invest in media companies and to accelerate the development of multimedia projects in both France and other international markets as well as a new partnership with the English Premier League. Our recently-launched “Zive” service offers the largest catalogue of video-on-demand (“VoD”) content in France and in Israel and France, we continue to develop and offer content through our “HOT 3” channel (in Israel) and our subsidiaries Ma Chaîne Sport and Altice Entertainment News & Sport (in France). It is available through “Fibre Zive” de SFR, our next generation set-top box in France, with unique features, including NFC and Bluetooth, and innovative services, such as “Restart”, “Picture in Picture”, and “Quick’Zap”, which allow our customers to enjoy the best TV content and services from the comfort of their homes. In addition, we have acquired the exclusive right to broadcast and distribute various different premium sports events, including the English Premier League, FC Porto Portuguese Premier League matches, French National Basketball games, ski world championship events and Rugby Premier League fixtures. We intend to continue to selectively invest in more value added premium content in the future.

In most of the geographies in which we operate we have very high brand visibility and own some well known brands in these regions, including: “SFR”, for the second largest telecommunications operator in France, “HOT”, for the largest telecommunications provider in Israel, “Meo” and “M4O”, for the leading telecommunications operator in Portugal, “Tricom”, for the first cable company in the Dominican Republic and, in each case, several associated trademarks. Furthermore, in the Dominican Republic we have the right to use the “Orange” brand pursuant to a brand license agreement with Orange Brand Services Limited. In addition, the Altice Group has now an international reputation and its Altice branding is well recognized as a leading entrepreneurial telecom brand with very strong capabilities in bringing best customer experience and best technologies to each of its local markets.

The table below sets forth the services we offer in the key geographies in which we operate:

Geographic Area		**Western Europe**		**United States**	**Israel**	**Dominican Republic**	**French Overseas Territories**(1),(2)	**Other**(4)
Countries of Operation	France	Portugal	Belgium and Luxembourg(1)	United States	Israel	Dominican Republic	French Overseas Territories	Various
Bundling Strategy	4P	4P	4P/3P	3P	3P + Mobile	4P	4P	N/A
Mobile Services Offered	■ 2G, 3G, 4G-LTE, 4G-LTE+ ■ B2B Services ■ Wholesale services	■ 2G, 3G, 4G-LTE, 4G-LTE+ ■ B2B Services ■ Wholesale services	■ 2G, 3G, 4G (MVNO mobile services (Belgium only)) ■ B2B Services	N/A	■ UMTS 2G, 3G, 4G-LTE ■ B2B iDEN mobile services	■ 2G, 3G, 4G-LTE ■ B2B Services	■ UMTS 2G, 3G, 4G-LTE(3) ■ B2B Services	N/A
Fixed (Very High Speed Fixed/FTTH/xDSL) Services Offered	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services ■ Wholesale services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services ■ Wholesale services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services ■ Wholesale services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ Infrastructure access ■ ISP ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony ■ B2B services	■ Pay TV ■ Broadband internet ■ Fixed line telephony	■ B2B services
Content(5)	■ Television and radio content	■ Television content	■ Television content	N/A	■ Television content ■ Local Israeli content	■ Television content	■ Television content	N/A

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(1) We provide our cable based services in Belgium and Luxembourg and the French Overseas Territories under the SFR brand licensed from the NSFR Group.

(2) We provide pay TV, fixed-line telephony and internet access services over our unbundled xDSL network in certain parts of the French Overseas Territories under the SFR brand.

(3) In the French Overseas Territories, we market our mobile services under the SFR brand. In connection with the 2014 SFR Acquisition, we disposed of mobile network assets in La Réunion and Mayotte on 31 July 2015.

(4) Includes business and datacenter operations in Switzerland (Green and Green Datacenter) and datacenter operations in France and Portugal.

(5) Through our content subsidiaries Ma Chaîne Sport and Altice Entertainment News & Sport we produce and broadcast a diverse range of content and offer such content as part of our pay TV packages in several of our geographies. In July 2015, we entered into a strategic joint partnership with NextRadioTV, a leading French media company which owns several TV and radio channels.

Fixed

We offer a variety of fixed B2C services, primarily as part of multi-play packages, with available offerings depending on the bandwidth capacity of our cable networks in a particular geography (which consist primarily of hybrid fiber coaxial ("HFC") cable infrastructure).

We have a high quality cable- and fiber-based network infrastructure across the geographies in which we operate. Our HFC networks are DOCSIS 3.0-enabled, which we believe allows us to offer attractive and competitive services in terms of picture quality, speed and connection reliability. We believe that, with our HFC and FTTH technologies, we are well positioned for future technological developments, making it possible for us to increase broadband internet download and upload speeds exceeding those offered by competing technologies, without making significant additional investments.

Across our geographies, we offer digital television services which include basic and premium programming, and, in most markets, incremental product and service offerings such as enhanced pay-per-view programming, including VoD and near-VoD ("NVoD"), digital video recorders ("DVR"), HD television ("HDTV") services and, in some cases, exclusive content. Our cable networks enable us to offer interactive digital services to most of our customers. Our pay TV offerings include content and channels purchased from a variety of local and foreign producers and we continue to focus on broadcasting high-quality content over all of our cable networks. To ensure we cater to local demand for content, we tailor both our basic and additional channel offerings to each country of operation according to culture, demographics, programming preferences and local regulation. As of 31 December 2015, we offered pay television to 4.2 million B2C customers across our geographies (representing 26% penetration of our Cable/Fiber Customer Relationships).

We provide broadband internet access and fixed-line telephony services across our cable (and in certain areas xDSL) footprint, with a majority of homes passed benefitting from download speeds of at least 30 Mbps. In the short-to-medium term, we expect that the portions of our networks that are DOCSIS 3.0-enabled can offer download speeds of over 1 Gbps with limited network and customer premises equipment upgrades given the existing technological capability of our networks. This technological capability can be realized with relatively low levels of capital expenditure and will enable us to better meet the needs of our residential and corporate customers who demand higher download speeds. As of 31 December 2015, we offered broadband internet to 4.1 million B2C customers across our geographies (representing 25% penetration of our Cable/Fiber Customer Relationships).

Our fixed-line telephony services are based on either PacketCable or VoIP technologies. We offer a wide range of telephony packages and our triple-play offers tend to include flat-rate telephony packages with a significant number of minutes of use included in the price. We provide national and international connectivity to our customers either through our own interconnection capabilities or through our partners. We tend to phase out stand-alone telephony packages as our strategy is to offer fixed-line telephony as an add-on product in our triple-play packages. As of 31 December 2015, we offered fixed-line telephony to 3.4 million B2C customers across our geographies (representing 21% penetration of our Cable/Fiber Customer Relationships).

In our fixed B2C business we believe advanced customer premises equipment is playing an increasingly crucial role as it enhances customer experience by facilitating access to a wide range of user-friendly features, offers a reliable channel for selling add-on and on-demand services, allows for multi-screen television viewing and broadband internet usage by multiple parties and, when set-top boxes and modems are combined in one box, allows cable operators to significantly reduce customer service expenses. Accordingly, we have continued to roll out "LaBox", our most advanced set top box, in our Western European businesses ("One Box" in Portugal) and Israel. In May 2012, we launched LaBox in France which was followed by our roll out of LaBox in Israel under the commercial name of "FiberBox" in March 2014. We also rolled out LaBox in the Dominican Republic under the commercial name "Smartbox" in January 2015. LaBox is an innovative integrated set-top box and cable router offered to customers who subscribed to our premium multi-play packages. It can deliver very-high-speed internet, digital television services with a capacity of up to 300 channels and fixed-line telephony with two telephone lines, has four tuners to allow subscribers to record two television programs simultaneously while watching another (as well as watching different channels in different rooms), has high definition ("HD") and 3D capability and also includes an 802.11n WiFi router, a removable 160 GB PVR or optional 500 GB PVR which allows it to hold over 125 hours of HD or approximately 190 hours of standard definition ("SD") programming. Additional features include an optional Blu-Ray DVD player, access to social networking features such as Facebook and Twitter on television and a VoD price comparison engine and intelligent content search. Smartphones and tablets can act as "remote controls" for LaBox, allowing users to navigate the interface with their personal handheld device as well as to switch on and off the recording of television programs remotely through the application "TV Mobile". We expect that the introduction of LaBox will result in the increase of our Average Revenue Per Unit ("ARPU") by attracting new premium package customers and prompting existing customers to upgrade to our premium packages which offer LaBox as standard. We expect that LaBox will also promote the sales of our other premium services. In November 2015, we launched "La Box Fibre Zive" in France, an innovative 4K/UHD-enabled set-top box, giving customers access to the largest catalogues of programs available in France.

In addition to offering fixed services to our B2C customers, we offer focused B2B services to large, medium and small ("SME") and very small ("VSE") business customers in France, Portugal, the United States, the Dominican Republic and other geographies. In Israel, our B2B services primarily consist of enhanced versions of our B2C products which are adapted to the needs of SMEs and VSEs.

Mobile

We own and operate mobile infrastructure in most of our geographies, including France, Portugal, Israel and the Dominican Republic. We primarily service the post-paid subscriptions market, for example through our "Formules Carrées" and "RED" offerings in France, which represented 65.2% of our mobile customer base on a blended basis as of 31 December 2015, and, to a lesser extent, the pre-paid market. Depending on geography and network technology deployed, we offer 2G, 3G and/or 4G-LTE services on a variety of plans, from premium "no frills" offers with no commitment or handset, to premium mobile telephony offers with varying voice and data limits, if any, at attractive prices. In some of our markets we provide wireless broadband plans through nomadic broadband internet, giving customers access to our very-high-speed mobile networks (for example, in France, through our "Connecté Partout" plan).

We provide mobile telephone services using Global System for Mobile Communication ("GSM"), Universal Mobile Telecommunications System ("UMTS"), and Long-Term-Evolution ("LTE") technologies (2G, 3G and 4G, respectively), in most of the geographies in which we operate. We already provide last generation LTE technology in France, Portugal, Israel and the Dominican Republic. We continuously participate in public spectrum auctions to enhance our mobile networks, for example in Israel and in France, where we notably obtained 700 MHz of spectrum in a public auction in November 2015.

As of 31 December 2015, on a blended basis across our geographies, we offered mobile services to 26.7 million B2C customers of which 2.8 million were multi-play subscribers. In Israel, due to current regulations, we offer our mobile services only on a stand-alone basis and in a bundle with ISP services and not as part of a multi-play cable offering.

In addition to offering mobile services to our B2C customers, we offer focused B2B services to large, SME and VSE business customers in France, Portugal, Israel and the Dominican Republic. Our B2B mobile products often include professional telephony services (such as business directory services, fleet management customer areas, usage alerts and financial management solutions) with devices chosen to respond to the needs of professionals and 24-hour on-site exchange service.

Wholesale

Across our geographies we offer some wholesale services, including interconnection services to other operators, and in France, the United States and Portugal we sell wholesale cable- and fiber-based and xDSL-based services to other telecommunications operators who resell such services under their own brands. In France we run a focused wholesale business which we consider to be a key part of our global operations where we offer a full range of wholesale products and services under our SFR brand, including wholesale carrier services (voice and data), wholesale infrastructure services (dark fiber) and white label services.

Other

We also offer a number of other services, depending on geography, such as bulk services to housing associations and multiple dwelling unit managers, cloud storage, such as on-demand IaaS services, computer security services and storage and backup solutions. In various jurisdictions in which we operate, we also generate revenues from selling advertising time to national, regional and local customers.

Through our content subsidiaries Ma Chaîne Sport and Altice Entertainment News & Sport we produce and broadcast a diverse range of content including live broadcasts of sports events and other sports-, health- and wellbeing-related programs. We offer the channels distributed by Ma Chaîne Sport and Altice Entertainment News & Sport as part of our pay TV packages in several of our geographies and also distribute them to third party service providers. In December 2015, we entered into a strategic joint partnership with NextRadioTV to invest in media companies and to accelerate the development of multimedia projects in both France and other international markets. NextRadioTV is a leading French media company which owns TV channels and radio stations across five news areas (general news, sport, economy, high-tech and discovery), including BFMTV, RMC Découverte, RMC and BFM Business. Through these subsidiaries we will also distribute the new sports programming for which we have acquired broadcasting rights, such as the English Premier League, FC Porto matches in the Portuguese Premier League, French National Basketball games, ski world championship events and Rugby Premier League fixtures.

Marketing and Sales

Our marketing strategy is based on increasing the penetration of multi-play services within our subscriber base by highlighting our multi-play offerings and focusing on transitioning our analog and digital video-only customers to multi-play packages. Our primary marketing channels are media advertising including commercial television, telemarketing, e-marketing, door-to-door marketing, billboards, newspaper advertising and targeted mail solicitation. We continuously evaluate our marketing channels to allocate our resources most efficiently. Our marketing and sales efforts are always geared towards demonstrating the high-quality and speed of our networks. In November 2015, we announced an exceptional partnership with Cristiano Ronaldo, three time FIFA World Footballer of the Year and the current Captain of the Portuguese national team, whereby he agreed to serve as a brand ambassador across the markets in which we operate. Our partnership with Cristiano Ronaldo is illustrative of our ambition for success and our desire for excellence across our brands.

Customer Service

Our customer service strategy is to increase customer satisfaction and decrease churn with high product quality and dedicated service offered through locally and internationally operated service centers and personnel, a majority of which are outsourced to third-party providers. We aim to increase the extent to which certain customer service functions are outsourced in order to optimize our operational risks and costs. We have also launched and partially implemented initiatives aimed at improving our customers' experience, including enhanced Customer Relationship Management systems, which allow us to better manage new subscribers, identify customers at risk of churning, handle complex customer issues, offer special retention offers to potential churners and repayment plans to insolvent customers.

Competition

In each of the geographies and industries in which we operate, we face significant competition and competitive pressures. Certain markets, including the United States, France and Israel, are reaching saturation, with a limited number of new subscribers entering the market. Moreover, our products and services are subject to increasing competition from alternative new technologies or improvements in existing technologies. For example, our pay TV services compete with IPTV providers utilizing DSL or VDSL broadband internet connections. New competitors from unregulated, or differently regulated, sectors (including internet competitors such as Google, Amazon, Apple, YouTube, Netflix and other over-the-top ("OTT") (of an existing broadband internet network) players) have also emerged as competitors to our pay TV offerings. In the broadband internet market, we face competition from mobile operators which utilize powerful handsets and high bandwidth technologies, such as UMTS and LTE technology. We also face competition from non-traditional mobile voice and data services, in particular OTT applications, such as Skype, Google Talk, Facetime, Viber and WhatsApp.

The following is an overview of the competitive landscape in certain key geographies in which we operate:

France

In the French pay television market, we compete with providers of premium television packages such as CanalSat, DSL triple play and/or quad-play operators such as Orange, Free and Bouygues Telecom, which provide IPTV, and providers of pay DTT. In the broadband market we compete primarily, though increasingly with fiber, with xDSL providers such as Orange (the leading DSL provider in France), Free and Bouygues Telecom. Our competitors continue to invest in fiber network technology which has resulted in additional competition to our fiber-based services. In the French mobile telephony market, we compete with well established mobile network operators such as Orange, Bouygues Telecom and Free, as well as other MVNOs such as La Poste. In particular, price competition has intensified since entry into the market by Free in early 2012 with low-priced no-frills packages.

United States

In the United States, Cequel's (Suddenlink's) video business faces competition primarily from direct broadcast satellite ("DBS"), service providers, principally DirecTV and DISH. Telephone companies, including AT&T, CenturyLink, Frontier and Verizon, and utility companies are capable of offering video and other services in competition with us. In 2015, AT&T acquired DirecTV, the nation's largest DBS provider, creating a large competitor to our cable services which has the ability to offer bundled wireless offerings. In addition, content owners, such as HBO, CBS and Nickelodeon, are increasingly utilizing internet-based delivery of content. With respect to our high-speed internet service, we face competition from telephone companies and other providers of DSL, such as AT&T, CenturyLink, Frontier and Verizon.

Israel

In Israel, in the pay TV market, our main competitor is D.B.S. Satellite Services (1998) Ltd, a subsidiary of Bezeq, which provides satellite technology based television services under the brand “YES”. Our high speed broadband internet infrastructure access service competes primarily with Bezeq, which provides high speed broadband internet access over DSL and holds the highest market share in broadband internet infrastructure access in Israel. Bezeq is also our main competitor in the fixed-line telephony market as the largest provider of fixed line telephony services. Our Israeli mobile service, HOT Mobile, competes with several principal mobile network operators, including Cellcom, Partner, Pelephone and Golan Telecom, and MVNOs.

Portugal

In Portugal, we face competition in the cable and mobile markets from Vodafone Portugal, NOS SGPS, S.A. (“NOS”) and Cabovisão (which we disposed of in January 2016). In the broadband internet market, we compete with Vodafone Portugal, NOS and Cabovisão. In the fixed telephony market, we face an erosion of market share of both access lines and outgoing domestic and international traffic due to the trend towards the use of mobile services instead of fixed telephone services. Competition in the fixed line telephony market is intensified by mobile operators such as NOS and Vodafone who can bypass PT Portugal’s international wireline network by interconnecting directly with fixed line and mobile networks either in its domestic network or abroad.

Dominican Republic

In the Dominican Republic, our key competitors in the pay TV business are Claro, cable operator Aster and Wind Telecom. In the broadband internet and fixed line telephony markets, Tricom is the second largest provider next to the incumbent Claro, our main competitor, with national market shares of approximately 27% and 25%, respectively, as of 31 December 2015, according to management estimates. In the mobile market, Altice Hispaniola’s and Tricom’s key competitor is Claro.

2. STRATEGY AND PERFORMANCE

2.1 Objectives

Our key objective is to improve the operating and financial performance of our Group by increasing operational efficiencies of our existing businesses and integrating our recently acquired businesses utilizing the Group’s operational expertise, scale and investment support. Furthermore, we aim to provide a unique and sophisticated customer experience by investing in best-in-class technology and delivering the best quality services and content.

2.2 Strategy of the Company

The below strategies are designed to achieve our objectives and further improve our business operations and practices:

Grow operating margins and cash flow by leveraging our operational expertise and Group synergies.

We have a successful track record of improving the performance of cable and telecommunication operators across geographies. We expect to continue to organically grow our operating margins across our operations by focusing on cost optimization and increasing economies of scale and operational synergies as our Group develops. We expect to continue to achieve savings as we focus on integrating acquired businesses with our existing businesses, particularly in our key markets France, Portugal and the United States. While we have made significant progress at NSFR following the 2014 SFR Acquisition, we plan to realize further savings across the cost structure by (i) investing in our own fiber network, migrating DSL subscribers to our own network and reducing the need for third party network services, (ii) continuing to improve and simplify operational processes and reduce IT costs by investing into new platforms, (iii) integrating our sales organizations, optimizing our sales channels and simplifying our brand portfolio, (iv) implementing further procurement efficiencies by leveraging our bargaining power, and (v) further reducing overhead costs. Equally, we intend to continue our improvement and efficiency plans in Portugal at the Portugal Telecom Group and in the United States at the Cequel Group to increase our operating margins and cash flow, which can be reinvested in our businesses.

We aim to achieve such operational efficiencies and successfully integrate our businesses through our experienced management team which has a proven track record of delivering such improvements.

Invest into fixed and mobile infrastructure across our footprint to maintain our competitive advantage in the market and provide best-in-class services to our customers.

We aim to remain as a technology leader in each of our markets and to provide innovative, best-in-class services to our customers. In France, we announced in 2015 our plan to expand our next-generation fiber footprint to 22 million homes passed by 2022 compared to 7.7 million fiber homes passed as of 31 December 2015. This plan, which would more than double the size of our current network, would ensure our leading position as provider of fiber broadband services in the French market. Subsequent to our acquisition of the Portugal Telecom Group, we announced in 2015 our plan to extend our fiber network from approximately 2.3 million homes to 5.3 million homes by 2020, creating the most innovative, GPON-technology based fiber network in Europe. Following our acquisition of the Cequel Group, we confirmed our commitment to operation Gigaspeed, making 1 Gbps broadband services available by year-end 2016 to more than 250 communities served by the Cequel Group representing more than 60% of its broadband customers. Furthermore, we are investing in improving the “customer experience” by simplifying the customer’s journey when interacting with us. This activity is supported by innovative processes and systems.

We intend to continue to invest into our networks and services to maintain our competitive advantage and position ourselves to grow in the future.

Invest into key content to enrich our communications service offerings and differentiate our offerings in the market place.

We plan to invest selectively in premium content, as part of our long-term strategy of converging our telecom assets with media channels, distribution, content development and production. In order to enrich our service offering and bring attractive and differentiated content to our customers, we made significant investments in the French media business, totalling EUR 1 billion, in 2015, such as the acquisition of exclusive broadcasting rights to the English Premier League, the world’s most widely broadcasted football championship, for the next three seasons, starting in August 2016, as well as the French National Basketball league and the ski world championship, and entering into a strategic partnership with NextRadioTV, which owns France’s leading news channel, BFMTV.

Further increase our multi-play penetration and ARPU by providing new and existing customers with best-in-class products, services and content, including attractive mobile products wherever profitable.

We believe that fixed network leadership, operational excellence and multi-play strategy are key success factors in our end markets. We believe that our state of the art cable and fiber networks across our markets provide us with a strong technological infrastructure for delivering high quality television, higher speed internet and triple- and, subject to certain regulatory considerations, quad-play services at attractive prices. We have successfully increased our multi-play customers from 1.6 million in 2014 to 2.8 million in 2015, with a multi-play penetration of 56% in 2015. Our strategy is to continue to increase our multi-play customer penetration by accelerating investment in both fiber and 4G infrastructure, which we believe will enable us to attract new multi-play customers and cross sell our mobile services to existing fixed services customers in the countries in which we offer those services. This will allow us to leverage our network infrastructure and access to premium content on the one hand and SFR’s large customer base and premium brand name on the other. Moreover, we will be able to offer our existing and new B2C customers compelling bundled triple- and quad-play packages in the French market, where we are the only player in our coverage area capable of bundling the highest broadband speeds in the market and premium pay TV content into single bill packages.

Leverage our networks to address new growth opportunities including B2B and mobility.

We believe that our dense cable/fiber network, supported by fiber backbones will position us ideally to service new demand from corporate customers and to benefit from the convergence of fixed and mobile usage with relatively lower levels of capital investment compared to some of our peers. We aim to leverage our well invested infrastructures to offer tailored data solutions and capture profitable growth in these markets, thereby maximizing the return on our network assets. As the B2B telecommunications market shifts to next generation services, including IP VPN, hosting or cloud services, which are more bandwidth intensive and complex, we will look to expand opportunistically in the B2B businesses, which offer important economies of scale and synergies with our B2C operations.

We plan to continue to expand our presence in the B2B segment in France by providing next generation services which require high bandwidth and offer potential for higher margins. We intend to capitalize on the combination of our modern cable network and expertise in critical network architecture to grow our customer base and increase our offering of higher margin data products in France. We target increasing our market share in the B2B segment by strategically redeploying our sales force in order to fully address all B2B market sub-segments. In addition, as mobile internet traffic is expected to grow at a compound annual growth rate of 53% between 2015 and 2020 (according to a Cisco VNI 2016 study), primarily driven by development of smart devices supporting multiple wireless technologies, we believe that our high capacity backbone will differentiate us from our competitors as it enables us to offer a compelling backhaul offload offering to MVNOs. We are the second leading mobile operator in France with 15.1 million subscribers as of 31 December 2015. We believe that this will enable the NSFR Group to drive growth by leading the French market in quad-play, convergence and innovation, supported by the power of the SFR brand and our multi-channel presence. In Portugal, we benefit from PT Portugal's leading enterprise telecom infrastructure (including one of the largest datacenters in the world) and strong customer relationships, as well as from its number one mobile telecom position with its 4G mobile network and superior scale. We believe we can further grow this business by implementing best practices from the broader Group. In the United States, we plan to leverage recently-implemented network improvements at Cequel through which we reclaimed bandwidth capacity in our network and continue the initiative to replace the use of third parties for certain functions and services necessary to Cequel's provision of telephone services with its own internal platform and resources.

Generate value through proven integration capabilities.

After a period of significant merger and acquisition activity, our prime focus is on delivering on our operational plans and integrating our newly acquired businesses, including our acquisitions in the US. We have focused our acquisitions on operators with what we believe are quality networks in attractive markets from an economic and competitive standpoint with a clear regulatory framework and seek to create value at the acquired businesses by implementing operational improvements and leveraging economies of scale. We have a strong track record of integrating acquired businesses having completed over nine transactions in the last three years. The PT Portugal Acquisition and our acquisitions in the US represent a further meaningful extension of this strategy.

2.2.1 Corporate social responsibility

The Company, through its activities, encourages the Group to work towards creating a positive impact on the environment, customers, employees, communities and other stakeholders.

The Company pays particular attention to the environmental impact of its activities and aims to combine profitable growth that is sustainable and responsible from a social, environmental and societal point of view.

The Company has implemented a number of initiatives in environmental matters as part of its business and in respect of its customers and employees. The Company wishes to sustain this approach in the coming years.

Beyond the control of its direct impact, the Company also seeks to offer its customers ecologically responsible products and services in order to reduce their energy consumption. For example, in France, due to its versatility and its multifunctional character, LaBox represents a significant innovation, since it combines several functions (Blu-ray TM reader, TV-HD decoder and removable hard drive).

On a local basis, and through its subsidiaries, the Company monitors scientific developments and positions of the health authorities on radio frequencies and maintains its information campaigns and dialogue towards its various stakeholders, including elected representatives, sponsors, customers, etc., thereby remaining vigilant as well as transparent.

Furthermore, the Company coordinates the different practices developed by its subsidiaries and encourages the alignment and streamlining of practices.

The Company relies on the actions of the various Foundations supported by its subsidiaries:

- SFR Foundation is active in missions for equal opportunities to vulnerable population groups, issues of integration, the promotion of digital and targeted actions in the local territories;
- the Portugal Telecom Foundation conducts its activities through social interventions and support for sustainable development in different areas. It contributes the improvement of the quality of life and provides technology solutions and social inclusion programs;
- the Foundation in the Dominican Republic is active in developing actions to improve education and inclusion in the country but also to develop programs promoting the digital solidarity; it is also creating schemes in favor of good health.

In addition, the Company requests from its subsidiaries to develop programs in order to reinforce safety and health at work and to act, from an HR perspective, by developing a workforce diversity.

Finally, the Company ensures that decisions made by its subsidiaries to facilitate the digital life of their customers also maintain data protection.

2.3 Group financial review

The following discussion and analysis is intended to assist in providing an understanding of the Group's financial condition, changes in financial condition and results of operations and should be read together with the Group's Consolidated Financial Statements for the year ended 31 December 2015, including the accompanying notes, included elsewhere in this Management Report. For an overview of our business, our objectives and our strategy, please see section 1 "Principal activities of the Group" and section 2 "Strategy and performance". Please see section 2.5 "Risk management and control", below, for a discussion of important principal risk factors relating to our business and financial profile.

In this section, the term "Company" refers to Altice N.V., and the terms "Group", "we", "us" and "our" refer to Altice N.V. and its subsidiaries (including the Portugal Telecom Group, the NSFR Group and the Cequel Group).

The below table sets forth our Consolidated Statement of Income for the years ended 31 December 2015 and 2014, in millions of euros and as a percentage of revenues for the periods in question:

	Year ended 31 December		
	2015	**2014 (*Revised)**	**Change**
	(In millions EUR)		
Revenues	14,550.3	3,934.5	*269.8%*
Purchasing and subcontracting costs	(4,653.6)	(1,118.2)	*316.2%*
Other operating expenses	(3,233.7)	(960.0)	*236.9%*
Staff costs and employee benefit expenses	(1,241.1)	(364.5)	*240.8%*
Depreciation and amortization	(3,752.8)	(1,112.7)	*237.3%*
Impairment losses	(20.9)	(13.7)	*52.8%*
Other expenses and income	(426.0)	(239.6)	*77.8%*
Operating profit	**1,221.3**	**125.7**	***871.2%***
Interest relative to gross financial debt	(2,013.5)	(788.3)	*155.4%*
Other financial expenses	(262.0)	(360.4)	*(27.3%)*
Finance income	417.0	13.5	*2984.5%*
Gain recognized on extinguishment of a financial liability	643.5	-	*100%*
Finance costs, net	**(1,215.0)**	**(1,135.2)**	***7.0%***
Net result on disposal of businesses	27.5	-	-
Gain recognized on step acquisition	-	256.3	*(100.0%)*
Share of profit of associates	8.1	4.8	*66.1%*
Profit before income tax	**41.8**	**(748.4)**	***(105.6%)***
Income tax (expenses)/income	(261.7)	168.9	*(255.0%)*
Profit/(loss) for the period	**(219.9)**	**(579.5)**	***(62.1%)***
Attributable to equity holders of the parent	*(319.3)*	*(429.6)*	*(25.7%)*
Attributable to non-controlling interests	*99.5*	(149.9)	*(166.4%)*
Earnings per ordinary share (Basic)	(0.32)	(0.51)	*(38.5%)*
Earnings per ordinary share (Diluted)	(0.30)	(0.49)	*(38.7%)*

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* For the impact of the revisions, please refer to note 32 to the Consolidated Financial Statements.

The Group operates in various geographies. When analyzing the financial health of these geographical segments, we use measures and ratios, in particular Adjusted EBITDA that are not required by or presented in accordance with International Financial Reporting Standards as adopted in the European Union ("IFRS") or any other generally accepted accounting standards. We present Adjusted EBITDA because we believe that it is of interest for the shareholders and similar measures are widely used by certain investors, securities analysts and other interested parties as supplemental measures of performance and liquidity.

The below tables show the Adjusted EBITDA and operating profit for the years ended 31 December 2015 and 31 December 2014, respectively by geographical segments:

	Year ended 31 December 2015						
(in EUR millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others(1)**	**Total**
Revenue	11,017.9	1,492.3	923.3	694.8	65.7	356.4	14,550.3
Purchasing and subcontracting services costs	(3,862.0)	(324.8)	(221.8)	(141.3)	(19.7)	(84.0)	(4,653.6)
Other operating expenses	(2,447.0)	(327.6)	(197.2)	(166.0)	(9.9)	(85.9)	(3,233.7)
Staff costs and employee benefit expenses	(877.0)	(201.2)	(73.7)	(27.1)	(5.2)	(58.0)	(1,242.1)
Total	**3,831.9**	**638.7**	**430.5**	**360.4**	**30.9**	**128.6**	**5,420.9**
Non-recurring items and other adjustments in EBITDA	54.8	-	-	-	-	18.5	73.3
Adjusted EBITDA	**3,886.7**	**638.7**	**430.5**	**360.4**	**30.9**	**147.2**	**5,494.2**
Depreciation and amortisation	(2,643.4)	(462.1)	(326.1)	(176.3)	(21.4)	(123.4)	(3,752.8)
Impairment losses	-	-	-	-	-	(20.9)	(20.9)
Non-recurring items and other adjustments in EBITDA	(54.8)	-	-	-	-	(18.5)	(73.3)
Other Operating expenses and income	(340.6)	(52.6)	(19.6)	(8.1)	(0.3)	(4.8)	(426.0)
Operating profit	847.9	124.0	84.8	176.0	9.1	(20.6)	1,221.3

	Year ended 31 December 2014 (*Revised)						
(in EUR millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others(1)**	**Total**
Revenue	2,049.6	182.8	857.4	464.5	-	380.1	3,934.5
Purchasing and subcontracting services costs	(676.8)	(77.9)	(173.5)	(100.9)	-	(89.1)	(1,118.2)
Other operating expenses	(530.8)	(31.7)	(191.4)	(118.6)	-	(87.5)	(966.0)
Staff costs and employee benefit expenses	(191.3)	(15.6)	(80.7)	(19.3)	-	(57.6)	(364.5)
Total	**650.7**	**57.7**	**411.8**	**225.7**	-	**145.9**	**1,491.7**
Non-recurring items and other adjustments in EBITDA	7.4	-	-	-	-	12.2	19.7
Adjusted EBITDA	**658.1**	**57.7**	**411.8**	**225.7**		**158.2**	**1,511.3**
Depreciation and amortisation	(546.2)	(74.2)	(293.8)	(106.5)	-	(92.0)	(1,112.7)
Impairment losses	-	(8.3)	-	-	-	(5.4)	(13.7)
Non-recurring items and other adjustments in EBITDA	(7.4)	-	-	-	-	(12.2)	(19.7)
Other Operating expenses and income	(101.3)	(14.6)	(17.1)	(66.6)	-	(40.0)	(239.6)
Operating profit	3.2	(39.4)	100.9	52.6	-	8.5	125.7

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(1) Comprises of our fixed-based and mobile-based services in Belgium and Luxembourg and the French Overseas Territories as well as our datacenter operations in Switzerland (Green Datacenter), our datacenter operations in France and our content production and distribution businesses (including Ma Chaîne Sport and Altice Entertainment News & Sport (France)).

* For the impact of the revisions, please refer to note 32 to the Consolidated Financial Statements.

Significant Events Affecting Historical Results

2015 was a transformative year for the Company, and many significant events had an impact on the results of operations for the year ended 31 December 2015. These included certain major acquisitions announced and completed during the course of the year and the closing of acquisitions that were announced at the end of 2014. Additionally, the Group also conducted a cross-border merger between the Company, a newly formed Dutch public company, and Altice S.A., with the Company as the surviving entity. A summary of the significant events that took place in the year ended 31 December 2015 is presented below.

- On 6 May 2015, further to the consummation of the 2014 SFR Acquisition on 27 November 2014, Altice France, through its subsidiary Altice France Bis, and NSFR acquired Vivendi's remaining 20% stake in NSFR, with each entity acquiring a 10% stake. The purchase of the shares by NSFR was funded with EUR 1,050 million drawn under the 2014 NC Revolving Credit Facility as well as cash on balance sheet for an amount of EUR 897 million and a vendor note financed by Altice France Bis for an amount of EUR 1.948 million (excluding purchase price adjustments). As a result of the transaction (and the cancellation of the treasury shares acquired by NSFR), Altice France held, directly and indirectly, approximately 78.2% of the share capital and voting rights in NSFR.

- On 19 May 2015, Altice S.A., succeeded by Altice Luxembourg, together with its subsidiary Altice US Holding I, entered into an agreement with certain affiliates of BC Partners, Ltd. ("BCP") and CPPIB-Equity Investments Inc. ("CPPIB" and together with BCP, the "Existing Sponsors"), respectively, and IW4MK Carry Partnership LP relating to the purchase of 70% of the outstanding equity interests in Cequel and its subsidiaries (which operate under the "Suddenlink" brand) (the "Cequel Acquisition"). The remaining 30% of the equity interests in Cequel are held by the Existing Sponsors through one or more intermediate companies. Jerry Kent, outgoing founder, former chairman and CEO of Cequel, reinvested, alongside the Group, in the investment vehicle through which the Cequel Acquisition was made. The Cequel Acquisition was consummated on 21 December 2015. To fund part of the Cequel Acquisition, the Group raised USD 1.7 billion of new debt through its indirect US financing subsidiaries, creating a separate restricted group within the Group. The Cequel Acquisition was also funded through a USD 500 million vendor loan note from BCP and CPPIB and USD 1.1 billion of cash from an indirect subsidiary of the Company with the remainder representing the roll over by BCP and CPPIB. The debt issued to finance the Cequel Acquisition is ring-fenced from the existing debt currently in place within the Group, and Cequel will hence not be restricted under the documents governing such other debt.

- On 2 June 2015, the Group, through its subsidiary Altice Portugal, completed the PT Portugal Acquisition. This acquisition enabled the Group to further expand its business operation in Western Europe. For the year ended 31 December 2015, PT Portugal contributed EUR 1,353.0 million of revenue, EUR 129.9 of operating profit, and EUR 587.1 million of Adjusted EBITDA to the Group. On 20 January 2016, the Group completed the disposal of Cabovisão and its subsidiaries (including Winreason), in compliance with the conditions set by the European Commission for the approval of the PT Portugal Acquisition.

- In July 2015, the Group refinanced the amounts drawn under the 2013 Altice Financing Revolving Credit Facility, the 2014 Altice Financing Revolving Credit Facility, the 2015 Altice Financing Revolving Credit Facility at the Altice International restricted group and the 2014 NC Revolving Credit Facility at the NSFR restricted group pursuant to an incremental loan advanced to Altice Financing for an aggregate amount of EUR 450 million under the 2013 Altice Financing Term Loan B Credit Agreement and to NSFR for an aggregate amount of EUR 800 million (equivalent) under the 2014 NC Term Loan B Credit Agreement, respectively.

- On 27 July 2015, Altice International entered into a joint venture (Groupe News Participations ("GNP")) with Alain Weill – founder and main shareholder of NextRadioTV - to invest in and to accelerate the development of multimedia projects in both France and other international markets. GNP is 51% owned by Alain Weill and 49% by the Group. Mr. Weill assumes the role of Executive Chairman of GNP. GNP was primarily financed by the Group through a capital increase and convertible bonds (which conversion into shares will be subject to regulatory approvals) and to a lesser extent by a capital increase subscribed by Alain Weill. Through this new partnership, Mr. Weill also ultimately became a 24% shareholder of a subsidiary of the Company dedicated to investments in media and the Group has a call option on his 24%-stake which is exercisable from March 2019 (also subject to regulatory approvals) or in case of exceptional circumstances (such as decease or resignation). The investment of GNP in NextRadioTV was financed through a combination of drawings under our revolving credit facilities and cash on balance sheet. The transaction was consummated in three steps: (i) on 3 December 2015, GNP acquired Alain Weill's stake in NextRadioTV (38% economic rights and 49% voting rights), (ii) on 11 December 2015, GNP acquired an additional 13%-stake from minority shareholders, and (iii) on 1 February 2016, GNP concluded the voluntary tender offer for 100% of NextRadioTV share capital and proceeded with its squeeze-out on 8 February 2016.

- On 31 July 2015, the Group acquired 1,298,398 additional shares in NSFR at a price per share of EUR 49.75. The total consideration of the transaction was EUR 64.6 million and was funded through cash on balance sheet. On 3 August 2015, the Group acquired 16,197 additional shares in NSFR at a price per share of EUR 50.11 and 29,338 additional shares in NSFR at a price per share of EUR 50.42, for a total consideration of EUR 2.3 million. As a result of such transactions, Altice France held, directly and indirectly, 78.48% of the share capital and voting rights in NSFR.

- On 31 July 2015, the Group concluded the sale of Outremer's mobile business based in the Indian Ocean to Telma, a Madagascar based mobile operator, for an enterprise value of EUR 81.3 million (post price adjustments). The disposal formed part of the conditions imposed by the European Commission on the Group as part of the approval of the 2014 SFR Acquisition.

- On 9 August 2015, the Group successfully merged Altice S.A. with the Company. Substantially all of the assets of Altice S.A. and all of its liabilities were simultaneously transferred to Altice Luxembourg, a newly formed indirect subsidiary of the Company. The Company is listed on Euronext Amsterdam.

- On 16 September 2015, the Company, together with its indirect subsidiary Neptune Merger Sub, entered into an agreement and plan of merger pursuant to which Neptune Merger Sub will be merged with and into Cablevision, with Cablevision surviving as an indirect subsidiary of the Company (the "Cablevision Acquisition"). The Cablevision Acquisition is subject to the satisfaction of certain conditions, including various on-going regulatory approvals. Upon consummation of the acquisition, Cablevision intends to, on the trading day immediately following the date on which the acquisition becomes effective, cancel the listing and admission of its common stock currently traded on The New York Stock Exchange under symbol CVC. On 8 October 2015, the Group raised USD 8.6 billion of new debt in the form of senior and senior guaranteed notes and a senior secured term loan in connection with the Cablevision Acquisition, thereby creating a further separate restricted group within its structure. Pending regulatory approvals, the proceeds of the new debt was placed in escrow. The remainder of the purchase price for the Cablevision Acquisition is expected to be financed through equity contributions by the Company and the Existing Sponsors, the roll-over of existing Cablevision debt and cash on Cablevision's balance sheet on closing. On 27 October 2015, the Company announced that funds advised by BCP and CPPIB have entered into a definitive agreement to acquire 30% of the equity of Cablevision for approximately USD 1.0 billion. BCP and CPPIB will, after consummation of the Cablevision Acquisition, hold 30% of the equity of Cablevision indirectly through one or more intermediate companies.

- On 1 October 2015, the Company announced the successful placing of new Common A Shares and Common B Shares by way of an accelerated book building. In total the placing comprised 69,997,600 Common A Shares at a price of EUR 17.00 per share and 24,825,602 Common B Shares at a price of EUR 17.00 per share, resulting in gross proceeds of approximately EUR 1.61 billion. The proceeds of the placing will be used to finance part of the Cablevision Acquisition.

- On 14 October 2015, NSFR announced that it would pay out a dividend in an aggregate amount of around EUR 2.5 billion. The dividend would be funded by way of incremental loans advanced to NSFR for (i) USD 1,340 million and (ii) EUR 500 million under the 2014 NC Term Loan B Credit Agreement, respectively. Altice France used its share of the dividend to purchase the NSFR shares held by Altice France Bis, who in turn repaid the vendor note under which it was a lender and Vivendi was the borrower. The dividend was paid out on 22 December 2015 and the repayment was made on 23 December 2015. As at 31 December 2015, Altice France held, directly and indirectly, 78.14% of the share capital and 78.13% of the voting rights in NSFR.

- In October 2015, Altice Corporate Financing, a wholly-owned subsidiary of the Company, entered into an agreement with a consortium of lenders to obtain a EUR 1.5 billion corporate facility. The facility is composed of two tranches, one of which became available following the closing of the Cequel Acquisition and the other of which will become available following consummation of the Cablevision Acquisition. The proceeds of each tranche have been, and will be, used to partly fund the Group's equity investment in Cequel and Cablevision, respectively.

2.3.1 Discussion and analysis of the results and financial condition of the Group

Year Ended 31 December 2015 compared to the Year Ended 31 December 2014

Revenue

Group

For the year ended 31 December 2015, we generated total revenues of EUR 14,550.3 million, a 269.8% increase compared to EUR 3,934.5 million for the year ended 31 December 2014. This increase in revenues was mainly due to the acquisition of PT Portugal (since 2 June 2015), having contributed EUR 1,353.0 million to Group revenues, and to a lesser extent Cequel (since 21 December 2015), having contributed EUR 65.7 million to the Group revenues following the consummation of the Cequel Acquisition on 21 December 2015. Additionally, revenues were also impacted by the full year contribution of certain entities acquired in 2014, more specifically NSFR, Altice Hispaniola and Tricom.

The tables below sets forth our revenue by lines of activity in the various geographical segments in which we operate for the years ended 31 December 2015 and 31 December 2014, respectively:

	Year ended 31 December 2015						
(in EUR millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Fixed - B2C	2,873.1	484.6	645.3	106.9	52.2	141.3	4,303.4
Fixed - B2B	1,402.8	299.7	72.9	37.8	8.8	28.8	1,850.7
Wholesale	1,328.1	170.5	-	62.7	1.6	10.6	1,573.4
Fixed total	**5,604.0**	**954.8**	**718.3**	**207.3**	**62,6**	**180.5**	**7,727.5**
Mobile – B2C	4,722.2	346.3	151.0	414.0	-	99.6	5,733.2
Mobile – B2B	712.9	122.5	54.0	50.7	-	4.8	944.9
Mobile - Total	**5,435.0**	**468.8**	**205.0**	**464.7**	**-**	**104.4**	**6,678.0**
Other	-	72.6	-	22.7	3.2	115.5	214.0
Intersegment transactions	(21.2)	(3.9)	-	-	-	(44.1)	(69.2)
Total	**11,017.9**	**1,492.3**	**923.3**	**694.4**	**65.7**	**356.4**	**14,550.3**

	Year ended 31 December 2014						
(in EUR millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Fixed - B2C	880.2	96.8	614.1	70.4	-	149.4	1,811.0
Fixed - B2B	374.0	57.0	66.4	34.8	-	30.2	562.4
Wholesale	270.1	28.5	-	20.7	-	5.9	325.2
Fixed total	**1,524.3**	**182.4**	**680.5**	**125.8**		**185.6**	**2,698.6**
Mobile – B2C	471.0	-	128.6	281.3	-	119.2	1,000.0
Mobile – B2B	65.8	-	48.3	32.4	-	6.8	153.2
Mobile - Total	**536.8**	**-**	**176.8**	**313.7**	**-**	**126.0**	**1,153.2**
Other	(3.3)	1.1	-	25.3	-	80.4	103.5
Intersegment transactions	(8.1)	(0.2)	-	-	-	(11.5)	(19.6)
Total	**2,049.6**	**182.8**	**857.4**	**464.5**	**-**	**380.1**	**3,934.5**

Revenues for our fixed-based services (including wholesale) increased from EUR 2,698.6 million to EUR 7,727.5 million, a 186% increase compared to the year ended 31 December 2014. This increase was driven by the contribution of the revenues of PT Portugal and Cequel and the impact of the full year contribution of NSFR, Altice Hispaniola and Tricom.

Our mobile-based services revenue increased to EUR 6,678.0 million for the year ended 31 December 2015, a 479% increase compared to EUR 1,153.2 million in 2014. This increase was mainly due to the impact of the full year consolidation of the business of NSFR, Altice Hispaniola and Tricom in 2015, as well as the contribution of the revenues of PT Portugal.

Revenues from our other activities totaled EUR 214.0 million for the year ended 31 December 2015, a 106% increase as compared to EUR 103.5 million for the year ended 31 December 2014. The increase in other revenues was mainly due to an increase in the activity of our content businesses.

Geographical Segments

France. For the year ended 31 December 2015, we generated revenue in France of EUR 11,017.9 million, a 437.6% increase compared to EUR 2,049.6 million for the year ended 31 December 2014. Our fixed-based services revenue (including wholesale) increased by 267.6% and our mobile services revenue increased by 912.5%. The increase in revenue across all of our business operations can be attributed to the impact of the full year contribution of NSFR in 2015, as compared to only eleven months for Numericable Group S.A. (the predecessor of NSFR prior to the 2014 SFR Acquisition) and one month for SFR in 2014.

Portugal (PT Portugal and Cabovisão). In the twelve months ended 31 December 2015, we generated revenue in Portugal of EUR 1,492.3 million, a 716.4% increase compared to EUR 182.8 million in the twelve months ended 31 December 2014. Our fixed-based services revenue increased by 423.5%, our mobile-based services revenue increased by EUR 468.8 million (we had no mobile revenues in Portugal in 2014). The increase in revenue across all or our business operations can be attributed to the contribution of the revenues of PT Portugal since 2 June 2015.

Israel. For the year ended 31 December 2015, we generated revenue in Israel of EUR 923.3 million, a 7.7% increase compared to EUR 857.4 million for the year ended 31 December 2014. Our fixed-based services revenue increased by 5.5% and our mobile-based services revenue increased by 15.9%. On a constant currency basis, our revenues decreased by 2.1%. Fixed based revenue decreased by 4.1% on a constant currency basis, while mobile based revenue increased by 5.4%.

Despite seeing an increase in revenues due to the currency fluctuations, on a constant currency basis, we suffered a decline in fixed based revenues. However, having suffered a net decrease of 63,000 of our total cable RGUs in 2014, we were able to decrease the number of losses in our total cable RGUs to 37,000 for the year ended 31 December 2015, of which only 4,000 for the three months ended 31 December 2015, the lowest since the initial public offering of Altice S.A. in January 2014. Our customer services had suffered significant disruptions in the second and third quarter of 2014 caused by the continuing impacts of the conflict in Gaza leading to closures of several of our service centres and procedural issues experienced by our third party customer service provider. During the second half of 2014, management implemented a series of changes in order to improve the quality of our service: a dedicated customer service team for new subscribers; two new customer service call centres; and the recruitment of over 500 new service representatives for our external call centres. Despite the decreasing revenue trend, we managed to slightly increase our multi-play customer base from 482,000 as of 31 December 2014 to 483,000 as of 31 December 2015. The decrease in our fixed-based services revenue was offset by an increase in ARPU of 10.4% (0.4% at a constant exchange rate).

The increase in mobile services revenue was mainly due to the increase in the mobile customer base (net adds of 255,000 customers) and an increase in handset sales for the year ended 31 December 2015, as compared to the year ended 31 December 2014. This increase was offset by a decrease in mobile blended ARPU by 13.7% (21.7% at a constant exchange rate), ARPU decrease that all Israeli mobile companies suffered due to strong competition.

Dominican Republic. For the year ended 31 December 2015, we generated total revenue in the Dominican Republic of EUR 694.8 million, a 49.5% increase compared to EUR 464.5 million for the year ended 31 December 2014. The increase in revenue was mainly due the full year contribution of both Altice Hispaniola and Tricom, as compared to nine months and ten months in 2014, respectively.

United States. We completed the acquisition of Cequel on 21 December 2015. Cequel contributed EUR 65.7 million to the Group's consolidated revenues for the year ended 31 December 2015.

Others. For the year ended 31 December 2015, we generated total revenue in Others (which comprises of our fixed and mobile based services in Belgium and Luxembourg and the French Overseas Territories as well as our datacenter operations in Switzerland (Green Datacenter), our datacentre operations in France and our content production and distribution businesses (including Ma Chaîne Sport and Altice Entertainment News & Sport (France)) of EUR 356.4 million, a 6.4% decrease compared to EUR 380.1 million for the year ended 31 December 2014. This decrease was mainly due to the disposal of Outremer's mobile business in the Indian Ocean. This business contributed EUR 29.8 million to group revenues from 1 January 2015 to the date of its disposal (31 July 2015).

Adjusted EBITDA

Group

For the year ended 31 December 2015, our Adjusted EBITDA was EUR 5,494.2 million, an increase of 263.6% million compared to the year ended 31 December 2014 (EUR 1,511.3). This increase can be attributed to the impact of the consolidation of NSFR for a full year compared to only one month of SFR in 2014, the acquisition and integration of PT Portugal, and the full year impact of the acquisition of each of Altice Hispaniola and Tricom. We also experience organic Adjusted EBITDA growth of 4.5% in Israel (from EUR 411.8 million in 2014 to EUR 430.5 million in 2015). Non-recurring items and other adjustments in Adjusted EBITDA accounted for EUR 73.3 million in 2015 (EUR 19.7 million in 2014) and included non-cash expenses related to equity based compensation and the benefits related to contract renegotiation.

Geographical Segments

France. For the year ended 31 December 2015, our Adjusted EBITDA in France was EUR 3,886.7 million, an increase of 490.6% from EUR 658.1 million compared to the year ended 31 December 2014. This increase is attributable to the full year integration of NSFR in 2015, compared to only one month of SFR in 2014.

Portugal. For the year ended 31 December 2015, our Adjusted EBITDA in Portugal was EUR 638.7 million, an increase of 1,007.7% from EUR 57.7 million compared to the year ended 31 December 2014. This increase was a result of the integration of PT Portugal from 2 June 2015 onwards. PT Portugal contributed EUR 587.1 million to the Group Adjusted EBITDA in 2015.

Israel. For the year ended 31 December 2015, our Adjusted EBITDA in Israel was EUR 430.5 million, an increase of 4.5% compared to EUR 411.8 million for the year ended 31 December 2014. However, Adjusted EBITDA on a constant currency basis decreased by 4.6% compared to 2014 (owing mainly to a decrease in our fixed segment revenue and strong competition in the mobile segment).

On a euro equivalent basis, the increase in Adjusted EBITDA can be attributed to a decrease in staff costs of 8.7% in 2015 as compared to 2014 (EUR 73.7 million in 2015 compared to EUR 80.7 million in 2014), resulting from on-going, phased restructuring in our business. This decrease was offset by a 3.0% increase in our other operating expenses (from EUR 191.4 million in 2014 to EUR 197.2 million in 2015), owing mainly to an increase in our customer service costs, in an effort to increase recovery following the customer service issues we faced in 2014. Our purchasing and subcontracting costs increased by 27.8%, from EUR 173.5 million in 2014 to EUR 221.8 million in 2015, due to an increase in interconnection and roaming expenses resulting from an increase in mobile subscribers and from an increased spending on the purchase of mobile handsets as well as the competitive market we operate in.

Dominican Republic. For the year ended 31 December 2015, our Adjusted EBITDA in the Dominican Republic increased by 59.7% from EUR 225.7 million in 2014 to EUR 360.4 million (249.5% on a constant currency basis). This increase can mainly be attributed to the full year integration of Altice Hispaniola and Tricom into the consolidated results of the Group in 2015 as compared to nine months and ten months, respectively, in 2014.

United States. Cequel contributed EUR 30.9 million to the Group's Adjusted EBITDA for the year ended 31 December 2015, following its acquisition by the Group on 21 December 2015.

Others. For the year ended 31 December 2015, our Adjusted EBITDA in Others was EUR 147.1 million, a decrease of 7% from EUR 158.2 million compared to the year ended 31 December 2014. This decrease can be attributed to the disposal of the Indian Ocean mobile business of Outremer in July 2015. This business contributed EUR 9.9 million to the Group Adjusted EBITDA for the period from 1 January 2015 to 31 July 2015 (date of disposal).

Operating Profit of the Group

Depreciation and Amortization

For the year ended 31 December 2015, depreciation and amortization totalled EUR 3,752.8 million, a 237.7% increase compared to EUR 1,112.7 million for the year ended 31 December 2014. Depreciation and amortization in the year ended 31 December 2015 was impacted by (i) the acquisitions and subsequent consolidation of PT Portugal (with effect from 2 June 2015) and (ii) the impact of the inclusion of NSFR, Altice Hispaniola and Tricom for the full year in 2015. It was further impacted by the completion of the purchase price allocation for the 2014 SFR Acquisition in December 2015 (impact of EUR 267.9 million, net of deferred taxes).

Impairment losses

For the year ended 31 December 2015, our impairment losses totalled EUR 20.9 million, a 52.8% increase compared to EUR 13.7 million for the year ended 31 December 2014. Impairment losses in the year ended 31 December 2015 was impacted by the impairment of the "ONLY" brand, following the adoption of the "SFR" brand by Outremer in February 2015.

Non-recurring items and other adjustments in EBITDA

For the year ended 31 December 2015, non-recurring items and other adjustments in EBITDA totalled EUR 73.3 million, a 272.1% increase compared to EUR 19.7 million for the year ended 31 December 2014. This increase was mainly due to an increase in expenses related to equity based compensation, from EUR 19.7 million in 2014 to EUR 28.0 million in 2015. We also recognised EUR 45.3 million related to the savings associated with the renegotiation of supplier contracts in 2015.

Non-recurring items and other adjustments

For the year ended 31 December 2015, non-recurring items and other adjustments in EBITDA totalled EUR 426.0 million, a 77.8% increase compared to EUR 239.6 million for the year ended 31 December 2014. This increase was mainly due to the write-off by NSFR of the carrying amount of its investment in Sequalum's network (EUR 116.0 million) and an increase in restructuring costs (EUR 116.7 million compared to EUR 67.5 million for the year ended 31 December 2014). The increase in restructuring costs was mainly due to (i) the implementation of an in-sourcing program at PT Portugal following its acquisition in June 2015 and (ii) implementation of cost synergies at SFR.

As a result of the above mentioned factors, for the year ended 31 December 2015, we recorded an operating profit of EUR 1,221.3 million, an 871.2% increase compared to EUR 125.7 million for the year ended 31 December 2014.

Loss for the year of the Group

Finance costs (net)

Net finance costs amounted to EUR 1,215.0 million for the year ended 31 December 2015, registering an increase of 7.0% compared to the year ended 31 December 2014 (EUR 1,135.2 million). This increase was mainly related to the issuance of new debt in February, June and October to finance the acquisition of PT Portugal, Cequel and Cablevision, respectively and the full year impact of the debt issued in 2014 to finance the 2014 SFR Acquisition. Finance costs were also impacted by the impairment of our investment in Wananchi, a Kenyan cable operator, for a total amount of EUR 35.6 million.

Loss for the year

For the year ended 31 December 2015, the Group recorded a net loss of EUR 219.9 million, as compared to a net loss of EUR 579.5 million for the year ended 31 December 2014. This decrease was mainly attributable to the recognition of a one-off gain (EUR 643.5 million) related to the cancellation of the earn-out due to Vivendi for the 2014 SFR Acquisition. This one-off gain was offset by an increase in finance costs (see above) and an income tax expense of EUR 261.7 million compared to an income tax gain of EUR 168.9 million in 2014. The increase in income tax expenses is mainly due to the increasing profitability of our operations, especially in France (expense of EUR 105.8 million compared to an income of EUR 25.5 million in 2014). The income tax payable also increased as the result of reclassification of the CVAE (French value added business tax) from the business taxes line item (previously reported in 'other operating expenses') to the income tax line item (impact of EUR 81 million in 2015).

Cash Flow Generation

A summary of the key cash flow items is listed below:

	As of 31 December	
	2015	**2014**
	(In EUR millions)	
Net cash flow from operating activities	4,636.4	1,835.8
Net cash flow from investment activities	(5,390.8)	(14,455.3)
Net cash flow from financing activities	1,712.4	14,115.7
Changes in cash and cash equivalents	**951.3**	**1,502.1**

The Group recorded a net increase of EUR 951.3 million in cash and cash equivalents for the year ended 31 December 2015, compared to a net increase of EUR 1,502.1 million for 2014. In 2015, the Group recognized an increase in cash flows from operations (up by 152.5% from EUR 1,835.8 million to EUR 4,636.4 million). This underlines the Group's ability to generate cash flow from its operations.

Capital Expenditures

Capital expenditure is a key performance indicator tracked by the Group. A description of the different capital expenditure realized by the Group is provided below.

For our fixed businesses, capital expenditures related to (i) the connection of customer premises and investment in hardware, such as set top boxes, routers and other equipment, which is directly linked to RGU growth ("CPEs and installation related"); (ii) investment in improving or expanding our cable network, investments in the television and fixed line platforms and investments in DOCSIS network capacity ("cable network and construction related") and (iii) other.

For our mobile businesses, capital expenditures related to (i) improving or expanding our mobile networks and platforms; (ii) other investments relating to our mobile business and the acquisition of mobile handsets and (iii) the bidding and acquisition of new mobile licenses.

The table below sets forth our capital expenditure on an accrued basis for the years ended 31 December 2015 and 2014, respectively, for each of our geographical segments:

31 December 2015

	France[1]	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
				(in EUR millions)			
Capital expenditure	2,369.7	208.6	284.9	124.1	23.5	93.3	3,104.1

31 December 2014

	France	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
				(in EUR millions)			
Capital expenditure	532.2	24.3	224.7	78.6	-	105.4	965.2

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(1) For the year ended 31 December 2015, the Group incurred a one-off capital expenditure of EUR 477.0 million related to the acquisition of the 700 MHz spectrum in France.

Key Operating Measures

We use several key operating measures, including number of homes passed, Cable/Fiber Customer Relationships, RGUs, RGUs per Cable/Fiber Customer Relationship and ARPUs to track the financial and operating performance of our business. None of these terms are measures of financial performance under IFRS, nor have these measures been audited or reviewed by an auditor, consultant or expert. All of these measures are derived from our internal operating and financial systems. As defined by our management, these terms may not be directly comparable to similar terms used by competitors or other companies.

The tables below set forth our key operating measures for the years ended 31 December 2015 and 31 December 2014, respectively:

As and for the year ended 31 December 2015
in thousands except percentages and as otherwise indicated

	France	Portugal	US	Israel[6]	Dominican Republic	Others	Total
CABLE/FIBER/OTHER SYSTEMS							
Homes Passed[1]	**9,323**	**4,742**	**3,210**	**2,395**	**655**	**413**	**20,738**
Cable/Fiber Homes Passed	7,711	2,237	3,050	2,395	512	406	16,310
Cable/fiber unique customers[2]	**1,814**	**404**	**1,467**	**1,027**	**143**	**159**	**5,014**
Cable/fiber customer net adds	268	20	15	(37)	20	8	294
3P / 4P / 5P customers	1,403	364	411	483	40	93	2,794
3P / 4P / 5P penetration[3]	77%	90%	28%	47%	28%	58%	56%
Total Cable/fiber RGUs[4]	**4,840**	**1,166**	**2,892**	**2,178**	**277**	**329**	**11,682**
Pay TV	1,593	396	1,093	824	128	145	4,179
Pay TV net adds	211	17	(39)	(22)	10	5	182
Pay TV penetration	21%	18%	36%	34%	25%	36%	26%
Broadband	1,634	371	1,223	694	69	95	4,086
Broadband net adds	261	21	39	(18)	21	10	334
Broadband penetration	21%	17%	40%	29%	13%	24%	25%
Telephony	1,614	399	577	660	81	88	3,418
Telephony net adds	264	18	19	(12)	26	9	324
Telephony penetration	21%	18%	19%	28%	16%	22%	21%
RGUs per fiber customer	2.7	2.9	2.0	2.1	1.9	2.1	2.3
Fiber ARPU (EUR)[5]	35.1	39.7	103.5	53.6	35.9	-	-
Total DSL/Other RGUs (Incl. DTH)	**11,756**	**2,763**	**-**	**-**	**300**	**138**	**14,957**
Broadband	4,538	741	-	-	93	52	5,424
Telephony	4,434	1,169	-	-	207	75	5,885
TV	2,784	852	-	-	-	11	3,647
MOBILE B2C							
Total mobile subscribers[6]	**15,137**	**6,252**	**-**	**1,229**	**3,894**	**223**	**26,735**
Postpaid subscribers	12,604	2,676	-	1,199	803	153	17,435
Postpaid net adds	(400)	(128)	-	229	61	14	(224)
Prepaid subscribers	2,533	3,576	-	30	3,092	70	9,300
Mobile ARPU (EUR)	22.2	6.9	-	11.9	9.7	-	-

As and for the year ended 31 December 2014
in thousands except percentages and as otherwise indicated

	France	Israel(6)	Dominican Republic	Others	Total
CABLE/FIBER/OTHER SYSTEMS					
Fiber Homes Passed[1]	6,451	2,343	330	403	9,527
Cable/fiber Unique Customers[2]	**1,547**	**1,064**	**123**	**156**	**2,890**
Cable/fiber customer net adds	68	(63)	14	6	25
3P / 4P / 5P customers	1,085	482	17	81	1,665
3P / 4P / 5P penetration[3]	70%	45%	14%	52%	58%
Total Cable/fiber RGUs[4]	**3,932**	**2,237**	**210**	**300**	**6,679**
Pay TV	1,333	853	118	143	2,447
Pay TV net adds	47	(19)	7	8	43
Pay TV penetration	21%	36%	36%	35%	26%
Broadband	1,311	713	44	82	2,150
Broadband net adds	87	(26)	9	13	83
Broadband penetration	20%	30%	13%	20%	23%
Telephony	1,288	671	48	76	2,083
Telephony net adds	91	(9)	16	12	110
Telephony penetration	20%	29%	15%	19%	22%
RGUs per cable/fiber customer	2.5	2.1	1.7	1.9	2.3
ARPU[5]					
Fiber ARPU (EUR)	39.6	48.5	30.2	-	-
Total DSL/Other RGUs (Incl. DTH) RGUs					
Broadband	5,030	-	99	68	5,197
Telephony	4,907	-	236	103	5,246
TV	3,275	-	-	14	3,289
MOBILE B2C					
Subscribers					
Total mobile subscribers[6]	**16,238**	**974**	**3,574**	**217**	**21,003**
Postpaid subscribers	13,004	970	728	140	14,842
Postpaid net adds	(138)	(3)	61	2	(77)
Prepaid subscribers	3,234	4	2,846	77	6,161
ARPU[5]					
Mobile ARPU (EUR)	22.5	14.9	9.2	31.4	-

Notes to Group KPIs

(1) Total Homes Passed in France excludes DSL homes outside of NSFR's fiber footprint. In Portugal, total Homes Passed includes DSL homes enabled for IPTV outside of PT Portugal's fiber footprint. In the Dominican Republic, total Homes Passed includes DSL homes outside of the fiber footprint. Homes passed in Israel represents the total number of homes in the country.

(2) Fiber unique customers represents the number of individual end users who have subscribed for one or more of our fiber based services (including pay television, broadband or telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. The total number of Fiber customers does not include subscribers to either our mobile or ISP services. Fiber Customers for France excludes white-label subscribers. For the United States, it refers to the total number of unique customer relationships.

(3) Fiber penetration rates for our pay television, broadband and telephony services are presented as a percentage of fiber homes passed.

(4) RGUs, or Revenue Generating Units, relate to sources of revenue, which may not always be the same as customer relationships. For example, one person may subscribe for two different services, thereby accounting for only one subscriber, but two RGUs. RGUs for pay television and broadband are counted on a per service basis and RGUs for telephony are counted on a per line basis. In the United States, this is equivalent to PSUs, or Primary Service Units.

(5) ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenue from subscribers. ARPU is calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue (such as hosting fees paid by channels) for the respective period by the average number of customer relationships for that period and further by the number of months in the period. The average number of customer relationships is calculated as the number of customer relationships on the first day in the respective period plus the number of customer relationships on the last day of the respective period, divided by two. For Israel and the Dominican Republic, ARPU has been calculated by using the following exchange rates: average rate for Q4-15, EUR 0.2319 = ILS 1.00, EUR 0.020 = 1 DOP.

(6) Mobile subscribers is equal to the net number of lines or SIM cards that have been activated on our mobile networks. In Israel, the total number of mobile subscribers includes B2C and B2B (B2B is not disclosed separately) split between iDEN and UMTS services as follows:

	As of 31 December	
	2014	**2015**
	in thousands	
Mobile Subscribers		
iDEN	172	138
UMTS	802	1,091
Total	**974**	**1,229**

Liquidity and Capital Resources

Sources of Liquidity

Our principle sources of liquidity are expected to be (i) operating cash flow generated by our subsidiaries and (ii) various revolving credit facilities and guarantee facilities that are available at each of our restricted groups, as applicable, for any requirements not covered by the operating cash flow generated. As of 31 December 2015, Altice Luxembourg's restricted group had an aggregate of EUR 200 million (equivalent) available borrowings under the 2014 Altice Luxembourg Revolving Credit Facility; Altice International's restricted group had an aggregate of EUR 984.4 million (equivalent) available borrowings under the 2012 Altice Financing Revolving Credit Facility, the 2013 Altice Financing Revolving Credit Facility, the 2013 Guarantee Facility, the 2014 Altice Financing Revolving Credit Facility and the 2015 Altice Financing Revolving Credit Facility; NSFR's restricted group had an aggregate of EUR 1,125 million (equivalent) available borrowings under the 2014 NC Revolving Credit Facility; and Cequel's restricted group had an aggregate of EUR 321.5 million (equivalent) available borrowings under the 2015 Cequel Revolving Credit Facility. Additionally, upon the consummation of the Cablevision Acquisition, the Cablevision Group will have an aggregate of EUR 1,837.1 million (equivalent) available borrowings under the 2015 Cablevision Revolving Credit Facility. As of 31 December 2015, we had drawn a EUR 160 million (equivalent) amount under the 2014 Altice Financing Revolving Credit Facility. We expect to use these sources of liquidity to fund operating expenses, working capital requirements, capital expenditures, debt service requirements and other liquidity requirements that may arise from time to time. Our ability to generate cash from our operations will depend on our future operating performance, which is in turn dependent, to some extent, on general economic, financial, competitive, market, regulatory and other factors, many of which are beyond our control. We believe that our cash and cash equivalents, the cash provided from the operations of our operating subsidiaries and any available borrowings under the Revolving Credit Facilities at each of our respective restricted groups will be sufficient to fund our currently anticipated working capital needs, capital expenditures, and debt service requirements during the next 12 months. As our debt matures in later years, we anticipate that we will seek to refinance or otherwise extend our debt maturities.

Discussion and Analysis of the Financial Condition of the Group

	Year ended 31 December		
	2015	**2014 (*Revised)**	*% change*
ASSETS	*(In EUR millions)*		
Non-current assets			
Goodwill	17,319.8	13,422.1	*29.0%*
Intangible assets	16,519.0	9,508.2	*73.7%*
Property, plant & equipment	12,262.6	7,348.8	*66.9%*
Investment in associates	417.7	126.0	*231.5%*
Financial assets	2,822.8	1,343.6	*110.1%*
Deferred tax assets	444.3	875.9	*(49.3)%*
Other non-current assets	97.7	78.7	*24.2%*
Total non-current assets	**49,883.9**	**32,703.3**	*52.5%*
Current assets			
Inventories	368.7	277.2	*33.0%*
Trade and other receivables	3,864.2	3,084.4	*25.3%*
Current tax assets	304.5	268.7	*13.3%*
Financial assets	1.9	135.4	*(98.6)%*
Cash and cash equivalents	2,515.0	1,563.6	*60.9%*
Restricted cash	7,737.0	-	
Total current assets	**14,791.3**	**5,329.4**	*177.5%*
Assets classified as held for sale	*122.1*	*77.3*	*57.9%*
Total assets	**64,797.3**	**38,110.0**	*70.0%*
EQUITY AND LIABILITIES			
Equity			
Issued capital	76.5	2.5	*2960.0%*
Additional paid in capital	2,398.8	2,971.1	*(19.3)%*
Other reserves	(216.0)	(93.3)	*131.5%*
Accumulated losses	(1,207.3)	(934.4)	*29.2%*
Equity attributable to owners of the Company	**1,052.0**	**1,945.9**	*(45.9)%*
Non-controlling interests	926.0	3,278.2	*(71.8)%*
Total equity	**1,977.9**	**5,224.1**	*(62.1)%*
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	45,711.0	20,483.2	*123.2%*
Other non-current financial liabilities and related hedging instruments	1,566.1	907.3	*72.6%*
Non-current provisions	1,733.4	693.1	*150.1%*
Deferred tax liabilities	2,914.5	2,056.9	*41.7%*
Other non-current liabilities	814.7	598.9	*36.0%*
Total non-current liabilities	**52,739.6**	**24,739.4**	*113.2%*
Current liabilities			
Short-term borrowings, financial liabilities	352.4	166.5	*111.6%*
Other financial liabilities	1,484.4	1,073.9	*38.2%*
Trade and other payables	6,437.0	5,111.4	*25.9%*
Current tax liabilities	289.0	267.5	*8.0%*
Current provisions	378.1	313.5	*20.6%*
Other current liabilities	1,054.4	1,190.6	*(11.4)%*
Total current liabilities	**9,995.1**	**8,123.4**	*23.0%*
Liabilities directly associated with assets classified as held for sale	84.6	22.5	*276.2%*
Total Liabilities	**62,819.4**	**32,885.2**	*91.0%*
Total equity and liabilities	**64,797.3**	**38,110.0**	*70.0%*

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* For the impact of the revisions, please refer to note 32 to the Consolidated Financial Statements.

As at 31 December 2015, the Group had a total asset position of EUR 64,797.3 million and a net equity position of EUR 1,977.9 million. The major contributors to the total asset position of the Group are NSFR, PT Portugal (fully consolidated from 2 June 2015) and Cequel (fully consolidated from 21 December 2015 onwards).

The comparative information as of 31 December 2014 has been restated to account for the final purchase price allocation at different group companies (including NSFR, Altice Hispaniola and Tricom).

Current assets

As at 31 December 2015, the Group had a current asset position of EUR 14,791.3 million, a 177.5% increase as compared to EUR 5,329.4 million in the year ended 31 December 2014. This increase was mainly due to restricted cash of EUR 7,737.0 million which will be used in part to fund the acquisition of Cablevision. Trade and other receivables also recorded an increase of 25.3% (from EUR 3,084.4 million in 2014 to EUR 3,864.2 million in 2015), mainly due to the acquisitions of PT Portugal and Cequel during the course of the year.

Cash and cash equivalents increased from EUR 1,563.6 million for the year ended 31 December 2014 to EUR 2,515.0 million as of 31 December 2015. This increase was mainly due to the share capital increase of the Company in October 2015 for an aggregate amount of EUR 1,604.7 million. This increase was offset by the use of cash on balance sheet by NSFR to pay part of the EUR 2,516 million dividends that it paid to its shareholders in December 2015.

Non-current assets

Non-current assets amounts to EUR 49,883.9 million as at 31 December 2015 (compared to EUR 32,703.3 million as of 31 December 2014) and consists of the following:

Property, Plant and Equipment ("PPE"): the Group consolidates group companies that have substantial PPE relating to their telecommunications network that enable them to run their business. The net book value of such assets (classified under the property, plant and equipment caption) amounted to EUR 12,262.6 million as at 31 December 2015 compared to EUR 7,348.8 million as at 31 December 2014. This substantial increase is mainly explained by the acquisition and integration of PT Portugal and Cequel in the Group for the year ended 31 December 2015 (contribution of EUR 4,996.3 million). PT Portugal is the incumbent operator in Portugal and owns the leading fiber network and a 4G/LTE network. Cequel has operations in seven states in the United States and owns and operates a DOCSIS 3.0 compliant network.

Intangible assets: The net book value ("NBV") of intangible assets grew significantly from EUR 9,508.2 million for the year ended 31 December 2014 to EUR 16,519.0 million for the year ended 31 December 2015. The increase is also explained by the acquisition of PT Portugal and Cequel. A preliminary purchase price allocation was completed for these two companies as of 31 December 2015, as a result of which intangible assets such as brands, customer relationships, frequencies and franchises were recognized at their fair value for a net amount of EUR 7,738.9 million.

Goodwill: Due to the acquisitive nature of the Group and the rapid growth and number of external growth operations completed in 2014 and 2015, total goodwill increased from EUR 13,422.1 million in 2014 to EUR 17,319.8 million as of 31 December 2015. As with the increase in intangible and tangible assets, the increase in goodwill is mainly related to the acquisition of PT Portugal and Cequel (aggregate increase of EUR 3,754.6 million), which were completed in June and December 2015, respectively. The Board has recorded the excess between the consideration transferred and the preliminary fair value of the net assets transferred fully to goodwill, pending the finalization of the purchase price allocation.

Investments in associates: Investments in associates as of 31 December 2015 increased as a result of the acquisition of a minority stake in NextRadioTV in December 2015. The Group invested EUR 297.3 million in exchange for a 49% stake in GNP, the majority shareholder of NextRadioTV (GNP held 50.42% of the economic rights and 61.83% of the voting rights in NextRadioTV as of 31 December 2015). Other associates include the equity affiliates of NSFR that were acquired in the business combination completed in November 2014 (Numergy, La Poste Telecom and Synerail).

The total share in income of associates amounted to EUR 8.1 million for the year ended 31 December 2015 (EUR 4.8 million for the year ended 31 December 2014).

Deferred tax assets: Deferred tax assets amounted to EUR 444.3 million as of 31 December 2015, a decrease of 49.3% compared to EUR 875.9 recorded in the year ended 31 December 2014. This decrease can mainly be explained by a change in Group policy concerning the presentation of deferred tax assets and liabilities. For the year ended 31 December 2015, the Group opted to present a net deferred tax/liability position as per the provisions of IAS 12, “Income taxes”. This change in presentation lead to a positive impact of EUR 545.7 million.

Current liabilities

The Group had a current liability position of EUR 9,995.1 million as at 31 December 2015 compared to EUR 8,123.4 million as at 31 December 2014, mainly composed of trade and other payables, current portion of debentures and current tax liabilities.

Trade and other payables amounted to EUR 6,437.0 million as at 31 December 2015, an increase of 25.93% compared to EUR 5,111.4 million as at 31 December 2014, mainly increasing as a result of business combinations, of which the acquisition of PT Portugal and Cequel accounted for EUR 1,070.5 million.

The high level of trade payables is structural and follows industry norms, as customers generally pay in advance, based on their billing cycle and suppliers are paid as per the standard payment terms prevalent in each country. The Group generates sufficient operating cash to respect its current debts, and has access to revolving credit facilities to assist in meeting its current debt obligations.

The current portion of borrowings increased from EUR 166.5 million as of 31 December 2014 to EUR 352.4 million for the year ended 31 December 2015. This increase was a result of the drawdown on the EUR 501 million revolving credit facility to repay part of the guarantee facility used to pay for the 10% stake in NSFR acquired from Vivendi in February 2015 (the guarantee facility was repaid to a consortium of lenders in December 2015).

Other financial liabilities registered an increase of 38.2% to reach EUR 1,484.4 million in 2015 compared to EUR 1,073.8 million in 2014. This was mainly driven by an increase in accrued interests on different Group debts (EUR 764.2 million compared to EUR 403.9 million in 2014) and by an increase in bank overdrafts from EUR 41.5 million to EUR 126.6 million.

Other current liabilities decreased by 11.4% to EUR 1,054.4 million in 2015, as compared to EUR 1,190.6 million in 2014. This was mainly driven by an increase in prepaid revenues (EUR 924.5 million in 2015 as compared to EUR 694.4 million in 2014), which was offset by the repayment of a EUR 529 million vendor note due to Cinven and Carlyle.

Non-current liabilities

The Group’s non-current liabilities are mainly composed of bonds and debts obtained from banking institutions in order to finance new acquisitions. The non-current debt position was EUR 52,739.6 million as at 31 December 2015 compared to EUR 24,739.4 million as at 31 December 2014.

The Company (the holding company of the Group), raises debt through its subsidiaries, Altice Luxembourg, Altice Finco and Altice Financing, NSFR and certain of NSFR’s subsidiaries, Altice US Finance, Altice US Finance I, Altice US Finance II and Neptune Finco.

As of 31 December 2015, senior and unsecured debentures and bank loans issued by the restricted group of (i) Altice Luxembourg amounted to EUR 6,735.5 million (equivalent), (ii) NSFR Group to EUR 16,355.4 million (equivalent), (iii) Altice International to EUR 7,844.0 million (equivalent) and (iv) Cequel Group to EUR 5,605.2 million (equivalent). The proceeds of debt issued by the restricted group of Cablevision to close the acquisition of Cablevision was held in escrow as of 31 December 2015 and amounted to EUR 7,737.0 million (equivalent). In addition, the corporate facility contracted by Altice Corporate Financing amounted to EUR 1,088.0 and senior and unsecured debentures and bank loans incurred or owed by other Group entities amounted to EUR 259.0 million (equivalent).

Other non-current financial liabilities are mainly composed of (i) a vendor note payable to the minority investors in Cequel (EUR 500 million, bearing PIK interest at 10% annually) and (ii) the fair value of a put option held by minority investors in Cequel and CVC 1 B.V. for an aggregate amount of EUR 748.5 million. In 2014, this item mainly consisted of the contingent consideration payable to the vendors of SFR upon achievement of certain operational targets. This consideration, carried at its fair value, amounted to EUR 684.0 million as of 31 December 2014. The payment of the contingent consideration was cancelled as part of the repurchase of the minority stake held in NSFR. This item also includes deposits and guarantees received from clients on customer premises equipments or CPEs for an amount of EUR 123.0 million and the non-current portion of finance leases for an aggregate amount of EUR 100.4 million (an increase of 103.2% compared to 2014, mainly driven by the acquisition of PT, which added finance leases worth EUR 67.5 million).

Retirement benefit obligations increased to EUR 1,054.4 million as of 31 December 2015 (EUR 132.3 million as of 31 December 2014). This increase is related to the acquisition of PT Portugal (EUR 978.5 million).

Deferred tax liabilities increased by 41.7% to reach EUR 2,914.5 million, mainly as a result of business combinations and the recognition of final purchase price allocations at different group companies (including NSFR) (EUR 1,397 million) and preliminary purchase price allocations of PT Portugal and Cequel, which was offset by the presentation change related to the netting of deferred tax assets and liabilities as described earlier in this section.

Equity

The Company is a public entity whose shares are traded on Euronext Amsterdam under the tickers ATC and ATCB.

Prior to the cross-border merger of the Company and Altice S.A. on 9 August 2015, the Group was led by Altice S.A., whose shares were initially listed in an initial public offering on 31 January 2014.

Subsequent to the initial public offering, Altice S.A. issued additional shares in a private placement on 27 June 2014. The Group raised a total of EUR 910.9 million in this issuance. On 24 July 2014, Altice S.A issued a total of 24,751,873 new shares to facilitate a share swap with two significant non-controlling shareholders in NSFR.

In 2014, Altice S.A. also issued shares worth EUR 4.2 million to certain managers who invested in Altice S.A.'s equity as part of the management investment plan. In July 2015, Altice S.A. issued shares worth EUR 1.1 million to Penta Limited Partnership Incorporated and shares worth EUR 10 million to OTR S.à r.l. and certain managers as a result of an earn-out adjustment in connection with the acquisition of Altice Blue Two S.A.S. and OMT Ocean 3 S.A.S. in 2014.

On 9 August 2015, the Company consummated a cross-border merger with Altice S.A., with the Company being the surviving entity. Pursuant to the cross-border merger, shareholders of the Company received 3 Common A Shares ("Common A Shares") with 1 voting right each and a nominal value of one eurocent and 1 Common B Share ("Common B Shares") with 25 voting rights each and a nominal value of 25 eurocents in exchange for each issued and outstanding share in the capital of the Company. Both Common A Shares and Common B Shares have equal economic rights and are listed on Euronext Amsterdam (AEX).

The issued share capital of the Company amounted to EUR 76.5 million as of 31 December 2015. On 5 October 2015, the Company completed a share capital increase to raise a net amount of EUR 1,604.7 million (which will be used to partly finance the acquisition of Cablevision). The Company issued 69,997,600 new Common A Shares and 24,825,602 new Common B Shares as part of the issuance.

As of 31 December 2015, the authorised share capital was split as follows:

	Total shares authorised	Total authorised capital (EUR)
Common A Shares	8,168,034,850	81,680,348.50
Common B Shares	299,129,164	74,782,291
Preference A Shares	4,700,000,000	188,000,000
Preference B Shares	150,000,000	1,500,000
Total authorised capital		**345,962,639.50**

As of 31 December 2015, 841,244,925 Common A Shares and 272,280,241 Common B Shares were outstanding. As of 31 December 2015, no Preference A Shares or Preference B Shares have been issued.

The Company has also instituted a share conversion policy, whereby the holders of Common B Shares can opt to convert their shares into Common A Shares. As part of the conversion, each Common B Share with a nominal value of EUR 0.25 is converted into 25 Common A Shares having a nominal value of EUR 0.01. The holder of the Common B Share then receives one Common A Share and sells the other 24 Common A Shares to the

Company for no consideration. These repurchased shares are held as treasury shares by the Company. For the year ended 31 December 2015, the Company had received and executed conversion orders amounting to a total of 870,836 Common B Shares.

Total equity amounted to EUR 1,977.9 as of 31 December 2015 compared to EUR 5,224.1 million as of 31 December 2014. The share of non-controlling interests amounted to EUR 926.0 million as compared to EUR 3,278.2 million as of 31 December 2014. The decrease is mainly explained by the repurchase of the 20% stake held in NSFR by Vivendi (EUR 1,948 million) and the dividend paid by NSFR in December 2015 (EUR 555 million).

Share Performance

The evolution of the price of the Company's shares until 31 December 2015 is presented below and is based on data available from public sources *(Source: Yahoo! Finance)*. The chart presented below makes adjustments to the period between 1 January 2015 and 9 August 2015, the date of the merger of Altice S.A. into the Company, to allow for a like for like performance comparison of the share price.

The share price of the Company experienced mixed fortunes in 2015; in the first half of the year, it experienced strong growth driven by the improving profitability and cash generation of its subsidiaries, the completion of the PT Portugal Acquisition and the announcement of the Cequel Acquisition. From August onwards, the share price showed a decline, mainly driven by macro-economic headwinds in Europe. The closing price of EUR 13.25 as of 31 December 2015 represented a 18.7% decrease compared to the share price as of 31 December 2014 (EUR 16.3 on a converted basis, the equivalent of EUR 65.3, the actual quoted price of Altice S.A. shares on 31 December 2014).

Presence of Branches

The Company had no branches as of 31 December 2015.

Dividends

The Board does not intend to propose any dividends to the shareholders of the Company.

Treasury Shares

As of 31 December 2015, the Company had 25,400,064 treasury shares.

Events after the reporting period

Disposal of Cabovisão

On 20 January 2016, the Group announced that it had completed the sale of Cabovisão and its subsidiaries (including Winreason) to Apax France. This disposal was mandated by the European Commission and the Portuguese competition authorities following the acquisition of PT Portugal in June 2015. These entities were classified as held for sale by the Group as of 31 December 2015, in accordance with IFRS 5.

The enterprise value amounted to EUR 150.8 million, before the impact of any price adjustments.

Acquisition of Numergy

On 22 January 2016, the Group finalized the acquisitions of the interests held by Caisse des Dépôts (33%) (acting in its own name and on behalf of the government under the Future Investments Program) and Atos (20%) in Numergy. 50% of the price of these ownership interests was paid on 22 January 2016. The remaining amount will be due on 22 January 2017. In this context, the Group contracted a first-demand guarantee (with a maturity of greater than one year) in order to cover the outstanding amount due to Caisse des Dépôts and Atos. With this acquisition, NSFR hopes to further develop Numergy, having been one of the first investors in this business.

Formed in September 2012, Numergy is a company that specializes in building and operating French and European cloud computing infrastructures designed to become a true “digital energy power plant” supporting economic growth. Its mission is to provide businesses (including very small, small, medium, and major accounts) and public organizations with secure, high-performance and competitive IT resources. NSFR’s cloud computing offerings for businesses, a major component of the Group’s strategy, have therefore been strengthened through the complementary offering of Numergy. This will allow us to accelerate the deployment of cloud capacities in France and in Europe.

Extension of maturity of corporate facility

In March 2016, the Group extended the maturity of a portion of the EUR 1,500 million corporate facility (for an amount of EUR 1,000 million) at Altice Corporate Financing by two years, from May 2017 to March 2019.

New Derivatives

On 16 February 2016, NSFR signed an interest rate swap agreement with JP Morgan Chase with the following features:

- Nominal: EUR 4.0 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: (0.121%)
- Maturity: 7 years, but with a clause from the bank to advance the remaining cash flows at the end of 5 years.

The Group is continuing its strategy to hedge financial risks by converting approximately two-thirds of its variable rate borrowings into fixed rates. As a result, around 80% of NSFR’s long-term debt is fixed-rate.

The Group also entered into a similar swap at Altice Financing with the following features:

- Nominal: EUR 0.75 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: (0.13%)
- Maturity: 7 years, but with a clause from the bank to advance the remaining cash flows at the end of 5 years.

Change in consolidation method of NextRadioTV

Following the successful completion of the tender offer for all the outstanding equity securities of NextRadioTV on 1 February 2016 and the implementation of some organizational changes (such as the appointment of Mr Weill to Altice's Executive Committee), the Group has concluded that its investment in GNP (the controlling shareholder of NextRadioTV) meets the criteria for establishing control in accordance with IFRS 10 "Consolidated Financial Statements". The tender offer was fully financed by the Group by subscribing an additional tranche of convertible bonds issued by GNP for an aggregate amount of EUR 315.6 million (before price adjustments, if any). Thus, the Group will consolidate GNP from 1 February 2016 onwards in its consolidated financial statements.

Related Party Transactions

The main controlling shareholder of the Company is Next. Next (controlled by Patrick Drahi, President) held 57.87% of the share capital and voting rights of the Company as of 31 December 2015. Next also has a binding nomination right for the appointment of Executive Directors, as described in section 3.2 "*The Board*".

A summary of related party transactions is provided below:

	Revenue		**Operating expenses**		**Financial expenses**	
Consolidated Income and expenses	**31 December 2015**	**31 December 2014**	**31 December 2015**	**31 December 2014**	**31 December 2015**	**31 December 2014**
			(In EUR millions)			
Equity holders	0.3	0.2	3.5	2.3	-	1.0
Executive managers	-	-	1.4	2.4	-	-
Associate companies	118.2	34.5	46.0	30.1	1.8	0.3
TOTAL	**118.4**	**34.7**	**50.9**	**34.8**	**1.8**	**1.3**

	Loans and receivables		**Trade accounts receivable and other**		**Current accounts**	
Assets	**31 December 2015**	**31 December 2014**	**31 December 2015**	**31 December 2014**	**31 December 2015**	**31 December 2014**
			(In EUR millions)			
Equity holders	4.7	2.8	1.2	0.4	-	-
Executive managers	-	-	-	-	-	-
Associate companies	408.3	-	30.6	101.3	-	0.3
TOTAL	**413.0**	**2.8**	**31.8**	**101.7**	**-**	**0.3**

	Other financial liabilities		**Trade accounts payable and other payables**		**Current accounts**	
Liabilities	**31 December 2015**	**31 December 2014**	**31 December 2015**	**31 December 2014**	**31 December 2015**	**31 December 2014**
			(In EUR millions)			
Equity holders	0.2	0.2	0.3	0.1	-	-
Executive managers	-	-	-	-	-	-
Associate companies	464.7	1.5	96.9	84.5	-	-
TOTAL	**464.9**	**1.7**	**84.6**	**84.6**	**-**	**-**

Transactions with related parties are mainly related to transactions with minority investors in Cequel, associates of the NSFR Group and other associates of the Group such as NextRadioTV. Such transactions are limited to (i) exchange of services between associates of the NSFR Group and NSFR and between NextRadioTV, Altice Content Luxembourg S.à r.l. and Altice Content S.à r.l., (ii) significant debt and equity transactions between the Group and certain managers and executives, (iii) exchange of services between different Group companies and i24 News, a news service owned by a related party of the Company, (iv) consulting services invoiced by certain executives of the Company and (v) significant debt transactions with minority shareholders of Cequel.

Transactions with Executive Board Members that required disclosure related to conflicts of interest are described in section 3.7.1 "*Conflict of interest and transactions with major shareholders*".

Transactions with related parties are not subject to any guarantees by any Group company. All such transactions are at arm's length and settled in cash.

We currently license the "Altice" brand from our founder Patrick Drahi without any fee.

The principal variations in the related party transactions are explained below:

- The increase in the related party transactions for operating expenses, accounts receivables, accounts payables and revenues is related to the acquisition of SFR by NSFR and the transactions that the new NSFR Group has with its associate companies. These transactions are limited to:
    - telephony with La Poste Telecom;
    - cloud computing services purchased from Numergy;
    - transactions with Synerail related to the GSM-R PPP; and
    - the construction of the new SFR headquarters with Foncière Rimbaud.
- The increase in loans and receivables is mainly due to loans granted by indirect subsidiaries of the Group to NextRadioTV. Such loans and receivables amounted to EUR 309.3 million in 2015.
- The increase in other financial liabilities is mainly related to the vendor note granted by the minority investors in Cequel for an aggregate amount of EUR 464.7 million (USD 500 million equivalent).
- The increase in operating expenses related to equity holders was mainly due to consulting fees of EUR 0.5 million paid to Altice Media Group, an affiliate of the Group (and controlled by the ultimate beneficial owner). These fees were paid in the context of the acquisition of a minority interest in NextRadioTV. This caption also includes fees paid to our CFO as part of a consulting agreement with the Group for an aggregate amount of EUR 1.0 million.

2.4 Future developments

Based on the results of operations and the implementation of various strategies, we believe that we will be able to make substantial investments in the geographies in which we operate, including France and Portugal. In France we aim to accelerate the build-out of our 4G network to achieve network quality parity with Orange by 2017. We also aim to continue the expansion of our fiber network in France and Portugal and intend to capitalize on our past investments in improved fiber infrastructure. In France we are committed to deploying fiber broadband coverage to 22 million homes by 2022. In Portugal we aim to reach 5.3 million homes by 2020 to capitalize on PT Portugal's leading market position, strong brand and unmatched service offerings. Across our footprint, we will also seek to replicate the successful convergence of our Portuguese customer base into quad- and multi-play offerings, which have lower churn rates, in order to increase cross- and up-selling opportunities and to achieve cross-border operational synergies. In the U.S. we are committed to the implementation of Cequel's operation Gigaspeed, which aims to bring next-generation 1 Gpbs broadband services to market by the end of 2016. We will continue to strategically invest in content across geographies segments to enrich our differentiated and convergent communication services as well as to reduce churn and increase ARPU. We also believe that the implementation of a cost savings project that will reduce the price units for our customer services will provide tangible results during the course of 2016.

In Portugal, we are committed to expand our fiber network using our NG-PON2 technology and believe that our new technology will enable us to increase our homes passed in the coming years.

We further plan to consummate the Cablevision Acquisition in the second quarter of 2016.

2.4.1 Research and development

The Company has had Development and Innovation teams in all the geographical segments for many years and has recently implemented the "Altice Labs" initiative which aims to further streamline the products and technologies created by each of the local Development and Innovation facilities. All the teams work closely together and share technologies and products to enhance the services we provide in each of the jurisdictions in which we operate. Our Development and Innovation teams aim to (i) create products and technology to facilitate the build-out of our fixed and mobile network, (ii) develop systems to improve customer experience and handle disturbances and outages with speed and precision allowing for a near to uninterrupted usage of our services and (iii) create user friendly and high quality customer interfaces and products, including new generation set-top boxes, portals and IoT. During the course of 2015, we launched certain flagship products such as “La Box Fibre Zive” in France, which gives customers access to 4K/UHD television with the largest catalogue of programs available in France. In Portugal, we have launched NG-PON2, which we believe will significantly increase the bandwidth and robustness of our network in the coming years. Additionally, in Israel, we introduced the “multi-room” eco-system which allows customers to use our services in multiple rooms within their home, simultaneously. To promote further innovations, the Group is also part of various forums and groups throughout Europe and the United States but also has a strong relationship with other service providers to enhance the infrastructure products and services it offers.

2.5 Risk management and control

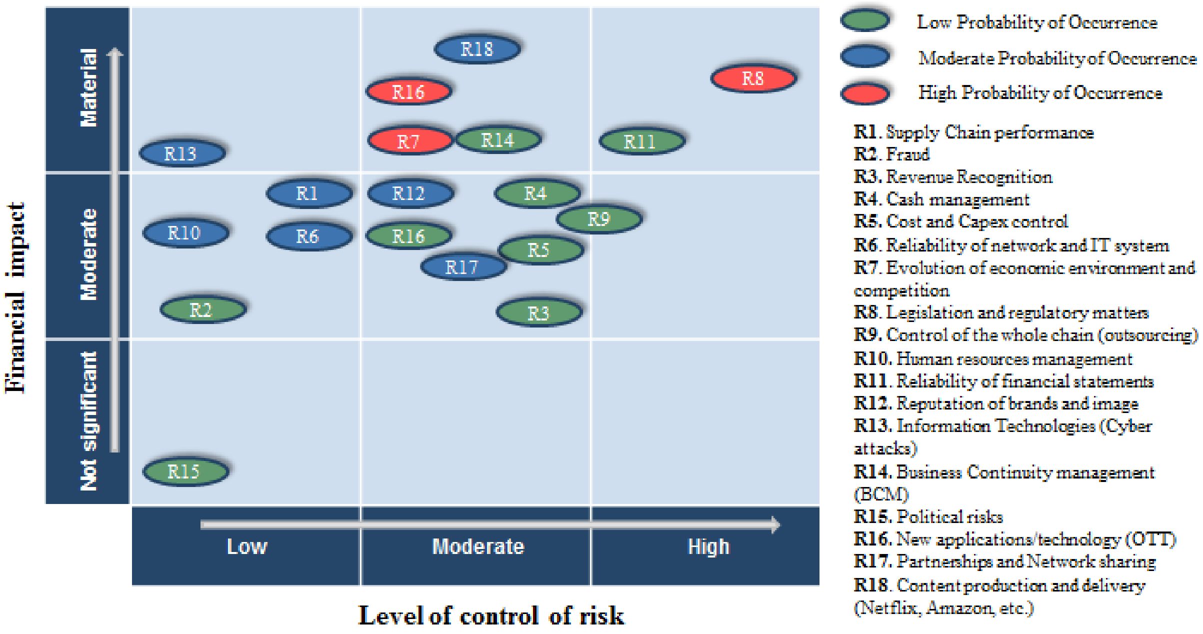
We conduct annual risk assessments to identify the main risks we are exposed to and to determine appropriate measures with the view to focus on internal controls in the relevant areas. We therefore operate a risk management framework designed to account for our geographically diversified market presence and product portfolio. Our risk management framework enables our risks to be identified, assessed, managed and monitored. We categorize our risks into two groups:

- **Operational**, risks that may potentially affect our current business and operations; and
- **Corporate**, risks related to our corporate and financial affairs.

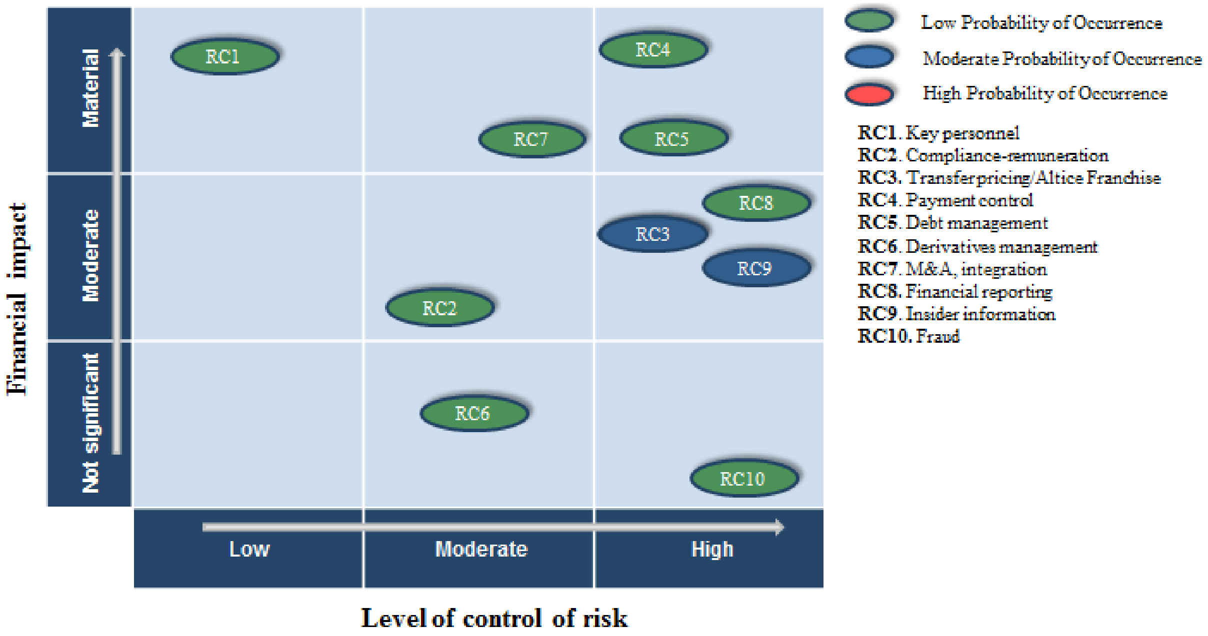
Our risk assessment approach consists of two parts: analysing the financial impact of operational and corporate risks on our results of operations and determining the level of control we have over those risks (risk mapping). We conducted our risk mapping exercise in 2015 to reflect the changes in our corporate structure and the evolving economic, business and regulatory environment. We also relied on similar risk mapping and assessment exercises performed by internal audit departments in our most significant subsidiaries, namely in France, Portugal, Israel and the Dominican Republic.

The below illustrations show the operational and corporate risks we identified for the Company.

Group Operational Risk Map 2015



Group Corporate Risk Map 2015



Further to our risk mapping exercise, described below are the risks currently considered to be the most material, although there may be other unknown or unpredictable economic, business, competitive, regulatory or other factors that also could have material adverse effects on our results of operations, financial condition, business or operations in the future.

Operational risks

Evolution of economic environment and competition

Our operations are exposed to economic risks and competitive pressures in all of the jurisdictions in which we operate.

The current economic environment is highly volatile and continuing instability in global markets poses a challenge to our business and financial operations. High levels of sovereign debt in the U.S. and certain European countries combined with weak growth and high unemployment, could lead to fiscal reforms, sovereign debt restructurings, currency instability, and potentially, disruptions in the credit and equity markets. In Europe, future developments are dependent upon a number of political and economic factors, including the effectiveness of measures taken by the European Commission to address debt burdens of certain member states and the overall stability of the Eurozone. We cannot predict how long challenging conditions will exist or the extent to which the markets in which we operate may deteriorate.

These negative macroeconomic developments, in particular increasing levels of unemployment, may have a direct negative impact on the spending patterns of retail consumers in the markets in which we operate, both in terms of the products they subscribe to and their usage levels. As a substantial portion of our revenue is derived from residential subscribers who may be impacted by these conditions, it may be (i) more difficult to attract new subscribers, (ii) more likely that certain of our subscribers will downgrade or disconnect their services and (iii) more difficult to maintain ARPUs at existing levels. In addition, we cannot provide any assurances that a deterioration of any of these economies will not lead to a higher number of non paying customers or generally result in service disconnections. Similarly, a deterioration in economic conditions would be likely to adversely affect the demand for and pricing of our B2B and wholesale services as a result of businesses and governments reducing spending.

We also face significant competition from established and new competitors in each of the countries and segments in which we operate. In some instances, our competitors may have easier access to financing and lower financial leverage. They may also have more comprehensive product offerings, greater brand name recognition, greater technical, marketing and personnel resources, larger subscriber bases and wider geographical coverage for their cable or mobile networks. They may also have more experience or longer established relationships with regulatory authorities, suppliers and customers. Some of our competitors may have fewer regulatory burdens with which they are required to comply because, among other reasons, they use different technologies to provide their services, do not own their own fixed line network, or are not subject to obligations applicable to operators with significant market power.

There has been a trend of consolidation of telecommunications operations in a number of countries in which we operate. Mergers, joint ventures, and alliances among franchised, wireless, or private cable operators, satellite providers, local exchange carriers, and other telecommunication service providers, in any of the jurisdictions in which we operate may provide additional benefits to some of our competitors, either through access to financing, resources, or efficiencies of scale, or the ability to provide multiple services in direct competition with us. Competition may also increase following the creation of public-private joint ventures.

Our products and services are also subject to increasing competition from alternative new technologies or improvements in existing technologies. For example, our pay television services in certain jurisdictions compete with providers who provide IPTV services to customers in our network areas utilizing DSL or VDSL broadband Internet connections. In the broadband Internet market, we generally face competition from mobile operators as they are increasingly able to utilize a combination of progressively powerful handsets and high bandwidth technologies, such as UMTS and LTE technology. Mobile services, including those offering advanced higher speed, higher bandwidth technologies and MVNOs also contribute to the competitive pressures that we face as a fixed line telephony operator.

New applications and technology (OTT)

New players from sectors that are either unregulated or subject to different regulations (including Internet players such as Yahoo, Google, Microsoft, Amazon, Apple, YouTube, Netflix and other audio-visual/media players which operate OTT (of an existing broadband internet network)) have emerged as competitors to our video content offering. These players are taking advantage of improved connectivity and platform agnostic technologies to offer OTT and cloud based services. Telecommunications operators are expected to maintain traditional access services and billing relationships over which users access services from adjacent players such as well known companies offering music, video, photos, apps and retail. The rapid success of audiovisual content streamed through the telecommunications network and insufficient innovation could lead to the emergence of other content or service providers as well as the saturation of the network, which would put pressure on the revenues and margins of operators like our Group while simultaneously requiring them to increase capital expenditures to remain competitive, which could adversely affect our business, financial condition or results of operations.

Moreover, we are also facing competition from non-traditional mobile voice and data services based on new mobile voice over the Internet technologies, in particular OTT applications, such as Skype, Google Talk, Facetime, Viber and WhatsApp. These OTT applications are often free of charge, accessible via smartphones and allow their users to have access to potentially unlimited messaging and voice services over the Internet, thus bypassing more expensive traditional voice and messaging services (SMS/MMS) provided by mobile network operators like us, who are only able to charge the Internet data usage for such services. With the growing share of smartphone users in the jurisdictions in which we operate, there is an increasing number of customers using OTT services. All telecommunications operators are currently competing with OTT service providers who leverage existing infrastructures and are often not required to implement capital-intensive business models associated with traditional mobile network operators like us. OTT service providers have over the past years become more sophisticated, and technological developments have led to a significant improvement in the quality of service, particularly in speech quality. In addition, players with strong brand capability and financial strength, such as Apple, Google or Microsoft, have turned their attention to the provision of OTT audio and data services. In the long term, if non-traditional mobile voice and data services or similar services continue to increase in popularity and if we, or more generally all the telecommunications operators, are not able to address this competition, this could cause declines in ARPU, subscriber base and profitability across all of our products and services, among other material adverse effects.

In addition, we may face increasing competition from a large-scale roll-out of public WiFi networks by local governments and utilities, transportation service providers, new and existing WiFi telecommunications operators and others, which particularly benefits OTT applications. Due to the ability to leverage their existing infrastructure and to roll out public WiFi in a cost-efficient way, our competitors may be better positioned to offer their customers public WiFi access at attractive terms and conditions or as part of their current mobile and landline offerings, which may affect our ability to retain or acquire customers. Furthermore, our competitors may realize cost savings by off-loading mobile data traffic onto their own WiFi networks or those of their partners in order to reduce costs and increase bandwidth more quickly or efficiently than we can. An increase in public WiFi networks could also cause declines in ARPU and profitability as demand for our network and services decreases.

Legislation and regulatory matters

Our activities as a cable television, broadband Internet infrastructure access provider, ISP, fixed line and international long distance telephony and mobile operator are subject to regulation and supervision by various regulatory bodies, including local and national authorities in the jurisdictions in which we operate. Such regulation and supervision, as well as future changes in laws or regulations or in their interpretation or enforcement that affect us, our competitors or our industry, strongly influence how we operate our business. Complying with existing and future law and regulations may increase our operational and administrative expenses, restrict our ability or make it more difficult to implement price increases, affect our ability to introduce new services, force us to change our marketing and other business practices, and/or otherwise limit our revenues. In particular, our business could be materially and adversely affected by any changes in relevant laws or regulations (or in their interpretation) regarding, for example, licensing requirements, access and price regulation, interconnection arrangements or the imposition of universal service obligations, or any change in policy allowing more favourable conditions for other operators or increasing competition. There can be no assurance that the provision of our services will not be subject to greater regulation in the future. Furthermore, a failure to comply with the applicable rules and regulations could result in penalties, restrictions on our business or loss of required licenses or other adverse consequences.

Legal and administrative proceedings

We are involved in a number of legal, administrative and tax proceedings arising in the ordinary course of our business. The legal proceedings initiated against us include, amongst others, the following categories of claims: claims by or on behalf of customers on various grounds such as alleged misrepresentation or breach of service or license terms or breach of telecommunication, broadcasting, consumer or health and safety regulations, intellectual property claims primarily relating to alleged copyright infringement brought by copyright collection societies, claims by suppliers and other telecommunications providers, claims by employees and claims by the regulatory bodies whose jurisdiction we are subject to in the countries in which we operate. Furthermore, some of the jurisdictions in which we operate allow for certification of certain suits as class action suits. Our B2C activities could be confronted, like any operator in the sector, with potential class action lawsuits that could be joined by clients seeking to obtain reparations for potential damages. In such cases, and assuming there are actual or even only alleged practices and damages, we could face significant claim amounts. In addition, such acts could harm our reputation.

Political risks

Our business and operations are exposed to political risk, in each of the jurisdictions in which we operate. Armed conflicts, terrorist activities or political instability could negatively affect business conditions and could harm our results of operations. Continued hostilities in the Middle East and North Africa could adversely affect the Israeli economy. Beginning in 2010 and continuing to date several countries in the Middle East, in particular Syria, have been experiencing increased political instability and armed conflict, the effects of which are currently difficult to assess.

Information technology – cyber attacks

Our reputation and business could be materially harmed as a result of, and we could be held liable, including criminally liable, for, data loss, data theft, unauthorized access or successful hacking. If third parties attempt, or manage, to bring down any of our information technology systems or gain access to our information technology systems, they may be able to misappropriate confidential information, cause interruptions in our operations, access our services without paying, damage our computers or otherwise damage our reputation and business.

Business continuity management

We are required to hold licenses, franchise, permits and similar authorizations to own and operate our networks and to broadcast our signal to our customers. Having access to these authorizations allows us to manage our business continuity; however, these authorizations generally require us to comply with applicable laws and regulations, meet certain solvency requirements and maintain minimum levels of service. Should we fail to comply with these, we may be subject to financial penalties from the relevant authorities and there may also be a risk that licenses could be partially or totally withdrawn. The imposition of fines and/or the withdrawal of licenses could have a material adverse effect on our results of operations and financial condition and prevent us from conducting our business. In addition, such authorizations are generally granted for fixed terms and must be periodically renewed. The procedure for obtaining or renewing these licenses can be long and costly and authorities often demand concessions or other commitments as a condition for renewal. In addition, these licenses may not be obtained or renewed in a timely manner or at all. In some instances, such authorizations have not been renewed at expiration, and we have operated and are operating under either temporary operating agreements or without an authorization while negotiating renewal terms with the local franchising authorities. Should we not be able to obtain in a timely fashion or renew the licenses needed to operate or develop our business, our ability to realize our strategic objectives could be compromised.

Human resources management

We operate in highly competitive and changing markets, which require us to constantly adapt, anticipate and adopt new measures in order to preserve our competitiveness and efficiency. This leads to regular changes to our organizations, which require the employees affected to adapt. This process requires mobilization and motivation of teams with our objectives. Projects may be poorly received by employees, staff representative bodies and unions, and lead to a deterioration in labour relations and the general social climate, which could, in turn, lead to declines in productivity, possible labour disputes and potential social conflict (e.g. strikes, disruptions). Our ability to maintain good relations with our employees, staff representative bodies and unions is crucial to the success of our various projects. Therefore, we must consult with staff representatives in order to ensure the success of our current and future projects, which may delay the completion of certain projects in certain countries and could have a material adverse effect on our business, financial condition and results of operations.

Reliability of network and IT systems

Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems as well as our customer service centres. Despite the precautions we have taken, unanticipated problems affecting our systems could cause failures in our information technology systems or disruption in the transmission of signals over our networks. Sustained or repeated system failures that interrupt our ability to provide service to our customers or otherwise meet our business obligations in a timely manner would adversely affect our reputation and result in a loss of customers and revenues. If any part of our fixed or mobile networks, including our information technology systems, is subject to terrorism, acts of war, a computer virus, a power loss, other catastrophe or unauthorized access, our operations and customer relations could be materially adversely affected. The occurrence of any such event could cause interruptions in service or reduce capacity for customers, either of which could reduce our revenue or cause us to incur additional expenses. In addition, the occurrence of any such event may subject us to penalties and other sanctions imposed by regulators.

Supply chain performance

We have important relationships with several suppliers of hardware, software and related services that we use to operate our pay television, broadband Internet, fixed line telephony, mobile and B2B businesses. In certain cases, we have made substantial investments in the equipment or software of a particular supplier, making it difficult for us to quickly change supply and maintenance relationships in the event that our initial supplier refuses to offer us favourable prices or ceases to produce equipment or provide the support that we require. Further, in the event that hardware or software products or related services are defective, it may be difficult or impossible to enforce recourse claims against suppliers, especially if warranties included in contracts with suppliers have expired or are exceeded by those in our contracts with our subscribers, in individual cases, or if the suppliers are insolvent, in whole or in part. In addition, there can be no assurances that we will be able to obtain the hardware, software and services we need for the operation of our business, in a timely manner, at competitive terms and in adequate amounts. In particular, in the case of an industry wide cyclical upturn or in the case of high demand for a particular product, our suppliers of software, hardware and other services may receive customer orders beyond the capacity of their operations, which could result in late delivery to us, should these suppliers elect to fulfil the accounts of other customers first. We have, from time to time, experienced extensions of lead times or limited supplies due to capacity constraints and other supply related factors, as well as quality control problems with service providers. We may also not be able to recover monies paid to such suppliers or obtain contractual damages to which we may be entitled (if any) in the event our suppliers fail to comply with their obligations in a timely manner.

We also outsource some of our support services, including parts of our subscriber services, information technology support, technical services, and maintenance operations. Should any of these arrangements be terminated by either contract party, this could result in delays or disruptions to our operations and could result in us incurring additional costs, including if the outsourcing counterparty increases pricing or if we are required to locate alternative service providers or in source previously outsourced services. Our ability to renew our existing contracts with suppliers of products or services, or enter into new contractual relationships, with these or other suppliers, upon the expiration of such contracts, either on commercially attractive terms, or at all, depends on a range of commercial and operational factors and events, which may be beyond our control. Moreover, we cannot control the quality of the service that any such operators provide and it may be inferior to the quality of service that we provide. For example, we have experienced significant levels of customer dissatisfaction as a result of our third party customer service and technical support provider in Israel not allocating sufficient resources to manage the intake and connection arrangements for potential new subscribers during July-August 2013.

The occurrence of any of these risks or a significant disruption in our supply of equipment and services from key sourcing partners could create technical problems, damage our reputation, result in the loss of customer relationships and have a material adverse effect on our business, financial condition and results of operations.

Fraud

Given the size and geographic spread of the Group, we are likely to be exposed to instances of employee fraud, including, but not limited to, payroll fraud, falsification of expense claims, thefts of cash, assets or intellectual property, false accounting and other. Individual employees may also act against our instructions and either inadvertently or deliberately violate applicable law, including competition laws and regulations by engaging in prohibited activities such as price fixing or colluding with competitors regarding markets or clients, or our internal policies. In addition, because we delegate a number of operational responsibilities to our subsidiaries and our local managers retain autonomy regarding the management of our operations in their markets, we may face an increased likelihood of the risks described above occurring. We also subcontract many of our maintenance, customer service, installation and other activities to third party suppliers acting on our behalf and instances of fraud perpetuated by employees of these suppliers might also expose us to claims and/or may have a detrimental impact on our brand and reputation.

Reliability of financial statements

The preparation of our consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors that are considered by our management to be reasonable under the circumstances and at the time. These estimates and assumptions form the basis of judgments about the carrying values of assets and liabilities that are not readily available from other sources. Areas requiring more complex judgments may shift over time based on changes business mix and industry practice which could affect our reported amounts of assets, liabilities, income and expenses. In addition, management’s judgments, estimates and assumptions and the reported amounts of assets, liabilities, income and expenses may be affected by changes in accounting policy. In May 2014, the International Accounting Standards Board (“IASB”) issued a new accounting standard for revenue recognition - IFRS 15 “Revenue from Contracts with Customers” - that will come into effect in 2018 and supersedes nearly all existing revenue recognition guidance that we currently comply with, including IAS 18 “Revenue”, IAS 11 “Construction Contracts” and related interpretations. Although we are currently in the process of evaluating the impact of IFRS 15 on our consolidated financial statements and have not yet selected a transition method, it is likely to change the way we account for certain of our sales transactions from the date of its implementation. Adoption of the standard could have a significant impact on our financial statements. In particular, the measurement and presentation of certain revenue items may be affected, which could have a material impact on our net income despite having no impact on cash flows from operations.

In January 2016, the IASB issued a new standard coming into effect in January 2019, IFRS 16 "Leases", which is meant to supersede the current standard (IAS 17) and its current interpretations. The Group has not yet evaluated the impact that this standard might have on the financial statements of the Group, particularly as the new standard addresses the treatment of operating and other lease arrangements that are today recorded as off balance sheet contingent financial liabilities, which may have an impact on our leverage and overall debt reporting.

Corporate

Key personnel

We depend on the continued contributions of our senior management and other key personnel and in particular, Patrick Drahi, who is our President. There can be no assurance that we will be successful in retaining their services or that we would be successful in hiring and training suitable replacements without undue costs or delays. As a result, the loss of our President (including allocation of his time to any other business interests) or any of these key executives and employees could cause disruptions in our business operations, which could materially adversely affect our results of operations.

Taxation

Any change in local or international tax rules, for example prompted by the OECDs emerging recommendations on Base Erosion and Profits Shifting (a global initiative to improve the fairness and integrity of tax systems), or new challenges by tax authorities, may have an adverse effect on the Group's tax status and its financial results. Any changes may also affect the return on an investors' investment in the Group and result in changes in personal tax rates and tax relief.

Significant judgment is required in determining the Group's tax positions, amongst others corporate income tax and value added tax (VAT). In the ordinary course of business, there are transactions where the ultimate tax determination is uncertain. Additionally, calculation of the tax positions is based in part on interpretations of applicable tax laws in the jurisdictions in which the Group operates. Although the Group believes its tax estimates are reasonable, there is no assurance that the final determination of its tax positions will not be materially different from what is reflected in its statement of income and related balance sheet accounts. Should additional taxes be assessed as a result of new legislation, tax litigation or an audit, if the tax treatment should change as a result of changes in tax laws, or if the Group were to change the locations in which the Group operates, there could be a material effect on its results of operation or financial position.

Debt management

We have significant outstanding debt and debt service requirements and may incur additional debt in the future. As of 31 December 2015, we had total third party debt (excluding other long term and short term liabilities, other than finance leases) of EUR 46,063.4 million (including EUR 7,736 million pertaining to debt issued to finance the Cablevision Acquisition, currently held in escrow).

Our financing structure consists of five distinct financing groups which finance the business, acquisitions and operations comprising such groups, namely the Altice International Group, the NSFR Group, the Altice Luxembourg Group and its restricted subsidiaries (which include the various entities constituting the Altice International Group and the NSFR Group and certain additional holding companies), the Cequel Group and, following the Cablevision Acquisition, the Cablevision Group. Each of these financing groups is subject to covenants that restrict the use of their cash flows outside their respective restricted group. Consequently, cash flows from operations of any of the restricted groups may not be applied to meet the obligations of any other restricted group. In addition we carry out certain financing activities at holding companies that are not a part of the five financing groups.

Our significant level of debt could have important consequences, including, but not limited to, the following:

- making it more difficult for us to satisfy our debt obligations;
- requiring that a substantial portion of our cash flows from operations be dedicated to servicing debt, thereby reducing the funds available to us to finance our operations, capital expenditures, research and development and other business activities, including maintaining the quality of and upgrading our network;

- impeding our ability to obtain additional debt or equity financing, including financing for capital expenditures, and increasing the cost of any such funding, particularly due to the financial and other restrictive covenants contained in the agreements governing our debt;

- impeding our ability to compete with other providers of pay television, broadband Internet services, fixed line telephony services, mobile services and B2B services in the regions in which we operate;

- restricting us from exploiting business opportunities or making acquisitions or investments;

- increasing our vulnerability to, and reducing our flexibility to respond to, adverse general economic or industry conditions;

- limiting our flexibility in planning for, or reacting to, changes in our business and the competitive and economic environment in which we operate; and

- adversely affecting public perception of us and our brands.

Moreover, the terms of the agreements and instruments governing our debt contain a number of significant covenants or other provisions that could adversely affect our ability to operate our business. For a description of the change of control provisions under certain of our debt documents, see section 3.6.9. *"Significant agreements which alter or terminate upon a change of control – Change of Control Event triggers under the Group's Debt Documents"*.

In addition, we have EUR 16,035.2 million of floating rate debt outstanding as of 31 December 2015. An increase in the interest rates on our debt will reduce the funds available to repay our debt and to finance our operations, capital expenditures and future business opportunities.

For a description of the risks related to changes in foreign exchange, see note 18 to the Consolidated Financial Statements.

Mergers and acquisitions; integration

Historically, our business has grown, in part, through a significant number of selective acquisitions that enabled us to take advantage of existing networks, service offerings and management expertise. Any acquisition or other strategic transaction we may undertake in the future could result in the incurrence of debt and contingent liabilities and an increase in interest expenses and amortization expenses related to goodwill and other intangible assets or in the use by us of available cash on hand to finance any such acquisitions. We may experience difficulties in integrating acquired operations into our business, incur higher than expected costs and not realize all the anticipated benefits or synergies of these acquisitions, if any. Such transactions may also disrupt our relationships with current and new employees, customers and suppliers. In addition, our management may be distracted by such acquisitions and the integration of the acquired businesses. Thus, if we consummate any further acquisitions or fail to integrate any previous acquisitions, there could be a material adverse effect on our business, financial condition or results of operations. There can be no assurance that we will be successful in completing business acquisitions or integrating previously acquired companies. In addition, our debt burden may increase if we borrow funds to finance any future acquisition, which could have a negative impact on our cash flows and our ability to finance our overall operations. If we use available cash on hand to finance acquisitions pursuant to our acquisition strategy, our ability to make dividend payments may be limited or we may not be able to make such dividend payments at all. We may also finance future acquisitions by issuing equity which could dilute existing shareholders.

Acquisitions of additional telecommunications companies may require the approval of governmental authorities (either at country or, in the case of the EU, European level, or in the case of the U.S., at the municipal, state or federal level), which can block, impose conditions on, or delay the process which could result in a failure on our part to proceed with announced transactions on a timely basis or at all, thus hampering our opportunities for growth. In the event conditions are imposed and we fail to meet them in a timely manner, the relevant governmental authority may impose fines and, if in connection with a merger transaction, may require restorative measures, such as mandatory disposition of assets or divestiture of operations.

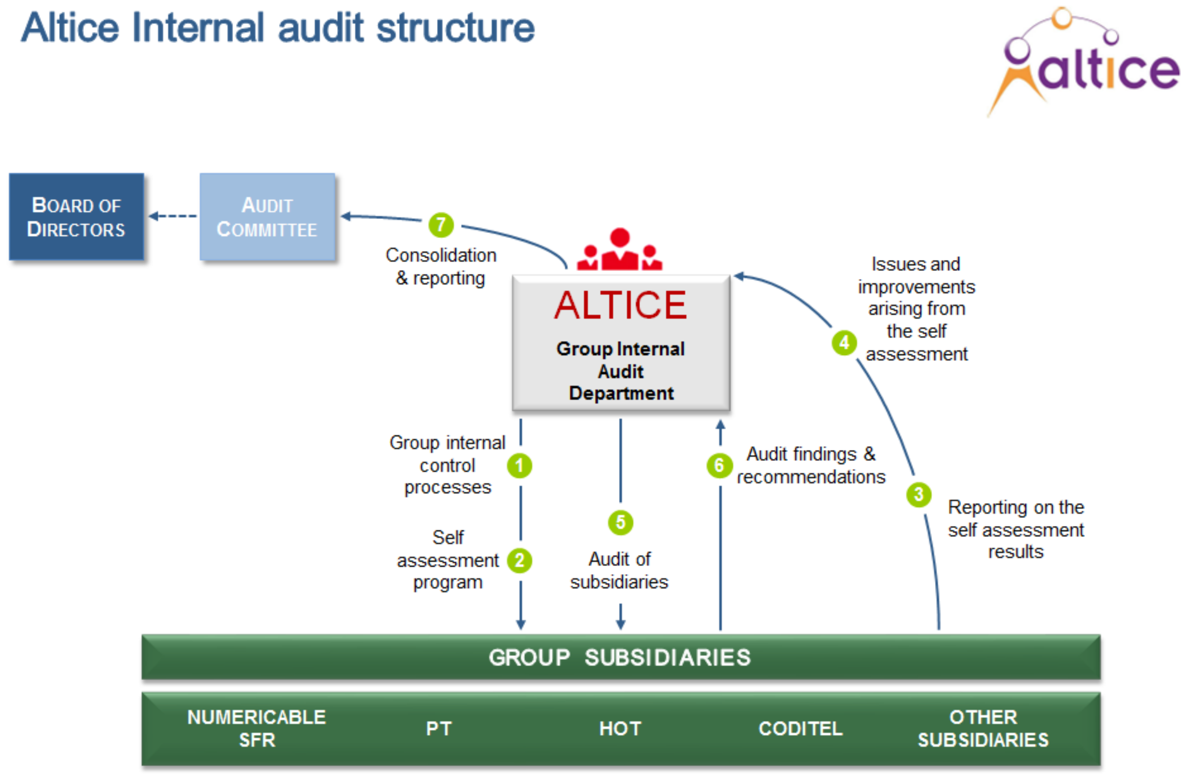
Although we analyse and conduct due diligence on acquisition targets, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations and our inquiries may fail to uncover relevant information. There can be no assurance that our assessments or due diligence of and assumptions regarding acquisition targets will prove to be correct, and actual developments may differ significantly from our expectations. Moreover, our plans to acquire additional businesses in the future are subject to the availability of suitable opportunities. Our competitors may also follow similar acquisition strategies and may have greater financial resources available for investments or may be willing to accept less favourable terms than we can accept, which may prevent us from acquiring the businesses that we target to the benefit of our competitors.

Historically, our business has grown, in part, through selective acquisitions. As a result, the operating complexity of our business, as well as the responsibilities of management, have increased, which may place significant strain on our managerial and operational resources. We may be unable to allocate sufficient managerial and operational resources to meet our needs as our business grows, and our current operational and financial systems and managerial controls and procedures may become inadequate.

Although we consider the operational and financial systems and the managerial controls and procedures that we currently have in place to be adequate for our purposes, we recognize that the effectiveness of these systems, controls and procedures needs to be kept under regular review as our business grows. We will have to maintain close coordination among our logistical, technical, accounting, finance, marketing and sales personnel. Management of growth will also require, among other things, continued development of financial and management controls and information technology systems. The constant growth and increased international operations may strain our managerial resources which may require us to hire additional managerial resources. We may be unable to hire managers with the relevant expertise or the hiring process may require significant time and resources, all of which could result in a disruption in our management, growth, operational and financial systems, managerial controls and procedures and results of operations.

Risk control

The Board is ultimately responsible for maintaining effective risk management, which includes our risk governance structure, our system of internal controls and our internal audit approach. Management's responsibility is to manage risk across the Group on behalf of the Board. To facilitate the process we share the same roadmap across the Group, thereby ensuring the control frameworks implemented by our operating companies align with our approach. We are in the process of formalising our corporate internal audit function.



No matter how comprehensive a risk management and control system may be, it cannot be assumed to be exhaustive, nor can it provide certainty that it will prevent negative developments from occurring in its business and business environment or that response to risk will be fully effective. The risk controls, as described below, are meant to provide a brief overview of potential and initiated action points in response to the risks identified and are not be interpreted as a comprehensive list of risks responses within the Group:

- we seek to leverage our core competitive advantage, predominantly the strength and speed of our fiber/cable networks, in the markets in which we operate;

- we seek to increase our content offerings, including by producing our own content and licensing attractive content for our VOD service, purchasing specific content to enhance our position;

- we invest in measures to protect our networks;

- we monitor legal, regulatory and tax developments and are committed to fulfilling our legal, regulatory and tax obligations in each of the jurisdictions in which we operate;

- we implement policies, processes and internal control procedures, aiming to limit exposure to complex legal and regulatory requirements, such as competition law, and operate a robust integrity, programme that includes business principles;

- we proactively manage our litigation risks by assessing disputes where we believe the claimant may have merit and attempting to settle such disputes on favorable terms, including in the case of suits seeking certification as class action at a stage prior to such certification, and contesting others where we believe the claim does not have merit. We record a provision when there is a sufficient probability that a dispute will result in a loss for the Group and the amount of such a loss can be reasonably estimated. Please see the accompanying note 31 to our Consolidated Financial Statements for a summary of material administrative, judicial or arbitral proceedings (including any pending or threatened proceedings) that are likely to have, or have had, a material adverse effect on our business, financial position, operations or liquidity; and

- we aim to have an on-going, open and transparent discussion with regulatory authorities.

In the previous year we have not identified any major failings in our internal risk management and controls system.

3. GOVERNANCE

3.1 Introduction

The Company maintains a one-tier board of directors (the “Board”) consisting of both Executive Directors and Non-Executive Directors (each a “Board Member”). The Board is responsible for the Company’s management and the general affairs of the Company’s business and the general affairs of the Group companies. The Executive Directors are in charge of the day-to-day management of the Company. The Non-Executive Directors supervise and provide guidance to the Executive Directors. Each Board Member has a duty to the Board to properly perform the duties assigned to him or her and to act in the Company’s corporate interest.

The Company is incorporated under Dutch law and adheres to the Corporate Governance Code as adopted by the Corporate Governance Monitoring Committee on 10 December 2008. The Code contains best practice provisions that apply to the Company’s corporate governance structure. The Company explains in its management report if it does not comply with any of the principles and best practice provisions of the Code. The “comply or explain” report of the Company is in accordance with the Code and is also made available on the Company’s website. On 10 December 2009, the Dutch legislator designated the revised Corporate Governance Code (“Code”) by decree as the new corporate governance code as set out in article 2:391 of the Dutch Civil Code.

3.2 The Board

The articles of association of the Company provide that the Board consists of at least three and not more than ten Board Members. A Board Member is appointed for a maximum period of four years and may be reappointed for a term of not more than four years at a time, in accordance with the Code. A Non-Executive Director may be appointed for a maximum of three terms of four years.

Next has a binding nomination right for the appointment of Executive Directors. Consequently, the General Meeting shall appoint Executive Directors from a list of candidates proposed by Next. The binding nomination may be overruled by the General Meeting by a resolution adopted by a majority of at least two thirds of the votes cast representing more than half of the issued capital. However, if the binding nomination is overruled, Next can make a new nomination. Next will only be entitled to exercise its nomination right as long as it holds at least 30% of the aggregate nominal value of the issued and outstanding Common Shares and is controlled by Patrick Drahi or his heirs jointly.

According to the articles of association of the Company, each Board Member, other than the President, and if no President is in function, other than the Vice-President, is entitled to one vote. The President is entitled to cast a number of votes equal to the number of Board Members entitled to vote, excluding the President, that are present or represented at the Board meeting. If no President is in function, the Vice-President is entitled to cast a number of votes that equals the number of Board Members entitled to vote, excluding the Vice-President, that are present or represented at the Board meeting.

3.2.1 Duties of the Board

The Company is headed by the Board acting as a collegial body. Board Members are collectively responsible for the Company's management and the general affairs of the Company's business and the general affairs of the Group companies. Board Members divide their tasks by mutual consultation, provided that the day-to-day management of the Company is entrusted to the Executive Directors and the supervision of the Board Members' performance of their duties is entrusted to the Non-Executive Directors.

The Board's responsibilities include:

- achievement of the Company's operational and financial objectives;
- determining the strategy and policy designed to achieve those objectives;
- monitoring corporate social responsibility issues that are relevant to the Company's business;
- overseeing the general state of affairs and the results of the Company;
- identifying and managing the risks connected to the business activities;
- ensuring that effective internal risk management and control systems are in place and reporting on this in the management report;
- maintaining and preparing the financial reporting process;
- complying with legislation and regulations;
- complying with and maintaining the corporate governance structure of the Company;
- publishing the corporate structure of the Company and any other information required under the Code on the Company's website, in the management report and elsewhere;
- preparing the annual accounts and drawing up the annual budget and important capital investments of the Company; and
- rendering advice in connection with the nomination of the external accountant of the Company.

In addition to the responsibilities of the Board, the Non-Executive Directors' responsibilities include:

- selecting and recommending upon the appointment of the external auditor;

- proposing the remuneration policy for the Executive Directors (this policy to be adopted by the General Meeting), fixing the remuneration (in accordance with the remuneration policy) and contractual terms and conditions of employment of the Executive Directors;

- selecting and recommending upon the appointment of the Non-Executive Directors and proposing the remuneration of those Non-Executive Directors;

- evaluating and assessing the functioning of the Board, its committees and the committees' individual members, including the evaluation of the Board profile and the induction, education and training programme of the Non-Executive Directors;

- handling and deciding on reported potential conflicts of interest between the Company and the Executive Directors, the external auditor and the major shareholders; and

- handling and deciding on reported alleged irregularities that relate to the functioning of the Board.

3.2.2 Composition of the Board

As of 31 December 2015, the Board is composed of seven Board Members. Mr Jurgen van Breukelen was elected Chairman in August 2015.

Composition of the Board

Name	Age	Position	Date of appointment	Current term	Independent	Role
Patrick Drahi	52	President	6 August 2015	2015-2019	N/A	Executive
Dexter Goei	44	CEO	6 August 2015	2015-2019	N/A	Executive
Dennis Okhuijsen	45	CFO	6 August 2015	2015-2019	N/A	Executive
A4 S.A.	N/A	Vice-President	6 August 2015	2015-2019	N/A	Executive
Jurgen van Breukelen	47	Chairman	6 August 2015	2015-2019	Yes	Non-Executive
Scott Matlock	50	Board Member	6 August 2015	2015-2017	Yes	Non-Executive
Jean-Luc Allavena	52	Board Member	6 August 2015	2015-2017	Yes	Non-Executive

Patrick Drahi, President

Patrick Drahi began his professional career with the Philips Group in 1988 where he was in charge of international marketing (UK, Ireland, Scandinavia, Asia) in satellite and cable TV (DTH, CATV, MMDS). In 1991, Patrick joined the US/Scandinavian group Kinnevik-Millisat, where he was in charge of the development of private cable networks in Spain and France and was involved in the launch of commercial TV stations in Eastern Europe. In 1993, Patrick founded CMA, a consulting firm specialised in telecommunications and media, which was awarded a mandate from BCTV for the implementation of Beijing's full service cable network. In addition, Patrick founded two Cable companies, Sud Câble Services (1994) and Médiaréseaux (1995), where he was involved in several buy-outs. When Médiaréseaux was taken over by UPC at the end of 1991, Patrick advised UPC on its M&A activities until mid-2000. He then started Altice in 2002. Patrick graduated from the Ecole Polytechnique and Ecole Nationale Supérieure de Télécommunications de Paris (post graduate degree in Optics and Electronics) in 1986.

Dexter Goei, Chief Executive Officer

Dexter Goei joined Altice in 2009, after working for 15 years in investment banking. Dexter began his investment banking career with JP Morgan and joined Morgan Stanley in 1999 working in their Media & Communications Group. Over the years, Dexter has worked across all segments of the media industry in the US and EMEA region covering primarily cable, pay TV, broadcasting, Internet, content and gaming companies eventually becoming Co-Head of Morgan Stanley's European TMT Group. Dexter is a graduate of Georgetown University's School of Foreign Service with cum laude honours.

Dennis Okhuijsen, Chief Financial Officer

Dennis Okhuijsen has joined Altice in September 2012 as the CFO for the Group. Before joining Altice, he was a Treasurer for Liberty Global since 2005. From 1993 until 1996 he was a senior accountant at Arthur Andersen. He joined UPC in 1996 where he was responsible for accounting, treasury and investor relations up to 2005. His experience includes raising and maintaining non investment grade capital across both the loan markets as well as the bond/equity capital market. In his previous capacities he was also responsible for financial risk management, treasury and operational financing. He holds a master of Business Economics of the Erasmus University Rotterdam.

A4 S.A., Vice-President

A4 S.A. is a public limited liability company (*société anonyme*), incorporated under the laws of the Grand Duchy of Luxembourg, with its registered office at 3, boulevard Royal, L-2449 Luxembourg and registered with the Luxembourg Trade and Company register under number B 199163. A4 S.A. is controlled by the family of Patrick Drahi. The purpose of A4 S.A. is to acquire participating interests in other entities, both local and international, as well as the administration, management, control and development of such participating interests. A4 S.A. is not a shareholder of the Company. The permanent representative of A4 S.A. on the Board is Jérémie Bonnin.

Jérémie Bonnin, General Secretary of Altice, joined Altice in May 2005 as Corporate Finance director. Before joining Altice, he was a Manager in the Transaction Services department at KPMG which he joined in 1998. At KPMG, he led several due diligence projects with a significant focus on the telecom sector. Since his appointment at Altice, he has been involved in all of the Group's acquisitions which have increased its footprint (in France, Belgium, Luxembourg, Switzerland, Israel, the French Overseas Territories, the Dominican Republic, Portugal and the United States). He has a long track record of successful cross-border transactions, and in financial management within the telecom sector. Jérémie Bonnin received his engineering degree from the Institut d'Informatique d'Entreprises in France in 1998. He also graduated from the DECF in France (an equivalent to the CPA).

Jurgen van Breukelen, Chairman

Jurgen van Breukelen is a Dutch national, and holds a Master Degree in Business Economics at the Erasmus University in Rotterdam. Having spent his military service as a lieutenant in the Royal Dutch Army, he joined KPMG in 1994. In 2000, at the age of 31, he became partner at KPMG and from 2003 to 2007 he was Head of Corporate Finance in the Netherlands. In 2007 he joined the Board of Management of KPMG, being responsible for Advisory as well as for Clients & Markets. From 2012 to 2014 he acted as CEO and Country Senior Partner of KPMG in the Netherlands. During his professional career Jurgen has held a number of senior executive roles at KPMG International, including serving on the boards of KPMG Europe, Middle East & Africa and then until 2014 as a member of the Global Executive Team and Global Board of KPMG International. At the Global Board he chaired KPMG's Global Quality & Risk Committee. He is a member of the supervisory board of Alzheimer Nederland and chairman of the supervisory board of Van Gansewinkel Groep. In addition, he is a Senior Adviser at the private equity fund Permira Advisers LLP.

Scott Matlock

Scott Matlock is a partner at PJT Partners, the independent investment bank, where he is a mergers and acquisitions advisor to companies and individuals worldwide. Previously, Scott worked at Morgan Stanley, where he was an investment banker for 25 years. He was the Global Head of Media and Communications M&A from 2005 to 2008, the Chairman of Asia M&A (including Australia, India and Japan) from 2008 to 2010, and the Chairman of International M&A from 2010 to 2014. Scott started his career at Morgan Stanley focused on transportation, industrial and technology companies. In 1997, he switched his focus to the media and communications sectors. When he moved to London in 2002, he became the Head of European Media Coverage and then the Co-Head of European Media Communications Coverage for the firm. Scott was responsible for some of Morgan Stanley's most important clients and transactions in the media and communication sectors. Sectors on which he has been particularly focused have included cable, mobile/cellular, satellite and broadcast. Scott graduated from the University of California, Berkeley in 1988.

Jean-Luc Allavena

Jean-Luc Allavena serves as a Partner of Apollo Management and as the Honorary Chairman of the French-American Foundation - France. He graduated in 1986 from HEC Paris, the French leading business school. Jean-Luc was appointed Analyst at Banque Paribas in 1986 before joining Lyonnaise des Eaux (now called Engie) in 1989 as a Financial Controller. In 1992, he became Chief Financial Officer of Techpack International (Pechiney) and was appointed Chief Executive Officer in 1996 and then Chairman of the Pechiney World Luxury Cosmetics Division in 1999. In 2000, he joined Lagardère Media as the group's Chief Operating Officer. He also became a board member of its four main divisions: Lagardère Active (radio and TV), Hachette Livre (book publishing), Hachette Filipacchi Media (magazine publishing) and Hachette Distribution Services (press distribution). A native and citizen of Monaco, Jean-Luc Allavena served as the Chief of Staff of His Serene Highness Prince Albert II of Monaco at the beginning of His Reign (2005-2006). In 2007, he joined Apollo Management in London, one of the largest investment platforms in the world with almost USD 200 billion under management. He has done several important deals in various industries such as Monier (formerly Lafarge Roofing), Constellium (formerly Pechiney Aluminium), Latecoere (aerospace) and Verallia (formerly Saint Gobain Glass Packaging). Jean-Luc Allavena has served on the Board since 2014. He has also been involved, for more than two decades, in various non-governmental organisations and served as the President of the Alumni Association of HEC from 2001 to 2003 (subsequently as Honorary Chairman), President of the HEC Foundation from 2003 to 2005 (subsequently as Honorary President) and Chairman of the board of the French-American Foundation - France from 2010 to 2015 (subsequently as Honorary Chairman). He has been awarded Chevalier of the French Légion d'Honneur.

Independent Board Members

In considering the independence of a Non-Executive Director, the Board takes the following criteria, which are all based on the Code, into account. A Board Member shall not be considered independent, if the Board Member concerned or his spouse, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law:

(a) has been an employee or Executive Director of the Company (including associated companies as referred to in article 5:48 of the Financial Markets Supervision Act (Wft)) in the five years prior to the appointment;

(b) receives significant personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a Board Member or other compensation received in the normal course of business;

(c) has had an important business relationship with the Company, or a company associated with it, in the year prior to the appointment. This includes the case where the Board Member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the Company (consultant, external auditor, civil law notary and lawyer) and the case where the Board Member is a management board member or an employee of any bank with which the Company has a lasting and significant relationship;

(d) is a member of the management board of a company in which a Board Member is a supervisory board member or a non-executive board member;

(e) holds at least ten percent of the shares in the Company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);

(f) is a board member - or is a representative in some other way - of a legal entity which holds at least ten percent of the shares in the Company, unless that entity is a member of the same group as the Company;

(g) has temporarily managed the Company during the previous 12 months where Executive Directors have been absent or unable to discharge their duties.

An independent Board Member who no longer meets the criteria for independency must immediately inform the Board accordingly.

3.2.3 Board meetings held in 2015

The Board (including the board of Altice S.A. prior to the merger into the Company) met 14 times in 2015, and focused, among other things, on the following matters:

- the approval of the financial statements as of 31 December 2014, 31 March 2015 and 30 June 2015 of Altice S.A.;
- the renewal of the mandate of the external auditor;
- the transfer of substantially all the assets of Altice S.A. to its wholly-owned subsidiary Altice Luxembourg;
- the cross-border merger between the Company and Altice S.A., with the Company as the surviving entity;
- the acquisition of an additional 20% interest in NSFR previously held by Vivendi;
- the acquisition of a 70% interest in Cequel;
- the investment in NextRadioTV;
- the acquisition of a 70% interest in Cablevision;
- the raising of external financial debt;
- the equity offering made by the Company in connection with the financing of the acquisition of Cablevision;
- the approval of the financial statements as of 30 September 2015 of the Company.

3.2.4 Board evaluation

The Board regularly discusses its functioning and performance, including the functioning of the non-executive directors, the committees as well as individual non-executive directors. Since the Company only become a Dutch N.V. in August 2015, as at the end of 2015, the Company had not yet implemented a formal system for the evaluation of Board performance. However, the Non-Executive Directors have performed a self-evaluation on the functioning of their own performance, the performance of the entire Board, as well as the performance of the external auditor. Overall, the Non-Executive Directors are of the opinion that during 2015 significant steps have been taken not only in executing the strategy of the Company, but also in improving the governance and functioning of the Non-Executive Directors as well as the Board as a whole. The Non-Executive Directors are committed to continue to make further improvements in that respect in the financial year 2016.

3.3 Nomination committee

Currently, the Company does not have a Nomination Committee. The Board has assessed whether it believes a Nomination Committee must be set up. The Board sees no need to set up a Nomination Committee at this point, but may re-address this topic the next time the appointment of a Board Member is considered.

3.4 Deviation from the Dutch gender diversity requirement

The nature and the activities of the Company and the desired expertise and background of the Board Members are decisive when Board Members are appointed or reappointed. The present composition of the Board deviates from the Dutch Management and Supervision Act (*Wet bestuur en toezicht*) regarding gender diversity, which recommends having at least 30% male and at least 30% female representation. Although the Company pays close attention to gender diversity in the profiles of new Board Members, the Company does not have an explicit target of gender diversity and has not yet formulated concrete targets in this respect. However, subject to the availability of suitable candidates at the time of Board appointments, the Company aims to reach a well-balanced mix of men and women among its Board Members.

3.5 Comply or explain list

The Board subscribes to the Dutch Code's principles and best practice provisions. In accordance with the Code's "comply or explain" principle, the Company has outlined below departures from the Code. The entire "comply or explain" list is also published on the Company's website.

The principles are based on a company with a two-tier board structure, whereby a supervisory board supervises the management board. The one-tier board structure, with non-executive directors who supervise the executive directors, is only explicitly mentioned in best practice principle III.8. In 2012 the Corporate Governance Code Monitoring Committee (the "**Committee**") provided guidelines in how to interpret the other best practice principles on a company with a one-tier board structure. The Committee advised that in principle all provisions for the supervisory board *mutatis mutandis* apply to non-executive directors and that all provisions for the management board *mutatis mutandis* apply to executive directors and in some instances also apply to the non-executive directors. The text of the (best practice) provisions below should be read bearing this in mind.

Provision II.1.2: The management board shall submit to the supervisory board for approval:

a) the operational and financial objectives of the company;

b) the strategy designed to achieve the objectives;

c) the parameters to be applied in relation to the strategy, for example in respect of the financial ratios; and

d) corporate social responsibility issues that are relevant to the enterprise.

The main elements shall be mentioned in the annual report.

Since the Company has a one-tier Board, the Non-Executive Directors are already involved in these subjects. The Company does not require a specific approval of the Non-Executive Directors.

Provision II.1.7: The management board shall ensure that employees have the possibility of reporting alleged irregularities of a general, operational and financial nature within the company to the chairman of the management board or to an official designated by him, without jeopardising their legal position. Alleged irregularities concerning the functioning of management board members shall be reported to the chairman of the supervisory board. The arrangements for whistleblowers shall be posted on the company's website.

The Company complies with this provision, provided that employees can report irregularities of a general, operational and financial nature within the Company to the CEO or an official designated by the Board.

Provision II.1.8: A management board member may not be a member of the supervisory board of more than two listed companies. Nor may a management board member be the chairman of the supervisory board of a listed company. Membership of the supervisory board of other companies within the group to which the company belongs does not count for this purpose. The acceptance by a management board member of membership of the supervisory board of a listed company requires the approval of the supervisory board. Other important positions held by a management board member shall be notified to the supervisory board.

The Company complies with this provision, provided that the acceptance by an Executive Director of membership of the supervisory board of a listed company requires the approval of the entire one-tier Board. Also, Executive Directors must notify the Board about other important positions.

Provision II.2.1: Before drawing up the remuneration policy and determining the remuneration of individual management board members, the supervisory board shall analyse the possible outcomes of the variable remuneration components and how they may affect the remuneration of the management board members.

Provision II.2.2: The supervisory board shall determine the level and structure of the remuneration of the management board members by reference to the scenario analyses carried out and with due regard for the pay differentials within the enterprise.

Provision II.2.3: In determining the level and structure of the remuneration of management board members, the supervisory board shall take into account, among other things, the results, the share price performance and non-financial indicators relevant to the long-term objectives of the company, with due regard for the risks to which variable remuneration may expose the enterprise.

Regarding the three provisions above, the General Meeting of the Company determines the remuneration of the Board Members upon a proposal of the Board, which it makes upon a proposal of the Remuneration Committee.

Provision II.2.4: If options are granted, they shall, in any event, not be exercised in the first three years after the date of granting. The number of options to be granted shall be dependent on the achievement of challenging targets specified beforehand.

Vesting of the options granted to Board Members is time based. Such options are exercisable in various tranches, the first of which is two years after the grant of the options.

Provision II.2.6: The option exercise price may not be fixed at a level lower than a verifiable price or a verifiable price average in accordance with the trading in a regulated market on one or more predetermined days during a period of not more than five trading days prior to and including the day on which the option is granted.

The Company does not comply with this provision since, during 2015, the exercise price (a) was equal to the volume weighted average price during a period of six months preceding (i) the date of the offer made to and accepted by the employee to join the Group, (ii) the date on which the employee is promoted to a new function within the Group, (iii) for an existing employee within the Group, the date on which the decision was made to grant him additional or new options, as the case may be, or (b) was set by the Board at a level below such volume weighted average price to take into account the volatility of the trade price of the Common A Shares.

Provision II.2.7: Neither the exercise price of options granted nor the other conditions may be modified during the term of the options, except in so far as prompted by structural changes relating to the shares or the company in accordance with established market practice.

The Company complied with this provision in 2015, except for options granted to Executive Directors prior to the cross-border merger between the Company and Altice S.A. in August 2015, which options have been replaced by options under the current share option plan.

Principle (determination and disclosure of remuneration): The supervisory board shall determine the remuneration of the individual members of the management board, on a proposal by the remuneration committee, within the scope of the remuneration policy adopted by the general meeting. The report of the supervisory board shall include the principal points of the remuneration report concerning the remuneration policy of the company. This shall describe transparently and in clear and understandable terms the remuneration policy that has been pursued and give an overview of the remuneration policy to be pursued. The full remuneration of the individual management board members, broken down into its various components, shall be presented in the remuneration report in clear and understandable terms.

The Company complies with this principle, provided that the General Meeting determines the remuneration of the Executive Directors, upon a proposal of the Board, which it makes upon a proposal of the Remuneration Committee.

Provision II.2.10: If a variable remuneration component conditionally awarded in a previous financial year would, in the opinion of the supervisory board, produce an unfair result due to extraordinary circumstances during the period in which the predetermined performance criteria have been or should have been achieved, the supervisory board has the power to adjust the value downwards or upwards.

The Company complies with this provision, with the exception that the Company does not apply this provision to any variable remuneration, shares and options which were paid or granted to Executive Directors (in any capacity within the Group) prior to the cross-border merger between the Company and Altice S.A. in August 2015, or to shares or options which were allotted by the Company in exchange for shares or options of Altice S.A. pursuant to such cross-border merger.

Provision II.2.11: The supervisory board may recover from the management board members any variable remuneration awarded on the basis of incorrect financial or other data (clawback clause).

The Company complies with this provision, with the exception that the Company does not apply this provision to any variable remuneration, shares and options which were paid or granted to Executive Directors (in any capacity within the Group) prior to the cross-border merger between the Company and Altice S.A. in August 2015, or to shares or options which were allotted by the Company in exchange for shares or options of Altice S.A. pursuant to such cross-border merger.

Provision II.3.2: A management board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, to the chairman of the supervisory board and to the other members of the management board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. The supervisory board shall decide, without the management board member concerned being present, whether there is a conflict of interest. A conflict of interests exists, in any event, if the company intends to enter into a transaction with a legal entity: (i) in which a management board member personally has a material financial interest; (ii) which has a management board member who is related under family law to a management board member of the company, or (iii) in which a management board member of the company has a management or supervisory position.

The Company complies with this provision, provided that the Chairman will determine whether a reported (potential) conflict of interest qualifies as a conflict of interest (except in a situation where the Chairman has a potential conflict of interest).

Provision II.3.4: All transactions in which there are conflicts of interest with management board members shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with management board members that are of material significance to the company and/or to the relevant board members require the approval of the supervisory board. Such transactions shall be published in the annual report, together with a statement of the conflict of interest and a declaration that best practice provisions II.3.2 to II.3.4 inclusive have been complied with.

The Company does not entirely comply with this provision, as a decision to enter into a transaction that involves a conflicted Board Member is adopted by the Board without the required approval of the Non-Executive Directors.

Provision III.2.2: A supervisory board member shall be deemed to be independent if the following criteria of dependence do not apply to him. These criteria are that the supervisory board member concerned or his wife, registered partner or other life companion, foster child or relative by blood or marriage up to the second degree as defined under Dutch law:

(a) has been an employee or member of the management board of the company (including associated companies as referred to in Section 5:48 of the Financial Supervision Act (Wet op het financieel toezicht / Wft) in the five years prior to the appointment;

(b) receives personal financial compensation from the company, or a company associated with it, other than the compensation received for the work performed as a supervisory board member and in so far as this is not in keeping with the normal course of business;

(c) has had an important business relationship with the company, or a company associated with it, in the year prior to the appointment. This includes the case where the supervisory board member, or the firm of which he is a shareholder, partner, associate or adviser, has acted as adviser to the company (consultant, external auditor, civil notary and lawyer) and the case where the supervisory board member is a management board member or an employee of any bank with which the company has a lasting and significant relationship;

(d) *is a member of the management board of a company in which a member of the management board of the company which he supervises is a supervisory board member ;*

(e) *holds at least ten percent of the shares in the company (including the shares held by natural persons or legal entities which cooperate with him under an express or tacit, oral or written agreement);*

(f) *is a member of the management board or supervisory board - or is a representative in some other way - of a legal entity which holds at least ten percent of the shares in the company, unless such entity is a member of the same group as the company;*

(g) *has temporarily managed the company during the previous twelve months where management board members have been absent or unable to discharge their duties.*

With a view to greater flexibility, the Company applies a slightly different criterion for independence under subsection (b). A Board Member shall not be considered independent if the Board Member concerned receives significant personal financial compensation from the Company, or a company associated with it, other than the compensation received for the work performed as a Board Member or other compensation received in the normal course of business.

Provision III.3.3: After their appointment, all supervisory board members shall follow an introduction programme, which, in any event, covers general financial, social and legal affairs, financial reporting by the company, any specific aspects that are unique to the company and its business activities, and the responsibilities of a supervisory board member. The supervisory board shall conduct an annual review to identify any aspects with regard to which the supervisory board members require further training or education during their period of appointment. The company shall play a facilitating role in this respect.

The Company complies with this provision, provided that the Non-Executive Directors ‘may’ be given the opportunity to follow an introduction program.

Provision III.4.1: The chairman of the supervisory board shall ensure that:

(a) *the supervisory board members follow their introduction and education or training programme;*

(b) *the supervisory board members receive in good time all information which is necessary for the proper performance of their duties;*

(c) *there is sufficient time for consultation and decision-making by the supervisory board;*

(d) *the committees of the supervisory board function properly;*

(e) *the performance of the management board members and supervisory board members is assessed at least once a year;*

(f) *the supervisory board elects a vice-chairman; and*

(g) *the supervisory board has proper contact with the management board and the works council (or central works council).*

The Company for the most part complies with this provision, except that no formal vice-chairman has been appointed. If the Chairman is not available to attend a Board meeting, in practice one of the other independent Non-Executive Directors will chair the meeting.

Provision III.4.3: The supervisory board shall be assisted by the company secretary. The company secretary shall ensure that correct procedures are followed and that the supervisory board acts in accordance with its statutory obligations and its obligations under the Articles. He shall assist the chairman of the supervisory board in the actual organisation of the affairs of the supervisory board (information, agenda, evaluation, training programme, etc.). The company secretary shall, either on the recommendation of the supervisory board or otherwise, be appointed and dismissed by the management board, after the approval of the supervisory board has been obtained.

The Company does not entirely comply with this provision, as the company secretary is appointed by the Board without the required approval of the Non-Executive Directors.

Provision III.5.6: The audit committee may not be chaired by the chairman of the supervisory board or by a former member of the management board of the company.

As Mr Van Breukelen chairs both the Audit Committee and the Board, the Company does not comply with this provision. Since Mr Van Breukelen is considered not only a financial expert within the meaning of the best practice provision III.3.2 of the Code, but is also experienced in Dutch corporate governance matters, the Board regards this combination of roles of significant added value to the Company.

Provision III.5.10: The remuneration committee shall in any event have the following duties:

(a) making a proposal to the supervisory board for the remuneration policy to be pursued;

(b) making a proposal for the remuneration of the individual members of the management board, for adoption by the supervisory board; such proposal shall, in any event, deal with:

  (i) the remuneration structure;

  (ii) the amount of the fixed remuneration, the shares and/or options to be granted and/or other variable remuneration components, pension rights, redundancy pay and other forms of compensation to be awarded, as well as the performance criteria and their application; and

  (iii) preparing the remuneration report as referred to in best practice provision II.2.12.

The Company complies with this provision, provided that the proposal for the remuneration policy shall be made to the entire Board. Furthermore, the remuneration of the Executive Directors shall be determined by the General Meeting upon the proposal of the Board, which it makes upon a proposal of the Remuneration Committee.

Provision III.6.1: A supervisory board member shall immediately report any conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, to the chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. If the chairman of the supervisory board has a conflict of interest or potential conflict of interest that is of material significance to the company and/or to him, he shall report this immediately to the vice-chairman of the supervisory board and shall provide all relevant information, including information concerning his wife, registered partner or other life companion, foster child and relatives by blood or marriage up to the second degree as defined under Dutch law. The supervisory board member concerned may not take part in the assessment by the supervisory board of whether a conflict of interest exists. A conflict of interest exists in any event if the company intends to enter into a transaction with a legal entity:

  (i) in which a supervisory board member personally has a material financial interest;

  (ii) which has a management board member who is related under family law to a member of the supervisory board of the company; or

  (iii) in which a member of the supervisory board of the company has a management or supervisory position.

The Company complies with this provision, with the exception that the assessment of the potential conflict of interest will be conducted by the Chairman, or in case the potential conflict of interest concerns him, the vice-chairman or if no vice-chairman is appointed, another Non-Executive Director.

Provision III.6.3: All transactions in which there are conflicts of interest with supervisory board members shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with supervisory board members that are of material significance to the company and/or to the relevant supervisory board members require the approval of the supervisory board. Such *transactions shall be published in the annual report, together with a statement of the conflict of interest and a declaration that best practice provisions III.6.1 to III.6.3 inclusive have been complied with.*

The Company does not entirely comply with this provision, as a decision to enter into a transaction that involves a conflicted Board Member is adopted by the Board without the required approval of the Non-Executive Directors.

Provision III.6.4: All transactions between the company and legal or natural persons who hold at least ten percent of the shares in the company shall be agreed on terms that are customary in the sector concerned. Decisions to enter into transactions in which there are conflicts of interest with such persons that are of material significance to the company and/or to such persons require the approval of the supervisory board. Such transactions shall be published in the annual report, together with a declaration that best practice provision III.6.4 has been observed.

The Company does not entirely comply with this provision, as the decision to enter into transactions in which there are conflicts of interest with legal or natural persons who hold at least 10% of the shares in the Company and that are of material significance to the Company is adopted by the Board, without the required approval of the Non-Executive Directors.

Provision III.6.7: A supervisory board member who temporarily takes on the management of the company, where the management board members are absent or unable to fulfil their duties, shall resign from the supervisory board.

In case of an Executive Director who is absent, another Executive Director (to be designated by the Executive Directors) will carry out his duties and powers. In case of a long-term absence, the Non-Executive Directors shall be notified of that designation.

Provision III.8.3: The management board shall apply chapter III.5 of this code. The committees referred to in chapter III.5 shall consist only of non-executive management board members.

Chapter III.5 of the Code requires that three committees shall be installed if the Board has more than four Non-Executive Directors. Given the number of Non-Executive Directors, the Board is not required to set up a selection and appointment committee. The Board did set up an Audit Committee and a Remuneration Committee.

Provision III.8.4: The majority of the members of the management board shall be non-executive directors and are independent within the meaning of best practice provision III.2.2.

The Company currently does not comply with this provision, as the Board consists of three Non-Executive Directors and four Executive Directors.

Provision IV.1.1: The general meeting of shareholders of a company not having statutory two tier status (structuurregime) may pass a resolution to cancel the binding nature of a nomination for the appointment of a member of the management board or of the supervisory board and/or a resolution to dismiss a member of the management board or of the supervisory board by an absolute majority of the votes cast. It may be provided that this majority should represent a given proportion of the issued capital, which proportion may not exceed one third. If this proportion of the capital is not represented at the meeting, but an absolute majority of the votes cast is in favour of a resolution to cancel the binding nature of a nomination, or to dismiss a board member, a new meeting may be convened at which the resolution may be passed by an absolute majority of the votes cast, regardless of the proportion of the capital represented at the meeting.

The Company does not entirely comply with this provision. The General Meeting may overrule the binding nomination by a resolution adopted by a majority of at least two thirds of the votes cast representing more than half of the issued capital.

Principle V.2 (Role, appointment, remuneration and assessment of the functioning of the external auditor): The external auditor is appointed by the general meeting. The supervisory board shall nominate a candidate for this appointment, while both the audit committee and the management board advise the supervisory board. The remuneration of the external auditor, and instructions to the external auditor to provide nonaudit services, shall *be approved by the supervisory board on the recommendation of the audit committee and after consultation with the management board.*

The Company complies with this principle, provided that the remuneration of the external auditor and instructions to the external auditor to provide non-audit related services shall be approved by the Board.

Provision V.2.3: At least once every four years, the supervisory board and the audit committee shall conduct a thorough assessment of the functioning of the external auditor within the various entities and in the different capacities in which the external auditor acts. The main conclusions of this assessment shall be communicated to the general meeting for the purposes of assessing the nomination for the appointment of the external auditor.

The Company complies with this provision, provided that the assessment will be conducted by the Audit Committee and the Executive Directors.

3.6 Capital, shares and voting rights

3.6.1 Share capital

The Company's authorised capital at 31 December 2015 is EUR 345,962,639.50, divided into:

- 8,168,034,850 Common A Shares, each with a nominal value of EUR 0.01
- 299,129,164 Common B Shares, each with a nominal value of EUR 0.25
- 4,700,000,000 Preference A Shares, each with a nominal value of EUR 0.04
- 150,000,000 Preference B Shares, each with a nominal value of EUR 0.01.

Common Shares

Common A Shares and Common B Shares are listed on Euronext Amsterdam. Common A Shares and Common B Shares are equally entitled to dividends. One Common B Share has 25 voting rights and one Common A Share has one voting right. Common B Shares are, at the request of the holder of Common B Shares, convertible into Common A Shares at a 1:25 ratio.

Preference A Shares

Each Preference A Share has four votes on all matters on which all voting shares have voting rights and, other than matters that require a class vote, form a single class with the other voting shares in the capital of the Company for such purposes.

Preference B Shares

Each Preference B Share has one vote on all matters on which all voting shares have voting rights and, other than with respect to matters that require a class vote, form a single class with the other voting shares in the capital of the Company for such purposes. The Board may at all times convert one or more Preference B Shares into one or more Common A Shares in accordance with the conversion ratio and other conditions as determined by the Board.

Issued share capital of the Company as at 31 December 2015

Shares	Nominal Value	Number	Percentage of issued share capital
Common A Shares	EUR 0.01	841,244,925	11%
Common B Shares	EUR 0.25	272,280,241	89%
Preference A Shares	EUR 0.04	0	0%
Preference B Shares	EUR 0.01	0	0%

Conversion

The articles of association of the Company provide that as per the moment of conversion of Common B Shares and/or Preference B Shares into Common A Shares, the authorised capital of the Company shall decrease with the number of Common B Shares and/or Preference B Shares included in such conversion, as applicable, and the authorised capital of the Company shall increase with the number of Common A Shares resulting from such conversion.

The articles of association also provide for a transitory provision of the authorised capital, pursuant to which the authorised capital will automatically be increased to EUR 400,000,000 if and as soon as a resolution adopted by the Board has been filed with the Dutch trade register, pertaining to an issuance of such number of shares pursuant to which the issued share capital of the Company shall be at least EUR 80,000,000.

3.6.2 Restrictions on the transfer of shares

Shares in the capital of the Company are freely transferable, unless agreements between the shareholders provide otherwise. For a description of such agreements, please refer to section 3.6.6 "*Agreements between shareholders known to the Company and which may result in restrictions on the transfer of securities and/or voting rights*".

3.6.3 Significant direct and indirect shareholders

Pursuant to the register kept by the Dutch Authority for the Financial Markets (*Autoriteit Financiële Markten*), through 31 December 2015, the below table specifies the persons having notified a substantial holding in the share capital of the Company (the relevant thresholds being 3%, 5%, 10%, 15%, 20%, 25%, 30%, 40%, 50%, 60%, 75% and 95%).

Substantial holdings of securities in the Company

Shareholders	Capital	Voting rights	Date of Notification
P. Drahi (through Next)	58.01%	62.64%	5 October 2015
D. Goei	1.66%	62.64%(*)	5 October 2015
D.L. Okhuijsen	0.85%	62.64%(*)	5 October 2015
Carmignac Gestion S.A.	3.38%	3.38%	9 September 2015
EuroPacific Growth Fund	4.92%	0%	18 August 2015
J. Bonnin	0.90%	65.18%(*)	10 August 2015
J.M. Hegesippe	0.78%	65.18%(*)	10 August 2015
P. Giami	0.42%	65.18%(*)	10 August 2015
J.L. Berrebi	0.28%	65.18%(*)	10 August 2015
N. Rotkoff	0.06%	65.18%(*)	10 August 2015
Capital Research and Management Company	0%	7.05%	10 August 2015

(*) Next has entered into shareholders' agreements with these shareholders in which a voting agreement is included, pursuant to which such shareholders have to vote in favour of all items in the General Meeting proposed by Next for a period of thirty years. For a description of such agreements, please refer to section 3.6.6 "*Agreements between shareholders known to the Company and which may result in restrictions on the transfer of securities and/or voting rights*".

3.6.4 Voting rights and restrictions on voting rights

Voting rights

Each issued and outstanding Common A Share has one vote, each issued and outstanding Common B Share has 25 votes, each issued and outstanding Preference B Share has one vote and each issued and outstanding Preference A Share has four votes in the General Meeting and in meetings of holders of a separate class of shares.

Each shareholder is entitled to vote and each person is entitled to attend the General Meeting, to address the General Meeting and, to the extent applicable, exercise its voting rights, provided that the person:

(a) is a shareholder of the Company or such other authorised person as determined by the Board on the 28th day prior to the meeting;

(b) has notified the Company in writing prior to a date set in the notice to attend the General Meeting, regardless of who is shareholder of the Company or such other authorised person at the time of the General Meeting.

Restrictions on voting rights

In the General Meeting, no voting rights may be exercised for any Common Share, Preference A Share or Preference B Share held by the Company or a subsidiary of the Company, nor for any Common Share, Preference A Share or Preference B Share for which the Company or a subsidiary of the Company holds the depositary receipts. However, pledgees and usufructuaries of Common Shares, Preference A Shares or Preference B Shares held by the Company or a subsidiary of the Company are not excluded from exercising the voting rights if the right of pledge or the usufruct was created before the Common Share, Preference A Share or Preference B Share was held by the Company or such subsidiary. The Company or a subsidiary of the Company may not exercise voting rights for a Common Share, Preference A Share or Preference B Share for which it holds a right of pledge or usufruct.

3.6.5 System of control of employee share scheme

The Company has not implemented any employee share scheme granting rights to employees to acquire shares in the Company or a subsidiary where the control rights are not exercised directly by the employees.

3.6.6 Agreements between shareholders known to the Company and which may result in restrictions on the transfer of securities and/or voting rights

Next has entered into shareholders' agreements with Dexter Goei (through Inluam S.à r.l. and More ATC S.à r.l.), Dennis Okhuijsen, Jérémie Bonnin (through Hamaja S.à r.l.), Patrice Giami, Jean-Michel Hegesippe (through OTR S.à r.l.), Penta Limited Partnership Incorporated, Jean-Luc Berrebi (through Lynor's S.à r.l.) and Nicolas Rotkoff (through Valemi Corp S.A) (collectively, the "**ANV Shareholders**") in which procedures for transfers of shares by the relevant ANV Shareholder and a voting agreement have been laid down. Pursuant to the voting agreements, the ANV Shareholders have to cast their votes in good faith during all General Meetings and to vote in favour of all items in the General Meeting proposed by Next for a period of thirty years. Each ANV Shareholder must also give a proxy to Next to represent it and to vote on its behalf in the General Meeting. Certain other managers of the Group are also bound by similar shareholders' agreements with Next, except that the voting agreement will only come into effect in the event that Next no longer holds at least 50% of the voting rights in the Company.

On 23 November 2015, Next entered into a funded collar transaction for over 81.2 million Common A Shares with Goldman Sachs International and, to facilitate the collar transaction, lent the shares underlying the collar to Goldman Sachs International, who in turn sold approximately 61 million Common A Shares to institutional investors to establish its initial hedge for the collar. Next entered into a 150-day lock-up in connection with this transaction.

3.6.7 Appointment and replacement of Board Members / amendment to the articles of association

Appointment and replacement of Board Members

The Executive Directors and Non-Executive Directors are appointed by the General Meeting. The Executive Directors are appointed by the General Meeting at the binding nomination of Next. The General Meeting may at all times overrule the binding nomination by a resolution adopted by a majority of at least two-thirds of the votes cast representing more than 50% of the issued capital. If the General Meeting overrules the binding nomination, Next shall make a new nomination. The nomination must be included in the notice of the General Meeting at which the appointment will be considered. The Board shall request Next to make its nomination at least ten days before publication of the notice of the General Meeting at which the appointment will be considered. If a nomination has not been made by Next or has not been made by Next within seven days following the request of the Board, this must be stated in the notice and the General Meeting will be free to appoint a member of the Board at its discretion.

The General Meeting may at any time dismiss or suspend any Board Member. An Executive Director may also be suspended by the Board. If Next proposes the dismissal of a Board Member to the General Meeting, the General Meeting can resolve upon that dismissal with an absolute majority of the votes cast. If Next has not made a proposal for the dismissal of a Board Member, the General Meeting can only resolve upon the dismissal of that Board Member with a majority of at least two-thirds of the votes cast representing more than one-half of the issued capital.

Next's rights mentioned above may not be amended without Next's prior written consent. Next will only be entitled to these rights as long as it holds a direct interest of at least 30% of the aggregate nominal value of the issued and outstanding Common Shares and is controlled by Mr Patrick Drahi or his heirs jointly.

Amendment of the articles of association

The General Meeting may resolve to amend the articles of association with an absolute majority of the votes cast, provided that at least 50% of the issued and outstanding capital is present or represented.

3.6.8 Power to issue and repurchase shares

Issue of shares

Pursuant to a provision in the articles of association of the Company, the Board is authorised to allot and issue Common Shares, Preference A Shares and Preference B Shares and to grant rights to subscribe for shares in the Company, up to the amount of the authorised capital. This authorisation of the Board will expire five years after adoption of the current articles of association, therefore on 8 August 2020. After that period, Common Shares, Preference A Shares and Preference B Shares B may be issued pursuant to (i) a resolution of the General Meeting or (ii) a resolution of the Board, if by resolution of the General Meeting, the Board has been authorised for a specific period not exceeding five years to issue Common Shares, Preference A Shares and Preference B Shares. Unless otherwise stipulated at its grant, this authorisation may not be withdrawn.

Repurchase of shares

Subject to the provisions of the Dutch Civil Code, and without prejudice to any relevant special rights attached to any class of shares, the Company may, from time to time:

(a) increase its share capital by issuing new Common Shares, Preference A Shares and Preference B Shares;

(b) reduce its issued and outstanding share capital by cancelling shares in the capital of the Company or by amending the articles of association to reduce the nominal value of the shares in the capital of the Company, with EUR 0.01 being the minimum nominal value per share;

(c) consolidate and divide all or any of its share capital into shares of a larger nominal amount than the existing Common Shares, Preference A Shares and Preference B Shares, by amending the articles of association;

(d) subdivide any of its Common Shares, Preference A Shares and Preference B Shares into shares of a smaller nominal amount than its existing Common Shares, Preference A Shares and Preference B Shares, by amending the articles of association, whereby the nominal amount of a share cannot be less than EUR 0.01.

A resolution to cancel shares in the capital of the Company may only relate to (i) Common Shares, Preference A Shares and Preference B Shares or depositary receipts for those shares held by the Company or (ii) all Preference A Shares with repayment.

3.6.9 Significant agreements which alter or terminate upon a change of control

Change of Control Event triggers under the Group's Debt Documents

Under the terms of certain of the Group's Indentures, Term Loans, Revolving Credit Facility Agreements and the 2013 Guarantee Facility Agreement, at any time following a Change of Control Event (as defined in each of the relevant Indentures, Term Loans, Revolving Credit Facilities and the 2013 Guarantee Facility Agreement), the issuer or borrower, as applicable, will be required to offer to repurchase the notes or prepay the facilities, as applicable. Change of Control Events are generally defined under the relevant Indentures, Term Loans, Revolving Credit Facility Agreements and the 2013 Guarantee Facility Agreement as: (i) change in ownership of more than 50% of the voting stock in the parent of the issuer or borrower, as applicable, (ii) change to the composition of the majority of the board (including the Board and as further described in the relevant documents) and (iii) sale or other disposition of all or substantially all assets of the parent. Under the Indentures, at any time following a Change of Control Event, the issuer will be required to offer to repurchase the issued notes at a price equal to 101% of their aggregate principal amount, plus accrued and unpaid interest, if any, and additional amounts, if any. Holders of the notes are not required to tender their notes to the offer. Under the Term Loans, the borrower will be required to prepay the loans plus accrued and unpaid interest, if any, and additional amounts, including unpaid accrued fees, if any. Certain of the Indentures and Term Loans contain "portability" features, under which the Change of Control Event would not be triggered, as long as, there is no rating decline with respect to the senior secured notes following the Change of Control Event. Under the Revolving Credit Facility Agreements, upon the occurrence of a Change of Control, the facilities are cancelled and all outstanding loans, together with accrued interest and all other amounts accrued under the finance documents become immediately due and payable. Revolving Credit Facility Agreements generally do not have a portability feature. Certain of the Revolving Credit Facility Agreements, in addition to designating all outstanding loans as immediately payable, also require the borrower, immediately following the Change of Control Event, to cash collateralize its outstanding obligations.

Change of Control Event triggers under Other Agreements

Certain employment agreements may contain specific clauses in case a change of control occurs, but this is an exceptional situation and would not have a significant impact in case of a change of control.

The stock option plan dated 9 August 2015 provides that all options will automatically vest in case a change of control occurs. A change of control means, for this purpose, Next, together with related parties, owning, directly or indirectly, less than 30% of the aggregate nominal value of the issued and outstanding Common Shares in the capital of the Company.

Furthermore, certain of our customer contracts may include certain terminations rights upon the occurrence of a change of control, however we deem the impact of these to be non-material should this provision be triggered, in light of the volume of contracts that we service.

Also, we are subject to various rules and regulations in the jurisdictions in which we operate and will be required to seek regulatory approval from the applicable governing bodies upon the occurrence of certain change of control events.

We are not subject to any change of control clauses on contracts with any of our major operational suppliers.

3.7 Other corporate governance practices

3.7.1 Conflict of interest and transactions with major shareholders

The transactions involving a conflict of interest with a Board Member that were entered into in 2015 and were of material significance to the Company and/or the relevant Board Member are listed below:

(i) in the equity issuance carried out by the Company in October 2015, three Executive Directors (the President, the CEO and the CFO) subscribed to 8,823,529, 882,353 and 294,118 Common B Shares respectively;

(ii) a Non-Executive Director of the Company, Scott Matlock, is a partner at an independent investment bank, PJT Partners, which is counsel to Cablevision, the target in the proposed Cablevision Acquisition.

The Company complied with best practice provisions II.3.2 to II.3.4 of the Code, as well as with best practice provisions III.6.1 to III.6.3 of the Code, save for the deviations indicated in section 3.5 "*Comply or explain list*".

The only transaction that was entered into in 2015 between the Company and holders of at least 10% of the total Common Shares and that was of material significance to the Company and/or the relevant shareholder was the subscription by the President, through Next, to 8,823,529 Common B Shares in the equity issuance made by the Company in October 2015. Such transaction was agreed on terms that are customary in the sector concerned. Accordingly, the Company has complied with best practice provision III.6.4 of the Code, save for the deviations indicated in section 3.5 "*Comply or explain list*".

3.7.2 Anti-takeover measures

Warrant

On 9 August 2015, the Company issued a warrant (the "Warrant") to Next pursuant to which, under specific circumstances, Next would be entitled to subscribe for Preference A Shares in the capital of the Company to be issued upon exercise of the Warrant (the "Warrant Shares").

The Warrant may be exercised at any time upon and following each date of occurrence of the following event as long as the event continues to exist (the "Exercise Event"):

- if the shareholding of any holder of Common Shares, other than Next (or the shareholding of any holder of Common Shares, other than Next, when aggregated with the shareholding(s) of any shareholder(s) with whom such shareholder is acting in concert), is at least equal to 20% of the aggregate nominal value of the Common Shares.

Upon exercise of the Warrant (in full or partially), Next has the right (but not the obligation) to subscribe for Warrant Shares. The consideration to be paid consists of payment in cash of at least one quarter of the nominal value of each Warrant Share in euro (the "Exercise Price"). Next has the right to subscribe for such number of Warrant Shares in order for Next to reach a maximum of 66.67% of the aggregate nominal value of all issued shares in the capital of the Company from time to time, taking into account the shares already held by the Next.

The right of Next to exercise the Warrant is not extinguished upon exercise of the Warrant. The Warrant is a revolving instrument entitling Next to exercise the Warrant when an Exercise Event occurs, notwithstanding any previous exercise of the Warrant.

The Company shall cancel all outstanding Warrant Shares against repayment of the aggregate Exercise Price following the exercise of the Warrant:

(i) if Next transfers any Warrant Shares to any person other than the Company, except in case of a transfer to any person or entity which holds a direct interest of at least 30% of the aggregate nominal value of the Common Shares and is controlled by Mr Patrick Drahi or his heirs jointly; or

(ii) if Next holds less than 30% of the aggregate nominal value of the Common Shares; or

(iii) following the occurrence of the Exercise Event, if no single holder of Common Shares (other than Next) and no holder of Common Shares (other than Next) acting in concert continues to hold 20% or more of the aggregate nominal value of the Common Shares.

4. BOARD STATEMENTS

Corporate governance statement

The information required to be included in this corporate governance statement as described in sections 3, 3a and 3b of the Decree laying down additional requirements for annual reports ("*Vaststellingsbesluit nadere voorschriften inhoud jaarverslag*", the "Decree"), can be found in the following sections of this management report:

- the information concerning compliance with the Code, as required by article 3 of the Decree, can be found in section 3.5 *"Comply or explain list*";

- the information concerning the Company's risk management and control frameworks relating to the financial reporting process, as required by section 3a(a) of the Decree, can be found in section 2.5 *"Risk management and control*";

- the information regarding the functioning of the General Meeting, and the authority and rights of the Company's shareholders, as required by article 3a(b) of the Decree, can be found in the relevant subsections under section 3 *"Governance*";

- the information regarding the composition and functioning of the Board and its committees, as required by article 3a(c) of the Decree, can be found in the relevant subsections under section 3 *"Governance*"; and

- the information required by Article 10 of the European Takeover Directive (*"Besluit artikel 10 overnamerichtlijn"*), as required by article 3b of the Decree, can be found in section 3.6 *"Capital, shares and voting rights*".

In control statement

In accordance with the best practice provision II.1.5 of the Code on the risks relating to financial reporting, the Board believes that, to the best of its knowledge:

- the Company's internal risk management and control systems provides reasonable assurance that its financial reporting does not contain any error of material importance; and

- the Company's internal risk management and control systems in relation to financial reporting were acted upon properly in 2015.

Responsibility statement

With reference to section 5.25c paragraph 2c of the Financial Markets Supervision Act (Wft), the Board declares that, to the best of its knowledge:

- the annual financial statements for the year ended 31 December 2015 provide a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and its consolidated subsidiaries in accordance with IFRS as adopted by the European Union; and

- the management report provides a true and fair view of the position of the Company and its consolidated subsidiaries as at 31 December 2015, accompanied by a description of the principal risks the Company faces.

Amsterdam, 1 April 2016.

The Board

Mr. Patrick Drahi, President and Executive Director
Mr. Dexter Goei, Chief Executive Officer and Executive Director
Mr. Dennis Okhuijsen, Chief Financial Officer and Executive Director
A4 S.A., Vice-President and Executive Director
Mr. Jurgen Johannes Van Breukelen, Chairman and Non-Executive Director
Mr. Scott Matlock, Non-Executive Director
Mr. Jean-Luc Allavena, Non-Executive Director

5. NON-EXECUTIVE REPORT

5.1 Introduction

The Company's Non-Executive Directors are entrusted with supervising the performance by Board Members of their respective duties. The Board acts as a collegial body and as such the Board discussed the plans and budget for the coming financial year. Also, at least once a year, the Executive and Non-Executive Directors formally review and discuss strategy, strategic, operational, compliance and financial risks, as well as the adequacy of the internal risk management framework and of internal controls. In addition, the Executive and Non-Executive Directors regularly discuss the operation of the Company and its businesses. Each Non-Executive Director is "independent" within the meaning of the Code. Information regarding the activities of the Board committees, which are comprised of Non-Executive Directors, is included below. On 19 May 2015, Mr Michel Combes resigned from his position as non-executive director of Altice S.A. As of 31 August 2015, Mr Michel Combes was appointed as Chief Operating Officer (COO) of the Group and as Chairman of the board of directors of NSFR. On 1 July 2015, Mr Jurgen van Breukelen was appointed as non-executive director of Altice S.A. As of 9 August 2015, Mr Jurgen van Breukelen has also acted as Chairman of the Board. Prior to 9 August 2015, Mr Patrick Drahi was Executive Chairman of Altice S.A. Since 9 August 2015, Ms. Natacha Marty acted as Company secretary. Prior to that, Mr. Max Aaron acted as Company secretary.

5.1.1 Non-Executive Directors

The following table provides information on the Non-Executive Directors of the Company as of 31 December 2015:

Non-Executive Directors

	Jurgen van Breukelen	**Scott Matlock**	**Jean-Luc Allavena**
Gender	Male	Male	Male
Age	47	50	52
Profession	Former partner at KPMG	Partner at PJT Partners, an independent investment bank	Partner at Apollo Management, an investment fund
Principal position	Chairman of the Board	Non-Executive Director	Non-Executive Director
Nationality	Dutch	American and British	Monegasque
Other positions	Member of the Supervisory Board of Alzheimer Nederland Chairman of the Supervisory Board of Van Gansewinkel Groep Senior Adviser at Permira Advisers LLP		Member of the International advisory board HEC Honorary chairman of the HEC Alumni Association and the HEC Foundation Board member of the French Association of Capital Investors Board member of the Jacques Rougerie Foundation
Date of appointment	6 August 2015	6 August 2015	6 August 2015

5.1.2 Meetings

The following table shows the attendance of Non-Executive Directors at Board meetings.

Date	Michel Combes(1)	Jurgen van Breukelen(2)	Scott Matlock	Jean-Luc Allavena
17 February 2015	Absent(3)	-	Present	Present
4 March 2015	Absent(3)	-	Present	Present
27 March 2015	Present	-	Present	Present
11 May 2015	Present	-	Present	Present
18 May 2015	Present	-	Present	Present
18 May 2015	Present	-	Present	Present
24 July 2015	-	Present	Present	Absent
28 July 2015	-	Present	Present	Absent
16 September 2015	-	Present	Absent(4)	Present
30 September 2015	-	Absent(5)	Absent(4)	Present
1 October 2015	-	Present	Absent(4)	Absent
1 October 2015	-	Present	Absent(4)	Absent
27 October 2015	-	Present	Present	Present
14 December 2015	-	Present	Absent	Present

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(1) On 19 May 2015, Mr Michel Combes resigned from his position as non-executive director on the board of directors of Altice S.A.

(2) On 1 July 2015, Mr Jurgen van Breukelen was appointed as non-executive director on the board of directors of Altice S.A.

(3) Mr Michel Combes was represented at the Board meeting by Mr Jean-Luc Allavena.

(4) Mr Scott Matlock was not present at the meeting since he had advised the Chairman and the other Board Members that he considered himself to have a personal conflict of interest as referred to in section 2:129 subsection 6 of the Dutch Civil Code and article 11 of the Company's Rules and Regulations of the Board with regard to the topics on the agenda and proposed resolutions in connection therewith.

(5) Mr Jurgen van Breukelen was represented at the Board meeting by A4 S.A.

5.1.3 Independence

All Non-Executive Directors of the Company are considered independent within the meaning of best practice provision III.2.2 of the Code.

5.2 Evaluation

The Board regularly discusses its functioning and performance, including the functioning of the Non-Executive Directors, the Board committees and individual Non-Executive Directors. The Non-Executive Directors held a meeting independent from the Executive Directors to conduct a self-assessment regarding their own performance in 2015, including their interaction with the Executive Directors. Since the Company has been a Dutch N.V. only since August 2015, at the end of 2015 the Company had not yet implemented a formal system to evaluate the Board's performance. The Company anticipates that it will set up such a formal system during the 2016 financial year.

5.2.1 Committees

The Board has two committees: the remuneration committee ("Remuneration Committee") and the audit committee ("Audit Committee"). The Remuneration Committee and the Audit Committee may seek assistance from external experts to fulfil their respective duties.

Remuneration Committee

The Board has established the Remuneration Committee to:

(i) make recommendations to the Board on the remuneration policy of Executive Directors;

(ii) prepare the remuneration report for the Board to incorporate into the corporate governance statement of the Company's management report and to be presented at the Company's annual General Meeting;

(iii) meet annually with the CEO to discuss the functioning and performance of the Executive Directors with a view to setting variable remuneration;

(iv) present all material findings and recommendations to the Board for consideration; and

(v) monitor its own operations and efficiency each year and provide the Board with clear and regular information about the discharge of its functions. The Remuneration Committee makes recommendations to the Board about areas it believes require actions or improvements as well as about the necessary steps that should be taken in connection therewith.

The CEO participates in the meetings of the Remuneration Committee when the Committee discusses the remuneration of members of the executive management (other than the CEO). The Remuneration Committee consists of not less than two and not more than three Non-Executive Directors. The members of the Remuneration Committee have the requisite expertise in the area of remuneration policy required to fulfil their role effectively on the Remuneration Committee. At meetings, the Remuneration Committee is chaired by an independent Non-Executive Director designated by the Board at all times. Currently, the Remuneration Committee consists of three Directors: Mr Jean-Luc Allavena, Mr Jurgen van Breukelen and Mr Scott Matlock. Mr Scott Matlock is the chairman of the Remuneration Committee.

Audit Committee

The Audit Committee has been established to:

(i) supervise the activities of the Executive Directors with respect to:

  (a) the effectiveness of internal risk management and control systems, including supervision of the enforcement of relevant primary and secondary legislation and supervision by the Executive Directors of the implementation of the codes of conduct;

  (b) the recording and management of financial information of the Company (including choice of accounting policies, application and assessment of the effects of new rules, information regarding the handling of estimated items in the financial statements, forecasts, work of internal and external auditors);

  (c) compliance with recommendations and observations of the internal audit function and external auditors;

  (d) the role and execution of the internal audit function;

  (e) the policy of the Company on tax planning;

  (f) relations with the external auditor, including, in particular, the external auditor’s independence and remuneration as well as the performance of any non-audit services by the external auditor performed for the Company;

  (g) the financing of the Company; and

  (h) the applications for information and communication technology;

(ii) regularly examine the effectiveness of the financial reporting, internal control and risk management systems adopted by the Company;

(iii) ensure that the audits that are carried out and subsequent audit reports comply with the audit plan approved by the Board and/or the Audit Committee; and

(iv) present all material findings and recommendations to the Board for consideration.

The Audit Committee presents recommendations and reports upon which the Board may base its decisions and actions. However, all Board Members remain responsible for their decisions, irrespective of whether the issue in question was reviewed by the Audit Committee.

The responsibilities of the Audit Committee are defined in the Audit Committee Regulations which have been approved by the Board.

The Audit Committee regularly evaluates its own effectiveness as a collective body and makes recommendations to the Board for the necessary adjustments in its internal regulations.

The Audit Committee consists of at least two and no more than three Non-Executive Directors. At meetings, the Audit Committee is at all times chaired by an independent Non-Executive Director designated by the Board. The Audit Committee meets as often as necessary to ensure effectiveness and is required to meet at least four times per year. Currently, the Audit Committee consists of three Board Members: Mr Jean-Luc Allavena, Mr Jurgen van Breukelen and Mr Scott Matlock. Mr Jurgen van Breukelen is the chairman of the Audit Committee.

5.2.2 Strategy

On 9 August 2015, the Company consummated the cross-border merger with Altice S.A., with the Company being the surviving entity. Pursuant to the cross-border merger, shareholders of the Company received 3 Common A Shares with 1 voting right each and a nominal value of one eurocent and 1 Common B Share with 25 voting rights each and a nominal value of 25 eurocents in exchange for each issued and outstanding share in the capital of the Company. Both Common A Shares and Common B Shares have equal economic rights and are listed on Euronext Amsterdam (AEX).

The Chairman of the Board was in close contact with both the CEO and the President, and has been in contact with senior executives of operating entities of the Group. The Chairman also engaged in meetings with shareholder representatives. The Non-Executive Directors periodically review matters concerning the Company’s strategy. In this regard, the Non-Executive Directors oversaw the expansion of the Group during the 2015 financial year. In France, efforts were made to increase profitability and stabilise revenues. Significant growth of revenues and profitability in the Dominican Republic was also reported. In addition, the Group has taken significant measures to stabilise HOT’s business in Israel. In the first half of 2015, the Group acquired the Portuguese assets of PT Portugal in order to deliver the Company’s best-in-class expertise to drive efficiencies and margin expansion and sold Cabovisão and its subsidiaries, including ONI in Portugal, to Apax France, in January 2016 to comply with the requirements set by the Competition Authority when approving the acquisition of PT Portugal. The Company has also entered into the large and attractive cable market in the United States, further diversifying and balancing its portfolio of high-quality businesses. The Company acquired 70% of the share capital of Cequel from existing shareholders BCP, CPPIB and Cequel management. Furthermore, the Company entered into a definitive agreement to acquire a 70% equity interest in Cablevision, the remaining 30% being acquired by BCP and CPPIB. The Company has formed a new management team in the United States. Outgoing founder, chairman and CEO of Cequel, Jerry Kent, reinvested, alongside the Company, into the investment vehicle through which the Cequel Acquisition was made. He will also become Chairman of a newly formed Advisory Council. The executive management team will include Mr Dexter Goei, CEO of the Company, who assumed the additional role of Executive Chairman at Cequel. In addition, the Company has announced the appointments of Mr Charles F. Stewart as Co-President and Chief Financial Officer, and Mr Hakim Boubazine as Co-President and Chief Operating Officer of Cequel. Our operations in the United States will be coordinated by Mr Michel Combes, Group COO, with the rest of the Company’s operations in the Group. Also in 2015, a subsidiary of the Company entered into a strategic partnership with NextRadioTV, followed by a tender offer for 100% of the share capital of NextRadioTV. The public offering was launched on 16 December 2015 and closed on 1 February 2016.

In connection with the acquisition of Cablevision, the Company issued USD 4,300,000,000 in aggregate principal amount of senior notes, USD 2,000,000,000 in aggregate principal amount of senior guaranteed notes and USD 2,300,000,000 of loans under a senior secured credit facility.

5.2.3 Profile

The size and composition of the Board, including the number and composition of the Non-Executive Directors, is established in conformity with the Board profile, which is made available on the Company’s website. The

Non-Executive Directors aim to achieve diversity in the composition of the Board in terms of gender and nationality.

5.3 Remuneration Report

This report gives an overview of the remuneration of the Board and explains how the remuneration policy was applied in 2015. Such report is also made available on the Company's website.

The Remuneration Committee was appointed to advise the Board and to prepare Board resolutions related to remuneration. The Remuneration Committee has the following duties:

(a) making proposals to the Board for the remuneration policy to be implemented;

(b) making proposals for the remuneration of the individual Executive Directors, for adoption in the General Meeting, including: (i) the remuneration structure and (ii) the amount of fixed remuneration, shares or options or other variable remuneration components, pension rights, redundancy pay, and other forms of compensation to be granted as well as (iii) the performance criteria and how these should be applied; and

(c) preparing the Remuneration Report.

In exercising its duties, the Remuneration Committee may request the services of a remuneration consultant.

5.3.1 Composition, number of meetings and main items discussed

The Remuneration Committee consists of at least two and no more than three Non-Executive Directors. The Remuneration Committee is chaired by an independent Non-Executive Director designated by the Board. The members of the Remuneration Committee have the requisite remuneration policy expertise to effectively fulfil the Remuneration Committee's role. The Board appoints and may at any time dismiss members of the Remuneration Committee.

On 31 December 2015, the Remuneration Committee consisted of three Board Members: Mr Jean-Luc Allavena, Mr Jurgen van Breukelen and Mr Scott Matlock, with Mr Scott Matlock acting as the Chairman.

The Remuneration Committee meets as often as is deemed necessary, but is required to meet at least once a year or at the request of one or more of its members. The Remuneration Committee (including the remuneration committee of Altice S.A. prior to its merger with and into the Company) held 3 meetings in 2015 and reviewed, among others, the following matters:

- the efficiency of the Remuneration Committee of Altice S.A. during the year 2014;
- the remuneration report of Altice S.A. for the year 2014;
- the remuneration paid to the Executive Directors of Altice S.A. and other managers for the year ended 31 December 2014 by taking into account remuneration practices in the markets in which the Company operates;
- the performance of the Executive Directors and certain other managers in the context of discretionary bonuses;
- the granting of stock options; and
- the remuneration policy for the Executive Directors of the Company and the management team members for the year 2015.

5.3.2 Remuneration policy

The remuneration policy was adopted by a shareholder's resolution with effect from 9 August 2015 and is made available on the Company's website. The remuneration policy continues the remuneration policy that applied to

Altice S.A. following the listing of its shares on Euronext Amsterdam on 31 January 2014. Pursuant to Article 16.4 of the Company's articles of association, the remuneration of the Executive and Non-Executive Directors is determined by the General Meeting in accordance with the remuneration policy.

5.3.2.1 Remuneration philosophy

The Company's remuneration philosophy and framework applies to Executive Directors, including in their capacity as an employee or service provider to Group entities. The remuneration philosophy and framework also apply, with certain limitations, to a wider group of employees.

The Company's remuneration philosophy for Executive Directors (and other senior managers) is based on the following principles:

- provide total remuneration that attracts, motivates and retains candidates with the knowledge, expertise and experience required for each specific role;
- provide remuneration firmly geared towards pay-for-performance, with an appropriate proportion of the overall package being delivered through variable pay elements linked to performance over the short and long term;
- encourage and reward performance that will lead to long-term enhancement of shareholder value; and
- take into account remuneration practices in the markets in which the Company operates and competes for talent.

The Company expects no changes in its remuneration policy for 2016.

5.3.2.2 Remuneration framework

The Remuneration Committee annually develops proposals for the Group's remuneration of individual Executive Directors and other senior managers for consideration by the Board. Such proposals include the following components:

- fixed remuneration (annual salary and benefits);
- short-term incentives (i.e., performance-based bonuses); and
- long-term incentives.

The Company and the Group companies may not provide Executive Directors or Non-Executive Directors with any personal loans or guarantees, unless such loans or guarantees are made with the prior approval of the Non-Executive Directors, in the ordinary course of business and on the terms applicable to all personnel.

Fixed Remuneration

The elements of fixed pay comprising salary and benefits (including retirement benefits) are set at appropriate levels, taking into account various factors such as the role, experience and performance of the individual as well as local and sector market practices amongst peers of comparable size and scope to the Group. Fixed pay elements are normally reviewed annually to ensure they remain competitive.

In addition, the Group may provide certain benefits to Executive Directors (and, in certain cases, to other employees). These other benefits may include medical insurance, life insurance and retirement benefits.

Short-term incentives

The short-term incentive is a key element of a "pay-for-performance" culture and is linked to pre-determined, measurable targets set and assessed by the Remuneration Committee. Short-term incentives provide context for management decisions, ensure focus on primary corporate financial, operational or strategic goals and reward decisions that drive short-term results and support long-term strategy.

The form and structure of variable pay elements are reviewed at regular intervals to ensure they continue to support the objectives of the Group and its shareholders.

The variable remuneration of the Executive Directors (in any capacity whatsoever within the Group) may be adjusted, partly or fully recovered or reduced if certain circumstances apply:

1. Test of Reasonableness: the Board may adjust variable remuneration to an appropriate level if payment of the variable remuneration is unacceptable according to the reasonableness and fairness criteria;

2. Claw-back: the Board may recover from an Executive Director any variable remuneration paid on the basis of incorrect financial or other data.

These rules did not apply to Altice S.A. and the Company will accordingly not apply these rules to any variable remuneration, shares and options which were paid or granted to Executive Directors (in any capacity whatsoever within the Group) prior to the cross-border merger between the Company and Altice S.A. in August 2015, or shares or options which were allotted by the Company in exchange for shares or options of Altice S.A. pursuant to such cross-border merger.

Long-term incentives

As a reward for their employment with or provision of services to Group entities, Executive Directors, including the President and other employees of the Group, are eligible to participate in the stock option plan (as further discussed in section 5.3.3 "*Compensation of Executive Directors*") at the discretion of the Remuneration Committee.

5.3.3 Compensation of Executive Directors

Base salaries

The following annual remuneration is payable by the Company to individual Executive Directors:

Executive Director	**Amount (EUR)**
President	200,000
Vice President	150,000
CEO	180,000
CFO	160,000
Other Executive Director	150,000

Variable pay

Variable pay elements are intended to motivate the Executive Directors, in their capacity as an employee or service-provider to Group entities, and other senior managers, to achieve Group-wide and personal objectives which ultimately promote delivery of the corporate strategy and the creation of shareholder value. The form and structure of variable pay elements are reviewed at regular intervals to ensure that they continue to support the objectives of the Group and its shareholders. Further details regarding each of the variable pay elements currently granted (annual cash bonuses, cash compensation plan and stock option plans) are provided below.

(i) Annual cash bonus

The Group operates an annual performance-related bonus plan for Executive Directors, in their capacity as an employee or service-provider to Group entities, and other senior managers. Performance related bonuses are calculated as a percentage of the employee's fixed annual salary and are determined at the General Meeting.

Different percentages apply depending upon the Board Member's (or senior manager's) seniority. Performance related bonuses are determined based upon the achievement of certain pre-determined Key Performance

Indicators based on Group, regional, divisional and individual performance, as applicable. Performance-related bonuses will only be paid if certain minimum performance thresholds are met.

(ii) Cash compensation plan

Executive Directors, in their capacity as an employee or service-provider to Group entities, and other senior managers, are eligible to participate in the Group's Cash Compensation Plan ("CCP"). Under the CCP, a discretionary pool is created annually based upon the Group's performance (such as Group's EBITDA minus capital expenditure) for the particular financial year against pre-determined stretching financial targets. The extent to which on-target performance has been achieved is determined by the Remuneration Committee once the Group's results have been published for the particular financial year. At the General Meeting, in consultation with the Remuneration Committee, the proceeds of the pool are allocated between the Executive Directors, in their capacity as an employee or service-provider to Group entities. The President and the CEO of the Company will, in consultation with the Remuneration Committee, allocate the proceeds of the pool between the other eligible employees.

(iii) Stock option plan

The Executive Directors, including the President, as a reward for their employment with or provision of services to the Group entities, and other employees of the Group are eligible to participate in the stock option plan at the discretion of the Remuneration Committee.

5.3.4 Implementation

The remuneration policy was adopted by a shareholder's resolution on 7 August 2015, subject to and with effect from the effective date of the cross-border merger between the Company and Altice S.A. The principles described in the remuneration policy have been applied and the Remuneration Committee continuously reviews the framework of the remuneration and its components to determine if any adjustments are required. For example, the Remuneration Committee may assess the need for reviewing the stock option plan (as further discussed in section 5.3.3 "*Compensation of Executive Directors*") and for introducing a new long-term incentive plan, based on cash and on equity-based remuneration. The current remuneration package does not encourage Executive Directors and employees to take unjustified risks and is focused on the Company's long-term development, growth and value creation.

5.3.5 Remuneration of the Board

The remuneration of the members of the Board for 2015 is set out in the following table(1).

Remuneration of Board Members in 2015(2)

Name	**Fixed fee**	**Additional fee for services to the Group(3)**	**Committee membership**	**Annual cash bonus(4)**	**Cash compensation plan(5)**	**Equity based compensation(6)**	**Total(7)**
Patrick Drahi	EUR 78,333	-	N/A	-	-	EUR 4,043,596	EUR 4,121,929
Dexter Goei	EUR 255,116	CHF 375,000 EUR 72,678	N/A	EUR 2,400,000	-	EUR 4,043,596	EUR 7,122,547
Dennis Okhuijsen	EUR 219,996	EUR 77,499	N/A	EUR 750,000	-	EUR 672,283	EUR 1,719,778
Jérémie Bonnin(8)	EUR 141,550	EUR 19,319 CHF 146,366	N/A	EUR 750,000	-	EUR 1,078,292	EUR 2,126,221
Jurgen van Breukelen	EUR 36,300(9)	N/A	EUR 27,225(9)	N/A	N/A	N/A	EUR 63,525
Scott Matlock	EUR 60,000	N/A	EUR 35,000	N/A	N/A	N/A	EUR 95,000
Jean-Luc Allavena	EUR 60,000	N/A	EUR 25,000	N/A	N/A	N/A	EUR 85,000
Michel Combes(10)	EUR 23,076	N/A	EUR 17,308	N/A	N/A	N/A	EUR 40,384

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(1) For every amount specified, the amount includes payments from Altice S.A. in 2015 up to its merger into the Company.

(2) Gross amounts, before the impact of social security or income tax deductions.

(3) Payable to the Executive Directors by subsidiaries for services rendered to the Group.

(4) The Group operates an annual performance related bonus plan for the Executive Directors, in their capacity of employee or service-provider to Group entities. Please refer to section 5.3.3 "*Compensation of Executive Directors*". The annual cash bonus specified here relates to performance in 2014 but was paid out in 2015.

(5) Please refer to section 5.3.3 "*Compensation of Executive Directors*".

(6) This refers to the expense recorded in the consolidated statement of income with regards to the stock options granted to the Board Members for the year ended 31 December 2015. No options had vested or were exercised during the year ended 31 December 2015.

(7) For calculation purposes, the average exchange rate of Swiss Francs into Euros for the year ended 31 December 2015 was used (i.e. 1.0679).

(8) As a Board Member of Altice S.A. until 8 August 2015 and as a permanent representative of A4 S.A. on the Board since 9 August 2015.

(9) Including 21% VAT.

(10) On 19 May 2015, Mr Michel Combes resigned from his position as non-executive director of Altice S.A.

5.3.6 Scenario analyses

The Remuneration Committee may conduct pay scenario analysis modelling on an ad hoc basis, which may, for example, assess the pay-out quantum for Executive Directors under different performance scenarios. This modelling may be undertaken to ensure that the remuneration policy links directly to the Company's performance and is therefore in the interest of shareholders.

5.3.7 Share options

The following table summarizes the stock options granted to current members of the Board.(1)

Name	**Issue date**	**Tranches**	**Number of options granted**	**Current status**	**Value (EUR in million)**	**Vesting** (2), (3)
Next Alt S.à r.l. (controlled by Patrick Drahi)	31 January 2014	First (50%)	5,309,734	Vested	37.5	31 January 2016
		Second (25%)	2,654,867	Unvested	18.75	31 January 2017
		Third (25%)	2,654,867	Unvested	18.75	31 January 2018
Dexter Goei	31 January 2014	First (50%)	5,309,734	Vested	37.5	31 January 2016
		Second (25%)	2,654,867	Unvested	18.75	31 January 2017
		Third (25%)	2,654,867	Unvested	18.75	31 January 2018
Jérémie Bonnin (permanent representative of A4 S.A.)	31 January 2014	First (50%)	1,415,928	Vested	10	31 January 2016
		Second (25%)	707,964	Unvested	5	31 January 2017
		Third (25%)	707,964	Unvested	5	31 January 2018
Dennis Okhuijsen(4)	31 January 2015	First (50%)	733,810	Unvested	10	31 January 2017
		Second (25%)	366,905	Unvested	5	31 January 2018
		Third (25%)	366,905	Unvested	5	31 January 2019

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(1) The share option plan of Altice S.A. ("SOP SA") came into effect on 31 January 2014. The Company, as surviving entity in the cross-border merger with Altice S.A., has adopted a stock option plan which has replaced the SOP SA as of the effective date of the merger, under (substantially) the same conditions as applicable to the SOP SA. Each option granted under the SOP SA was exchanged for four options, each entitling to one Common A Share in the share capital of the Company, at 25% of the applicable exercise price under the SOP SA.

(2) For each participant in the SOP, options will vest as follows:

- A first tranche of 50% of the options such participant holds vests on the 2nd anniversary of the issue date;

- A second tranche of 25% of the options such participant holds vests on the 3rd anniversary of the issue date;
- A third tranche of 25% of the options such participant holds vests on the 4th anniversary of the issue date.

(3) Vested options can be exercised at any time until the 10th anniversary of the issue date.

(4) On 30 January 2014, the board of directors of Altice S.A. decided to grant to Mr Okhuijsen EUR 10 million worth of options on the first anniversary, and EUR 10 million worth of options on the second anniversary, of the initial public offering of Altice S.A. In March 2015, the remuneration committee of Altice S.A., based on a recommendation from the management, resolved to grant all EUR 20 million worth of options to Mr Okhuijsen retroactively on 31 January 2015.

5.3.8 Performance criteria

The performance criteria that are applied to assess the variable remuneration are a combination of personal objectives and financial criteria as well as quantitative and qualitative criteria. Each individual's personal objectives are determined every year and assessed at the end of each year. The main financial criteria that were applied in 2015 were EBITDA, Revenues, EBITDA-Capex, with the emphasis on each differing between the Group companies.

In 2015, when assessing whether these criteria had been met, the Group took into account the exceptional results achieved by the senior management team in developing the Group as well as the Group's new strategy.

From 2016 onwards, the objective will be to standardize the short term remuneration for the senior management team of the Group and to link the variable remuneration to the financial criteria at the Group level, to the financial criteria at the Group company level and to the personal objectives of the individual. The financial criteria that will be applied are Revenue, EBITDA and generated cash flow.

The annual budget for the financial year 2016 will be used as a basis to define the target level of the variable remuneration and the accounts for the financial year 2016 will be used to calculate such remuneration. The calculation provides for a threshold, which, depending on the financial results, could either result in the variable remuneration to be nil or exceed the normal variable remuneration.

5.3.9 Pension schemes / early retirement

The Company operates no pension or retirement schemes for its Board Members. It however makes contributions to mandatory social security schemes in the countries of employment of its Board Members.

5.4 Audit Committee

The Board has appointed an Audit Committee to advise the Board in relation to the financial reporting process and its other responsibilities and to prepare resolutions for the Board in relation thereto. The responsibilities of the Audit Committee focus on supervising the activities of the Board with respect to, *inter alia*:

(a) supervising, monitoring and advising the Executive Directors on the effect of internal risk management and control systems, including supervision of the enforcement of the relevant legislation and regulations, and supervising the effect of codes of conduct;

(b) supervising the submission of financial information by the Company (including choice of accounting policies, application and assessment of the effects of new rules, information regarding the handling of estimated items in the financial statements, forecasts, work of internal and external auditors);

(c) supervising the compliance with recommendations and observations of internal and external auditors;

(d) supervising the functioning of the internal audit department and controllers, and in particular, codetermining the plan of action for the internal audit department and taking note of the findings and considerations of the internal audit department;

(e) supervising the policy of the Company on tax planning;

(f) supervising the financing of the Company;

(g) supervising the applications for information and communication technology;

(h) maintaining frequent contact and supervising the relationship with the external auditor, including, in particular, (i) assessing the external auditor's independence, remuneration and any non-audit related work for the Company, (ii) determining the involvement of the external auditor in respect of the contents and publication of financial reporting by the Company (other than the annual accounts), and (iii) acknowledging irregularities in respect of the content of the financial reporting as may be reported by the external auditor;

(i) recommending the appointment of an external auditor by the General Meeting; and

(j) approving the annual accounts, the annual budget and major capital expenditures of the Company.

The Audit Committee presents all material findings and recommendations to the Board for consideration.

5.4.1 Composition, number of meetings and main items discussed

On 31 December 2015, the Audit Committee consisted of three Board Members: Mr Jean-Luc Allavena, Mr Jurgen van Breukelen and Mr Scott Matlock, with Mr Jurgen van Breukelen acting as the chairman. The Chairman of the Audit Committee was in regular contact with the CFO of the Company. Ms Natacha Marty acts as the Audit Committee's secretary since July 2015. Prior to that, Mr Max Aaron acted as secretary to the Audit Committee.

The Audit Committee (including the audit committee of Altice S.A. prior to its merger with and into the Company) held 5 meetings in 2015 and reviewed matters including:

- legal compliance;
- assessment of Altice S.A. operational and financial performance and the results achieved;
- assessment of the appropriateness of all aspects of the global finance function, in light of the rapidly increasing footprint of Altice S.A.;
- review of the financing and treasury updates, including Altice S.A.'s financing and capital structure and risk profile;
- assessment of the effectiveness of financial reporting, internal control, and risk management systems;
- review and approval of quarterly earnings press releases;
- review and approval of the standalone and consolidated financial statements of Altice S.A. as of 31 December 2014; and
- reports from the independent external auditor.

The Audit Committee and the Board review the functioning of the external auditor annually. At the 2015 General Meeting, Deloitte was reappointed as external auditor for the financial year ending 31 December 2015.

The external auditor was present at each Audit Committee meeting and reported to the Audit Committee each quarter by way of its Audit Committee report, which discussed accounting topics, audit findings, treatment of acquisitions, internal controls and other matters deemed relevant by the external auditor. The Chairman of the Audit Committee also met separately with the external auditor on several occasions. The Audit Committee closely monitored the external auditor's independence.

Mr Jurgen van Breukelen is a financial expert within the meaning of best practice provision III.3.2 of the Code.

APPENDIX 1: DEFINED TERMS

“**2012 Altice Financing Revolving Credit Facility**” refers to the revolving credit facility under the 2012 Altice Financing Revolving Credit Facility Agreement.

“**2012 Altice Financing Revolving Credit Facility Agreement**” refers to the revolving credit facility agreement originally dated 27 November 2012, as amended, restated, supplemented or otherwise modified from time to time among, *inter alios*, Altice Financing, as borrower, the lenders from time to time party thereto, Citibank International PLC, as facility agent, and Citibank, N.A., London Branch, as security agent.

“**2012 Senior Notes**” refers to the USD 425 million aggregate principal amount of 9⅞% senior notes due 2020 issued by Altice Finco under the 2012 Senior Notes Indenture.

“**2012 Senior Notes Indenture**” refers to the indenture dated as of 12 December 2012, among, *inter alios*, Altice Finco, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2012 Senior Notes.

“**2012 Senior Secured Notes**” collectively refers to the EUR 210 million aggregate principal amount of 8% senior secured notes due 2019 and the USD 460 million aggregate principal amount of 7⅞% senior secured notes due 2019 issued by Altice Financing under the 2012 Senior Secured Notes Indenture.

“**2012 Senior Secured Notes Indenture**” refers to the indenture dated as of 12 December 2012, among, *inter alios*, Altice Financing, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2012 Senior Secured Notes.

“**2013 Altice Financing Revolving Credit Facility**” refers to the revolving credit facility under the 2013 Altice Financing Revolving Credit Facility Agreement.

“**2013 Altice Financing Revolving Credit Facility Agreement**” refers to the revolving credit facility agreement originally dated 1 July 2013, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Financing, as borrower, the lenders from time to time party thereto, Citibank International PLC, as facility agent, and Citibank, N.A., London Branch, as security agent.

“**2013 Altice Financing Term Loan B Credit Agreement**” refers to the term loan credit agreement originally dated 24 June 2013, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Financing as borrower, certain lenders party thereto, Goldman Sachs Lending Partners LLC, as administrative agent and Citibank, N.A., London Branch as security agent.

“**2013 Dollar Senior Notes**” refers to the USD 400 million aggregate principal amount of 8⅛% Senior Notes due 2024 issued by Altice Finco on 12 December 2013 under the 2013 Dollar Senior Notes Indenture.

“**2013 Dollar Senior Notes Indenture**” refers to the indenture dated as of 12 December 2013, as amended, among, *inter alios*, Altice Finco, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2013 Dollar Senior Notes.

“**2013 Euro Senior Notes**” refers to the EUR 250 million aggregate principal amount of 9% senior notes due 2023 issued by Altice Finco under the 2013 Euro Senior Notes Indenture.

“**2013 Euro Senior Notes Indenture**” refers to the indenture dated as of 14 June 2013, as amended, among, *inter alios*, Altice Finco, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2013 Euro Senior Notes.

“**2013 Guarantee Facility**” refers to the credit facility available under the 2013 Guarantee Facility Agreement.

“**2013 Guarantee Facility Agreement**” refers to the guarantee facility agreement originally dated 1 July 2013, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Financing, as borrower, the lenders from time to time party thereto, Wilmington Trust (London) Limited, as facility agent and Citibank, N.A., London Branch as security agent.

“**2013 Senior Secured Notes**” collectively refers to the USD 900 million aggregate principal amount of 6½% Senior Secured Notes due 2022 issued by Altice Financing and the EUR 300 million aggregate principal amount of 6½% Senior Secured Notes due 2022 issued by Altice Financing under the 2013 Senior Secured Notes Indenture.

“**2013 Senior Secured Notes Indenture**” refers to the indenture dated as of 12 December 2013 among, *inter alios*, Altice Financing, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2013 Senior Secured Notes.

“**2014 Altice Financing Revolving Credit Facility**” refers to the revolving credit facility available under the 2014 Altice Financing Revolving Credit Facility Agreement.

“**2014 Altice Financing Revolving Credit Facility Agreement**” refers to the revolving credit facility agreement originally dated 10 December 2014, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Financing as borrower, the lenders from time to time party thereto, Citibank International Limited as facility agent and Citibank, N.A., London Branch as security agent.

“**2014 Altice Luxembourg Revolving Credit Facility**” refers to the revolving credit facility available under the 2014 Altice Luxembourg Revolving Credit Facility Agreement.

“**2014 Altice Luxembourg Revolving Credit Facility Agreement**” refers to the EUR 200 million revolving credit facility agreement originally dated 8 May 2014, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Luxembourg, as borrower, the Mandated Lead Arrangers (as defined therein), Deutsche Bank AG, London Branch, as facility agent, and Deutsche Bank AG, London Branch, as security agent.

“**2014 NC Revolving Credit Facility**” refers to the revolving credit facility available under the 2014 NC Revolving Credit Facility Agreement.

“**2014 NC Revolving Credit Facility Agreement**” refers to the revolving credit facility agreement originally dated 8 May 2014, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, NSFR and certain of its subsidiaries as borrowers, the lenders from time to time party thereto and the security agent party thereto.

“**2014 NC Senior Secured Notes Indenture**” refers to the indenture dated as of 8 May 2014, as amended, among, *inter alios*, NSFR, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2014 Senior Secured Notes.

“**2014 NC Term Loan B Credit Agreement**” refers to the term loan credit agreement originally dated 8 May 2014, as amended, restated, supplemented or otherwise modified from time to time, between, among, *inter alios*, NSFR and certain of its subsidiaries, as borrowers, the lenders from time to time party thereto and Deutsche Bank AG, London Branch as facility agent and security agent.

“**2014 Senior Notes**” collectively refers to the USD 2,900 million Senior Notes due 2022 and the EUR 2,075 million Senior Notes due 2022 issued by Altice Luxembourg under the 2014 Senior Notes Indenture.

“**2014 Senior Notes Indenture**” refers to the indenture dated 8 May 2014, among, *inter alios*, Altice Luxembourg, and the trustee and the security agent party thereto, governing the 2014 Senior Notes.

“**2014 Senior Secured Notes**” refers to the EUR 7,873 million (equivalent) aggregate principal amount of Senior Secured Notes due 2019 issued by NSFR under to the 2014 NC Senior Secured Notes Indenture.

“**2014 SFR Acquisition**” refers to the acquisition by NSFR of all the shares of SFR and certain of its subsidiaries from Vivendi, which was consummated on 27 November 2014.

“**2015 Altice Financing Revolving Credit Facility**” refers to the revolving credit facility available under the 2015 Altice Financing Revolving Credit Facility Agreement.

“**2015 Altice Financing Revolving Credit Facility Agreement**” refers to the revolving credit facility agreement originally dated 30 January 2015, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Financing as borrower, the lenders from time to time party thereto, Citibank International Limited as facility agent and Citibank, N.A., London Branch as security agent.

"**2015 Altice Financing Term Loan B Agreement**" refers to the term loan credit agreement originally dated 30 January 2015, as amended, restated, supplemented or otherwise modified from time to time, among, *inter alios*, Altice Financing as borrower, the lenders from time to time party thereto, Deutsche Bank AG, London Branch as trustee and Deutsche Bank AG, New York Branch as administrative agent and Citibank, N.A., London Branch as security agent.

"**2015 Cablevision Credit Facility Agreement**" refers to the credit facility agreement originally dated 9 October 2015, as amended, restated, supplemented or otherwise modified from time to time among, *inter alios*, Neptune Finco as borrower, the lenders from time to time party thereto and JP Morgan Chase Bank N.A. as security agent.

"**2015 Cablevision Revolving Credit Facility**" refers to the revolving credit facility available under the 2015 Cablevision Credit Facility Agreement.

"**2015 Cablevision Senior Guaranteed Notes**" refers to the USD 1,000 million aggregate principal amount of 6⅝% Senior Guaranteed Notes due 2025 issued by Neptune Finco pursuant to the 2015 Cablevision Senior Guaranteed Notes Indenture.

"**2015 Cablevision Senior Guaranteed Notes Indenture**" refers to the indenture dated as of 9 October 2015, as amended, among, *inter alios*, Neptune Finco, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2015 Cablevision Senior Guaranteed Notes.

"**2015 Cablevision Senior Notes**" collectively refers to the USD 1,800 million aggregate principal amount of 10⅛% Senior Notes due 2023 and the USD 2,000 million aggregate principal amount of 10⅞% Senior Notes due 2025, issued by Neptune Finco pursuant to the 2015 Cablevision Senior Notes Indenture.

"**2015 Cablevision Senior Notes Indenture**" refers to the indenture dated as of 9 October 2015, as amended, among, *inter alios*, Neptune Finco, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2015 Cablevision Senior Notes.

"**2015 Cablevision Term Loan B**" refers to the term loan facility available under the 2015 Cablevision Credit Facility Agreement.

"**2015 Cequel Credit Facility Agreement**" refers to the credit facility agreement dated as of 12 June 2015, among, *inter alios*, Altice US Finance I, certain lenders party thereto and JPMorgan Chase Bank, N.A. as administrative agent and security agent.

"**2015 Cequel Holdco Notes**" refers to the USD 320 million aggregate principal amount of 7¾% Senior Holdco Notes due 2025 issued by Altice US Finance pursuant to the 2015 Cequel Senior Holdco Notes Indenture.

"**2015 Cequel Revolving Credit Facility**" refers to the revolving credit facility available under the 2015 Cequel Credit Facility Agreement.

"**2015 Cequel Senior Holdco Notes Indenture**" refers to the indenture dated as of 12 June 2015, as amended, among, *inter alios*, Altice US Finance, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2015 Cequel Holdco Notes.

"**2015 Cequel Senior Notes**" refers to the USD 300 million aggregate principal amount of 7¾% Senior Notes due 2025 issued by Altice US Finance II pursuant to the 2015 Cequel Senior Notes Indenture.

"**2015 Cequel Senior Notes Indenture**" refers to the indenture dated as of 12 June 2015, as amended, among, *inter alios*, Altice US Finance II, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2015 Cequel Senior Notes.

"**2015 Cequel Senior Secured Notes**" refers to the USD 1,100 million aggregate principal amount of 5⅜% Senior Secured Notes due 2023 issued by Altice US Finance I pursuant to the 2015 Cequel Senior Secured Notes Indenture.

"**2015 Cequel Senior Secured Notes Indenture**" refers to the indenture dated as of 12 June 2015, as amended, among, *inter alios*, Altice US Finance I, as issuer, the guarantors party thereto and the trustee and the security agent party thereto, governing the 2015 Cequel Senior Secured Notes.

"**2015 Cequel Term Loan B**" refers to the credit facility available under the 2015 Cequel Credit Facility Agreement.

"**2015 Senior Notes**" refers to the USD 385 million aggregate principal amount of 7⅝% senior notes due 2025 issued by Altice Finco pursuant to the 2015 Senior Notes Indenture.

"**2015 Senior Notes Indenture**" refers to the indenture dated 4 February 2015, among, *inter alios*, Altice Finco, as issuer, the guarantors party thereto and the trustee and security agent party thereto, governing the 2015 Senior Notes.

"**2015 Senior Secured Notes**" collectively refers to the USD 2,060 million aggregate principal amount of 6⅝% senior secured notes due 2023 and the EUR 500 million aggregate principal amount of 5¼% senior secured notes due 2023 issued by Altice Financing pursuant to the 2015 Senior Secured Notes Indenture.

"**2015 Senior Secured Notes Indenture**" refers to the indenture dated 4 February 2015, among, *inter alios*, Altice Financing, as issuer, the guarantors party thereto and the trustee and security agent party thereto, governing the 2015 Senior Secured Notes.

"**Altice Corporate Financing**" refers to Altice Corporate Financing S.à r.l, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice Financing**" refers to Altice Financing S.A., a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice Finco**" refers to Altice Finco S.A., a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice France Bis**" refers to Altice France Bis S.à r.l, a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice France**" refers to Altice France S.A., a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice Hispaniola**" refers to Altice Hispaniola S.A, formerly named Orange Dominicana S.A.

"**Altice International**" refers to Altice International S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice International Group**" refers to Altice International and its subsidiaries.

"**Altice Luxembourg**" refers to Altice Luxembourg S.A., a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg.

"**Altice Luxembourg Group**" refers to Altice Luxembourg and its subsidiaries.

"**Altice Portugal**" refers to Altice Portugal S.A., a public limited company (*sociedade anónima*) incorporated under the laws of Portugal.

"**Altice S.A.**" refers to Altice S.A., a public company with limited liability (*société anonyme*) which was formerly incorporated under the laws of the Grand Duchy of Luxembourg and which was succeeded to by the Company pursuant to a merger consummated on 9 August 2015.

"**Altice US Finance**" refers to Altice US Finance S.A., a public limited company (*société anonyme*) incorporated under the laws of the Grand Duchy of Luxembourg.

“**Altice US Finance I**” refers to Altice US Finance I Corporation, a Delaware corporation.

“**Altice US Finance II**” refers to Altice US Finance II Corporation, a Delaware corporation.

“**Altice US Holding I**” refers to Altice US Holding I S.C.A., a partnership limited by shares (*société en commandite par actions*) incorporated under the laws of the Grand Duchy of Luxembourg.

“**ANV Shareholders**” collectively refers to Dexter Goei (through Inluam S.à r.l. and More ATC S.à r.l.), Dennis Okhuijsen, Jérémie Bonnin (through Hamaja S.à r.l.), Patrice Giami, Jean-Michel Hegesippe (through OTR S.à r.l.), Penta Limited Partnership Incorporated, Jean-Luc Berrebi (through Lynor’s S.à r.l.) and Nicolas Rotkoff (through Valemi Corp S.A.).

“**Audit Committee**” refers to the audit committee of the Board.

“**BCP**” refers to certain affiliates of BC Partners, Ltd., a corporation incorporated under the laws of England & Wales, that are party to the Cequel Acquisition.

“**Board**” refers to the board of directors of the Company.

“**Board Member**” refers to each of the members of the Board.

“**Cablevision**” refers to Cablevision Systems Corporation, a Delaware corporation.

“**Cablevision Acquisition**” refers to the contemplated merger of Neptune Merger Sub with and into Cablevision pursuant to the Cablevision Acquisition Agreement, with Cablevision surviving as an indirect subsidiary of the Company.

“**Cablevision Acquisition Agreement**” refers to the agreement and plan of merger entered into among the Company, Cablevision and Neptune Merger Sub, dated 16 September 2015.

“**Cable/Fiber Customer Relationships**” refers to the number of individual end users who have subscribed for one or more cable- or fiber-based services (including pay television, broadband internet or fixed-line telephony and excluding mobile and ISP services), without regard to how many services to which the end user has subscribed, as calculated on a unique premises basis.

“**Cablevision Group**” refers to Cablevision and its subsidiaries.

“**Cabovisão**” refers to Cabovisão-Televisão por Cabo, S.A., a public limited company (*sociedade anónima*) incorporated under the laws of Portugal.

“**CCP**” refers to the Group’s cash compensation plan.

“**Cequel**” refers to Cequel Corporation, a Delaware corporation.

“**Cequel Acquisition**” refers to the acquisition by the Group, certain affiliates of the Existing Sponsors and IW4MK of the outstanding equity interest of the Cequel Group.

“**Cequel Group**” refers to Cequel and its subsidiaries, including Suddenlink.

“**Common A Shares**” refers to common shares A of the Company, each with one voting right and with a nominal value of EUR 0.01.

“**Common B Shares**” refers to common shares B of the Company, each with twenty five voting rights and with a nominal value of EUR 0.25.

“**Common Shares**” collectively refers to the Common A Shares and the Common B Shares.

“**Company**” refers to Altice N.V., a public company with limited liability (*naamloze vennootschap*) incorporated under the laws of the Netherlands, as successor by merger with Altice S.A. consummated on 9 August 2015.

“**Consolidated Financial Statements**” refers to the consolidated financial statements of the Company for the year ended 31 December 2015.

“**CPPIB**” refers to certain affiliates of CPPIB Equity Investments, Inc., a Delaware corporation and a wholly-owned subsidiary of Canada Pension Plan Investment Board, that are party to the Cequel Acquisition.

“**Exercise Event**” refers to an event whereby the shareholding of any holder of Common Shares, other than Next (or the shareholding of any holder of Common Shares, other than Next, when aggregated with the shareholdings of any shareholders with whom such shareholder is acting in concert), is at least equal to 20% of the aggregate nominal value of the Common Shares.

“**Exercise Price**” refers to the cash consideration of at least one quarter of the nominal value of each Warrant Share to be paid upon the subscription by Next for Warrant Shares.

“**Existing Sponsors**” collectively refers to each of BCP and CPPIB.

“**French Overseas Territories**” refers to Guadeloupe, Martinique, French Guiana, La Réunion and Mayotte.

“**General Meeting**” refers to a general meeting of the shareholders of the Company.

“**Global Interlink**” refers to Global Interlink, Ltd., a corporation incorporated under the laws of the Bahamas.

“**GNP**” refers to Groupe News Participations S.A.S., a private limited liability company (*société par actions simplifiée*) incorporated under the laws of France.

“**Group**” collectively refers to the Company and its subsidiaries.

“**HOT**” refers to HOT Telecommunication Systems Ltd., a corporation incorporated under the laws of Israel.

“**HOT Mobile**” refers to HOT Mobile Ltd., a corporation incorporated under the laws of Israel.

“**Indentures**” collectively refers to the 2012 Senior Secured Notes Indenture, the 2012 Senior Notes Indenture, the 2013 Dollar Senior Notes Indenture, the 2013 Euro Senior Notes Indenture, the 2013 Senior Secured Notes Indenture, the 2014 Senior Notes Indenture, the 2014 NC Senior Secured Notes Indentures, the 2015 Senior Secured Notes Indenture, the 2015 Senior Notes Indenture, the 2015 Cequel Senior Holdco Notes Indenture, the 2015 Cequel Senior Notes Indenture, the 2015 Cequel Senior Secured Notes Indenture, the 2015 Cablevision Senior Notes Indenture and the 2015 Cablevision Senior Guaranteed Notes Indenture.

“**IW4MK**” refers to IW4MK Carry Partnership L.P., a Delaware limited partnership.

“**Meo**” refers to the former MEO-Serviços de Comunicações e Multimédia, S.A., a public limited company (*sociedade anónima*) incorporated under the laws of Portugal.

“**Mobius**” refers to Mobius S.A.S., a private limited liability company (*société par actions simplifiée*) incorporated under the laws of France.

“**Neptune Finco**” refers to Neptune Finco Corp., a Delaware corporation.

“**Neptune Merger Sub**” refers to Neptune Merger Sub Corp., a Delaware corporation.

“**Next**” refers to Next Alt S.à r.l., a private limited liability company (*société à responsabilité limitée*) incorporated under the laws of the Grand Duchy of Luxembourg.

“**NSFR**” refers to Numericable-SFR S.A., a public limited company (*société anonyme*) incorporated under the laws of France.

“**NSFR Group**” refers to NSFR, its subsidiaries and Altice France, as the parent company of NSFR.

“**ONI**” refers to ONI S.G.P.S., S.A. a holding company (s*ociedade gestora de participações sociais*) incorporated under the laws of Portugal.

“**Outremer**” refers to Groupe Outremer Telecom S.A., a public limited company (*société anonyme*) incorporated under the laws of France.

“**Portugal Telecom Group**” refers to the entities acquired pursuant to the PT Portugal Acquisition.

“**Preference A Shares**” refers to preference shares A of the Company, each with four voting rights and with a nominal value of EUR 0.04.

“**Preference B Shares**” refers to preference shares B of the Company, each with one voting right and with a nominal value of EUR 0.01.

“**PT Portugal**” refers to PT Portugal S.G.P.S., S.A., a public limited company (*sociedade anónima*) incorporated under the laws of Portugal.

“**PT Portugal Acquisition**” refers to the acquisition by the Group of PT Portugal and certain of its subsidiaries.

“**Remuneration Committee**” refers to the remuneration committee of the Board.

“**Revolving Credit Facilities**” refers to the revolving credit facilities available under the Revolving Credit Facility Agreements.

“**Revolving Credit Facility Agreements**” collectively refers to each of the 2012 Altice Financing Revolving Credit Facility Agreement, the 2013 Altice Financing Revolving Credit Facility Agreement, the 2014 Altice Financing Revolving Credit Facility Agreement, the 2015 Altice Financing Revolving Credit Facility Agreement, the 2014 Altice Luxembourg Revolving Credit Facility Agreement, the 2014 NC Revolving Credit Agreement, the 2015 Cequel Credit Facility Agreement and the 2015 Cablevision Credit Facility Agreement.

“**SFR**” refers to Société Française du Radiotéléphone-SFR S.A., a public limited company (*société anonyme*) incorporated under the laws of France.

“**Suddenlink**” refers to Cequel Communications, LLC, a limited liability company incorporated under the laws of Delaware and a subsidiary of Cequel, doing business as Suddenlink Communications and the brand by which the Company makes its offerings in the United States.

“**Term Loans**” collectively refers to term loan facilities available under the 2013 Altice Financing Term Loan B Credit Agreement, the 2014 NC Term Loan B Credit Agreement, the 2015 Altice Financing Term Loan B Credit Agreement, the 2015 Cequel Credit Facility Agreement and the 2015 Cablevision Credit Facility Agreement.

“**Tricom**” collectively refers to Tricom S.A., a public limited company (*sociedade anónima*) incorporated under the laws of the Dominican Republic, and Global Interlink.

“**Vivendi**” refers to Vivendi S.A., a public limited company (*société anonyme*), incorporated under the laws of France.

“**Warrant**” refers to the warrant issued by the Company which, under specific circumstances, entitles Next to subscribe for Preference A Shares.

“**Warrant Share**” refers to the Preference A Shares in the capital of the Company to be issued upon exercise of the Warrant.

APPENDIX 2: GLOSSARY

Term	**Definition**
"**3G**"	The third generation of mobile communications standards, referred to in the industry as IMT-2000, capable of data speeds exceeding the 14.4 Kbps of GSM technology.
"**4G**"	The fourth generation of mobile communications standards, referred to in the industry as IMT-Advanced with a nominal data rate of 100 Mbit/s while the client physically moves at high speeds relative to the station, and 1 Gbit/s while client and station are in relatively fixed positions. Expected to provide a comprehensive and secure all-IP based mobile broadband solution to laptop computer wireless modems, smartphones, and other mobile devices. Facilities such as ultra-broadband internet access, IP telephony, gaming services, and streamed multimedia may be provided to users, which when fully implemented is expected to allow for higher data speeds than achievable with 3G and additional network features and capabilities.
"**ADSL**"	Asymmetrical DSL; an internet access technology that allows voice and high-speed data to be sent simultaneously over local copper telephone line.
"**ARPU**"	Average Revenue Per User; ARPU is an average monthly measure that we use to evaluate how effectively we are realizing revenues from subscribers. ARPU is calculated by dividing the revenue (for the services provided, in each case including the proportional allocation of the bundling discount) for the respective period by the average number of RGUs for that period and further by the number of months in the period. The average number of RGUs is calculated as the number of RGUs on the first day in the respective period plus the number of RGUs on the last day of the respective period, divided by two. This definition may be different for other companies, including SFR.
"**bandwidth**"	The width of a communications channel; in other words, the difference between the highest and lowest frequencies available for network signals. Bandwidth also refers to the capacity to move information.
"**broadband internet**"	Any circuit that can transfer data significantly faster than a dial-up phone line.
"**churn**"	The number of RGUs for a given service that have been disconnected (either at the customer's request or due to termination of the subscription by us) during the period divided by the average number of RGUs for such service during such period, excluding transfers between our services (other than a transfer between our cable services and our mobile services).
"**DOCSIS 2.0**"	Data over cable service interface specification, a technology that enables the addition of high-speed data transfer over an existing cable television system.
"**DOCSIS 3.0**"	Data over cable service interface specification, a technology that enables the addition of high-speed data transfer over an existing cable television system with enhanced transmission bandwidth and support for Internet Protocol version 6.
"**DSL**"	Digital Subscriber Line; DSL is a technology that provides high-speed internet access over traditional telephone lines.
"**DTH**"	Direct-to-home television.
"**DTT**"	Digital terrestrial television.
"**FTTx**"	Fiber optic infrastructure.

“**FTTH**”	Fiber-to-the-home network.
“**GPON**”	Gigabit passive optical networks. A high-bandwidth optical fiber network using point-to-multipoint architecture.
“**GSM**”	Global System for Mobile Communications. A standard to describe the protocols for second-generation (2G) digital cellular networks.
“**HD**”	High definition.
“**HFC**”	Hybrid fiber coaxial.
“**HSPA**”	High Speed Packet Access, a type of UMTS3G network that supports both mobile communications technology that provides enhanced download and upload speeds.
“**HSPA+**”	Evolved High Speed Packet Access, an enhanced UMTS3G network that offers higher download and upload speeds than HSPA.
“**IaaS**”	Infrastructure as a Service. A form of cloud computing which provides virtualized computing resources over the internet.
“**internet**”	A collection of interconnected networks spanning the entire world, including university, corporate, government and research networks. These networks all use the IP (Internet Protocol) communications protocol.
“**IoT**”	Internet of Things. A network of physical objects that feature an IP address for internet connectivity, and the communication that occurs between such objects and other devices and systems.
“**IP**”	Internet Protocol.
“**IPTV**”	Internet Protocol television.
“**ISP**”	Internet Service Provider.
“**IT**”	Information technology, a general term referring to the use of various software and hardware components when used in a business.
“**local loop**”	The network element used to connect a subscriber to the nearest switch or concentrator, commonly referred to as the “last mile” because it is the part of the network that is connected directly to the subscriber; alternatively the HFC access network.
“**LTE**”	Long term evolution technology being a standard in mobile network technology.
“**MHz**”	Megahertz; a unit of frequency equal to one million Hertz.
“**Mbps**”	Megabits per second; each megabit is one million bits.
“**Moody’s**”	Moody’s Investors Services, Inc.
“**multi-play**”	The bundling of different telecommunications services, e.g. digital cable television, broadband internet and fixed telephony services, by one provider.
“**MVNO**”	Mobile virtual network operator. Refers to a company that provides mobile services but does not have its own licensed frequency allocation of radio spectrum, nor necessarily all of the infrastructure required to provide mobile telephony services.

“**network**”	An interconnected collection of components which would, in a telecommunications network, consist of switches connected to each other and to customer equipment by real or virtual links. Transmission links may be based on fiber optic or metallic cable or point to point radio connections.
“**NFC**”	Near Field Communication. A wireless connectivity technology that enables short-range communication between electronic devices.
“**NG-PON2**”	Next Generation Passive Optical Network 2. A network standard for passive optical networks with enhanced bandwidth capabilities.
“**PacketCableTM**”	A CableLabs-led initiative to develop interoperable interface specifications for delivering advanced, real-time multimedia services over two-way cable plant. PacketCable networks use internet protocol (IP) technology to enable a wide range of multimedia services, such as IP telephony, multimedia conferencing, interactive gaming and general multimedia applications.
“**PTO**”	Public telecommunications operator.
“**PVR**”	Personal video recording.
“**quad-play**”	Triple-play with the addition of mobile service.
“**RGU**”	Revenue Generating Unit. RGUs relate to sources of revenue, which may not always be the same as customer relationships. For example, one person may subscribe for two different services, thereby accounting for only one subscriber, but two RGUs. RGUs for pay television and broadband internet infrastructure access are counted on a per source service basis and RGUs for fixed-line telephony are counted on a per line basis. Mobile RGUs is equal to the net number of lines or SIM cards that have been activated on our mobile network.
“**S&P**”	Standard & Poor’s Investors Ratings Services.
“**triple-play**”	Where a customer has subscribed to a combination of three products, digital cable television, broadband internet and fixed telephony services, from us.
“**UHD**”	Ultra-high definition.
“**UMTS**”	Universal Mobile Telecommunications Service, a 3G mobile networking standard commonly used to upgrade GSM networks to 3G standards.
“**VoD**”	Video on demand; a service which provides subscribers with enhanced playback functionality and gives subscribers access to a broad array of on demand programming, including movies, live events, local drama, music videos, children programming and adult programming.
“**VoIP**”	Voice over internet Protocol; a telephone service via internet, or via TCP/IP protocol, which can be accessed using a computer, a sound card, adequate software and a modem.
“**VPN**”	Virtual private network, a business service enabling users to obtain remote access to network functionality.
“**VDSL**”	Very high speed DSL. A high speed variant of ADSL.

FINANCIAL STATEMENTS

ALTICE N.V.

(SUCCESSOR ENTITY OF ALTICE S.A.)

CONSOLIDATED FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED DECEMBER 31, 2015

Table of contents

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2015

	Notes	**Year ended December 31, 2015**	**Year ended December 31, 2014 (Revised)***
		(In millions €)	
Revenues …………………………………………………	4	14,550.3	3,934.5
Purchasing and subcontracting costs ...……………………..	4	(4,653.6)	(1,118.2)
Other operating expenses …………………………………..	23	(3,233.7)	(960.0)
Staff costs and employee benefit expenses...………………..		(1,242.1)	(364.5)
Depreciation and amortization ……………………………..	25	(3,752.8)	(1,112.7)
Impairment losses …………………………………………..	25	(20.9)	(13.7)
Other expenses and income …………………………………	4	(426.0)	(239.6)
Operating profit …………………………………………		1,221.3	125.7
Interest relative to gross financial debt ……………………..		(2,013.5)	(788.3)
Other financial expenses ……………………………………		(262.0)	(360.4)
Finance income ……………………………………………..		417.0	13.5
Gain recognized on extinguishment of a financial liability …	26	643.5	-
Finance costs, net …………………………………………	27	(1,215.0)	(1,135.2)
Gain on disposal of businesses ………………………..	4.4	27.5	-
Share of profit of associates ………………………………..		8.1	4.8
Gain recognized on step acquisition ………………………..	26	-	256.3
Profit/(Loss) before income tax …………………………..		41.8	(748.4)
Income tax (expenses)/income ……………………………..	22	(261.7)	168.9
Loss for the year		(219.9)	(579.5)
Attributable to equity holders of the parent		*(319.3)*	*(429.6)*
Attributable to non-controlling interests	3.1	*99.5*	(149.9)
Earnings per ordinary share (Basic) (in €)	*13.4*	*(0.32)*	*(0.51)*
Earnings per ordinary share (Diluted) (in €)	*13.4*	*(0.30)*	*(0.49)*

(*) For the details of the revision see note 32

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

Consolidated statement of other comprehensive income
For the year ended December 31, 2015

	Notes	Year ended December 31, 2015	Year ended December 31, 2014 (Revised)*
		(In millions €)	
Loss for the year ………………………………..		**(219.9)**	**(579.5)**
Other comprehensive income/(loss)			
Exchange differences on translating foreign operations		11.7	(0.1)
Revaluation of available for sale financial assets, net of taxes	18.5	0.5	2.3
Loss on cash flow hedge, net of taxes ……………..	16.9	(127.4)	(127.9)
Actuarial losses, net of taxes ………………………………….	15	(0.1)	(4.8)
Total other comprehensive loss		**(115.4)**	**(130.5)**
Total comprehensive (loss) for the year ………..		**(335.3)**	**(710.0)**
Attributable to equity holders of the parent ………………		*(442.0)*	*(516.5)*
Attributable to non-controlling interests …………………	3.1	*106.7*	*(193.4)*

(*) For the details of the revision see note 32

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

Consolidated statement of financial position
December 31, 2015

	Notes	December 31, 2015	December 31, 2014 (Revised)*
ASSETS		*(In millions €)*	
Non-current assets			
Goodwill	5	17,319.8	13,422.1
Intangible assets	6	16,519.0	9,508.2
Property, plant & equipment	7	12,262.6	7,348.8
Investment in associates	8	417.7	126.0
Financial assets	9	2,822.8	1,343.6
Deferred tax assets	22	444.3	875.9
Other non-current assets	21	97.7	78.7
Total non-current assets		**49,883.9**	**32,703.3**
Current assets			
Inventories	10	368.7	277.2
Trade and other receivables	11	3,864.2	3,084.4
Current tax assets	22	304.5	268.7
Financial assets	21	1.9	135.4
Cash and cash equivalents	12	2,515.0	1,563.6
Restricted cash	12	7,737.0	-
Total current assets		**14,791.3**	**5,329.4**
Assets classified as held for sale	4.4	*122.1*	*77.3*
Total assets		**64,797.3**	**38,110.0**

(*) For the details of the revision see note 32

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

Consolidated statement of financial position
December 31, 2015

EQUITY AND LIABILITIES	Notes	December 31, 2015	December 31, 2014 (Revised)*
Equity			
Issued capital	13.1	76.5	2.5
Additional paid in capital	13.2	2,398.8	2,971.1
Other reserves	13.3	(216.0)	(93.3)
Accumulated losses		(1,207.3)	(934.4)
Equity attributable to owners of the Company		**1,052.0**	**1,945.9**
Non-controlling interests	3	926.0	3,278.2
Total equity		**1,977.9**	**5,224.1**
Non-current liabilities			
Long term borrowings, financial liabilities and related hedging instruments	16	45,711.0	20,483.2
Other non-current financial liabilities and related hedging instruments	16	1,566.1	907.3
Non-current provisions	14,15	1,733.4	693.1
Deferred tax liabilities	22	2,914.5	2,056.9
Other non-current liabilities	20	814.7	598.9
Total non-current liabilities		**52,739.6**	**24,739.4**
Current liabilities			
Short-term borrowings, financial liabilities	16	352.4	166.5
Other financial liabilities	16	1,484.4	1,073.9
Trade and other payables	19	6,437.0	5,111.4
Current tax liabilities		289.0	267.5
Current provisions	14,15	378.1	313.5
Other current liabilities	20	1,054.4	1,190.6
Total current liabilities		**9,995.1**	**8,123.4**
Liabilities directly associated with assets classified as held for sale	4.4	84.6	22.5
Total liabilities		**62,819.4**	**32,885.2**
Total equity and liabilities		**64,797.3**	**38,110.0**

(*) For the details of the revision see note 32

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

Consolidated statement of changes in equity
For the Year ended December 31, 2015

								Reserves						
	Number of issued shares (in shares)			**Share capital**	**Treasury shares**	**Additional paid in capital**	**Accumulated losses**	**Currency reserve**	**Cash Flow hedge reserve**	**Available for sale**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
	Ordinary Shares	*Class A*	*Class B*						*(In millions €)*					
Equity at January 1, 2015 (revised)*	247,950,186	-	-	2.5	-	2,971.1	(934.4)	(7.0)	(85.4)	1.9	(2.8)	**1,945.9**	3,278.2	**5,224.1**
Loss for the year	-	-	-	-	-	-	(319.3)	-	-	-	-	**(319.3)**	99.5	**(219.9)**
Other comprehensive profit/(loss)	-	-	-	-	-	-	-	10.3	(132.2)	0.5	(1.2)	**(122.7)**	7.3	**(115.4)**
Comprehensive profit/(loss)	-	-	-	-	-	-	**(319.3)**	**10.3**	**(132.2)**	**0.5**	**(1.2)**	**(442.1)**	**106.7**	**(335.5)**
Share issuance – Altice S.A.	375.289	-	-	-	-	-	-	-	-	-	-	-	-	-
Incorporation of Altice N.V.	-	4,500,000	-	-	-	-	-	-	-	-	-	-	-	-
Exchange of Altice S.A. shares for Altice N.V. shares	(248,325,475)	744,976,425	248,325,475	67.0	-	(67.0)	-	-	-	-	-	-	-	-
Conversion of class B shares in class A shares (**)	-	21,770,900	(870,836.0)	-	0.0	-	-	-	-	-	-	-	-	-
Issuance of new shares	-	69,997,600.00	24,825,602.0	6.9	-	1,597.9	-	-	-	-	-	1,604.8	-	1,604.8
Share based payment	-	-	-	-	-	-	25.9	-	-	-	-	25.9	2.1	28.0
Transaction with non-controlling interests	-	-	-	-	-	(2,119.3)	-	-	-	-	-	(2,119.3)	(1,896.7)	(4,016.0)
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	(555.5)	(555.5)
Other	-	-	-	-	-	16.1	20.7	-	-	-	-	36.8	(8.8)	28.0
Equity at December 31, 2015	-	**841,244,925.0**	**272,280,241.0**	**76.5**	-	**2,398.8**	**(1,207.3)**	**3.3**	**(217.6)**	**2.4**	**(4.0)**	**1,051.9**	**926.0**	**1,977.9**

(*) For the details of the revision see note 32

(**) Refer to note 13.1

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

Consolidated statement of changes in equity
For the Year ended December 31, 2014

(In millions €)

						Reserves						
	Number of issued shares	**Share capital**	**Invested equity**	**Additional paid in capital**	**Accumulated losses**	**Currency reserve**	**Cash Flow hedge reserve**	**Available for sale**	**Employee Benefits**	**Total equity attributable to equity holders of the parent**	**Non-controlling interests**	**Total equity**
Equity at January 1. 2014			95.8							**95.8**	(0.5)	**95.3**
Loss for the period					(429.6)					**(429.6)**	(149.9)	**(579.5)**
Other comprehensive profit/(loss)					0.1	(0.4)	(85.4)	2.3	(3.6)	**(87.0)**	(43.6)	**(130.6)**
Total Comprehensive profit/(loss)	**-**	**-**	**-**	**-**	**(429.5)**	**(0.4)**	**(85.4)**	**2.3**	**(3.6)**	**(516.6)**	**(193.5)**	**(710.0)**
Incorporation of Altice S.A.	3,100,000	0.0	(95.8)	624.2	(522.1)	(6.7)		(0.4)	0.8	**0.0**		**0.0**
Contribution of Altice France and Altice International	172,900,000	1.7		(66.8)						**(65.1)**		**(65.1)**
Issuance of new shares	44,619,752	0.5		1,636.1						**1,636.6**		**1,636.6**
Share based payment					17.2					**17.2**	3.3	**20.5**
Transaction with non-controlling interests	27,330,434	0.2		777.6						**777.8**	3,468.8	**4,246.6**
												-
Equity at December 31. 2014 (revised *)	**247,950,186**	**2.4**	**-**	**2,971.1**	**(934.4)**	**(7.1)**	**(85.4)**	**1.9**	**(2.8)**	**1,945.7**	**3,278.1**	**5,223.9**

(*) For the details of the revision see note 32

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

Consolidated statement of cash flows
For the year ended December 31, 2015

	Notes	Year ended December 31, 2015	Year ended December 31, 2014 (Revised)*
		(In millions €)	
Net (loss) including non-controlling interests		**(219.9)**	**(579.5)**
Adjustments for:			
Depreciation, amortization and impairments		3,773.8	1,112.7
Share of profit of associates		(8.1)	(4.8)
Gains and losses on disposals		153.4	-
Gain on step acquisition	26	-	(256.3)
Expenses related to share based payment	24	28.0	20.5
Other non-cash operating gains and losses		*24.8*	(56.0)
Finance costs, net		1,215.0	1,135.2
Pension payments	15	(81.7)	-
Income tax (benefit)/expense	21	261.7	(168.9)
Income tax paid		(317.8)	(116.3)
Changes in working capital		(192.8)	749.1
Net cash provided by operating activities		**4,636.4**	**1,835.8**
Payments to acquire tangible and intangible assets	5, 6	(2,637.9)	(965.2)
Payments to acquire financial assets		(28.1)	(19.8)
Proceeds from disposal of tangible, intangible and financial assets		84.9	11.7
Proceeds from disposal of businesses		94.0	-
Investment in equity affiliates	8	(309.3)	-
Use of restricted cash to acquire Tricom and ODO		-	1,244.0
Payment to acquire subsidiaries, net	3.3	(2,594.2)	(14,726.0)
Net cash used in investing activities		**(5,390.8)**	**(14,455.3)**
Proceeds from issue of equity instruments	12.1	1,604.8	1,624.9
Other transactions with non-controlling interests		26.0	1,147.2
Proceeds from issuance of debts		20,698.4	15,813.3
Payments to redeem debt instruments		(4,027.7)	(3,335.6)
Payments to redeem PT outstanding debt on acquisition		(5,593.9)	-
Transactions with non-controlling interests	3.4	(1,891.7)	(166.4)
Payments to holders of convertible preferred equity certificates		-	(190.0)
Proceeds from restricted cash (Cablevision acquisition)	2	(7,591.3)	-
Interest paid		(1,394.5)	(777.7)
Dividends paid to non-controlling interests		(555.5)	-
Flows from other financing activities (1)		438.0	-
Net cash provided in financing activities		**1,712.4**	**14,115.7**
Effects of exchange rate changes on the balance of cash held in foreign currencies		*(0.2)*	*5.9*
Cash and cash equivalents linked to assets classified as held for sale at the end of the reporting period		(6.8)	-
Net increase in cash and cash equivalents		**951.4**	**1,502.1**
Cash and cash equivalents at beginning of year	11	1,563.7	61.6
Cash and cash equivalents at end of year	11	**2,515.0**	**1,563.7**

(*) For the details of the revision see note 32

(1) Caption is composed of the cash received by the group in connection with the securitization agreements (€171 million), reverse factoring (€240 million) and deposit received from customer (€49 million)

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

Presentation, basis of preparation

1.1 Presentation

Altice N.V. (the “Company”, the “Group”, the “Successor Entity”, “Altice” or “Altice Group”), the Successor Entity of Altice S.A. (the “Predecessor Entity”) (see below *Corporate restructuring*), is a public limited liability company (“*Naamloze vennootschap*”) incorporated in the Netherlands.

The controlling shareholder of the Company is Next Alt S.à r.l., which holds 57.87% of the share capital, and is controlled by Mr. Patrick Drahi. The Company is headquartered at Prins Bernhardplein 200, 1097 JB Amsterdam, the Netherlands.

Altice is a multinational cable, fiber, telecommunications, content and media company with presence in several regions – Western Europe (comprising France, Belgium, Luxembourg, Portugal and Switzerland), the United States, Israel, French Overseas Territories and the Dominican Republic. Altice provides very high speed based services (high quality pay television, fast broadband Internet and fixed line telephony) and in certain countries, mobile telephony services to residential and corporate customers.

Altice is also active in the media industry with a portfolio of channels as well as provider of premium contents on nonlinear platforms. It also produces its own original contents (Series, Movies etc.).

Corporate restructuring

On June 26, 2015, Altice S.A. announced the proposed cross-border merger between a newly formed Dutch entity, Altice N.V., as the acquiring company and Altice S.A. as the company ceasing to exist (the "Merger").

Prior to the Merger becoming effective, Altice S.A. has transferred substantially all of its assets and liabilities to a newly incorporated subsidiary, Altice Luxembourg S.A., a public limited liability company (Société Anonyme) governed by the laws of the Grand Duchy of Luxembourg (the "Transfer").

Both the Transfer and the Merger required approval by a majority of at least two third of the votes cast at an extraordinary general meeting ("EGM") in which at least half of the share capital of Altice S.A. would be present or represented.

EGM’s were held on August 6, 2015 with an appropriate quorum. The Merger was approved by 91.54% of the votes casted, while the Transfer was approved by 90.07% of the votes casted. The Transfer was effective as of August 6, 2015, while the Merger was effective on August 9, 2015.

Pursuant to the Merger, shareholders of Altice S.A. received 3 common shares A (“A Shares”) of Altice N.V. with 1 voting right each and a nominal value of one eurocent, and 1 common share B (“B Shares”) of Altice N.V. with 25 voting rights each and a nominal value of 25 eurocents, in exchange for each issued and outstanding share in the capital of Altice S.A.. Both A Shares and B Shares have equal economic rights and are listed on Euronext Amsterdam (AMX). Following the listing, shareholders in Altice N.V. are permitted to convert their B Shares into A Shares at a 1:1 ratio.

Trading of the A Shares and B Shares on an ‘as if and when issued’ basis has commenced after the Merger became effective.

The Predecessor Entity was ultimately controlled by Patrick Drahi (via Next Alt S.à r.l. “Next Alt”) prior to the Merger, while the Successor Entity remained under control of Next Alt post-merger. Following the merger, Next Alt held 58.2% of the Company.

In accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors paragraph 10, judgment has been applied in developing and applying an accounting policy that results in information that is relevant and reflect the economic substance of the transaction. As a result, the acquisition method, as defined in IFRS 3 Business Combinations (Revised 2008) (“IFRS 3”), has not been applied to reflect the merger. Refer to note 2.7

As part of the Corporate Restructuring described above, the Company has adopted a stock option plan similar to the one proposed by its predecessor entity.

The new stock option plan issued by the Company has been considered as a replacement of equity instruments issued by its predecessor entity and based on the fair value of the new SOP at the modification date, Altice will continue to expense the initial fair value not yet recognized over the original vesting period (see note 24).

As a consequence of the Corporate Restructuring described above, the comparative figures included in the consolidated financial statements as at and for the year-end December 31, 2015 reflect the historical assets, liabilities, revenues, expenses and cash flows of Altice S.A. as Altice N.V. was only incorporated on May 18, 2015.

1.2 Basis of presentation of the consolidated financial statements

The consolidated financial statements were authorised for issuance by the Board of Directors on March 30, 2016. They have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") and as adopted in the European Union.

The consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies (See Note 2 below).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

Level 3 inputs are unobservable inputs for the asset or liability.

Furthermore, where the accounting treatment of a specific transaction is not addressed by any accounting standard and interpretation, the Board of Directors applies its judgment to define and apply accounting policies that provide information consistent with the general IFRS concepts: faithful representation and relevance.

1.3 Application of new and revised International Financial Reporting Standards (IFRSs)

i) New and revised IFRSs that are mandatorily effective for the year ending December 31, 2015

In the current year, the Group has applied a number of amendments to IFRSs and a new Interpretation issued by the International Accounting Standards Board (IASB) and adopted in the European Union that are mandatorily effective for an accounting period that begins on or after 1 January 2015.

(i) The application of IFRIC 21 Levies, applicable retrospectively from January 1, 2015.

- IFRIC 21 Levies addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for, in particular, it clarifies that neither economic compulsion nor the going concern basis of financial statements preparation implies that an entity has a present obligation to pay a levy that will be triggered by operating in a future period.

- IFRIC 21 has mainly affected the timing of recognition of certain levies in France such as “C3S” and the flat-rate levy on French network operators (“IFER”) during the quarters. The impact on shareholders equity as of January 1, 2015 is €13.0 million after taxes. The impact on the statement of income of IFER and C3S for the year ended December 31, 2014 is not significant due to the fact that SFR only entered the scope at the end of November 2014.

(ii) Amendments to IAS 19 *Defined Benefit Plans: Employee Contributions*. The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties that are linked to services to defined benefit plans,

(iii) Annual improvements 2011-2013 which include amendments to the following standards:
  - IFRS 3 Business Combination - Scope of exception for joint ventures,
  - IFRS 13 Fair Value Measurement - Scope of paragraph 52 (portfolio exception)
  - IAS 40 Investment Property - Clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

(iv) Annual improvements 2010-2012 which include amendments to the following standards:
  - IFRS 2 Share-based Payment - Definition of 'vesting condition'
  - IFRS 3 Business Combinations - Accounting for contingent consideration in a business combination
  - IFRS 8 Operating Segments - Aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets

  - IFRS 13 Fair Value Measurement Short-term receivables and payables
  - IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets - Revaluation method - proportionate restatement of accumulated depreciation
  - IAS 24 Related Party Disclosures - Key management personnel

The application of these amendments presented in ii); iii) and iv) has had no material impact on the amounts recognised in the Group's consolidated financial statements or has had an impact on the disclosures in the Group's consolidated financial statements.

ii) Standards issued but not yet effective for the year ended December 31, 2015

In its consolidated financial statements, the Company has not anticipated the following standards and interpretations, for which application is not mandatory for periods started from January 1, 2015.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when ‘control’ of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The Board of Directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the consolidated financial statements. The new standard will mainly impact revenue recognition for Mobile activities as some arrangements include a handset component with a discounted price and a communication service component: the total revenue will not change but its allocation between the handset sold and the communication service will change (more equipment revenue and less service revenue) and the timing of the revenue recognition will change. In addition, extensive disclosure should be provided.

The standard is effective for annual periods beginning on or after January 1, 2018 (as amended in September 2015). The Group is required to retrospectively apply IFRS 15 to all contracts that are not complete on the date of initial application and have the option to either:

- restate each prior period and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented; or

- retain prior period figures as reported under the previous standards and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity as at the date of initial application. This approach will also require additional disclosures in the year of initial application to explain how the relevant financial statement line items would be affected by the application of IFRS 15 as compared to previous standards.

It is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

IFRS 15 has not yet been endorsed in the European Union.

IFRS 16 Leases

IFRS 16 Leases issued on January 13, 2016 is the IASB's replacement of IAS 17 Leases. IFRS 16 specifies how to recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value.

IFRS 16 applies to annual reporting periods beginning on or after January 1, 2019. The Group has the option to either:

- apply IFRS 16 with full retrospective effect; or

- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

The Board of Directors of the Company anticipate that the application of IFRS 16 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities, especially given the different operating lease arrangements of the Group. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

IFRS 16 has not yet been endorsed by the European Union.

IFRS 9 Financial Instruments

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

With respect to the classification and measurement under IFRS 9, all recognised financial assets that are currently within the scope of IAS 39 will be subsequently measured at either amortised cost or fair value.

The impairment model under IFRS 9 reflects expected credit losses, as opposed to incurred credit losses under IAS 39. Under the impairment approach in IFRS 9, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Instead, an entity always accounts for expected credit losses and changes in those expected credit losses. The amount of expected credit losses should be updated at each reporting date to reflect changes in credit risk since initial recognition

The general hedge accounting requirements of IFRS 9 retain the three types of hedge accounting mechanisms in IAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify as hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is no longer required. Far more disclosure requirements about an entity's risk management activities have been introduced.

The standard is applicable for annual periods beginning on or after January 1, 2018.

The Board of Directors of the Company anticipate that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group performs a detailed review.

IFRS 9 has not yet been endorsed in the European Union.

Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016.

Currently, the Group uses the straight-line method for depreciation and amortisation for its property, plant and equipment, and intangible assets respectively. The Board of Directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the Board of Directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

In addition, the following standards were issued but are not yet effective:

- Amendments to IFRS 11 *Accounting for Acquisitions in Joint Operations*. The amendments to IFRS 11 provide guidance on how to account for the acquisition of an interest in a joint operation in which the activities constitute a business as defined in IFRS 3 *Business Combinations*,
- Amendments to IAS 1 *Disclosure initiative*
- Amendments to IAS 7 *Disclosure initiative*
- Amendments to IAS 12 *Recognition of Deferred Tax Assets for Unrealized Losses*
- Annual improvements cycle 2012-2014.

The amendments mentioned above might affect the Company’s future consolidated financial statements and the Board of Directors is still finalizing its detailed review to be able to conclude on the impact on the consolidated financial statements.

2 Significant accounting policies

The principal accounting policies are set out below.

2.1 Basis of consolidation

Subsidiaries

Entities are fully consolidated if the Group has all the following:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statements of income and other comprehensive income from the date the Company gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group transactions, balances, income and expenses are eliminated in full on consolidation.

Joint ventures

In accordance with IFRS 11 Joint Arrangements, arrangements subject to joint control are classified as either a joint venture or a joint operation. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Investment in which the Group is a joint operator recognizes its shares in the assets, liabilities, revenues and expenses.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. Investment in which the Company is a joint venturer recognizes its interest in the joint venture in accordance with the equity method.

Associates

Investments, over which the Company exercises significant influence, but not control, are accounted for under the equity method. Such investees are referred to as "associates" throughout these consolidated financial statements.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over these policies. Associates are initially recognized at cost at acquisition date. The consolidated financial statements include the Group's share of income and expenses, from the date significant influence commences until the date that significant influence ceases.

The interest income and expenses recorded in the consolidated financial statements of the Group on loans with associates have not been eliminated in the consolidated statements of income and therefore are still recorded in the consolidated financial statements.

2.2 Foreign currencies

The presentation currency of the consolidated financial statements is euros.

The functional currency, which is the currency that best reflects the economic environment in which the Components operate and conduct their transactions, is separately determined for subsidiaries and associates accounted for using the equity method, and is used to measure their financial position and operating results.

Monetary transactions

Transactions denominated in foreign currencies other than the functional currency of the entity are translated at the exchange rate on the transaction date. At each balance sheet date, monetary assets and liabilities are translated at the closing rate and the resulting exchange differences are recognized in the statement of income.

Translation of financial statements denominated in foreign currencies

Assets and liabilities of foreign entities are translated into euros on the basis of the exchange rates at the end of the reporting period. The income and cash flow statements are translated using the average exchange rates for the period. Foreign exchange differences resulting from such translations are either recorded in shareholders' equity under "Currency translation reserve" (for the Group share) or under "Non-controlling interests" (for the share of non-controlling interests) as deemed appropriate.

The exchange rate of the main currencies are as follows:

	Annual average rate		**Rate at the reporting date**	
	2015	**2014**	**Dec 31, 2015**	**Dec 31, 2014**
		(In €)		
1 CHF....................................	0.9364	0.8234	0.9229	0.8317
1 ILS	0.2319	0.2108	0.2354	0.2116
1 USD	0.9013	0.7528	0.9185	0.8258
100 DOP...............................	2.0013	1.7850	2.0165	1.8736

2.3 Revenue recognition

Revenue from the Group's activities is mainly composed of television, broadband Internet, fixed and mobile telephony subscription and installations fees invoiced to residential and business clients.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the group.

Revenue is recognized as follows, in accordance with IAS 18 Revenue:

Revenues from the sale of equipment

Revenues from the sale of equipment includes the sale of mobile devices and ancillary equipment for those devices. The revenues from the sales are recognized where all of the significant risk and yields that are derived from the ownership of the equipment are transferred to the purchaser and the seller does not retain continuing managerial involvement. Generally, the time of the delivery is the time at which ownership is transferred.

Revenues on separable components of bundle packages

Revenues from telephone packages are recorded as a sale with multiple components. Revenues from sales of handsets (mobile phones and other) are recorded upon activation of the line, net of discounts granted to the customer via the point of sale and the costs of activation.

When elements of these transactions cannot be identified or analyzed separately from the main offer, they are considered as related elements and the associated revenues are recognized in full over the duration of the contract or the expected duration of the customer relationship.

Revenue from service

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

The Group sells certain telephone subscriptions based on plans under which the call minutes for a given month can be carried over to the next month if they are not used. The minutes carried over are recorded based on the proportion of total telephone subscription revenues they represent, when the minutes are used or when they expire.

Revenues relative to incoming and outgoing calls and off-plan calls are recorded when the service is provided.

Revenues generated by vouchers sold to distributors and by prepaid mobile cards are recorded each time use is made by the end customer, as from when the vouchers and cards are activated. Any unused portion is recorded in deferred revenues at the end of the reporting period. Revenues are in any case recognized upon the expiry date of the cards, or when the use of the vouchers is statistically unlikely.

Sales of services to subscribers managed by the Group on behalf of content providers (principally special numbers and SMS+) are recorded on a gross basis, or net of repayments to the content providers in accordance with IAS 18, and in particular when the content providers are responsible for the content and determine the pricing applied to the subscriber.

The costs of access to the service or installation costs principally billed to operator and corporate clients in relation to DSL connection services, bandwidth services, and IP connectivity services, are recognized over the expected duration of the contractual relationship and the provision of the principal service.

Installation and set-up fees (including connection) for residential customers are accounted for as revenues when the service is rendered.

Revenues linked to switched services are recognized each time traffic is routed.

Revenues from bandwidth, IP connectivity, high-speed local access and telecommunications services are recorded as and when the services are delivered to the customers.

Access to telecommunications infrastructures

The Group provides its operator clients with access to its telecommunications infrastructures by means of different types of contracts: rental, hosting contracts or concessions of Indefeasible Rights of Use (‘‘IRU’’). The IRU contracts grant the use of an asset (ducting, fiber optic or bandwidth) for a specified— period. The Group remains the owner of the asset. Proceeds generated by rental contracts, hosting contracts in Netcenters, and infrastructure IRUs are recognized over the duration of the corresponding contracts, except where these are defined as a finance lease, in which case the equipment is considered as having been sold on credit.

In the case of IRUs, and sometimes rentals or service agreements, the service is paid in advance in the first year. These prepayments, which are non-refundable, are recorded in prepaid income and amortized over the expected term of the related agreements.

Sales of infrastructure

The Group builds infrastructure on behalf of certain clients. Since the average duration of the construction work is less than one year, the revenues are taken into account when ownership is transferred. Revenues relative to sales of infrastructures are taken into account when ownership is transferred. A provision is recognized when any contracts are expected to prove onerous.

Income from credit arrangements

Revenues deriving from long-term credit arrangements (such as the sale of devices in installments) are recorded on the basis of the present value of the future cash flows (against long-term receivables) and are discounted in accordance with interest rates. The difference between the original amount of the credit and the present value, as aforesaid, is spread over the length of the credit period and recorded as interest income over the length of the credit period

2.4 Finance costs, net

Finance costs, net primarily comprise:

- Interest charges and other expenses paid for financing operations recognized at amortized costs ;
- Changes in the fair value of interest rate derivative instruments that do not qualify as hedges for accounting purposes;

- Interest income relating to cash and cash equivalents; and
- Gains/losses on extinguishment of financial liability.
- Ineffective portion of cash flow hedges

2.5 Taxation

Taxes on income in the income statement include current taxes and deferred taxes. The tax expenses or income in respect of current taxes or deferred taxes are recognized in profit or loss unless they relate to items that are recorded directly in equity, in these cases the tax effect is reflected under the relevant equity item.

Current tax

The current tax liability is measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of reporting period as well as adjustments required in connection with the tax liability in respect of previous years.

Deferred tax

Deferred tax assets are recognized for all deductible temporary differences, tax loss carry-forwards and unused tax credits, insofar as it is probable that a taxable profit will be available, or when a current tax liability exists to make use of those deductible temporary differences, tax loss carry-forwards and unused tax credits, except where the deferred tax asset associated with the deductible temporary difference is generated by initial recognition of an asset or liability in a transaction which is not a business combination, and that, at the transaction date, does not impact earnings, nor income tax profit or loss.

Deferred tax assets and liabilities are measured at the expected tax rates for the year during which the asset will be realized or the liability settled, based on tax rates (and tax regulations) enacted or substantially enacted by the closing date. They are reviewed at the end of each year, in line with any changes in applicable tax rates.

The carrying value of deferred tax assets is reviewed at each closing date, and revalued or reduced to the extent that it is more or less probable that a taxable profit will be available to allow the deferred tax asset to be utilized. When assessing the probability of a taxable profit being available, account is taken, primarily, of prior years' results, forecasted future results, non-recurring items unlikely to occur in the future and the tax strategy.

Taxable temporary differences arising from investments in subsidiaries, joint ventures and other associated entities, deferred tax liabilities are recorded except to the extent that both of the following conditions are satisfied: the parent, investor or venturer is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future.

All deferred tax assets and liabilities are presented in the statement of financial position as non-current assets and non-current liabilities, respectively. Deferred taxes are offset if an enforceable legal right exists, which enables the offsetting of a current tax asset against a current tax liability and the deferred taxes relate to the same entity, which is chargeable to tax, and to the same tax authority.

2.6 Site dismantling and restoration

The Company has a contractual obligation to dismantle and restore the sites of its mobile and fixed network upon expiry of a lease, if the lease is not renewed. In light of this obligation, site restoration costs are capitalized on the basis of:

- an average unit cost of restoring sites;
- assumptions concerning the lifespan of the dismantling asset; and
- a discount rate.

2.7 Goodwill and business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 Income Taxes and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date; and
- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the ‘measurement period’ (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IAS 39, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Acquisition under common control

As Altice S.A. before the corporate restructuring and Altice N.V. after this event (refer to note 1) were and remained entities under common control (controlled by Patrick Drahi through Next Alt S.à r.l.), the transaction does not constitute an acquisition within the meaning of IFRS 3 *Business Combination*. The company has opted to account for this transaction using the following method.

In the absence of specific guidance under IFRS for transactions between entities under common control, the Company considered and applied standards on business combination and transactions between entities under common control issued by the accounting standard-setting bodies in the United States (Accounting Standards Codification Topic 810-10-45-10 and Topic 810-10-55-1B Consolidation and SEC Regulation S-X Article 3A – Consolidated and Combined Financial Statements) and in the United Kingdom (FRS 6 Acquisitions and mergers) to prepare the consolidated financial statements.

Acquisition under common control uses the following methods and principles:

- Carrying values of the assets and liabilities of the parties to the combination are not required to be adjusted to fair value on consolidation, although appropriate adjustments should be made to achieve uniformity of accounting policies in the combining entities;
- The results and cash flows of all the combining entities should be brought into the consolidated financial statements of the combined entity from the beginning of the financial year in which the combination occurred, adjusted so as to achieve uniformity of accounting policies;
- The difference, if any, between the nominal value of the shares issued plus the fair value of any other consideration given, and the nominal value of the shares received in exchange should be shown as a movement on Additional Paid in Capital in the consolidated financial statements;

Any existing balance on the share premium account of the new subsidiary undertaking should be brought in by being shown as a movement on Additional Paid in Capital. These movements should be shown in the reconciliation of movements in shareholders' equity.

2.8 Intangible assets

Intangible assets acquired separately are recorded at cost on initial recognition, with the addition of direct acquisition costs. Intangible assets acquired in a business combination are measured at fair value as of the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and less any accumulated impairment losses. Intangible assets have either definite or indefinite useful lives.

Assets with definite useful lives are amortized over their useful lives and assessed for impairment signs which would indicate impairment in value. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least once a year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits that are expected to derive from the asset are treated as a change in an accounting estimate which is treated prospectively.

The useful lives of the intangible assets are as follows:

	Duration
Software	3 to 6 years
Brands	5 to 20 years
Customer relations	4 to 17 years

Licences	Period of licences
Indefeasible Right of use	3-30 years
Subscriber purchase costs	based on average duration of subscriptions

Franchise rights are periodically reviewed to determine if each franchise has a finite life or an indefinite life in accordance with goodwill and other intangible asset financial accounting standards. Accordingly, the Company believes its franchises qualify for indefinite life treatment and are not amortized but instead are tested for impairment annually or more frequently as warranted by events or changes in circumstances. Costs incurred in negotiating and renewing broadband franchises are amortized on a straight-line basis over the life of the renewal period.

Other intangible assets with indefinite useful lives are tested for impairment annually as well as where there is an indication that it may be impaired by comparing their carrying amount with their recoverable amount.

Operating licenses for telephony services are recorded based on the fixed amount paid upon acquisition of the license.

Investments made in the context of concessions or public service contracts, and linked to the rollout of the telecommunications network, are recorded in intangible assets in accordance with interpretation IFRIC 12. The ‘‘intangible asset’’ model stipulated by this interpretation applies when the concession holder receives a right to bill users of the public service and the concession holder is essentially paid by the user. These intangible assets are amortized over the shorter of the estimated useful life of the categories of assets in question and the duration of the concession.

Intangible assets also comprise rights of way or access rights obtained. Amortization is generally calculated on a straight-line basis over the shorter of the contractual term and 30 years.

Research costs are expensed as incurred. Development expenses are capitalised as intangible assets when the following can be demonstrated:

- the technical feasibility of the project and the availability of the adequate resources for the completion of the intangible assets;
- the ability of the asset to generate future economic benefit;
- the ability to measure reliably the expenditures attributable to the asset; and
- the feasibility and intention of the Group to complete the intangible asset and use or sell it.

Exclusive content

The costs of exclusive in-house content and external content are recognised as an intangible assets. The cost of the rights is recognized at the cost of production of the shows and is amortized on the basis of the actual screenings. The amortisation charge is recorded in the caption “depreciation and amortisation” in the income statement.

Sports broadcasting rights are recognised on the balance sheet from the point at which the legally enforceable licence period begins. Rights for which the licence period has not started are disclosed as contractual commitments in note 30. Payments made to acquire broadcasting rights in advance of the legal right to broadcast the programmes are classified as prepayments in the caption “other financial assets” in the statement of financial position. Broadcasting rights are initially recognised at cost and are amortised from the point at which they are available for use, on a straight line basis over the broadcasting period. The amortisation charge is recorded in the caption “depreciation and amortisation” in the income statement.

2.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.10 Property, plant and equipment

Property, plant and equipment are presented at cost with the addition of direct purchase costs less accumulated depreciation and accumulated losses on impairment and they do not include routine maintenance expenses. The cost includes spare parts and ancillary equipment that can only be used in connection with the plant and machinery.

Depreciation is calculated using the straight line method over the estimated useful lives of the assets, as follows:

	Duration
Buildings	5 to 50 years
Cable Network	5 to 40 years
Converters and modems	3 to 5 years
Computers and ancillary equipment	2 to 8 years
Office furniture and equipment	3 to 15 years
Communication network infrastructure	3 to 15 years
Leasehold contracts	see below

Leasehold contracts are depreciated according to the straight line method during the rental period.

Elements of a fixed asset item, having a cost that is significant in comparison to the overall cost of the item, are depreciated separately, using the components method. The depreciation is calculated in accordance with the straight line method at annual rates that are considered to be sufficient in order to depreciate the assets over the length of their estimated useful lives.

The useful life, depreciation method and residual value of an asset are reviewed at least annually and any changes are accounted for prospectively as a change in accounting estimate.

2.11 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated in an accounting period so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs (see note 2.12 below). Contingent rentals are recognized as expenses in the periods in which they are incurred.

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.12 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.13 Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized as a deduction of the related asset in the consolidated statement of financial position and amortized over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.14 *Financial assets*

The Company classifies financial assets in four categories: available-for-sale, loans and receivables, held-to-maturity and financial assets at fair value through profit and loss. They are classified as current assets and non-current assets according to IAS 1 “Presentation of financial statements”.

Purchases and sales of all financial assets are recognized on a trade date basis.

Available-for-sale financial assets

Available-for-sale financial assets are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset. After initial recognition, they are reported at their fair value. Gains and losses arising from changes in their fair value are recognized directly in equity, until the security is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognized in equity is included in the profit or loss for the period.

Available-for-sale financial assets consist mainly of shares in non-consolidated companies. Fair value corresponds to quote price for listed securities. For non-listed securities, and when a reliable estimate of fair value cannot be made using valuation techniques, the Company values financial assets at historical cost, less any impairment losses.

When there is objective evidence that available-for-sale assets are impaired, the cumulative impairment loss included in equity is reclassified from other comprehensive income to income. Objective evidence that an available-for-sale financial asset is impaired includes, among other things, a decrease in the estimated future cash flows arising from these assets, as a result of significant financial difficulty of the issuer, a material decrease in expected future profitability or a prolonged decrease in the fair value of the security. Impairment losses recognized in profit or loss for equity instruments classified as available-for-sale are never reversed through income statement.

Loans and receivables

Loans and receivables are recognized initially at fair value plus transaction costs that are directly attributable to the acquisition. After initial recognition, they are measured at amortized cost using the effective interest rate method.

This category mainly includes trade receivables and other receivables as well as loan to associate and to non-consolidated entities.

If there is objective evidence that an impairment loss has occurred, the amount of this loss, measured as the difference between the financial assets’ carrying value and its recoverable amount is recognized in the income statement. Impairment losses may be reversed if the recoverable amount of the asset subsequently increases in the future.

Held-to-maturity financial assets

Held-to-maturity financial assets are financial assets with fixed or determinable payments and fixed maturity that the Company has both the intention and ability to hold to maturity. Financial assets that are designated as held-to-maturity are measured at amortized cost, in accordance with the effective interest rate method.

They are reviewed for impairment on an individual basis if there is any indication that they may be impaired.

Financial assets measured at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group manages together and has a recent actual pattern of short term profit-taking;
- it is a derivative that is not designated and effective a s hedge instrument.

Financial assets at FVTPL are stated at fair value, with any gains and losses arising on remeasurement recognised in the caption “Other Financial expense” or “Other Financial income” in the income statements.

2.15 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories comprises costs of purchase and costs incurred in bringing the inventories to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated selling costs.

Cost of inventories is determined using the weighted average cost method.

The Company periodically evaluates the condition and age of inventories and makes provisions for slow moving inventories accordingly.

2.16 Cash and cash equivalents

Cash consists of cash in banks and deposits.

Cash equivalents are considered as highly liquid investments, including unrestricted short-term bank deposits with an original maturity of three months or less from the date of acquisition or with a maturity of more than three months, but which are redeemable on demand without penalty and which form part of the Group's cash management.

2.17 Restricted cash

Restricted cash can consist of balances dedicated to the repayment of the Company’s liabilities to banking entities in accordance with the Company’s credit agreement and therefore amounts that the Group cannot use at its discretion.

Restricted cash can also consist of cash held in escrow to finance certain acquisitions (in the period between the agreement to acquire and the actual closing of the acquisition and the transfer of shares and cash and other considerations). Restricted cash may also consist of guarantees provided by different group companies to financial institutions related to financing or other activities. Restricted cash is not considered as a component of cash and cash equivalents since such balances are not held for the purposes of meeting short-term cash commitments.

2.18 Derivatives

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently reassessed at their fair value.

The Company has entered into various forward and interest rate swaps (cross currency and fixed/floating) in order to mitigate risks associated with making investments in currencies other than the functional currency of the underlying component.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

2.19 Hedge accounting

The Group may designate certain hedging instruments, (which may include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk), as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated under the heading of cash flow hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, and is included in the line ‘other financial expense’.

Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognised in other comprehensive income and accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Group revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

2.20 Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the value of the proceeds received, net of direct issue costs.

Repurchase of the Group’s own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group’s own equity instruments.

2.21 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities at amortized cost:

Financial liabilities at amortized cost

These financial liabilities are measured at amortized cost calculated based on the effective interest rate method. The effective interest rate is the internal yield rate that exactly discounts future cash flows through the term of the financial liability. Fees, debt issuance and transaction costs are included in the calculation of the effective interest rate over the expected life of the instrument.

Financial liabilities that are measured at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities classified as held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Gains or losses on liabilities held for trading are recognized in profit or loss.

Derivatives, including bifurcated embedded derivatives, are classified as held for trading unless they are designated as effective hedging instruments. In the event of a financial instrument that contains one or more embedded derivatives, the entire combined instrument may be designated as a financial liability at fair value through profit or loss only upon initial recognition.

The Group assesses whether embedded derivatives are required to be bifurcated from host contracts when the Group first becomes party to the contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

The fair value of financial instruments that are traded in an active market is determined by reference to quoted market prices at the close of business on the balance sheet date. For financial instruments for which there is no active market, fair value is determined by the use of valuation techniques. Such techniques include evaluation based on transactions that have been executed recently under market terms, reference to the current market value of another instrument, which is substantially the same, discounted cash flow analysis or other valuation models.

Liabilities related to put options granted to non-controlling interests

The Group granted put options to third parties with non-controlling interests in certain consolidated subsidiaries, with these options giving the holders the right to sell part or all of their investment in these subsidiaries. These financial liabilities do not bear interest.

At inception, in accordance with IAS 32, Financial instruments: presentation, when non-controlling interests hold put options enabling them to sell their investment in the Group, a financial liability is recognized for an amount corresponding to the present value of liability assumed and the counterpart of the liability arising from these obligations is:

- on the one hand, the reclassification as debt of the carrying amount of the corresponding non-controlling interests;
- on the other, a reduction in the equity – Group share: the difference between the present value of the strike price of the options granted and the carrying amount of non-controlling interests is presented as a reduction of other reserves attributable to equity holders of the parent. This item is adjusted at the end of each reporting period to reflect changes in the strike price of the options and the carrying amount of non-controlling interests.

At each closing date, the Group, in the absence of specific IFRS guidance, has elected to recognize future increase (decrease) of the fair value of put option in equity, as an increase to (a deduction from) other reserves attributable to equity holders of the parent.

2.22 Provisions

A provision is recognized in the statement of financial position when the Group has a present obligation (legal or implicit) as the result of a past event and it is expected that the use of economic resources will be required in order to settle the obligation and it is possible to reliably estimate it. Where the impact is significant, the provision is measured by discounting the forecasted future cash flows, using a pre-tax interest rate that reflects the expectations of the market in respect of the time frame of the money and in certain cases, the risks that are specific to the liability.

The following types of provisions are recorded in the consolidated financial statements:

Legal claims

A provision regarding legal claims is recognized when the Group has a present legal commitment or an implicit commitment resulting from a past event; when it is more likely than not that the Group will be required to expand economic resources to clear the commitment, when it is possible to estimate it reliably and when the effect of time is significant, the provision is measured according to the present value.

Warranty

The Group recognizes a provision for warranty for the sale of its products. The warranty is limited to malfunctions as defined by the Group and does not include warranty for damages incurred by the customer.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructuring

A restructuring provision is recognized when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Group.

2.23 Liabilities for employment benefits

Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- net interest expense or income; and
- Re-measurement.

The Group presents the service cost and the net interest expense in profit or loss in the line item “Staff cost and employee benefit expenses” and “Other financial expenses” respectively.

Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the actual deficit or surplus in the Group’s defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

2.24 Share based payments

Share-based payment transactions of the Company

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is re-measured, with any changes in fair value recognised in profit or loss for the year.

Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

2.25 Non-current assets held for sale and discontinued operations

Pursuant to IFRS 5 “Non-current assets held for sale and discontinued operations”, assets and liabilities of affiliates that are held for sale are presented separately on the face of the statement of financial position. Depreciation of assets ceases from the date of classification in “Non-current assets held for sale”. Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

A discontinued operation is a component of the Group for which cash flows are independent. It represents a major line of business or geographical area of operations which has been disposed of or is currently being held for sale. If the Group reports discontinuing operations, net income from discontinued operations is presented separately on the face of the statement of income. Therefore, the notes to the consolidated financial statements related to the statement of income only refer to continuing operations.

2.26 Critical accounting judgments and key sources of estimation uncertainty

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

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

i) Legal claims

In estimating the likelihood of outcome of legal claims filed against the Group and its investees, the group companies rely on the opinion of their legal counsel. These estimates are based on the legal counsel's best professional judgment, taking into account the stage of proceedings and historical legal precedents in respect of the different issues. Since the outcome of the claims will be determined via settlement or court’s decision, the results could differ from these estimates.

ii) Post-employment benefits

The liability in respect of post-employment defined benefit plans is determined using actuarial valuations. The actuarial valuation involves making assumptions about, among others, discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long-term nature of these plans, such estimates are subject to uncertainty.

iii) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating intercompany sales within the group. Where the Group acts as an agent in a transaction, it recognises revenue net of directly attributable costs.

iv) Fair value of financial instruments

Fair value is determined by reference to the market price at the end of the period, when the data is available. For financial instruments for which there is no active market such as interest rate swaps (which the Company currently may use to hedge its interest rate risk), call options and put options granted to non-controlling interests fair value is estimated based on models that rely on observable market data or by the use of various valuation techniques, such as discounted future cash flows.

v) Deferred tax assets

Deferred tax assets relate primarily to tax loss carried forwards and to deductible temporary differences between reported amounts and the tax bases of assets and liabilities. The assets relating to the tax loss carried forwards are recognized if it is probable that the Group will generate future taxable profits against which these tax losses can be set off. Evaluation of the Group's capacity to utilize tax loss carried forward relies on significant judgment. The Group analyses past events, and the positive and negative elements of certain economic factors that may affect its business in the foreseeable future to determine the probability of its future utilization of these tax loss carried forward.

vi) Intangible assets and Property, plant and equipment

Estimates of useful lives are based in particular on the effective obsolescence of fixed assets and the use made of these assets.

vii) Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

viii) Trade receivables and other receivables

Allowance for trade receivables are recorded i) based on experience of recoverability of the customers and/or ii) based on a specific analysis of the recoverability of the customers

In addition to the above, during the year ended December 31, 2015, the Board of Directors applied a specific accounting treatment to the Corporate Restructuring as described in Note 2.7 to the consolidated financial statements.

2.27 Revised information

The comparative information for the year ended December 31, 2014 has been revised to reflect the impact of the finalization of the purchase price allocation of Numericable Group S.A., SFR S.A., Virgin Mobile S.A., Tricom

S.A. and Altice Hispaniola S.A. (previously Orange Dominicana S.A.) acquired during the course of the year ended December 31, 2014 (See note 32).

In addition, in preparing these consolidated financial statements, the Board of Directors has decided to enhance the presentation of the consolidated statement of income and the consolidated statement of financial position. The Board of Directors believes that the revised presentation further enhanced the presentation of the Group's result and financial position, providing additional details to the users. The enhancement mentioned above did not affect the reported results or the Group's financial position. The comparative information for the year ended and as of December 31, 2015 has been enhanced to reflect the new presentation.

A summary of the changes is provided below:

Consolidated statement of income:

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

Consolidated statement of financial position:

1. The Group has decided to modify the presentation of gross financial debt by including the fair value of derivative instruments in the line item, 'long term borrowings, financial liabilities and related hedging instruments' (reclassification of €27.8 million from Other financial liabilities to long term borrowings, financial liabilities and related hedging instruments)

The Board of Directors has concluded that the impact of these changes on the comparative information for the year ended December 31, 2014 is non material.

3. Scope of consolidation

The parent company of the Group is Altice N.V, a Dutch public limited liability company. A full list of entities included in the scope of consolidation and their method of consolidation is provided in note 36.

3.1 Details of non-wholly owned subsidiaries that have material non-controlling interests

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

		Proportion of ownership interests and voting rights held by non-controlling interests		**Loss allocated to non-controlling interests**		**Accumulated non-controlling interests**	
Name of subsidiary	**Place of incorporation and operation**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Numericable-SFR S.A.	France	21.9%	39.7%	150.4	(143.8)	944.6	3,280.8
Altice Bahamas S.à r.l.	Luxembourg	2.8%	2.8%	(1.2)	(0.2)	1.8	2.0
Altice Blue Two S.A.S.	France	0.15%	0.15%	0.1	0.3	0.7	0.7
Deficom Telecom S.à r.l.	Luxembourg	26.0%	26.0%	(3.1)	(6.2)	(18.4)	(15.3)
Green.ch	Switzerland	0.43%	0.44%	(0.1)	0.0	0.1	0.2
Green Datacenter AG	Switzerland	1.37%	1.37%	0.1	0.0	0.2	0.1
Cool Holding Ltd	Israel	-	-	-	-	9.3	9.4
CVC 2 B.V.	The Netherlands	30.2%	-	(47.0)	-	(63.7)	-
Altice Content Luxembourg S.à r.l.	Luxembourg	24.0%	-	0.2	-	49.6	-
Winreason S.A.	Portugal	-	-	0.0	(0.0)	0.9	0.4
Total				**99.5**	**(149.9)**	**926.0**	**3,278.2**

The variation in non-controlling interests was mainly due to:

1. Acquisition of an additional stake in NSFR via the buyout of Vivendi's 20% stake (€ 2.3 billion)
2. The contribution of 30.2% of the shares held by the vendors in Cequel Corp via CVC 2 B.V. (€ (50.9) million)
3. The acquisition of a minority stake in Altice Content Luxembourg by the majority owner of Next Radio T.V. (€49.5 million)

3.1.2 Variations in non-controlling interests

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

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Balance at beginning of year	**3,278.2**	**(0.5)**
Share of profit/(loss) for the period/year	99.4	(149.9)
Other comprehensive income	7.3	(43.6)
Transactions with non-controlling interests in NSFR S.A.	(2,492.2)	3,468.2
Transactions with non-controlling interests in Dominican entities	0.0	2.5
Non-controlling interests on acquisition of Portugal Telecom	0.5	-
Transactions with non-controlling interests in Altice Blue Two S.A.S.	(0.0)	0.3
Transactions with non-controlling interests in CVC 2 B.V.	(17.1)	
Transactions with non-controlling interests in Altice Content Luxembourg S.A.	50.0	
Other variations	-	0.6
Balance at end of year	**926.0**	**3,278.2**

Summarized financial information in respect of each of the Group's subsidiaries that has material non-controlling interests is set out below.

The summary financial information below represents amounts before intragroup elimination:

3.1.2.1 Numericable-SFR S.A.

Numericable-SFR SA	**For the year ended December 31, 2015**
	(In millions €)
Non-current assets	26,445
Current assets	3,637
Net Equity	4,267
Non-current liabilities	18,981
Current liabilities	6,833

Numericable-SFR SA	**For the year ended December 31, 2015**
	(In millions €)
Revenues	11,039
Net income for the period	682
Total comprehensive income	708

Numericable-SFR SA	**For the year ended December 31, 2015**
	(In millions €)
Net cash inflows from operating activities	3,135
Net cash outflows from investing activities	(1,732)
Net cash inflows from financing activities	(1,758)

3.1.2.2 Cequel Corporation (Suddenlink LLC)

Cequel Corporation	**For the year ended December 31, 2015**
	(In millions €)
Non-current assets	9,624.3
Current assets	297.8
Net Equity	2,053.3
Non-current liabilities	7,360.0
Current liabilities	508.8

Cequel Corporation	**For the year ended December 31, 2015**
	(In millions €)
Revenues	2,181.4
Net loss for the period	(208.5)
Total comprehensive income	(208.5)

Cequel Corporation	**For the year ended December 31, 2015**
	(In millions €)
Net cash inflows from operating activities	596.5
Net cash outflows from investing activities	(432.9)
Net cash inflows from financing activities	(235.1)

3.2 Modification of the scope of consolidation

3.2.1 Main changes in consolidation scope in 2015

Acquisition of Cequel Corporation

In May 2015, the Group signed a definitive agreement to acquire 70% of the share capital in Cequel Corporation (“Cequel”,”Suddenlink”) from existing shareholders BC Partners, CPP Investment Board and Suddenlink management. BC Partners and CPP Investment Board retained a 30% stake in Suddenlink at closing.
Suddenlink is the 7th largest US cable operator with 1.5 million residential and 90,000 business customers. With operations primarily focused in Texas, West Virginia, Louisiana, Arkansas and Arizona, Suddenlink is present in attractive growth markets for both residential and business services.

Debt issuance at Suddenlink is ring-fenced from the existing indentures currently in place within the Altice Group, and Suddenlink is not restricted under such indentures.
A total of $1,720 million of new debt was issued by the Group to finance this acquisition (see note 16.2) Altice’s portion of the equity contribution was drawn under the Altice corporate facility, entered into in October 2015 (see note 16.2).

For the year ended December 31, 2015, Suddenlink contributed €65.7 million to revenues, €9.1 million to operating profit and €10.4 million to Group net loss.

The profit and loss statement for Suddenlink for the period not consolidated in the Group is presented in note *3.3 Acquisitions of businesses.*

The transaction was closed on December 21, 2015 and the acquisition was recorded in the consolidated financial statements of the Company in accordance with IFRS 3, *Business Combinations*. A preliminary purchase price allocation was performed and recorded in the consolidated statement of financial position for the year ended December 31, 2015. For more information, see note 5.1.

PT Portugal ("PT Portugal" ;"PT")

On June 2, 2015, the Company, through its indirect subsidiary, Altice Portugal, successfully completed the previously announced acquisition of a 100% stake in the Portuguese assets of PT Portugal S.G.P.S ("PT"). PT is the incumbent telephone operator in Portugal and the largest operator of fixed and mobile services in the country and an industry leader in fixed-mobile convergence. Through this acquisition, the Group has further strengthened its position in the Western European market and especially its reputation as a leader in fixed-mobile convergence.

Since June 2, 2015, PT contributed €1,353.0 million to Group revenues and €129.9 million to Group operating profit and €74.0 million to Group net loss.
A preliminary purchase price allocation has been recorded in the consolidated statement of financial position for the year ended December 31, 2015. Details are provided in note 5.1.
The profit and loss statement for Portugal Telecom for the period not consolidated in the Group is presented is note

As part of the purchase agreement entered into with the vendor, the Group is protected against any cash claims that claimants might have or might obtain as a result of rulings on on-going litigations. In the event that such litigation existed prior to the acquisition of PT by Altice, the Group can claim indemnities from the vendor to cover cash payments that it might be directed to make.

Strategic partnership with Next RadioTV media group

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

The Company, through its indirect subsidiary, Altice Content Luxembourg, is a co-investor in Groupe News Participations S.A.S ('GNP'), of which it owned 49% of the economic and voting rights as of December 31, 2015. Mr. Alain Weill owns the remaining 51% through his holding, News Participations ('NP'). On December 17, 2015, GNP notified the *Autorité de marchés financiers* (the "AMF") of its intention to file a public tender for the outstanding shares of Next Radio TV. The public tender offer was successfully closed on February 1, 2016.

The acquisition of a stake in GNP was completed on December 9, 2015 and is accounted for in accordance with the equity method as of December 31, 2015, as the Company has determined that it exercised a significant influence over GNP by virtue of the economic rights and governance rights that it has obtained as a result of its investment. For more information, see note 8.

Sale of OMT's mobile business

During the year ended December 31, 2014, the Group has agreed to dispose of OMT's mobile business in the Reunion Island and Mayotte as part of the acquisition of SFR by the Group.
These assets were considered as assets held for sale as per the requirements of IFRS 5, Non-current assets held for sale and discontinued operations as at December 31, 2014. As at December 31, 2014, OMT's mobile business were accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale"(see note 4.4 Assets held for sale).

The Group entered into an exclusivity agreement with Hiridjee Group, owner of Telma, a Madagascar based Telecoms Company on March 6, 2015 and the offer was filed for approval with the French anti-trust authorities, who subsequently approved the sale on June 21, 2015. The transaction was closed on July 31, 2015.

The divesture was closed for an enterprise value of €80.0 million. The net gain on the disposal amounts to €27.5 million recorded under the caption 'net result on disposal of businesses' in the consolidated statement of income.

3.2.2 Transactions in progress as of December 31, 2015

Expected acquisition of Cablevision

In September 2015, the Group and Cablevision Systems Corporation ("CVC") have entered into a definitive agreement for Altice to acquire Cablevision. The acquisition of Cablevision represents Altice's next step in the US market following the announced acquisition of Suddenlink (see paragraph ***Acquisition of Cequel Corporation***). A Combination between Cablevision and Suddenlink would represent the 4th largest cable operation in the US market.

Cablevision is the leading operator in the New York metropolitan area (New York, New Jersey, Connecticut) which represents the most attractive US cable market characterized by affluence and population density. With a network passing more than 5 million premises Cablevision serves more than 3.1 million residential and business customers. With approximately 65% of its cable customers subscribing to triple-play services, Cablevision generates industry-leading ARPU and benefits from high customer loyalty.

The planned acquisition also includes:

- Lightpath, the company's business services unit
- News 12 Networks "as local as local news gets" is the first, largest, and most-watched 24-hour local television news network in the US, delivering local news to more than 3.7 million homes in the New York tri-state area
- Newsday Media Group with Newsday, the Pulitzer Prize-winning newspaper distributing to over 1.8 million weeklies on Long Island, and amNewYork, the prominent free daily newspaper in the US with a circulation of approximately 300,000
- Cablevision Media Sales, the company's advertising sales division.

Cablevision generated $6,509.7 million in revenue on a consolidated basis for the year ended December 31, 2015. Cablevision's cable and Lightpath businesses generated $6,200.6 million over the same period with a balanced mix between video, broadband, telephony and business services.

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

Existing debt at CVC: $5.9 billion

New debt issued by Altice: $8.6 billion

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

Altice equity contribution (70%): $2.3 billion

Expected cash at CVC at closing: $0.9 billion

To finance the acquisition, Altice N.V. launched a capital increase as of October 1, 2015 in which it raised a total capital of €1.6 billion. The remaining equity portion will be drawn under the Altice corporate facility, entered into in October 2015 (see note 16.5). Additionally, on October 27, 2015, the Company reached an agreement with BC partners and CPP Investment Board to lock in their commitment to purchase a 30% equity stake in CVC. The new debt issued by the Group is currently held in escrow and will be assumed by CVC upon closing.

The new debt issuance mentioned above was closed into escrow on October 9, 2015. Debt issuance at Cablevision will remain ring-fenced from the existing indentures currently in place within the Altice Group, and Cablevision will hence not be restricted under such indentures.

For more information on the share issuance and new debt issuance, see note 13 and 16.

Disposal of Cabovisao and ONI

On September 15, 2015, Altice NV announced that it had reached an agreement with Apax Partners to sell the Portuguese entities Cabovisao and ONI, a condition imposed by the European commission when approving the purchase of Portugal Telecom by Altice. As of December 31, 2015, the assets and liabilities of Cabovisao and ONI were classified as held for sale in the consolidated financial statements of the company. The sale was concluded on January 20, 2016, after regulatory approval were obtained. Refer to Note 35 on subsequent events

3.3 Acquisitions of businesses

Business combinations that occurred during the reporting period are described in note 3.2.
The major classes of assets acquired and liabilities assumed at the acquisition date are:

	Total Business Combinations	**PT**	**Suddenlink**
	(In millions €)		
Consideration transferred	2,214.2	195.1	2,019.1
ASSETS			
Intangible assets	7,738.9	2,107.3	5,631.6
Property, plant and equipment	4,996.3	2,977.8	2,018.5
Non-current financial assets	32.0	32.0	-
Deferred tax assets	421.3	421.3	-
Investments in associates	9.0	9.0	-
Other non-current assets	(3.6)	4.1	(7.7)
Inventories	58.1	58.1	-
Trade receivables and others	1,042.0	844.1	197.9
Tax receivables	20.1	20.1	-
Cash and cash equivalents	195.2	80.6	114.6
Other current assets	-	-	-
Total assets	**14,509.4**	**6,554.4**	**7,955.0**
EQUITY AND LIABILITIES			
Non-current liabilities	13,161.0	5,835.7	7,325.3
Current liabilities	2,888.8	2,380.1	508.7
Total liabilities	**16,049.8**	**8,215.8**	**7,834.0**
Net assets	(1,540.4)	(1,661.8)	121.0
Goodwill	***3,754.6***	***1,857.0***	***1,898.1***

Refer to note 5.1 for description of the fair value recognized.

Profit and loss before acquisition by the Group

The profit and loss of those new subsidiaries not consolidated from January 1, 2015, for the period from January 1, 2015 to the date of their entry into the Group's accounts is given below:

	PT	Suddenlink	Total
		In € millions	
Revenues	**983.4**	**2,115.7**	**3,099.1**
Purchases and subcontracting services	(207.6)	(667.2)	(874.8)
Other operating expenses	(243.9)	(350.8)	(594.7)
Staff costs and employee benefits	(162.2)	(515.9)	(678.1)
Depreciation and amortisation	(261.7)	(485.6)	(747.3)
Other expenses and income	(39.8)	(72.7)	(112.5)
Operating profit	**68.2**	**23.5**	**91.7**
Profit for the period	**121.6**	**(198.1)**	**(76.5)**

Had the acquisitions listed above all been completed as of January 1, 2015, on a pro-forma basis, the Group would have had revenues of €17,581.3 million (after net intercompany eliminations of €68.1 between various Group companies on a pro-forma basis) for the year ended December 31, 2015.

3.4 Change in the Company's ownership interest in 2015

Buy-out of minorities in Numericable-SFR

On May 6, 2015, the Company, through its subsidiaries Altice France Bis S.à r.l., and Numericable-SFR successfully concluded the acquisition of an additional 20% stake in Numericable-SFR, for a price of 40 euros per share. Numericable-SFR ("NSFR") acquired half of Vivendi's stake through a share buyback program while the remainder of Vivendi's stake was acquired by Altice France Bis S.à .r.l., a wholly owned subsidiary of Altice France S.A.

NSFR financed its portion of the share purchase partly using cash on balance sheet for an amount of €897 million and drawing on its revolving credit facility for the remainder (€1,050 million). The purchase of the NSFR shares by Altice France Bis S.à r.l. was financed by a vendor loan from Vivendi to Altice France Bis S.à r.l. for an amount of €1,948 million. Initially this vendor loan bore interests at 3.8% annually, which was reduced in August 2015 to 1.2% annually and was due by April 7, 2016. This loan was paid in December 2015, refer to note 16.5.

This transaction has in particular resulted in the termination of the shareholders' agreement and the call options agreements entered into between Altice France and Vivendi in connection with the SFR acquisition. Upon this transaction, Altice's stake in the share capital and voting rights of NSFR increased from 60.4% to 78.2% following the cancellation of the treasury shares acquired by NSFR as approved by NSFR Board of Directors on May 28, 2015.

Furthermore, the Group and Vivendi agreed on a purchase price adjustment (as per the sale and purchase agreement) of €120 million payable by Vivendi (related to net debt adjustments at closing), related to the acquisition of SFR (see note 4.2.3).

As part of this agreement, the earn-out of €750 million due to Vivendi and contingent upon the completion of certain financial and operational KPIs was extinguished resulting in a gain of €643.5 million (See note 26.2).

On July 31, 2015, the Group acquired 1,298,398 shares in Numericable-SFR at a price per share of €49.75.

The total consideration paid for the transaction was €64.6 million.

On August 5, 2015, the Group acquired 16,197 additional shares in Numericable-SFR at a price per share of €50.11. The total consideration of the transaction was €0.8 million. The Group acquired another lot of 29,338 shares of NSFR at €51 per share, with a total consideration paid of €1.5 million.

In November 2015, various managers of NSFR exercised part of their stock options that had partially vested. NSFR issued new shares to finance the operation, leading to the issuance of shares totalling €26.0 million.

Following these three transaction, Altice's stake in NSFR decreased to 78.14%.

New shares issued to the managers of Outremer Telecom and Altice

In July 2015, Altice S.A. performed capital increases for an aggregate amount of € 11.1 million in order to issue new shares to certain managers and co-owners of Outremer Telecom as part of an earn out linked to the initial acquisition of Outremer Telecom and also to issue new shares to new members of the Group's management team who have made equity investments in the Group as part of the management investment plan put in place by the Company.

4. Segment reporting

4.1 Definitions of segments

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

The following geographies have been identified:

- US (following the acquisition of Suddenlink),
- France,
- Israel,
- Dominican Republic,
- Portugal,
- Others (French Overseas Territories / Belgium and Luxembourg / Switzerland / Content / Corporate entities)

In addition, in order to better reflect the evolving business lines of the Group, the Board of Directors has decided to provide additional information on the revenue split as follows:

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

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

- France: This represents our largest segment, where we provide mobile and high speed internet services using our SFR and associated brands. We own Numericable-SFR, the second telecoms operator in France and provide services to residential (B2C) clients, business clients (B2B) and wholesale customers.

- Portugal: In Portugal, we own Portugal Telecom, the largest telecom operator in the country. As of December 31, 2015, we also owned Cabovisao and ONI (classified as held for sale). Portugal Telecom caters to fixed and mobile B2C, B2B and wholesale clients using the Meo brand.
- Israel: In Israel, we provide fixed and mobile services using our HOT and HOT Mobile brands to B2C, B2B clients. HOT also produces award winning exclusive content that it distributes using its fixed network.
- Dominican Republic: In the Dominican Republic, we provide fixed and mobile services to B2C, B2B and wholesale clients using the Tricom (cable network) and Orange (under licence) brands.
- US: we recently entered the US market with the closing of the Suddenlink transaction. Suddenlink provides fixed services to B2C, B2B and wholesale clients in seven states of the southern and central United States.

The presentation was amended for comparative purposes for the year ended December 31, 2014.

Given the constantly evolving nature of the Group and the increase in intersegment transactions, the Board of Directors has decided to modify the presentation of segment reporting and include intersegment transactions relating to revenues. The Board of Directors expects that such intersegment transactions will increase over time, as the Group becomes more integrated.

Intersegment revenues represented less than 0.5% of total revenues for the years ended December 31, 2015 and 2014, respectively, amounting to €69.2 million and €19.6 million respectively.

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

4.2 Financial 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 KPIs tracked by the Board of Directors are:

-Revenues (by segment and also in terms of activity),

-Adjusted EBITDA (by segment),

- Capital expenditure (capex) (by segment and also in terms of activity).

Adjusted EBITDA is defined as operating income before depreciation and amortization, and non-recurring items (capital gain, non-recurring litigation, restructuring costs) and other adjustment (equity based compensation expenses).

These measures are useful to readers of Altice's financial as it provides them with a measure of the operating results which excludes certain items that Altice management consider outside of its recurring operating activities or that are non-cash, making trends more easily observable and providing information regarding our operating results and cash flow generation that allows investors to better identify trends in its financial performance.

This non-IFRS GAAP measure is 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.

The Group's subtotal within operating income 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 this measure do ultimately affect the operating results, which is also presented within the consolidated financial statements in accordance with IAS 1 "Presentation of Financial Statements".

Capital expenditure (Capex) is an important indicator to follow, as the profile varies greatly between the two 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 are mainly driven by investment in new mobile sites, upgrade to new mobile technology and licenses to operate. Once Capex are engaged and operational, there are limited Capex requirement.

The Board of Directors believes with the inclusion of SFR and Portugal Telecom, the operations in the French Overseas Territories, Belgium & Luxemburg, Switzerland and in the Content industry are not substantial enough to require a separate reporting segment, and will be reported under "Other".

4.3 Segment information

4.3.1 Operating income per geographical segment

	December 31, 2015						
(in € millions)	**France (*)**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Standalone revenues	**11,039.0**	**1,496.1**	**923.3**	**694.4**	**65.7**	**400.5**	**14,619.0**
Intersegment eliminations	(21.2)	(3.9)	-	-	-	(44.1)	(69.2)
Group consolidated revenues	**11,017.9**	**1,492.3**	**923.3**	**694.4**	**65.7**	**356.4**	**14,550.3**
Purchasing and subcontracting	(3,862.0)	(324.8)	(221.8)	(141.3)	(19.7)	(84.0)	(4,653.6)
Other operating expenses	(2,447.0)	(327.6)	(197.2)	(166.0)	(9.9)	(85.9)	(3,233.7)
Staff costs and employee benefit expenses	(877.0)	(201.2)	(73.7)	(27.1)	(5.2)	(58.0)	(1,242.1)
Total	**3,831.9**	**638.7**	**430.5**	**360.4**	**30.9**	**128.6**	**5,420.9**
Non-recurring items and other adjustments in EBITDA	54.8	-	-	-	-	18.5	73.3
Adjusted EBITDA	**3,886.7**	**638.7**	**430.5**	**360.4**	**30.9**	**147.2**	**5,494.2**
Depreciation and amortisation	(2,643.4)	(462.1)	(326.1)	(176.3)	(21.4)	(123.4)	(3,752.8)
Impairment losses (1)	-	-	-	-	-	(20.9)	(20.9)
Non-recurring items and other adjustments in EBITDA	(54.8)	-	-	-	-	(18.5)	(73.3)
Non-recurring items and other adjustments	(340.6)	(52.6)	(19.6)	(8.1)	(0.3)	(4.8)	(426.0)
Operating profit	**847.9**	**124.0**	**84.8**	**176.0**	**9.1**	**(20.4)**	**1,221.3**

	December 31, 2014 (Revised)*						
(in € millions)	**France (**)**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Revenue	**2,057.7**	**183.0**	**857.4**	**464.5**	**-**	**391.6**	**3,954.1**
Intersegment eliminations	**(8.1)**	**(0.2)**	**-**	**-**	**-**	**(11.5)**	**(19.6)**
Group consolidated revenues	**2,049.6**	**182.8**	**857.4**	**464.5**	**-**	**380.1**	**3,934.5**
Purchasing and subcontracting	(676.8)	(77.9)	(173.5)	(100.9)	-	(89.1)	(1,118.2)
Other operating expenses	(530.8)	(31.7)	(191.4)	(118.6)	-	(87.5)	(960.0)
Staff costs and employee benefit expenses	(191.3)	(15.6)	(80.7)	(19.3)	-	(57.6)	(364.5)
Total	**650.7**	**57.7**	**411.8**	**225.7**	**-**	**145.9**	**1,491.7**
Non-recurring items and other adjustments in EBITDA	7.4	-	-	-	-	12.2	19.7
Adjusted EBITDA	**658.1**	**57.7**	**411.8**	**225.7**	**-**	**158.2**	**1,511.3**
Depreciation and amortisation	(546.2)	(74.2)	(293.8)	(106.5)	-	(92.0)	(1,112.7)
Impairment losses (2)	-	(8.3)	-	-	-	(5.4)	(13.7)
Non-recurring items and other adjustments in EBITDA	(7.4)	-	-	-	-	(12.2)	(19.7)
Non-recurring items and other adjustments	(101.3)	(14.6)	(17.1)	(66.6)	-	(40.0)	(239.6)
Operating profit	**3.2**	**(39.4)**	**100.9**	**52.6**	**-**	**8.5**	**125.7**

(*) For the revision impact please see note 32

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

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

(2) - Includes an expense of €5.4 million related to the impairment of the Numericable brand used in the Belgium and Luxembourg segment following the acquisition of a controlling stake in the Numericable Group in February 2014 and an impairment of the ONI brand in Portugal for €8.3 million.

4.3.2 Non-recurring items and other adjustments

Restructuring, deal fees and related expenses incurred during the year ended December 31, 2015 and December 31, 2014 pertain mainly to transaction costs and one-off payment made to parties involved in the acquisitions or other similar operations. Details are given below:

(In € millions)	**December 31, 2015**	**December 31, 2014**
Non-recurring items and other adjustments in EBITDA		
Stock option expenses	28.0	19.7
Other adjustments (1)	45.3	-
Total non-recurring items and other adjustments in EBITDA	**73.3**	**19.7**
Non-recurring items and other adjustments below EBITDA		
Restructuring costs (3)	116.7	67.5
Deal fees (2)	66.7	109.4
Other expenses net	58.1	43.1
Loss on disposals of tangible assets	183.8	19.7
Non-recurring items and other adjustments below EBITDA	**426.0**	**239.6**
Total non-recurring items and other adjustments	**499.3**	**259.3**

(1) Other adjustments relate to costs of renegotiated contracts with suppliers in France which are recorded under new contract terms in the consolidated statement of income.

(2) Deal fees do not include any financing costs, as these are capitalised and amortised as per the requirements of IAS 39, financial instruments. Thus the deal fees shown above only include discretionary fees paid to legal counsel, M&A counsel and any other parties consultants whose services the Group might have employed in order to facilitate various acquisitions performed during the course of the year.

(3) Restructuring costs mainly include costs related to provisions for employee redundancies and contract termination fees

(4) Loss on the disposal of assets: Mainly related to a loss recognized on the disposal of the network of Sequalum in France for an amount of €116 million, refer to note 31

4.3.3 Revenue split by activities

Intersegment revenues represent less than 0.5% of total revenues.

Revenues split by activity are presented below:

	December 31, 2015						
(in € millions)	**France(*)**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Fixed - B2C	2,873.1	484.6	645.3	106.9	52.2	141.3	**4,303.4**
Fixed - B2B	1,402.8	299.7	72.9	37.8	8.8	28.8	**1,850.7**
Wholesale	1,328.1	170.5	-	62.7	1.6	10.6	**1,573.4**
Mobile - B2C	4,722.2	346.3	151.0	414.0	-	99.6	**5,733.2**
Mobile - B2B	712.9	122.5	54.0	50.7	-	4.8	**944.9**
Other	-	72.6	-	22.7	-	115.5	**214.0**
Total standalone	**11,039.0**	**1,496.1**	**923.3**	**694.4**	**65.7**	**400.5**	**14,619.0**
Intersegment adjustment	(21.2)	(3.9)	-	-	-	(44.1)	**(69.2)**
Total	**11,017.9**	**1,492.3**	**923.3**	**694.4**	**65.7**	**356.4**	**14,550.3**

	December 31, 2014						
(in € millions)	**France(*)**	**Portugal**	**Israel**	**Dominican Republic**	**United States**	**Others**	**Total**
Fixed - B2C	880.2	96.8	614.1	70.4	-	149.4	1,811.0
Fixed - B2B	374.0	57.0	66.4	34.8	-	30.2	562.4
Wholesale	270.1	28.5	-	20.7	-	5.9	325.2
Mobile - B2C	471.0	-	128.6	281.3	-	119.2	1,000.0
Mobile - B2B	65.8	-	48.3	32.4	-	6.8	153.2
Other	(3.3)	1.1	-	25.3	-	80.4	103.5
Total Standalone	**2,057.7**	**183.0**	**857.4**	**464.5**	-	**391.6**	**3,954.1**
Adjustments	(8.1)	(0.2)	-	-	-	(11.5)	(19.6)
Total	**2,049.6**	**182.8**	**857.4**	**464.5**	-	**380.1**	**3,934.5**

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

4.3.4 Capital expenditure

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

	December 31, 2015						
(in € millions)	**France [(1)]**	**Portugal**	**Israel**	**Dominican Republic**	**US**	**Others**	**Total**
Capital expenditure	2,369.7	208.6	284.9	124.1	23.5	93.3	3,104.1

	December 31, 2014						
(in € millions)	**France**	**Portugal**	**Israel**	**Dominican Republic**	**US**	**Others**	**Total**
Capital expenditure	532.2	24.3	224.7	78.6	-	105.4	965.2

(1) The Group incurred a one-off capital expenditure of €477.0 million related to the acquisition of the 700 Mhz spectrum in France, which remains unpaid as of December 31, 2015.

4.4 Assets held for sale

Sale of OMT's mobile business

The Group has agreed to dispose of OMT's mobile business in the Reunion Islands and Mayotte. The Group was in negotiation with the Hiridjee Group, the owners of Telma, a Madagascar based Telecoms Company. The transaction was approved for sale by the French anti-trust authorities on June 21, 2015.

These assets were considered as assets held for sale as per the requirements of IFRS 5, *Non-current assets held for sale and discontinued operations* as at December 31, 2014. As at December 31, 2014, OMT's mobile business was accounted for under two separate lines in the statement of financial position which are "Assets classified as held for sale" and "Liabilities directly associated with assets classified as held for sale". The same accounting treatment was applied until completion of the sale.

These assets were reported in the "Other" segment.

The divesture was successfully closed on July 31, 2015 for an enterprise value of €80.0 million (excluding any eventual purchase price adjustments). Thus, following the sale, this business was de-consolidated from the consolidated financial statements of the Group for the year ended December 31, 2015. Parties have agreed that no purchase price adjustments were due.

The net book value of the business sold amounted to €53.8 million, thus generating a gain on disposal of €27.5 million, which is presented as a separate line item on the consolidated statement of income, given the non-recurring nature of this transaction.

ONI and Cabovisao businesses in Portugal

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

On September 15, 2015, the Group has entered into a sale and purchase agreement with Apax France to sell the two business. The transaction was subject to regulatory review by the European Commission and Portuguese authorities and approved in December 2015.

The disposal occurred on January 19, 2016, refer to note 35.

These assets are reported in the 'Portugal' segment.

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

Statement of financial position

(In € millions)	**December 31, 2015**			**December 31, 2014**
	Cabovisao	*ONI*	*Total*	*FOT (1)*
Goodwill	-	1.3	1.3	35.3
Tangible and intangible assets	12.4	80.6	93.0	34.8
Other non-current assets	0.5	0.0	0.5	7.2
Other current assets	12.4	14.9	27.3	
Total assets held for sale	**25.3**	**96.8**	**122.1**	**77.3**
Other non-current liabilities	7.9	2.4	10.2	2.4
Current trade payables	24.3	18.8	43.1	11.1
Other current liabilities	19.1	12.2	31.3	9.0
Total liabilities related to asset held for sale	**51.3**	**33.3**	**84.6**	**22.5**

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

Statement of financial income (From the date of classification as held for sale)

(In € millions)	**December 31, 2015**		**December 31, 2014**
	Cabovisao	*ONI*	*FOT*
Revenues	62.5	37.3	8.5
Operating profit	15.2	7.9	1.0
Finance costs, nets	(2.3)	(3.5)	-
Income tax	(0.1)	(0.1)	(0.4)
Net income attributed to assets held for sale	**12.8**	**4.2**	**0.6**

Statement of cash flows

(In € millions)	December 31, 2015		December 31, 2014
	Cabovisao	*ONI*	*FOT*
Net cash provided by operating activities	16.7	6.9	13.7
Net cash used in investing activities	(12.5)	(11.8)	(3.6)
Net cash used in financing activities	-	4.9	-
Net change in cash and cash equivalents	**4.2**	**-**	**10.1**

5. Goodwill

Goodwill recorded on the statement of financial position of the Company was allocated to the different groups of cash generating units as defined by the group. Summary of goodwill recognized on different acquisitions is provided below:

	December 31, 2014 (revised)*	**Recognized on business combinations**	**Variations**	**Impairment losses**	**Changes in foreign currency translation**	**Held for sale**	**Disposals**	**December 31, 2015**
				(In million €)				
France	**11,565.3**	-	-	-	-	-	-	**11,565.3**
US	-	1,898.1	-	-	(3.8)	-	-	**1,894.3**
Portugal	**1.3**	1,857.0	-	-	-	(1.3)	-	**1,857.0**
Israel	**627.2**	-	-	-	70.6	-	-	**697.8**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French overseas territories	**281.1**	-	-	-	-	-		**281.1**
Belgium and Luxembourg	**295.5**	-	-	-	-	-		**295.5**
Switzerland	**18.2**	-	-	-	0.1	-	-	**18.2**
Total Gross Value	**13,560.1**	**3,755.1**	**-**	**-**	**158.5**	**(1.3)**	**-**	**17,468.4**
France	-	-	-	-	-	-	-	-
US	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Israel	**(129.4)**	-	-	-	**(14.7)**	-	-	**(144.2)**
Dominican Republic	-	-	-	-	-	-	-	-
French overseas territories	**(846)**	-	-	-	-	-	-	**(4.6)**
Belgium and Luxembourg	-	-	-	-	-	-	-	-
Switzerland	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(134.0)**	**-**	**-**	**-**	**(14.7)**	**-**	**-**	**(148.8)**
France	**11,565.5**	-	-	-	-	-	-	**11,565.5**
US	-	1,898.1	-	-	(3.8)	-	-	**1,894.3**
Portugal	**1.3**	1,857.0	-	-	-	(1.3)	-	**1,857.0**
Israel	**497.8**	-	-	-	55.8	-	-	**553.6**
Dominican Republic	**767.3**	-	-	-	91.6	-	-	**858.9**
French overseas territories	**276.5**	-	-	-	-	-	-	**276.5**
Belgium and Luxembourg	**295.5**	-	-	-	-	-	-	**295.5**
Switzerland	**18.2**	-	-	-	0.1	-	-	**18.2**
Total Net book value	**13,422.1**	**3,755.1**	**-**	**-**	**143.9**	**(1.3)**	**-**	**17,319.8**

(*) Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2014. For the details of the revision see note 32

	December 31, 2013	Recognized on business combina-tions	Variations	Impairment losses	Changes in foreign currency translation	Held for sale	Disposals	December 31, 2014 (revised)*
				(In millions €)				
France	-	11,565.3	-	-	-	-	-	11,565.3
Portugal	1.3	-	-	-	-	-	-	1.3
Israel	620.3		-	-	6.9	-	-	627.2
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
French overseas territories	298.5	17.9	-	-	-	(35.3)	-	281.1
Belgium and Luxembourg	295.5	-	-	-	-	-	-	295.5
Switzerland	17.8	0.5	-	-	-	-	-	18.3
Total Gross Value	**1,233.4**	**12,251.6**	**-**	**-**	**106.2**	**(35.3)**	**-**	**13,556.1**
France	-	-	-	-	-	-	-	-
Portugal	-	-	-	-	-	-	-	-
Israel	(128.0)	-	-	-	(1.4)	-	-	(129.4)
Dominican Republic	-	-	-	-	-	-	-	-
French overseas territories	(4.60)	-	-	-	-	-	-	(4.6)
Belgium and Luxembourg		-	-	-	-	-	-	
Switzerland	-	-	-	-	-	-	-	-
Total Cumulative impairment	**(132.6)**	**-**	**-**	**-**	**(1.4)**	**-**	**-**	**(134.0)**
France	-	11,565.5	-	-	-	-	-	11,565.5
Portugal	1.3	-	-	-	-	-	-	1.3
Israel	492.3		-	-	5.5	-	-	497.8
Dominican Republic	-	668.0	-	-	99.3	-	-	767.3
French overseas territories	293.9	17.9	-	-	-	(35.3)	-	276.5
Belgium and Luxembourg	295.5	-	-	-	-	-	-	295.5
Switzerland	17.8	0.5	-	-	-	-	-	18.3
Total Net book value	**1,100.7**	**12,251.6**	**-**	**-**	**104.8**	**(35.3)**	**-**	**13,422.1**

(*) Revised information presents previously published information adjusted to take into account, amongst other items, the impact of the final purchase price allocations of different Group entities acquired during the Financial Year ended December 31, 2014. For the details of the revision see note 32

5.1 Purchase price allocation

During the year ended December 31, 2015, the Group has finalised the purchase price allocation following the acquisition of SFR S.A., Virgin Mobile, Numericable Group S.A., Altice Hispaniola S.A. and Tricom S.A. Additionally, preliminary purchase price allocations were performed for PT-Portugal and Cequel Corp. A summary of the different fair values attributed to different acquisitions is given below:

5.1.1 France - Numericable Group S.A. ("NG")

The purchase price allocation regarding acquisition of Numericable Group S.A. has been completed and the final fair value of the asset acquired at the date of acquisition were as follows:

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

The Group identified the following assets and liabilities at acquisition, which were revalued at their fair value. The results are presented below:

a) Property, plant and equipment: the Board of Directors appointed an independent expert to determine the fair value of the fixed cable and network infrastructure owned and operated by NG. The expert used the replacement cost method to calculate the fair value of NG's tangible assets, based on inputs from the Board of Directors and NG's own technical teams. As of December 31, 2014, the evaluation had been completed and a fair value adjustment of €266.2 million (€174.5 million net of deferred taxes) was allocated to the property, plant and equipment of NG.

b) Customer relationships: €239.7 million (€157.1 million net of deferred tax), was recognised and allocated amongst the type of customers. The average useful life of the assets was determined based on specific reporting segments of the target and are summarised below. The fair value of client relationships was identified for each operating segment, namely B2C, B2B and wholesale.

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

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the year ended December 31, 2015:

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

5.1.2 France - Société Francaise de Radiophonie ("SFR") and Virgin Mobile ('Virgin')

In accordance with the provisions of IFRS 3, the Group has completed the assessment of the fair value of the purchase price allocation of SFR and Virgin (acquired on November 28, 2014 and December 4, 2014 respectively).

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

a) Customer relationships for the reporting segments of the NSFR group, namely B2C and B2B customers. Customer relationships were valued using the excess earnings method and their useful life will reflect the economic useful life. The fair value of customer relationships was recognized at €2,675 million

(€1,753.9 million net of taxes). In addition to the customer relations recorded at SFR, the customer relationships at Virgin mobile were recognized at €160 million (€104.9 million net of taxes). Customer relationship will have an average useful life of nine years.

b) Brand: The SFR brand and all its associated sub-brands (such as SFR business team, Red etc) were recognized at their fair value based on the relief from royalty method. The fair value of the brand was recorded at €1,050 million (€688.5 million net of taxes). The SFR brand name has been determined to have a useful life of 15 years.

The hypotheses used to determine the fair values at acquisition were:

a) Attrition rate, evolution of the average revenue per unit ("ARPU") and operating margins for customer relationships

b) Royalty rate and useful life for the SFR brand.

Goodwill is explained by synergies expected from the acquisition, which are currently being implemented in various operational functions of the NSFR group.

As of the date of acquisition, SFR had provided for an on-going litigation with Outremer Telecom, reported in our 'Others' segment, for a total amount of €17.5 million. This provision was reversed and adjusted against the goodwill at acquisition.

In addition, during the fourth quarter of 2014, Numericable-SFR S.A. informed Vivendi S.A. of a purchase price adjustment of up to €225 million. For the year ended December 31, 2015, the two parties finalised the purchase price adjustment at €120 million. This adjustment, being directly related to the consideration transferred to acquire the share capital of SFR S.A. was reflected in the amount of the Goodwill recognised at acquisition.

Following the purchase price allocation, the final allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the year ended December 31, 2015:

Total consideration transferred	€17,300.0 million
Fair value of identifiable assets, liabilities and contingent liabilities	€8,241.5 million
Goodwill	€9,053.5 million

5.1.3 Portugal Telecom

As mentioned in note 3.2, a preliminary purchase price allocation was performed for PT Portugal for the year ended December 31, 2015. The acquisition was completed on June 2, 2015.

Total consideration transferred to the vendors amounted to €195.1 million (excluding purchase price adjustments) on a cash free debt free basis.

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

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

b) Brand: The Meo brand was preliminary measured at its fair value using the relief from royalty method, and a useful life of 20 years. The fair value amounted to €160.0 million (€116.0 million net of taxes)

c) Frequencies: PT has invested in spectrum in order to provide mobile services. The mobile licenses were revalued for an amount of €56 million (€41.2m net of taxes).

Following the purchase price allocation, the preliminary allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the year ended December 31, 2015:

Total consideration transferred	€195.1 million
Fair value of identifiable assets, liabilities and contingent liabilities	€(1,661.8) million
Goodwill	€1,857.0 million

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

5.1.4 Suddenlink Communications

As mentioned in note 3.2, a preliminary purchase price allocation was performed for Suddenlink for the year ended December 31, 2015. The acquisition was completed on December 21, 2015.

The consideration transferred amounted to €2,019.1 million on a cash free, debt free basis.

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

a) Customer relationships: The fair value of customer relationships was measured using the excess earnings method and the useful life reflects the economic life of the asset. The total value was evaluated at €981.9 million.

b) Brand: The Suddenlink brand was preliminary measured at fair value for an amount of €34.8 million.

c) Franchise: Suddenlink has recorded its franchise rights at a fair value of €4,585.6 million. Franchise rights are concessions awarded by local municipalities for Suddenlink to conduct its business in its areas of operation

In addition, the Management recognized subscriber acquisition for a total amount of €10.7 million. Such costs were capitalised as they meet the criteria for accounting as intangible assets under IAS 38, ‘Intangible assets’. This was done as part of the harmonisation of accounting policies between Suddenlink and Group accounting policies.

Following the purchase price allocation, the preliminary allocation between the different classes of assets and liabilities is given below. The difference has been recorded as goodwill in the consolidated financial statements for the year ended December 31, 2015:

Total consideration transferred	€2,019.1million
Fair value of identifiable assets, liabilities and contingent liabilities	€121.0 million
Goodwill	€1,898.1 million

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

5.1.5 Dominican Entities

5.1.5.1 Tricom S.A. ("Tricom") and Global Interlinks ("GLX")

The purchase price allocation regarding Tricom and GLX has been completed.

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

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

a) Property plant and equipment: A final value of €22.3 million (€16.3 million net of taxes) was attributed to the property, plant and equipment of Tricom and GLX.

b) Brand: An additional value of €5.5 million (€4.0 million net of taxes) was attributed to the Tricom brand

c) Licences: Tricom's mobile licences were valued at €53.0 million (€38.7 million net of taxes).

d) Client relationships: €33.5 million was attributed to customer relationships (€24.5 million net of taxes).

Following the purchase price allocation, the residual amount of €72.7 million over the consideration paid was recognised as goodwill in the Group's consolidated financial statements as of December 31, 2015 and for the year then ended.

5.1.5.2 Altice Hispaniola ("ODO" or "Orange Dominicana S.A.")

The purchase price allocation regarding ODO has been completed.

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

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

a) Property plant and equipment: A final value of €5.2 million (€ 3.7 million net of taxes) was attributed to the property, plant and equipment of ODO.

b) Licences: ODO's existing mobile licences were valued at €59.1 million (€43.2 million net of taxes).

c) Client relationships: €79.2 million was attributed to customer relationships (€57.8 million net of taxes).

Following the purchase price allocation, the residual amount of €595.3 million over the consideration paid was recognised as goodwill in the Group's consolidated financial statements as of December 31, 2015 and for the year then ended.

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

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

5.2 Impairment of goodwill

The carrying amount of goodwill as at December 31, 2015 was €17,319.6 million (€13,422.1 million as of

December 31, 2014).

The Group has chosen to organise its GCGUs based on the geographies that it operates in. For more details on the GCGUs, please refer to the note 4 "Segment Reporting".

Goodwill is reviewed at the level of each GCGU annually for impairment and whenever changes in circumstances indicate that its carrying amount may not be recoverable. Goodwill was tested at the GCGU level for impairment as of December 31, 2015. The GCGU is at the country level where the subsidiaries operate. The recoverable amounts of the GCGUs are determined based on their value in use except for our French and US GCGUs for which we used their fair value less cost of disposal. The Group determined to calculate value in use for purposes of its impairment testing and, accordingly, did not determine the fair value of the GCGUs. The key assumptions for the value in use calculations are primarily the pre-tax discount rates, the terminal growth rate and the EBIT margin during the period. The impairment tests did not result in impairment for any periods presented in these consolidated financial statements.

The value in use of each GCGU was determined by estimating cash flows for a period of five years for the operating activities. Cash flow forecasts are derived from the most recent business plans approved by the Board of Directors. Beyond the specifically forecasted period of five years, the Company extrapolates cash flows for the remaining years based on an estimated constant growth rate between 1-2%. This rate does not exceed the average long-term growth rate for the relevant markets. Discount rates have been computed using WACC approach and range from 5.6% to 11%. Assumptions for churn rates and EBIT margin were based on historical experience and expectations of future changes in the market. Cash flow forecasts were derived from the most recent financial plans approved by the Board of Directors. Recurring capex is expected to be proportional to sales and thus is indexed to the growth in revenues.

From 2015 onwards, the Group has harmonised its accounting policy regarding brand names and has decided to amortise the brand names based on an individually determined useful life for each brand based on business and strategic considerations (range of 5-20 years).

In addition to using internal indicators to assess the carrying amount in use, the Board of Directors also relies on external factors which can influence the cash generating capacity of the CGUs and also indicate that certain factors beyond the control of the Board of Directors might influence the carrying amounts in use:

- Indicators of market slowdown in a country of operation
- Indicators of degradation in financial markets, that can impact the financing ability of the group
- Loss of liquidity in capital markets

The Group has made use of various external indicators and internal reporting tools to estimate the revenue growth rates considered for the purpose of impairment testing for the year ended December 31, 2015. A summary of the growth rates used is provided below. The growth rates are provided by individual subsidiary and the GCGU allocation is indicated.

	France (***)	**Portugal (*)**	**Israel**	**Dominican Republic**	**US (**)**	**Others**
Average perpetuity growth rate in 2015 (in %)	-	0.0	1.5	2.0	-	2.0
Average perpetuity growth rate in 2014 (in %)	-	2.0	1.5-2	2.0	-	2.0

(*) No impairment testing was performed for Cabovisao and ONI, as these assets were held for sale as of December 31, 2015. Management has assessed the carrying value in use based on the purchase price offered by the buyer and has determined that there is no indication of impairment to these businesses

(**) No impairment testing was performed for the US CGU, as the acquisition was closed on December 21, 2015 and a preliminary purchase price allocation is being performed by the Group.

(***) The impairment testing for France is based on the fair value less cost of disposal of Numericable-SFR (based on the observable share price), and thus no growth rate was determined.

The five year average EBIT margin considered for the purpose of impairment testing for different GCGUs is presented below:

	France(*)	**Portugal(**)**	**Israel**	**Dominican Republic**	**US (**)**	**Others**
5 year average EBIT margin (In %)..........	-	31.4	21.9	36.3	-	25.0

(*) – The impairment testing for France is based on the fair value less cost of disposal of Numericable-SFR (based on the observable share price), and thus the EBIT margin was not used.

(**) No determination of the value in use was performed for US CGU given the Group completed the acquisition in December 2015, the Management deemed that the price paid is an approximation of the fair value; a purchase price allocation is being performed by the Group.

Capex was indexed to the revenues, as the Board of Directors tracks the capex spend expressed in a % of sales as a key KPI. The Board of Directors believes that recurring capex should be related to the acquisition of new clients and hence is indexed to the growth in revenues.

The Board of Directors estimated discount rates using post-tax rates that reflected current market rates for investments of similar risk. The discount rate for the GCGUs was estimated from the weighted average cost of capital ("WACC") of companies which operate a portfolio of assets similar to those of the Company's assets.

	France	**Dominican Republic**	**Israel**	**French Overseas Territories**	**US**	**Others**
Post tax weighted average cost of capital 2015 (%)	-	9.5	10.0-11.0	7.8	9.0	5.6-7.1
Post tax weighted average cost of capital 2014 (%)	6.2	6.3	10.1	6.2	-	5.6-6.2

The results of the impairment testing did not result in goodwill impairment for the year ended December 31, 2015. However, following the discontinuation of the ONLY brand by the FOT segment (following the adoption of the SFR brand), an impairment of the ONLY brand was recorded for a total amount of €20.9 million euros.

In validating the value in use determined for the GCGU, key assumptions used in the discounted cash-flow model were subject to a sensitivity analysis so as to test the resilience of value in use. The sensitivity analysis of these GCGUs is presented below. The recoverable amount for an increase in the WACC or share price (for NSFR) is presented below:

	France	**Portugal**	**Dominican Republic**	**Israel**	**French Overseas Territories**	**Belgium and Luxembourg**	**Switzerland**
If	Decrease of 10% in share price	0.5% increase of WACC	0.5% increase of WACC	1% increase of WACC	0.5% increase of WACC	0.5% increase of WACC	0.5% increase of WACC
Excess of fair value less cost of disposal / value in use over carrying amount	4,212.9	848.2	864.9	114.6	245.4	1.0	151.3

The sensitivity analysis for a decrease in the perpetuity growth rate is given below:

	France	**Portugal**	**Dominican Republic**	**Israel**	**French Overseas Territories**	**Belgium and Luxembourg**	**Switzerland**
If	Decrease of 10% in share price	1% decrease of perpetuity growth rate					
Excess of fair value less cost of disposal / value in use over carrying amount	4,212.9	966.8	770.4	139.8	213.0	(26.1)	132.9

The analysis did not result in other scenarios whereby a reasonable possible change in the aforementioned EBIT margin would result in a recoverable amount for the GCGU which is inferior to the carrying value, if applied to any other GCGU.

6. Intangible assets

	December 31, 2014 (Revised)*	Additions and related depreciation and amortization	Disposals	Business Combinations	Changes in foreign currency translation adjustment	Held for sale or discontinued operations	Other	December 31, 2015
				(In millions €)				
Software	1,398.9	324.9	(52.1)	34.9	21.6	(20.0)	161.4	1,869.6
Brand name(5)	1,292.3	0.0	-	194.8	6.1	(53.8)	0.1	1,439.5
Customer relations(1)	3,610.4	15.0	-	2,228.9	47.0	(10.2)	11.7	5,902.9
Licenses (3)	2,144.4	476.5	(0.1)	4,641.8	7.7	(12.0)	(27.0)	7,231.4
R&D costs acquisitions…………	6.4	3.1	(0.0)	6.6	-	(0.1)	(0.5)	15.5
Subscriber acquisition costs(2)	412.4	131.7	(0.1)	10.7	29.5	(0.7)	45.4	628.8
Intangible assets under construction	165.7	161.6	(16.8)	44.1	0.5	(0.4)	(142.6)	212.0
Other intangible assets(4)	1,900.5	270.5	(220.5)	577.2	24.3	(14.8)	13.5	2,550.6
Total Gross Value	**10,930.9**	**1,383.4**	**(289.5)**	**7,738.9**	**136.7**	**(112.1)**	**62.0**	**19,850.3**
Software	(149.1)	(488.8)	44.0	-	(16.8)	16.8	(61.2)	(655.1)
Brand name(5)	(50.2)	(163.9)	-	-	(1.1)	31.9	-	(183.3)
Customer relations(1)	(220.7)	(577.1)	-	-	(19.0)	8.6	(8.1)	(816.2)
Licenses	(221.1)	(169.5)	-	-	(2.7)	7.6	(0.0)	(385.7)
R&D costs…………………	(0.7)	(6.2)	-	-	-	0.2	5.6	(1.1)
Subscriber acquisition costs(2)	(315.2)	(145.6)	0.0	-	(28.8)	0.1	(22.4)	(512.0)
Intangible assets under construction	0.1	-	-	-	-	-	-	0.1
Other intangible assets	(466.3)	(430.9)	97.0	-	(16.3)	2.8	35.3	(778.3)
Total Cumulative amortization and depreciation	**(1,423.1)**	**(1,981.9)**	**141.0**	**-**	**(84.8)**	**68.0**	**(50.8)**	**(3,331.7)**
Software	1,249.8	(163.9)	(8.1)	34.9	4.9	(3.3)	100.2	1,214.5
Brand name(5)	1,242.1	(163.9)	-	194.8	5.0	(21.8)	0.1	1,256.2
Customer relations(1)	3,389.7	(562.0)	-	2,228.9	28.0	(1.6)	3.6	5,086.6
Licenses	1,923.3	307.0	(0.1)	4,641.8	5.0	(4.4)	(27.0)	6,845.7
R&D costs………………	5.7	(3.1)	(0.0)	6.6	-	0.1	5.1	14.5
Subscriber acquisition costs(2)	97.2	(13.9)	(0.1)	10.7	0.6	(0.7)	23.0	116.8
Intangible assets under construction	165.8	161.6	(16.8)	44.1	0.5	(0.4)	(142.6)	212.1
Other intangible assets	1,434.2	(160.4)	(123.4)	577.2	7.9	(11.9)	48.8	1,772.4
Total Net book value	**9,507.8**	**(598.5)**	**(148.5)**	**7,738.9**	**51.9**	**(44.0)**	**11.2**	**16,519.0**

(*) For the revision impact please see note 32

	December 31, 2013	Additions and related depreciation and amortization	Disposals	Business Combinations	Changes in foreign currency translation adjustment	Held for sale or discontinued operations	Other	December 31, 2014 (Revised)*
				(In millions €)				
Software	91.2	22.9	-	1,272.4	6.6	-	5.7	1,398.9
Brand name(5)	129.9	0.4	(8.5)	1,157.1	2.2	(3.4)	14.6	1,292.3
Customer relations(1)	386.7	10.5	-	3,213.7	15.0	(15.5)	-	3,610.4
Licenses (3)	56.8	257.0	(19.2)	1,825.8	10.8	(2.4)	15.5	2,144.4
R&D costs acquisitions…………	3.8	0.8	-	2.2	-	(3.6)	3.3	6.4
Subscriber acquisition costs(2)	200.3	29.6	(0.1)	179.9	2.6	-	-	412.4
Intangible assets under construction	6.5	46.1	(7.8)	236.3	0.5	(0.1)	(116.0)	165.7
Other intangible assets(4)	186.3	198.4	(4.4)	1,495.7	4.9	(4.0)	23.5	1,900.5
Total Gross Value	**1,061.50**	**565.78**	**(39.88)**	**9,383.16**	**42.62**	**(29.04)**	**(53.22)**	**10,930.91**
Software	(55.5)	(88.5)	0.0	-	(5.1)	-	(0.0)	(149.1)
Brand name(5)	(5.0)	(34.7)	0.4	-	(0.4)	2.3	(12.8)	(50.2)
Customer relations(1)	(91.5)	(106.2)	-	-	(2.9)	2.1	(22.1)	(220.7)
Licenses	(17.2)	(130.4)	0.9	-	(1.3)	1.3	(74.4)	(221.1)
R&D costs	(0.7)	(3.1)	-	-	-	3.1	-	(0.7)
Subscriber acquisition costs(2)	(194.1)	(29.6)	0.0	-	(2.6)	-	(89.0)	(315.2)
Intangible assets under construction	-	0.1	-	-	-	-	-	0.1
Other intangible assets	(118.3)	(74.6)	2.1	-	(3.3)	0.7	(273.0)	(466.3)
Total Cumulative amortization and depreciation	**(482.3)**	**(466.9)**	**3.4**	**-**	**(15.6)**	**9.5**	**(471.3)**	**(1,423.1)**
Software	36.0	(65.6)	(0.0)	1,272.4	1.5	-	5.7	1,250.1
Brand name(5)	124.9	(34.4)	(8.1)	1,157.1	1.8	(1.1)	1.8	1,242.1
Customer relations(1)	295.3	(95.7)	-	3,213.7	12.1	(13.5)	(22.1)	3,389.8
Licenses	39.7	126.6	(18.3)	1,825.8	9.5	(1.1)	(58.9)	1,923.4
R&D costs………………	3.1	(2.3)	-	2.2	-	(0.5)	3.3	5.7
Subscriber acquisition costs(2)	6.2	0.1	(0.1)	179.9	0.1	-	(89.0)	97.2
Intangible assets under construction	6.5	46.2	(7.8)	236.3	0.5	(0.1)	(116.0)	165.8
Other intangible assets	68.0	123.8	(2.2)	1,495.7	1.6	(3.2)	(249.4)	1,434.2
Total Net book value	**579.7**	**98.9**	**(36.5)**	**9,383.2**	**27.1**	**(19.5)**	**(524.6)**	**9,508.3**

(*) For the revision impact please see note 32

(1) Customer relations have been valued using the excess earnings method upon acquisition. These are amortized on the basis of the local churn rate. The carrying amount of customer relations by segment was: (i) France: €2,655.9 million, (ii) Portugal: €1,172.3 million, (iii) US: €968.8 million, (iv) Israel: €164.5 (v) Others: €125.3 million.

(2) Subscriber acquisition costs were recognized in respect of the costs of acquisition of subscribers (including additional sales commissions). The amortization expenses are linked to the length of the average commitment of the subscribers.

(3) This caption mainly includes the rights to use the cable and other installations constructed by France Telecom (the historical public telecoms operator in France) and mobile licenses of SFR, which are listed below as well as franchise rights recorded by Suddenlink for an amount of €4,578.5 million

- (a) a UMTS license for a total of €619 million and new frequency licenses acquired in 2010 for a total of €300 million (depreciated over 20 years)
- (b) A GSM license for a total of €278 million. The French government allowed SFR S.A. to use this license for 15 years. This license is carried at its actuarial value.

(c) A LTE license for a total of €150 million acquired to provide 4G services in France in the 2.6 Ghz spectrum and for €1,065 million to provide services in the 800 Mhz spectrum

(d) A new licence to provide services in the 700 Mhz spectrum, for a total amount of €466 million. This licence is carried at its actuarial value.

(4) This caption includes the carrying amount of different brands owned by the Group and recognized as part of different purchase price allocations. The carrying amounts of the different brands of the Group allocated to the segments is: (i) France: €1,034.1 million, (ii) Portugal: €155.4 million, (iii) US: €34.4 million, (iv) ISL: €20.0 million (v) Others: €12.3 million.

The increase in intangible assets can mainly be attributed to the acquisition of PT Portugal, Suddenlink. The revised balances as of December 31, 2014 are mainly attributable to the finalization of SFR's purchase price allocation.

7. Property, Plant & Equipment

	December 31, 2014 (Revised)*	**Additions and related depreciation and amortization**	**Disposals**	**Business Combinations**	**Changes in foreign currency translation adjustment**	**Held for sale**	**Other**	**December 31, 2015**
				(In millions €)				
Land	113.3	3.3	(5.0)	219.3	2.0	(0.3)	2.0	334.6
Buildings(1)	1,550.0	104.8	(17.5)	623.3	13.0	0.4	16.8	2,290.9
Technical equipment and other equipment (2)	6,114.6	1,001.3	(373.5)	4,010.3	352.9	(193.1)	86.3	10,998.8
Tangible assets under construction	397.8	309.3	(27.6)	97.5	6.4	(3.3)	(287.6)	492.5
Prepayments on tangible assets	15.7	0.2	(0.3)	-	0.1	0.1	(8.6)	7.1
Other tangible assets	912.3	322.0	(97.3)	45.9	3.4	(8.4)	73.7	1,251.6
Total Gross Value	**9,103.6**	**1,741.0**	**(521.3)**	**4,996.3**	**377.8**	**(204.5)**	**(117.4)**	**15,375.5**
Land	-	(0.0)	-	-	(0.1)	-	-	(0.1)
Buildings(1)	(46.1)	(176.1)	13.7	-	(6.2)	0.2	7.9	(206.7)
Technical equipment and other equipment (2)	(1,704.2)	(1,211.8)	331.1	-	(241.5)	165.0	167.1	(2,494.3)
Tangible assets under construction	2.1	(0.7)	-	-	(0.1)	-	0.0	1.2
Other tangible assets	(6.4)	(379.6)	87.2	-	(5.3)	3.5	(112.5)	(413.0)
Total Cumulative amortization and depreciation	**(1,754.7)**	**(1,768.3)**	**432.0**	**-**	**(253.1)**	**168.7**	**62.6**	**(3,112.9)**
Land	113.3	3.3	(5.0)	219.3	1.9	(0.3)	2.0	334.5
Buildings(1)	1,503.9	(71.3)	(3.8)	623.3	6.8	0.6	24.8	2,084.2
Technical equipment and other equipment (2)	4,410.4	(210.5)	(42.5)	4,010.3	111.4	(28.0)	253.5	8,504.5
Tangible assets under construction	399.9	308.6	(27.6)	97.5	6.3	(3.3)	(287.6)	493.7
Prepayments on tangible assets	15.7	0.2	(0.3)	-	0.1	0.1	(8.6)	7.1

Other tangible assets	905.9	(57.5)	(10.1)	45.9	(1.9)	(4.9)	(38.7)	838.6
Total Net book value	**7,348.9**	**(27.2)**	**(89.4)**	**4,996.3**	**124.6**	**(35.8)**	**(54.8)**	**12,262.6**

(*) For the revision impact please see note 32

	December 31, 2013	**Additions and related depreciation and amortization**	**Disposals**	**Business Combinations**	**Changes in foreign currency translation adjustment**	**Held for sale**	**Other**	**December 31, 2014 (Revised)***
				(In millions €)				
Land	3.3	0.5	(0.0)	106.4	2.2	-	0.8	113.3
Buildings(1)	86.8	31.6	(2.0)	1,360.1	5.1	(7.6)	76.1	1,550.0
Technical equipment and other equipment (2)	1,831.1	486.8	(74.4)	3,924.7	95.7	(39.9)	(109.4)	6,114.6
Tangible assets under construction	25.2	77.8	(2.7)	413.0	3.7	(0.3)	(118.9)	397.8
Prepayments on tangible assets	-	1.4	(0.2)	16.3	0.1	(0.1)	(1.9)	15.7
Other tangible assets	15.5	38.5	(5.7)	775.2	1.5	-	87.4	912.3
Total Gross Value	**1,961.9**	**636.6**	**(85.1)**	**6,595.8**	**108.3**	**(48.0)**	**(65.9)**	**9,103.6**
Land								
Buildings(1)	(22.6)	(24.9)	1.6	-	(2.4)	4.6	(2.5)	(46.1)
Technical equipment and other equipment (2)	(790.2)	(618.2)	65.6	-	(59.6)	28.2	(330.0)	(1,704.2)
Tangible assets under construction	(0.1)	2.3	-	-	(0.1)	-	(0.1)	2.1
Other tangible assets	(14.8)	(5.1)	0.4	-	(0.8)	-	13.9	(6.4)
Total Cumulative amortization and depreciation	**(827.7)**	**(645.9)**	**67.6**	**-**	**(62.8)**	**32.8**	**(318.6)**	**(1,754.7)**
Land	3.3	0.5	(0.0)	106.4	2.2	-	0.8	113.3
Buildings(1)	64.2	6.7	(0.4)	1,360.1	2.8	(3.1)	73.6	1,503.9
Technical equipment and other equipment (2)	1,040.9	(131.4)	(8.8)	3,924.7	36.1	(11.8)	(439.4)	4,410.4
Tangible assets under construction	25.1	80.1	(2.7)	413.0	3.7	(0.3)	(119.0)	399.9
Prepayments on tangible assets	-	1.4	(0.2)	16.3	0.1	(0.1)	(1.9)	15.7
Other tangible assets	0.7	33.4	(5.4)	775.2	0.7	-	101.3	905.9
Total Net book value	**1,134.2**	**(9.3)**	**(17.5)**	**6,595.8**	**45.5**	**(15.2)**	**(384.6)**	**7,348.9**

(*) For the revision impact please see note 32

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(1) The caption buildings is mostly composed of the hosting of technical sites, buildings and their respective fittings. Technical equipment principally includes network equipment (radio, switching, network administration, network core) and transmissions.

(2) This caption includes:

Cable network: the Company owns, directly and indirectly through its subsidiaries, cable or fibre network which allow it to supply cable based pay television, broadband internet and fixed line telephony services to its subscribers.

Call centers that represent centralized offices used for the purpose of receiving or transmitting a large volume of administrative, technical or commercial requests by telephone.

Office furniture and equipment that refer to furnishings and IT equipment.

Communication network infrastructure that include the digital technologies for the transmission of multi-channel television services.

As part of the various debt issuances done by the Group, the assets of certain subsidiaries have been pledged as collateral. This includes all material assets of HOT Telecom including the cable network, all material assets of ODO (other than licenses and real estate assets valued at less than €5 million), all assets of Cabovisao and ONI (Including network and PPE) and the assets of the NSFR group and those of PT and Suddenlink as well, following the consummation of the two acquisitions in 2015.

The increase in the property, plant and equipment of the Company can mainly be attributed to the acquisitions of PT-Portugal and Suddenlink during the year ended December 31, 2015.

In addition to this, property plant and equipment also increased as a result of continued capital expenditure by other group companies, as part of their efforts to drive customer acquisition and growth.

8 Investment in associates

The breakdown of the investments in associates is detailed as follows:

	Investments in associates and Joint Ventures	
	December 31, 2015	**December 31, 2014 (Revised)***
	(In millions €)	
Numergy (1)	77.7	79.0
La Poste Telecom (2)	-	-
Groupe News Participation	297.3	-
Other associates(3)	42.7	47.0
Total associates	**417.7**	**126.0**

(*) For the revision impact please see note 32

The main change in the carrying amount of investment in associates is primarily related to the acquisition of a non-controlling interests in Groupe News Participations, the main shareholder of Next Radio TV. In December 2015, the Company, through its indirect subsidiary Altice Content Luxembourg S.à r.l., invested €0.96 million in GNP, to acquire a 49% stake. GNP itself held 50.42% of the economic and 60.9% of the voting rights in Next Radio TV (‘NXTV’). In addition to the equity investment, the Group has subscribed to two convertible bonds issued by GNP, for an aggregate amount of €296.3 million, which forms part of the investment of the Group in this Company.

The other entities are associates of Numericable-SFR group:

1) In 2012, SFR, Bull and Caisse des Dépôts created Numergy, which offers IT infrastructure capable of hosting remote-access secured data and applications, i.e. “cloud computing” services. The group share in the amount of €105 million euros is only 25% paid in. The debt for the unpaid portion appears under liabilities for an amount of €79 million. The value of the shares was initially reduced to the amount of unpaid capital, due to additional losses during the year, the carrying amount is €77.7 million. In January 2016, the Group entered into an agreement with Bull and Caisse des Dépôts to acquire their stake in Numergy. Refer to note 35

2) In 2011, SFR and La Poste created La Poste Telecom, held at 49% and 51%, respectively. This subsidiary is a

mobile virtual network operator on the retail mobile telephony market under the La Poste Mobile brand. The negative value of the equity method investments in La Poste Telecom was reduced to zero by an offset against provisions in the amount of €21.4 million euros at the end of 2015.

3) On February 18, 2010, a group created by SFR, Vinci and AXA (with 30% each) and TDF (10%) signed a GSM-R public-private partnership agreement with Réseau Ferré de France. This agreement, with a 15-year duration and an overall amount of one billion euros, involves providing the financing, construction, operation and maintenance for a digital telecommunications network that will allow for providing communications (voice and data) between trains and ground regulation staff in conference mode. It will be deployed progressively over 14,000 km of traditional and high-speed railways in France. The negative value of the equity method investments in Synerail was reduced to zero by an offset against provisions for €4.2 million euros at the end of 2014.

The key financial information of the associates is listed below:

	Numergy		**La Poste Telecom**		**Synerail**		**GNP (**)**
	December 31, *(In millions €)*						
	2015	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**
Revenues	4.0	2.0	202.0	182.0	167.0	170.0	-
Net profit/(loss)	(16.0)	(20.0)	(9.0)	(6.0)	2.0	(18.0)	(1.5)
Net equity	168*	184*	(83.0)	(67.0)	(15.0)	(33.0)	218.6
Cash (-)/Net debt (+)	2.0	5.0	51.0	56.0	487.0	435.0	252
Total Assets	175.0	190.0	38.0	40.0	598.0	528.0	593.8

(*) out of which €79 million of unpaid subscribed capital as at December 31, 2015.

(**) Unaudited

9. Other financial assets (Non-current)

	December 31, 2015	**December 31, 2014**
	(In millions €)	
Investments held as available for sale(1)	6.5	42.0
Loans and receivables(2)	248.5	96.4
Derivative financial assets(3)	2,548.7	1,195.8
Other financial assets(4)	18.5	9.4
Restricted cash	0.6	0
Total	**2,822.8**	**1,343.6**

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(1) Investment in available for sale financial assets are composed of:

Partner Communications LTD: The Group holds 1,459,926 regular shares in Partner Communications LTD, (hereinafter-Partner), constituting approximately 0.9% of Partner's share capital which is engaged in the provision of mobile communications services and whose shares are traded on stock exchanges in the United States of America, in the United Kingdom and in Israel.

Wananchi Group Holdings Ltd (hereinafter Wananchi): The Group, through an indirect subsidiary, holds a 17.4% equity interest and three board seats in Wananchi Group Holdings Ltd, a cable, DTH and B2B operator based out of Kenya and providing services in Kenya and other neighbouring East African countries. The Board of Directors has classified this investment as an available for sale asset. The Company holds less than 20% of Wananchi and has no significant influence over the operational or financial decision making in Wananchi. The investment in Wananchi is carried at its fair value, which was calculated by the Board of Directors based on a discounted cash flow model, which was modelled on a business plan prepared by Wananchi's management. The management of Wananchi provided the Group with a new business plan, on the basis of which the fair value of the investment was measured at €1.2 million. Management believes that this represents a durable and significant decrease in the fair value of the investment and hence has recorded an impairment amounting to €35.2 million for the year ended December 31, 2015. The following assumptions were used in the DCF model to determine the fair value:

WACC: 13.5%

Terminal growth rate: 5%

Evaluation period: 8 years

(2) Loans and receivables

As of December 31, 2015, this caption includes an additional investment made by the company in Wananchi, in return for which it was issued convertible notes, convertible at the discretion of the holder. The investment amounted to €40.4 million ($44 million equivalent) and bears interest at a rate of 15% per annum payable in kind and a maturity of 3 years starting December 2013 (12.5% from December 31, 2015). The increase compared to December 31, 2014 is explained by an additional investment made by the Company in Wananchi.

It also includes €124 million corresponding to a guarantee provided by Vivendi to NSFR, as well as financial assets related to pension assets at PT-Portugal for an aggregate amount of €13.8 million.

(3) Derivative financial assets

As part of the issuance of new debts to finance the acquisition of SFR and PT Portugal, the Group issued debt in US Dollars. In order to cover the exchange rate risk related to this issuance (refer to note 18), the parties entered into cross currency swaps with different banks, which were classified as cash flow hedges.

(4) Other financial assets

In 2015, this caption refers to the fair value of derivative asset related to the call option on the non-controlling interest holders of Suddenlink for an aggregate amount of €18.5 million.

10. Inventories

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Raw materials and consumables	403.4	316.2
Work in progress	30.3	8.3
Total Gross Value	**433.7**	**324.6**
Raw materials and consumables	(61.3)	(47.4)
Work in progress	(3.6)	-
Allowance for obsolescence	**(65.0)**	**(47.4)**
Raw materials and consumables	342.0	268.9
Work in progress	26.7	8.3
Total Net book value	**368.7**	**277.2**

(*) For the revision impact please see note 32

Inventories are almost exclusively comprised consumables goods corresponding to customer premises equipment (modems, decoders, mobile handsets etc.), which is used in the daily business activity of the Company. The Board of Directors considers that inventory will be fully renewed in the next twelve months.

The cost of inventories recognized in the income statement during the year was €31.3 million (€136.9 million expensed in 2014).

The increase in inventory for the year ended December 31, 2015 mainly relates to the acquisition of PT-Portugal. Inventories at PT-Portugal also includes mobile phones that are sold as part of their commercial offerings.

	December 31, 2014 (Revised)*	**Variation**	**Held for sale or discontinued operations**	**Divestitures, changes in foreign currency translation adjustments and other**	**December 31, 2015**
			(In millions €)		
Raw materials and consumables............................	(47.4)	(13.7)		(0.3)	(61.3)
Work in progress (goods).........	-	(3.6)	-	-	(3.6)
Finished/semi-finished goods ..	-	-	-	-	-
Total Cumulative amortization and depreciation...........................	**(47.4)**	(17.4)	-	(0.3)	**(65.0)**

	December 31, 2013	**Variation**	**Divestitures, changes in foreign currency translation adjustments and other**	**December 31, 2014 (Revised)***
Work in progress (goods)................	-	(47.2)	(0.2)	(47.4)
Finished/semi-finished goods	(1.5)	1.5	-	-
Total Cumulative amortization and depreciation..................................	**(1.5)**	(45.7)	(0.2)	**(47.4)**

11. Current trade and other receivables

	December 31, 2015	**December 31, 2014 (Revised)***
	(In millions €)	
Trade receivables	2,942.9	2,037.4
Other receivables	921.4	1,047.0
Total current trade and other receivables	**3,864.2**	**3,084.4**

(*) For the revision impact please see note 32

11.1 Trade receivables

	December 31, 2014 (Revised)*	Business Combinations	Net increase / decrease	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2015
			(In millions €)			
Trade receivables	2,573.2	1,018.1	120.6	(41.1)	15.1	3,685.9
Allowance for doubtful debts	(535.8)	(235.6)	12.5	26.1	(10.5)	(743.0)
Trade receivable, net	**2,037.4**	**782.5**	**133.1**	**(15.0)**	**4.6**	**2,942.9**

	December 31, 2013	Business Combinations	Net decrease	Reversal	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2014 (Revised)*
				(In millions €)			
Trade receivables	255.5	2,729.1	(409.9)	-	(5.8)	4.4	2,573.2
Allowance for doubtful debts	(61.5)	(522.1)	(35.0)	80.0	0.8	2.1	(535.8)
Trade receivable, net	**194.0**	**2,206.9**	**(445.0)**	**80.0**	**(5.1)**	**6.5**	**2,037.4**

The increase in trade receivables is explained mainly by the acquisition of PT-Portugal in June and the subsequent acquisition of Suddenlink in December 2015. The increase in 2014 was explained by the acquisitions of SFR, NC, ODO and Tricom.

11.2 Age of trade receivables

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Not yet due	2,570.3	132.7
30-90 days	167.0	56.0
91-121 days	205.6	9.5
Unallocated portion(1)	-	1,839.2
Total	**2,942.9**	**2,037.4**

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(1) Given the short time frame between the acquisition of SFR and December 31, 2014, SFR had not been able to analyse the aging of their trade receivables in accordance with the policies of the group. The unallocated portion thus referred to the trade receivables of NSFR net of allowances for doubtful debts.

The Group routinely evaluates the credit that is provided to its customers, while checking their financial situations; however it does not demand collateral for those debts. The Group records a provision for doubtful debts, based on the factors that affect the credit risks of certain customers, past experience and other information. The Group is of the opinion that there is no risk of concentration of counterparties given the much diversified customer basis, especially on the B2C side (in our largest segments, a major portion of clients pay using direct debit, credit cards or online banking).

For the B2B business, the top 20 clients of the Group represent less than 5% of total Group revenues.

The largest clients of the Group are telecom operators in France, Portugal and the United States (such as Orange, Bouygues Telecom, Free Mobile, Vodafone, Optimus etc.). The risk of recoverability for these clients is quite low, given the balance in interconnection transactions between these companies and different companies of the Group.

Orange, the largest client in the operator segment, is also the largest supplier of the Group.

11.3 Other current receivables

	December 31, 2015	December 31, 2014 (Revised)*
	(In millions €)	
Prepaid expenses(1)	180.5	188.6
Other(2)	740.9	858.4
Total	**921.4**	**1,047.0**

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(1) Prepaid expenses mainly relate to services for which payments are made before the service is rendered (such as rental, insurance or other services). Such expenses remained stable between 2014 and 2015.

(2) Other are mainly composed of receivables due from social security and other state run organisms that manage employee benefits. They also comprise of receivables due from VAT payments made on supplier invoices.

12 Cash and cash equivalents and current restricted cash

	December 31, 2015	December 31, 2014
	(In millions €)	
Term deposits	222.2	550.4
Bank balances	2,292.9	1,013,2
Cash and cash equivalents (1)	**2,515.0**	**1,563.6**
Restricted cash	7,737.0	-
Restricted cash (2)	7,737.0	-

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(1) The increase in cash and cash equivalents was mainly due to the capital increase of the Company in October 2015 for an amount of €1.6 billion, refer to note 13. This cash will be used to fund the Company's equity commitment related to the acquisition of Cablevision, refer to note 3

(2) Cash held in escrow to finance part of the acquisition of Cablevision, refer to note 16.

13 Issued capital and additional paid in capital

13.1 Issued capital

On August 10, 2015, the cross border merger previously described in this document was successfully completed and Altice S.A. was designated as the company ceasing to exist and was replaced by Altice N.V. The existing common shares of Altice S.A. were converted into shares of Altice N.V..

Altice N.V. has implemented a dual share class structure, with common A, common B, preference A and preference B shares.

The Company was created with an initial share capital of €45,000, consisting of 4,500,000 common A shares.

As part of the corporate restructuring, each outstanding common share of Altice S.A. was converted into 3 common A shares and 1 common B share of Altice N.V. The common A shares have a nominal value of €0.01 each and 1 voting right per share, while the common B shares have a nominal value of €0.25 and 25 voting rights each. The holders of both A and B shares have equal economic rights. Thus, at the date of the merger, the company had a share capital of €69.6 million, consisting of 749,476,425 common A shares and 248,325,475 common B shares.

The Company has also instituted a share conversion policy, whereby the holders of common shares B can opt to convert their shares into common A shares. As part of the conversion, each common B share with a nominal value of €0.25 is converted into 25 common A shares having a nominal value of €0.01. The holder of the B share then receives one common A share and sells the other 24 A shares to the Company for a nominal value of zero. These repurchased shares are held as treasury shares by the Company.

For the year ended December 31, 2015, the Company had received and executed conversion orders amounting to a total of 870,836 common B shares.

On October 1, 2015, the Company completed a share capital increase to raise a net amount of €1,604.7 million (which will be used to partly finance the acquisition of Cablevision). The Company issued 69,997,600 new A shares and 24,852,602 new B shares.

Taking into account the impact of the capital increase and the conversions listed above, as of December 31, 2015, total issued capital of the Company amounted to €76.5 million, and was composed of 841,244,925 common A shares and 272,280,241 common B outstanding shares, with a nominal value of €0.01 and €0.25 each.

As of December 31, 2015, the authorized share capital was split as follows:

	Total number of shares authorised	Total capital authorised (€)
Common A shares	8,168,034,850	81,680,349
Common B shares	299,129,164	74,782,291
Preference A shares	4,700,000,000	188,000,000
Preference B shares	150,000,000	1,500,000
Total authorised capital		**345,962,640**

As of December 31, 2015, no preference A or B shares have been issued.

13.1.1 Treasury shares

As of December 31st, 2015, the Company held a total of 25,400,064 treasury A shares with a nominal value of €0.01 each. These treasury shares result from:

a) The incorporation of the Company, where the Company repurchased its shares from its former shareholder for a nil consideration (4,500,000 shares).

b) The conversion of 870,836 common B shares to common A shares (20,900,064).

As the consideration paid for the acquisition of the treasury shares was nil, the carrying value of the treasury shares (presented as a deduction of equity) is zero.

13.2 Additional paid in capital

Total paid-in capital of the Group amounted to €2,398.9 million and was mainly impacted by the capital increase performed in October 2015. This was offset by the buy back of a 10% stake in NSFR from Vivendi:

	December 31, 2015	**December 31, 2014 (revised)***
	(In millions €)	
Opening	2,971.1	-
Exchange of Altice S.A. shares for Altice N.V. shares	(67.1)	-
Issuance of new shares	1,597.9	910.9
Contribution in kind - shareholders debt	-	557.4
Net proceeds from primary offering	-	721.0
Contribution in kind - Valemi vendor note	-	6.7
Contribution in kind – Mobius	-	4.6
Contribution in kind – Non controlling shareholders of OMT	11.0	66.1
Rights issuance at NG	-	1,173.6
Transactions with non-controlling shareholders of NSFR	(2,130.4)	(473.4)
Share issuance under management investment plan	-	4.2
Other	16.1	-
Total	**2,398.8**	**2,971.1**

(*) For the revision impact please see note 32

13.3 Other reserves

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

(in € millions)	**December 31, 2015**			**December 31, 2014 (revised)***		
	Pre-tax amount	**Tax effect**	**Net amount**	**Pre-tax amount**	**Tax effect**	**Net amount**
Actuarial gains and losses	(3.5)	(0.5)	(4.0)	(2.8)	-	(2.8)
Items not potentially reclassified to profit and loss	**(3.5)**	**(0.5)**	**(4.0)**	**(2.8)**	**-**	**(2.8)**
Available for sale	2.4	-	2.4	1.9	-	1.9
Currency reserve	3.3	-	3.3	(7.0)	-	(7.0)
Cash flow hedge	(317.9)	100.3	(217.6)	(133.0)	47.6	(85.4)
Items potentially reclassified to profit and loss	**(311.7)**	**100.3**	**(211.9)**	**(138.1)**	**47.6**	**(90.5)**
Total other reserves	**(315.2)**	**99.8**	**(216.0)**	**(140.7)**	**47.6**	**(93.3)**

(*) For the revision impact please see note 32

13.4 Earnings per share

	Year ended December 31, 2015	Year ended December 31, 2014 (Revised)*
	(In millions €)	
Earnings		
Earnings for the year..	(319.3)	(429.6)
Basic earnings per share (in €)	*(0.32)*	*(0.51)*
Number of shares		
Weighted average number of ordinary shares for basic EPS (in million of shares)...........................	1,012.1	837.6
Effect of dilutive potential ordinary shares:		
Stock options and management investment plan (in million of shares)	40.5	38.8
Weighted average number of ordinary shares for the purposes of diluted EPS........................	**1,052.6**	**876.4**
Diluted earnings per share (in €)	*(0.30)*	*(0.49)*

(*) For the revision impact please see note 32

As at December 31, 2015, Altice N.V. is considered to be the successor entity of Altice S.A.. Thus, the number of outstanding shares of Altice S.A. as of December 31, 2014 were converted to represent the new share capital structure of Altice N.V.Before the conversion of the structure, the weighted average number of ordinary shares for the basic EPS and the diluted EPS were for the year ended December 31, 2014 209.4 million shares and 219.1 million respectively.

14 Provisions

	December 31, 2014 (Revised)*	Business Combinations	Addition	Utilization	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2015
				(In millions €)			
Litigations$^{(2)}$	389.8	57.4	114.3	(66.2)	(0.2)	23.9	518.9
Site renovation costs$^{(1)}$..........	135.4	-	1.7	(20.5)	-	0.9	117.4
Restructuring charges	11.4	-	56.4	(27.3)	-	14.3	54.6
Provisions for other expenses	337.4	21.1	68.9	(68.2)	(10.2)	16.8	365.8
TOTAL.......	**873.8**	**78.5**	**241.2**	**(182.4)**	**(10.4)**	**55.8**	**1,056.7**

	December 31, 2013	Business Combinations	Addition	Utilization	Held for sale or discontinued operations	Divestitures, changes in foreign currency translation adjustments and other	December 31, 2014 (Revised)*
				(In millions €)			
Provisions for litigations[2]..	18.0	378.0	26.3	(32.9)	(0.3)	0.6	389.8
Site renovation costs[1]..........	-	133.9	3.2	(1.7)	-	0.0	135.4
Restructuring charges	-	35.7	11.1	(35.4)	-	-	11.4
Provisions for other expenses	13.2	275.0	66.5	(16.0)	(1.6)	0.3	337.4
TOTAL.......	**31.1**	**822.6**	**107.3**	**(86)**	**(1.9)**	**0.9**	**873.8**

(*) For the revision impact please see note 34

The caption *non-current provisions* and *current provision* shown in the consolidated statement of financial position include the provision mentioned above and the provisions regarding pension plan described in Note 15.

Provisions for litigations are mainly relating to litigations that have been brought against the group for which the Board of Directors believes that the risk of cash outflows is probable.

The increase in provisions is related mainly to the acquisition of Portugal Telecom and provisions recorded during the year to account for litigation and restructuring.

Provisions are mainly comprised of:

1. Site renovation costs: in certain cases, the Company and its subsidiaries (mainly SFR or PT) have contractual obligation to repair and renovate its technical sites and network components that are leased at the end of the contractual period or in case of an anticipated contract cancellation.
2. Provisions for litigations: These provisions include amounts for which the nature and amounts cannot be disclosed on a case by case basis as this might expose the group to further litigation. Such cases are outlined in note 31, Litigations. All litigation pending against the Group is either being heard or appealed at the date of this report.

The Management considers that all potential risks of cash outflows on such litigations and claims is properly evaluated and represented correctly in the consolidated financial statements for the year ended December 31, 2015. The current portion of provisions totalled €378.1 million as of December 31, 2015.

Provisions for retirement obligations and employee benefits are detailed in note 15.

15. Employee benefits

Depending on the laws and practices in force in the countries where it operates, the Group has obligations in terms of employee benefits, among others:

- In Portugal, Portugal Telecom sponsors defined benefit plans, under which it is responsible for the payment of pension supplements to retired and active employees and healthcare services to retired employees and eligible relatives. In addition, PT and other subsidiaries of PT Portugal are also responsible for the payment of salaries to suspend and pre-retired employees until retirement age. A detailed nature of these benefits is presented below:

- Pension supplements - Retirees and employees of Companhia Portuguesa Rádio Marconi, S.A. (“Marconi”, a company merged into PT in 2002) hired prior to February 1, 1998 and retirees and employees of Telefones de Lisboa e Porto, S.A. (“TLP”, a company merged into PT in 1994) and Teledifusora de Portugal, S.A. (“TDP”, a company merged into PT in 1994) hired prior to June 23, 1994 are entitled to received a supplemental pension benefit, which complements the pension paid by the Portuguese social security system. In addition, on retirement, PT pays a lump sum gratuity of a fixed amount which depends on the length of service completed by the employee and its salary. Employees hired by PT or any of its predecessor companies after the dates indicated above are not entitled to these benefits and are thus covered only by the general Portuguese Government social security system.

- Healthcare benefits - PT sponsors the payment of post-retirement health care benefits to certain suspended employees, pre-retired employees and retired employees and their eligible relatives. Health care services are rendered by PT - Associação de Cuidados de Saúde (“PT ACS”), which was incorporated with the only purpose of managing PT’s Health Care Plan. This plan, sponsored by PT, includes all employees hired by PT until December 31, 2000 and by Marconi until February 1, 1998. The financing of the Health Care Plan comprises defined contributions made by participants to PT ACS and the remainder by PT, which incorporated an autonomous fund in 2004 for this purpose.
- Salaries to suspended and pre-retired employees - PT and other subsidiaries of PT Portugal are also responsible for the payment of salaries to suspended and pre-retired employees until the retirement age, which result from agreements between both parties. These liabilities are not subject to any legal funding requirement and therefore the monthly payment of salaries is made directly by each of the subsidiaries of PT Portugal.

- In France, severance payment in accordance with the collective agreement of the company to which they are attached. The rights to conventional retirement benefits vested by employees are measured individually, based on various parameters and assumptions such as the employee's age, position, length of service in the Company and salary, according to the terms of their employment agreement. This plan is considered to be a defined benefit plan in accordance with IAS 19. In addition in France, the employees of the Group benefit from a general pension plan. Accordingly the Group contributes to mandatory social security plans. This regime is considered to be a defined contribution plan in accordance with IAS 19.

- In Israel, the plans are normally financed by contributions to insurance companies and classified as defined contribution plans or as defined benefit plans. The Group has defined contribution plans pursuant to Section 14 of the Severance Pay Law under which the Group pays regular contributions and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient amounts to pay all employee benefits relating to employee service in the current and prior periods. In addition, the Group has a defined benefit plan in respect of severance pay pursuant to the Severance Pay Law. According to the Law, employees are entitled to receive severance pay upon dismissal or retirement. In respect of its severance pay obligation to certain of its employees, the Group makes current deposits in pension funds and insurance companies ("the plan assets"). Plan assets comprise assets held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the Group's own creditors and cannot be returned directly to the Group.

The amount included in the consolidated statement of financial position in respect of defined benefit plans is as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Present value of defined benefit obligation	1,237.8	154.1
Fair value of plan assets	(186.0)	(23.0)
Unfunded status	***1,051.9***	***131.2***

Movements in the present value of defined benefit obligation were as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Balance as of January 1	**154.1**	**29.3**
Business combinations	1,154.7	115.3
Interest expense	10.7	1.4
Current service cost	15.8	4.5
Participant contribution	0.6	0.3
Benefit paid	(100.9)	(2.9)
Settlement	-	-
Curtailment	6.7	(0.2)
Net actuarial loss/(gain) in net income	-	0.1
Net actuarial loss/(gain) in other comprehensive income	(7.1)	6.0
Other (including currency translation adjustment)	3.2	0.2
Balance as of December 31	**1,237.8**	**154.1**
including commitments not financed	*769.0*	*123.1*
including commitments totally financed or partially financed	*468.9*	*31.0*

As of December 31, 2015, the line Business Combination includes the effect of the acquisition of Portugal Telecom (see note 3.3).

Movements in the fair value of plan assets were as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Balance as of January 1	**23.0**	**21.1**
Business combinations	177.1	-
Interest income	3.4	0.6
Deposits paid by the employer into the plan	2.5	2.2
Participant contributions	0.4	0.3
Benefits paid	(19.2)	(1.8)
Settlement	-	-
Curtailment	-	-
Net actuarial (loss)/gain in other comprehensive income	(3.7)	0.3
Other (including currency translation adjustment)	2.6	0.3
Balance as of December 31	**186.0**	**23.0**
Total net liabilities	**1,051.9**	**131.2**

As of December 31, 2015, the line Business Combination includes the effect of the acquisition of Portugal Telecom (see note 3.3).

Amounts recognized in comprehensive income in respect of these defined benefit plans are as follows:

	December 31, 2015	December 31, 2014
	(In millions €)	
Current service cost	15.8	4.5
Net Interest expense	7.2	0.8
Settlement	-	-
Curtailment	6.7	-
Net actuarial loss/(gain)	(0.1)	0.1
Total expenses in respect of employee benefits in profit and loss	**29.5**	**5.4**
Net actuarial loss/(gain)	(3.5)	5.6
Other OCI (including currency translation adjustment)	0.7	0.1
Total expenses in respect of employee benefits in other comprehensive income	**(2.8)**	**5.7**

The detail of the actuarial gains and losses recorded in Other comprehensive income for the year ended December 31, 2015 and 2014 were as follows:

	December 31, 2015	December 31, 2014
Net actuarial loss/(gain)		
- actuarial differences from experience - Defined benefit obligation	15.4	0.2
-actuarial differences from change in assumptions- Defined benefit obligation	(22.5)	5.7
-actuarial return on plan assets (excluding interests income)	3.7	(0.3)
Total	**(3.5)**	**5.6**

The principal actuarial assumptions for the **euro zone** used for the purposes of the actuarial valuations were as follows:

	December 31, 2015	**December 31, 2014**
Expected rate of salary increase	0-2%	3.0%
Discount rate - Pension	1.9%	2%
Discount rate - Salaries to suspended and pre-retired	0.5%	-
Discount rate - Healthcare	2.25%	-
Inflation rate	2%	2%

The principal actuarial assumptions for the **other areas** used for the purposes of the actuarial valuations were as follows:

	December 31, 2015	**December 31, 2014**
Expected rate of salary increase	1-4%	1-4%
Discount rate - Pension	2.1%	2.4%
Inflation rate	1.2%	1.2%

Significant actuarial assumption for the determination of the defined obligation is discount rate. A variation of discount rate will have the following impact on the Defined Benefit Obligation:

	2015
Obligation with discount rate – decrease 0.25%	1,262.5
Obligation at current discount rate	1,237.8
Obligation with discount rate – increase 0.25%	1,214.1

The fair value of the plan assets at the end of the reporting period for each category, are as follows as of December 31, 2015:

	Amount	%
Shares	23.9	13%
Bonds	60.9	33%
Real estate	4.2	2%
Other	97.0	52%
Total	**186.0**	**100%**

The fair value of the plan assets at the end of the reporting period for each category, are as follows as of December 31, 2014:

	Amount	%
Shares	1.5	7%
Bonds	2.5	11%
Real estate	1.7	7%
Other	17.3	75%
Total	**23.0**	**100%**

16. Borrowings and other financial liabilities

Total financial liabilities are broken down as follows:

	December 31, 2015	December 31, 2014 (*Revised)
	(In millions €)	
Long term borrowings, financial liabilities and related hedging instruments	**45,711.0**	**20,483.2**
- Debentures	29,898.8	*15,780.5*
- Loans from financial institutions	15,712.5	*4,674.9*
- Derivative financial instruments	99.7	*27.8*
Other non-current financial liabilities and related hedging instruments	**1,566.1**	**907.3**
- Finance leases	100.4	*49.4*
- Other financial liabilities	1,465.6	*857.9*
Non-current liabilities	**47,277.0**	**21,390.5**
Short-term borrowings, financial liabilities	**352.4**	**166.5**
- Debentures	29.7	*26.7*
- Loans from financial institutions	322.7	*139.9*
Other financial liabilities:	**1,484.4**	**1,073.9**
- Other financial liabilities	526.1	*583.3*
- Bank overdraft	126.6	*41.5*
- Accrued interests	764.2	*403.9*
- Finance leases	67.5	*45.1*
Current liabilities	**1,836.7**	**1,240.4**
Total	**49,113.7**	**22,630.9**

16.1 Loans from financial institutions and debentures

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

The maturities of borrowings are given below:

	December 31, 2015	< 1 year	One year or more	December 31, 2014 (*revised)
		(In millions €)		
Debentures	29,928.4	29.7	29,898.8	15,807.2
Loans from financial institutions	16,035.2	322.7	15,712.5	4,814.8
Total	**45,963.6**	**352.4**	**45,611.3**	**20,622.0**

16.2 Debentures

Compared to the year ended December 31, 2014, the Group issued new bonds to finance the acquisition of Portugal Telecom and Suddenlink. In addition, Cequel Corporation had debt on the balance sheet which was not refinanced at closing. Neptune Finco Corp also issued bonds which will be used to partially finance the acquisition of Cablevision. The proceeds of these bonds are currently held in escrow awaiting the closing of the acquisition.

Instrument	Issuer	Fair value in millions of euros December 31, 2015	Coupon	Year of maturity	Carrying amount December 31, 2015 (excluding EIR impact)	Carrying amount December 31, 2014
- Debentures	HOT Telecom Ltd.	278.5	Between 3.9% and 6.9% + Consumer Price Index	2018	225.0	257.0
- Senior Notes USD 2,900 M (1)	Altice Luxembourg S.A.	2,397.4	7.75%	2022	2,663.7	2,394.7
- Senior Notes EUR 2,075M (1)	Altice Luxembourg S.A.	1,931.0	7.25%	2022	2,075.0	2,075.0
-Senior Notes USD 1,480M	Altice Luxembourg S.A.	1,162.3	7.625%	2025	1,359.4	-
-Senior Notes EUR 750M	Altice Luxembourg S.A.	630.3	6.250%	2025	750.0	-
- Senior Secured Notes USD 460 M	Altice Financing S.A.	439.4	7.875%	2019	422.5	380.1
- Senior Secured Notes EUR 210M	Altice Financing S.A.	218.7	8.00%	2019	210.0	210.0
- Senior Secured Notes EUR 300M	Altice Financing S.A.	314.5	6.5%	2022	300.0	300.0
- Senior Secured Notes USD 900M	Altice Financing S.A.	816.3	6.5%	2022	826.7	743.2
- Senior Notes USD 425M	Altice Finco S.A.	408.4	9.875%	2020	391.4	351.9
- Senior Notes EUR 250M	Altice Finco S.A.	278.3	9.00%	2023	250.0	250.0
- Senior Notes USD 400M	Altice Finco S.A.	351.8	8.125%	2024	367.4	330.3
-Senior Secured Notes USD 2,060M	Altice Financing S.A.	1,863.8	6.625%	2023	1,892.2	-
-Senior Notes EUR 385M	Altice Finco S.A.	326.2	7.625%	2025	385.0	-
- Senior Notes EUR 500M	Altice Financing S.A.	498.3	5.25%	2023	500.0	-
- Senior Secured Notes USD 2,400M	Numericable SFR Group S.A.	2,182.4	4.875%	2019	2,204.5	1,981.8
Senior Secured Notes USD 4,000M	Numericable SFR Group S.A.	3,545.5	6.000%	2022	3,674.1	3,303.0
Senior Secured Notes USD 1,375M	Numericable SFR Group S.A.	1,218.8	6.250%	2024	1,263.0	1,135.4
- Senior Secured Notes EUR 1,000M	Numericable SFR Group S.A.	1,022.5	5.375%	2022	1,000.0	1,000.0
- Senior Secured Notes EUR 1,250M	Numericable SFR Group S.A.	1,263.9	5.625%	2024	1,250.0	1,250.0
-Senior Secured	Cequel	1,015.4	5.375%	2023	1,010.4	-

Notes USD 1,100M	Corporation L.L.C					
-Senior Notes USD 300M	Cequel Corporation L.L.C	254.9	7.75%	2025	275.6	-
-Senior Notes USD 320M	Altice US Finance S.A.	267.1	7.75%	2025	293.9	-
- Senior Notes USD 1,500M (2)	Cequel Corporation L.L.C	1,345.1	6.375%	2020	1,377.8	-
- Senior Notes USD 1,250M (2)	Cequel Corporation L.L.C	1,026.2	5.125%	2021	1,148.2	-
- Senior Notes USD 1,000M	Neptune Finco Corp	955.3	6,625%	2025	918.5	-
-Senior Notes USD 2,000M	Neptune Finco Corp	1,927.1	10.875%	2025	1,837.1	-
-Senior Notes USD 1,800M	Neptune Finco Corp	1,724.4	10.125%	2023	1,653.3	-
Transaction costs					*(596.9)*	*(155.5)*
Total value of bonds		**29,663.8**			**29,928.4**	**15,807.2**
Of which due within one year		*29.7*			*29.7*	*26.7*
Of which due after one year		29,634.2			29,898.8	15,780.5

(1) Following the cross border merger, the liabilities of Altice S.A. were transferred to Altice Luxembourg S.A..

(2) Existing Senior Notes at the level of Cequel Corporation LLC prior to the acquisition of Suddenlink which were not refinanced at closing.

All instruments listed above are level 1 financial instruments.

Credit ratings of the most significant instruments as at December 31, 2015 are as follows:

Instruments issued by	**Rating**
Numericable-SFR	B1/B+
Altice Luxembourg	B3/B
Altice Financing	B1/BB-
Altice Finco	B3/B-
Cequel Corporation & Altice US Finance S.A.	
- Senior Secured Notes	Ba3/BB-
- Senior Notes	Caa1/B- and Caa2/CCC+
Neptune Finco Corp	Ba1/BB-

The Senior Notes and Senior Secured Notes are listed on the Official List of the Luxembourg Stock Exchange and traded on the Euro MTF Market of the Luxembourg Stock Exchange.

The Debentures issued by Hot Telecom have the following characteristics:

a) HOT's Series A' debentures - €151 million, linked to the Consumer Prices Index for Tel Aviv. Series A' debentures which are repayable in 13 semi-annual payments commencing on September 30, 2012 and up to September 30, 2018. They bear yearly interest at a fixed rate of 3.9%.
b) (b) HOT's Series B' debentures - €127.5 million which bear yearly interest at a fixed rate of 6.9%. Series B' debentures are repayable in 13 semi-annual payments commencing on September 30, 2012 and up to September 30, 2018.

Except for the amortising bond issued by HOT, no other debentures have any current portions.

16.3 Covenants

The debt issued by the subsidiaries of the Company is subject to certain restrictive covenants, which apply (i) in the case of debt issued by Altice Luxembourg, to Altice Luxembourg and its restricted subsidiaries, (ii) in the case of debt issued by Altice Financing S.A. and Altice Finco S.A., to Altice International S.à r.l. and its restricted subsidiaries (iii) in the case of debt issued by Numericable-SFR S.A., to Numericable-SFR S.A. and its restricted subsidiaries, (iv) in the case debt issued by Cequel corporation, to Cequel corporation and all its restricted subsidiaries and (v) in case of Neptune Finco Corp, Neptune Finco Corp and all its future subsidiaries (upon consummation of the Cablevision acquisition).

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

In order to be able to incur additional debt under an applicable debt instrument, the relevant restricted group must either meet the ratio test described below (on a pro forma basis for any contemplated transaction giving rise to the debt incurrence) or have available capacity under the general debt basket described below or meet certain other exceptions to the limitation on indebtedness covenant in such debt instrument.

Our Senior Secured Debt is subject to an incurrence test of 3:1 (Adjusted EBITDA to Net Debt) and our Senior Debt is subject to an incurrence test of 4:1 (Adjusted EBITDA to Net Debt), with the following exceptions:

- Our secured debt at NSFR is subject to an incurrence test of 3.25:1 (Adjusted EBITDA to Net Debt)
- New secured and unsecured debt issued by our subsidiaries in the US is subject to an incurrence test of 5.5:1 (Adjusted EBITDA to Net Debt)

We also have access to different revolving credit facilities, which also are subject only to incurrence based covenants (no maintenance covenants). The terms of these facilities include certain incurrence based covenants that are no more restrictive than the incurrence covenants contained in our other debt instruments. The covenants for the RCFs that had been drawn on for the year ended December 31, 2015 are given below:

Facility	**Applicable Restricted Group**	**Financial Covenant**	**Testing**
Altice International Pari Passu RCF EUR 501M	Altice International and its restricted subsidiaries	Consolidated Net Leverage Ratio of Altice International ≤5.25:1	If there are utilisations outstanding at the end of each relevant period
Numericable Group Revolving Credit Facility EUR 1.125 million	Numericable-SFR S.A. and its restricted subsidiaries	Consolidated Net Senior Secured Leverage Ratio of Numericable – S.F.R. S.A. ≤4.5:1(*)	If there are utilisations outstanding at the end of each relevant period

(*) Applicable till December 31, 2016, after which the ratio becomes 4.0:1.

The Company or its relevant subsidiaries are allowed to fully consolidate the EBITDA from any subsidiaries in which they have a controlling interest and that are contained in the restricted group as defined in the relevant debt instruments.

We were in compliance with all our covenants as of December 31, 2015.

16.4 Loans from financial institutions

Compared to the year ended December 31, 2014, the increase in the loans from financial institutions is mainly explained by new term loans granted by credit institution as follows:

Altice Financing was provided by credit institution to finance the acquisition of Portugal Telecom the following:

(i) A €400 million term loan facility with a maturity of seven years and bearing interest at Euribor (3m)+4.25%, with a Euribor floor of 1%, and
(ii) A $500 million (€459.3 million equivalent) term loan facility with a maturity of seven years and bearing interest at Libor (3m)+4.25%, with a Libor floor of 1%.

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

In July 2015, to refinance amounts drawn on their respective RCFs, Numericable SFR S.A. and Altice Financing S.A. were provided by credit institution the following:

(i) A €450 million term loan facility with a maturity of seven years and bearing interest at Euribor 3m+3.5% (with a 1% floor) issued by Altice Financing S.A.,
(ii) A $550 million (€505.2 million equivalent) term loan facility with a maturity of seven years and bearing interest at Libor (3m)+3.25%, with a Libor floor of 0.75% issued by Numericable SFR S.A., and
(iii) A €300 million term loan facility with a maturity of seven years and bearing interest at Euribor (3m) +3.25%, with a Euribor floor of 0.75% issued by Numericable SFR S.A.

All new term loans are amortised at the rate of 1% annually.

In October 2015, to finance the planned acquisition of Cablevision, Neptune Finco Corp was provided by credit institution a $3,800 million (€3,490 million equivalent) term loan facility with a seven year maturity and bearing interest at Libor 3m+4.00% (with a 1% floor). The loan is amortised at a rate of 0.25% every quarter.

In October 2015, Numericable-SFR was provided by credit institution, at a price of 98.5% and with mandatory quarterly repayment of 0.25% of the nominal the following:

(i) A €500 million term loan facility maturing in January 2023 and bearing interest at Euribor (3m) +4.0%, with a Euribor floor of 1%.
(ii) A $1.340 million (€1,230.8 million equivalent) term loan facility maturing in January 2023 and bearing interest at Libor (3m) +4.0%, with a Libor floor of 1%.

To finance the equity portion of the acquisition of Suddenlink, Altice Corporate Financing was provided by credit institution a €1.088 million maturing in May 2017 and bearing interest at Euribor 12m+ 1.0%

Following the acquisition of Suddenlink, the Group took over the following existing loans that were not refinanced at acquisition:

(i) $1,481 million (€1,360 million equivalent) term loan maturing in February 2019 and bearing interest at Libor 3m+2.813%

(ii) $815 million (€749.0 million equivalent) term loan maturing in December 2022 and bearing interest at Libor 3m+3.250%

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

	December 31, 2015	< 1 year	One year or more	December 31, 2014
		(In millions €)		
Numericable Term Loans	6,632.3	32.0	6,600.4	3,828.8
Cablevision Term Loans.....................	3,390.8	34.9	3,355.9	-
Suddenlink Term Loans......................	2,085.0	68.4	2,016.6	-
Altice Financing Term Loans	2,194.6	22.6	2,172.0	820.1
Altice Corporate Financing Term Loan	1,088.0	-	1,088.0	
Altice Financing RCF.........................	160.0	160.0	-	126.2
Numericable-SFR RCF.......................	450.0	-	450.0	-
Others	34.0	5.2	28.8	39.8
Total...	**16,035.2**	**322.7**	**15,712.5**	**4,814.8**

Available credit facilities:

As of December 31, 2015, the Group had access to the following revolving credit and guarantee facilities, for a total amount of euro equivalent amount of €2,631 million:

- Revolving credit facilities:

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

  (ii) Altice Financing S.A.: €80 million, €501 million and €330 million (of which €160 million drawn as of December 31, 2015);

  (iii) Altice Financing S.A.: $80 million, equivalent to €73.5 million as at December 31, 2015;

  (iv) Upon the closing of the Suddenlink transaction, the Group has access to a new $350.0 million facility (€321.5 million).
  (v) Numericable-SFR S.A.: €1,125 million (of which €450 million drawn as of December 31, 2015); and
- Guarantee facilities:

  Altice Financing S.A.: €15 million.

On April 23, 2015, the aggregate principal amount available under the Numericable-SFR RCF was increased by €375 million, thus bringing the total available amount to €1,125 million, while following the closing of the PT acquisition, Altice Financing S.A. has access to an additional RCF of upto €330 million, as specified above.

As of December 31, 2015, compared to December 31, 2014, all previously drawn credit facilities had been fully repaid, with the exception of the €501 million facility at Altice Financing S.A., which remained drawn for an aggregate amount of €160 million.

Upon closing of the acquisition of Cablevision, the Group will have access to a revolving credit facility amounting to $2.000 million (equivalent to €1.837 million).

16.5 Other financial liabilities

Other financial liabilities mainly consist of:

(i) Transactions with non-controlling interests: With regards to the acquisition of Suddenlink, the Group has entered into some put/call agreements on the investment held by the BC Partners and CPPIB (the "Sponsors"). The fair value of the put, recognized as a financial liability in accordance with IAS 32, amounted to €748.0 million for the year ended December 31, 2015.

(ii) Suddenlink Vendor Note: As part of the acquisition of Suddenlink, the Group owes a vendor note to the sponsors for an aggregate amount of $500 million. This note bears interests at 10% per annum, becomes due in 2020 and is payable on maturity date.

(iii) Reverse factoring and securitization of receivables: certain subsidiaries of the Group have undertaken reverse factoring and securitization operations for their payables and receivables respectively in order to optimise the management of working capital. NSFR had balances of €240 million and €171 million in this regard respectively. As these contracts are revocable at any time by the counterparty, such liabilities are classified as current liabilities.

(iv) Deposits provided by clients for customer premises equipment leased for the duration of their subscription period for €140.7 million.

Following the acquisition of the 20% stake held by Vivendi in February 2015, the earnout due to Vivendi if, Numericable-SFR reached an EBITDA minus Capex of € 2 billion for any year before December 31, 2024, was cancelled. A gain was recognised in the consolidated statement of income for the year ended December 31, 2015 (€643.5 million).

During the year, the Group was granted by Vivendi a vendor loan amounting to €1,948 million in connection with the acquisition of a 10% stake in Numericable-SFR S.A., this loan was repaid before year end.

16.6 Maturity of financial liabilities

	December 31, 2015	< 1 year	Between 1 and 5 years	> 5 years
		(In millions €)		
Loans, debentures and related hedging instruments	45,963.6	352.4	12,742.2	32,869.1
Financial instruments	99.7	-	-	99.7
Finance leases	167.9	67.5	100.4	-
Accrued interest	764.2	764.2	-	-
Bank overdraft	126.6	126.6	-	-
Other financial liabilities	1,991.7	526.1	717.5	748.0
Nominal value of borrowings	**49,113.7**	**1,836.7**	**13,560.1**	**33,716.8**

	December 31, 2014	< 1 year	Between 1 and 5 years	> 5 years
		(In millions €)		
Loans, debentures and related hedging instruments	20,622.0	166.6	3,612.1	16,843.3
Financial instruments	27.7	-	27.7	-
Related party bonds	94.6	45.1	49.4	-
Finance leases	403.9	403.9	-	-
Accrued interest	41.5	41.5	-	-
Other financial liabilities	1,441.2	583.3	857.9	-
Nominal value of borrowings	**22,630.9**	**1,240.4**	**4,547.1**	**16,843.3**

16.7 Currency of borrowings

	December 31, 2015	Euro (EUR)	US Dollar (USD)	Israeli Shekel	Swiss Franc	Dominican Pesos
			(In millions €)			
Loans, debentures and related hedging instruments	45,963.6	11,375.2	34,299.7	254.7	34.0	-
Financial instruments	99.7	99.7	-	-	-	-
Finance leases	167.9	73.2	84.5	9.1	1.0	-
Accrued interest	764.2	138.3	622.7	3.3	-	-
Bank overdraft	126.6	0.9	125.6	-	-	-
Other financial liabilities	1,991.7	73.7	1,858.5	40.8	10.4	8.3
TOTAL	**49,113.7**	**11,761.1**	**36,990.9**	**307.9**	**45.3**	**8.3**

	December 31, 2014	Euro (EUR)	US Dollar (USD)	Israeli Shekel	Swiss Franc	Dominican Pesos
			(In millions €)			
Loans, debentures and related hedging instruments	20,622.0	6,930.7	13,395.5	257.0	38.8	-
Financial instruments	27.7	27.7	-	-	-	
Finance leases	94.6	76.3	-	16.8	1.5	-
Bank overdraft	41.5	41.5	-	-	-	-
Accrued interest	403.9	138.3	262.1	3.4	-	-
Other financial liabilities	1,441.2	1,406.8	-	23.7	0.6	10.1
TOTAL	**22,630.9**	**8,621.3**	**13,657.6**	**300.9**	**40.9**	**10.1**

16.8 Nature of interest rate

	Total as of December 31, 2015	Fixed interest rate	Floating interest rate
		(In millions €)	
Loans, debentures and related hedging instruments	45,963.6	29,928.4	16.035.2
Financial instruments	99.7	-	99.7
Finance leases	167.9	167.9	-
Bank overdraft	126.6	126.6	-
Accrued interest	764.2	634.2	130.0
Other financial liabilities	1,991.7	1,991.7	-
TOTAL	**49,113.7**	**32,848.7**	**16,264.9**

	Total as of December 31, 2014	Fixed interest rate	Floating interest rate
	(In millions €)		
Loans, debentures and related hedging instruments	20,622.0	15,765.7	4,856.4
Financial instruments	27.7	-	27.7
Finance leases	94.6	94.6	-
Bank overdraft	41.5	41.5	-
Accrued interest	403.9	372.7	31.2
Other financial liabilities	1,441.2	1,441.2	-
TOTAL	**22,630.9**	**17,715.7**	**4,915.3**

16.9 Derivatives and hedge accounting

As part of its financial risk management strategy, the Group has entered into certain hedging operations. These are split mainly into either fixed to fixed or fixed to floating cross-currency swaps that cover against interest rate risk, or forward swaps that cover against foreign exchange risk. The Group applies hedge accounting for those hedging operations that meet the eligibility criteria as defined by IAS 39. A summary of swaps that are not classified as cash flow hedges is provided below:

A coupon only cross-currency swap transaction covering USD 200 million of the USD 425 million principal of Altice Finco's Senior Notes (of which USD 25 million is unhedged), based on which Altice pays Israeli Shekels and receives US Dollars, amounting to a Euro equivalent of 145 million with a maturity date on December 15, 2017 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of between 8.0% and 9.7%

A coupon only cross-currency swap transaction covering USD 225 million of the USD 460 million principal of Altice Financing's Senior Secured USD Notes (of which USD 10 million is unhedged), on the basis of which Altice pays Israeli Shekels and receives US Dollars, amounting to a Euro equivalent of €186 million with a maturity date on December 15, 2017 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of between 5.9% and 7.6%

A coupon only cross-currency swap transaction covering €100 million of the €210 million principal of Altice Financing's Senior Secured Euro Notes (of which €10 million is unhedged), based on which Altice pays Israeli Shekels and receives Euros, amounting to €100 million with a maturity date on December 15, 2017 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of 5.775%

A coupon only cross-currency swap transaction covering a part of the USD 1,034 million Term loan notional (USD 292.8 million), in which Altice pays Israeli Shekels and receives US Dollars, amounting to USD 212 million with a maturity date on October 31, 2018 and an interest rate composed of an ILS TELBOR 3M floating rate and a fixed spread of between 5.0% and 5.6%

A coupon only cross-currency swap transaction covering part of the USD 1,034 million Term loan notional (USD 540.5 million), in which Altice pays Euros and receives US Dollars, amounting to €446 million with a maturity date on October 31, 2018 and an interest rate composed of an EURIBOR 3M floating rate and a fixed spread between 4.5% and 4.8%

A forward transaction covering USD 550 million of the total USD nominal due at maturity of the Altice Finco USD Senior Notes and Altice Financing USD Senior Secured Notes (USD 885 million of which USD 95.5 million is unhedged) based on which Altice pays Israeli Shekels and receives US Dollars, with a hedged rate ranging from 4.127-4.317 ILS/USD.

A forward transaction covering USD 239.5 million of the total USD nominal due at maturity of the Altice Finco USD Senior Notes and Altice Financing USD Senior Secured Notes (USD 885 million of which USD 95.5 million is unhedged) based on which Altice pays Israeli Shekels and receives US Dollars, with a hedged rate of 3.678 ILS/USD.

A forward transaction to cover the repayment of a part of the nominal of the USD 1,034 million Term loan (of which USD 200 is unhedged) at maturity, in which Altice pays Israeli Shekels and Euros to receive US Dollars. As part of the transaction, Altice will pay ILS 1,076 million and receive USD 293 million at a hedged rate of 3.678 ILS/USD and will pay €415 million and receive USD 541 million at a hedged rate of 1.301.

A coupon only forward transaction covering USD 200 million of the USD 425 million Senior Notes issued by Altice Finco (of which USD 25 million are unhedged), in which Altice pays Israeli Shekels and receives US Dollars, with an average hedged exchange rate of 4.127 ILS/USD.

A coupon only forward transaction covering USD 225 million of the USD 460 million Senior Secured Notes issued by Altice Financing (of which USD 10 million are unhedged), in which Altice pays Israeli Shekels and receives US Dollars, with an average hedged exchange rate of 4.127 ILS/USD.

A coupon only forward transaction covering €100 million of the €210 million Senior Secured Notes issued by Altice Financing (of which €10 million are unhedged), in which Altice pays Israeli Shekels and receives Euros, with an average hedged exchange rate of 5.164 ILS/EUR.

A coupon only cross currency swap transaction covering €370.8 million of the $ 2,900 million Senior notes issued by Altice Luxembourg SA, in which Altice pays 7.75% and receives Libor 3m+3.78%

On May 8, 2014 and February 4, 2015, the Group issued debt to finance the acquisition of the SFR group and Portugal Telecom respectively. A part of this debt was issued in USD, which is different from the functional currency of the underlying entities. In order to mitigate risks arising from the variations in foreign exchange rates (the benefiting operating entities generate cash flows in euros which will be used to service this debt), the Group has entered into cross currency swaps for interest and principal payments in order to secure future cash flows in its functional currency.

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

These operations were designated as cash flow hedges by the Group. The principal characteristics are given below:

Hedged items:

- $2,400 million bonds bearing interest at a coupon of 4.875%, $4,000 million bonds bearing interest at 6.000% and $1,375 million bonds bearing interest at a coupon of 6.250% issued in 2014 at the level of Numericable Group for the acquisition of the SFR group.
- $ 2,900 million USD bonds bearing interest at a coupon of 7.75% issued for the acquisition of the SFR group.
- $2,060 million bonds bearing interest at a coupon of 6.625%, $385 million bonds bearing interest at 7.625% and $1,480.0 million bonds bearing interest at a coupon of 7.625%, issued for the acquisition of PT-Portugal.

Hedging instruments:

- Cross currency swaps, swapping fixed USD coupon payments into fixed euro payments. The fixed EUR/USD rate was fixed at 1.3827.
- Cross currency swaps, swapping fixed USD coupon payments into fixed euro payments. The fixed EUR/USD rate was fixed at 1.1312.

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

Nominal USD *(In millions)*	**Nominal EUR** *(In millions)*	**Effective date**	**Termination date (*)**	**USD coupon**	**EUR coupon**
Fixed/Fixed cross currency swap					
2,900.0	2,097.3	08/05/2014	15/05/2019-15/05/2022	7.75%	7.07% to 7.43%
7,775.0	5,623.0	08/05/2014	15/05/2019	From 4.875% to 6.25%	From 4.354% to 5.383%
2,060.0	1,821.1	04/02/2015	15/05/2023	6.625%	5.236% to 5.306%
385.0	340.3	04/02/2015	15/05/2023	7.625%	6.184% to 6.254%
1,480.0	1,308.3	04/02/2015	15/05/2023	7.625%	6.434% to 6.504%
LIBOR/EURIBOR Interest rate swap					
2,600.0	1,880.4	08/05/2014	15/05/2019	L+3.75%	E+4.2135% and E+4.2085%
500.0	442.0	04/02/2015	04/02/2022	L+4.25%	E+4.163% to E+4.233%
550.0	498.0	03/08/2015	31/07/2022	L+3.25%	E+2.730%
1,340.0	1,184.0	10/11/2015	31/01/2023	L+4.00%	E+4.130%

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* The swap with one of the counterparties was extended for three years as the counterparty offered favourable conditions for booking an extension. The Company has the option to extend the swaps with other counterparties and may choose to do so in the future.

Thus, the fair value of the derivative instrument was recorded in other comprehensive income for the year ended December 31, 2015. Before the impact of taxes, an expense of €177.6 million was recorded as other comprehensive income (€127.4 million net of taxes).

16.10 Reconciliation to swap adjusted debt

As mentioned in the note above, the Group has entered into various hedge transactions in order to mitigate interest rate and FX risks on the different debt instruments issued by the Group.

Such instruments cover both the principal and the interests due on different debts (both debentures and loans from financial institutions).

A reconciliation between the carrying amount of the Group's financial debt and the due amount of the debts after taking into account the effect of the hedge operations (the "Swap adjusted debt") are given below:

	December 31, 2015			
	In million €			
	Nominal amount as recorded in statement of financial position	Transaction Costs	Adjustment for debts recorded at fair value at closing	Nominal Amount Excl. impact of transaction costs
Total debenture and loans from financial institutions	45,963.6	699.8	212.2	46,876.0
Value of debenture and loans from financial institutions in foreign currency converted at closing spot rate	-	-	-	(19,484.6)
Value of debenture and loans from financial institutions in foreign currency converted at hedged rates	-	-	-	16,630.0
Total swap adjusted value of debentures and loans from financial institutions	**45,963.6**	**699.8**	**212.2**	**44,021.4**

17. Obligations under finance leases

The Group leased certain of its office facilities and datacenters under financial leases. The Group has options to purchase the assets for a nominal amount at the end of the lease terms. Obligations under finance leases are secured by the lessors' title to the leased assets.

In addition, the Group has operating leases relating to building space and other technical assets and other assets such as automobiles under long term contracts.

The future minimum lease payments on operating and finance leases to which the Group is committed are shown as follows:

Minimum lease payments
December 31, 2015
(In € millions)

	Operating lease (*)	*Finance leases*
Less than one year	360.4	70.6
Between one and two years	298.5	30.6
Between two and three years	261.7	15.9
Between three and four years	238.6	14.9
Five years and beyond	857.2	44.0
Total minimum payments	**2,016.4**	**176.3**
Less: future finance expenses	-	(8.4)
Nominal value of contracts	**-**	**167.9**
Included in the consolidated financial statements as:		
- Current borrowings (note 16)		***67.5***
- Non-current borrowings (note 16)		***100.4***

Minimum lease payments
December 31, 2014
(In € millions)

	Operating lease (*)	*Finance leases*
Less than one year	327.0	45.1
Between one and two years	314.1	34.2
Between two and three years	314.1	11.3
Between three and four years	314.1	4.1
Five years and beyond	518.2	6.5
Total minimum payments	**1,787.5**	**101.2**
Less: future finance expenses		(6.6)
Nominal value of contracts		**94.6**
Included in the consolidated financial statements as:		
- Current borrowings (note 16)		***45.1***
- Non-current borrowings (note 16)		***49.4***

(*) In some cases, the rental space under contract may be sublet, which generates revenues and hence reduces the obligation under such leasing contracts. The minimum leases payment are presented after including such revenues that amounts to €316 million for the year ended December 31, 2015 compared to €277 million for the year ended December 31, 2014

18 Financial risk factors

In the course of its business, the Group is exposed to a number of financial risks: credit risk, liquidity risk, market risk (including foreign currency risk and interest rate risk) and other risks (including equity price risk and settlement risk). This note presents the Group's objectives, policies and processes for managing its financial risk and capital.

Financial risk management is an integral part of the way the Group is managed. The Board of Directors establishes the Group's financial policies and the Chief Executive Officer establishes objectives in line with these policies.

The Group is not subject to any externally imposed capital requirements.

18.1 Credit risk

The Group does not have significant concentrations of credit risk. The credit risk may arise from the exposures of commitments under a number of financial instruments with one body or as the result of commitments with a number of groups of debtors with similar economic characteristics, whose ability to meet their commitments could be similarly affected by economic or other changes.

The Group's income mainly derives from customers in Israel, in Dominican Republic, in the French Overseas Territories and in Europe (France, Belgium, Luxembourg, Portugal and Switzerland). The Group regularly monitors its customers' debts and provisions for doubtful debts are recorded in the consolidated financial statements, which provide a fair value of the loss that is inherent to debts whose collection lies in doubt. Additionally, our retail customers represent a major portion of our revenues and these clients generally pay in advance for the services they buy for us, or in our more significant regions, such as France, our retail customers generally pay using direct debit, a practice that reduces our credit risk.

The Group does not have significant concentration of credit risk, as a result of the Group's policy, which ensures that the sales are mostly made under standing orders or via credit cards.

18.2 Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which manages liquidity risk by maintaining adequate reserves, banking facilities and reserves borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The Group has a strong track record of driving operating free cash flow generation and specializes in turning around struggling businesses and optimizing the cash generation of existing businesses. As all our external debt is issued and managed centrally, executive Directors of the Group have a significant amount of control and visibility over the payments required to satisfy our obligations under the different external debts.

Additionally, the Group has access to undrawn revolving credit facilities for an aggregate amount of €2,631.0 million (of which €610 million was drawn as of December 31, 2015) to cover any liquidity needs not met by operating cash flow generation.

18.3 Market risks

The Group is exposed to risk from movements in foreign currency exchange rates, interest rates and market prices that affect its assets, liabilities and anticipated future transactions.

18.3.1 Interest rate risk

Interest rate risk comprises the interest price risk that results from borrowings at fixed rates and the interest cash flow risk that results from borrowings at variable rates.

The Company has an exposure to changes of interest rate in the market, deriving from long-term loans that have been received and which bear variable rate interest.

Interest structure of non-current financial debt (including interest effects of derivatives):

	December 31, 2015	December 31, 2014
	(In millions €)	
Financial debt at fixed rates	32,848.7	17,715.7
Financial debt at variable rates	16,264.9	4,915.2
TOTAL	**49,113.7**	**22,630.9**

The Group's proportion of variable rate debt increased from 21.7 % for the year ended December 31, 2014 to 33.0% for the year ended December 31, 2015. When it can, the Group endeavours to issue fixed rate debt (which also typically offers longer maturities).

The Group has entered into different hedging contracts to manage interest rate risk related to debt instruments with variable interest rates. See note 16.9 for more information.

No sensitivity analysis was performed on the impact of an increase of interest rates applicable to floating rate debt, given the Euribor/Libor floor in place. We do not expect that in a near future a reasonable change in interest rate would lead to Euribor/Libor rate greater than the floor rate.

18.3.2 Israeli CPI risk

The Group has borrowed from banks and issued debentures that are linked to the changes in the Israeli CPI (Consumer Price Index). Also, the Group has deposits and gave loans that are linked to the changes in the Israeli CPI. The net amount of the financial instruments that are linked to the Israeli CPI and for which the Company is exposed to changes in the Israeli CPI amounted to approximately €181.5 million (NIS 771 million) as of December 31, 2015 (€180.5/NIS 853 million as of December 31, 2014).

18.3.3 Foreign currency management

1. Foreign currency sensitivity analysis

The Group is exposed to foreign currency risk from transactions and translation. Transactional exposures are managed within a prudent and systematic hedging policy in accordance with the Company's specific business needs. Translation exposure arises from the consolidation of the financial statements of foreign operations in euros, which is, in principle, not hedged. The Group's objective is to manage its foreign currency exposure through the use of currency forwards, futures and swaps.

	December 31, 2015				
	Israeli Shekel	Swiss Franc	Dominican Pesos	USD	Total
			(In millions €)		
Profit for the year					
Increase of 10% in exchange rate	1.4	(1.1)	(4.3)	(8.8)	**(12.8)**
Decrease of 10% in exchange rate	(1.4)	1.1	4.3	8.8	**12.8**
Equity					
Increase of 10% in exchange rate	99.5	0.5	0.8	(28.8)	**72.0**
Decrease of 10% in exchange rate	(99.5)	(0.5)	(0.8)	28.8	**(72.0)**

	December 31, 2014			
	Israeli Shekel	Swiss Franc	Dominican Pesos	Total
	(In millions €)			
Profit for the year				
Increase of 10% in exchange rate	3.4	0.3	(0.7)	**2.9**
Decrease of 10% in exchange rate	(3.4)	(0.3)	0.7	**(2.9)**
Equity				
Increase of 10% in exchange rate	89.3	1.4	(13.0)	**77.7**
Decrease of 10% in exchange rate	(89.3)	(1.4)	13.0	**(77.7)**

On the basis of the analysis provided above, the Board of Directors believes that the Group's exposure to FX rate risks is limited.

Exchange differences recorded in the income statement represented a loss of €45.1 million in 2015 (2014: loss of €137.7 million).

The Group estimates that a 10% variation of foreign currencies against euro parity is a relevant change of variables and reasonably possible risk in a year and the presented above allows to assess the impact of a 10% increase of foreign currencies against euro on net result and reserves. A 10% change would have a symmetrical impact with the same amounts but in the opposite direction.

Additionally, the Group is exposed to foreign currency risk on the different debt instruments that it has issued over time. The Board of Directors believes that the FX price risk related to such debt issuance is limited as:

(i) Foreign currency debt issued in currencies other than Euros or USD is borne by companies that have issued such debt in their functional currencies.
(ii) New USD debt issued by the Group has served to finance the acquisitions of Suddenlink and Cablevision ($ 10,320 million), which leads to natural hedging of the interest payments.
(iii) A portion of the USD debt issued by NSFR and other subsidiaries of the Group is hedged to manage the associated FX risk. A reconciliation between the nominal amount of the total debt measured at its balance sheet rate and the swap adjusted debt is presented in note 16.10.

18.3.4 Price risk

The Group has investments in listed financial instruments, shares and debentures that are classified as available-for-sale financial assets and financial assets at fair value through profit or loss in respect of which the Group is exposed to risk of fluctuations in the security price that is determined by reference to the quoted market price. As of December 31, 2015, the carrying amount of these investments was €6.5 million (€42.0 million as of December 31, 2014).

18.4 Gearing computation

For the year ended December 31, 2014, the Company had a net equity position of €1,977.9 million, thus resulting in a gearing ratio of 19.6 (4.0 as of December 31, 2014).

	December 31, 2015	December 31, 2014 (*Revised)
	(In millions €)	
Gross Debt	**49,113.7**	**22,630.9**
Cash and cash equivalents	(2,515.0)	(1,563.6)
Restricted cash held for the acquisition of Cablevision	(7,737.0)	-
Total equity	**1,977.9**	**5,224.1**
Gearing	**19.6**	**4.0**

The increase in gearing is due to an increase in financial debts and a decrease in equity, as described in notes 16 and 13 respectively.

18.5 Fair value of financial assets and liabilities

18.5.1 Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Company's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets and financial liabilities are determined (in particular, the valuation technique(s) and inputs used).

Financial assets/ Financial liabilities	**Fair value as at**		**Fair value hierarchy**	**Valuation technique(s) and key input (s)**	**Significant unobservable differences**	**Relationship of unobservable differences**
	31/12/2015	31/12/2014				
Financial Liabilities						
Foreign currency forward contracts and interest rate swaps (see note 16.9)	99.7	27.8	Level 2	Zero curve	N/A	N/A
Minority Put Option-Suddenlink	739.8	-	Level 3	Discounted cash flows	N/A	N/A
Minority Put Option-CVC1 B.V.	8.2	-	Level 3	Discounted cash flows	N/A	N/A
Financial Assets						
Interest rate swaps (see note 9)	2,530.2	1,195.4	Level 2	Zero curve	N/A	N/A
Minority Call option-Suddenlink	18.5	-	Level 3	Black and Scholes model	-	-
Conversion option GNP	12.5	-	Level 3	Discounted cash flows		
AFS						
- Wananchi (1)	1.2	36.5	Level 3	Discounted cash flows	N/A	N/A
- Partner and Co.	5.3	5.5	Level 1	Quoted price in an active market	N/A	N/A

(1) An impairment of €35.2 million was recorded in the consolidated statement of income related to this investment for the year ended December 31, 2015.

18.5.2 Reconciliation of Level 3 fair value measurements

	Available for sale (unlisted shares)	Minority Put Options	Minority call options	Total
		(In € million)		
December 31, 2015				
Opening balance	36.5	-	-	36.5
Additions		748.0	31.0	779.0
Total gains or losses:				
– in profit or loss	(35.2)	-	-	(35.2)
– in other comprehensive income	-	-	-	-
Closing balance	**1.2**	**748.0**	**31.0**	**780.2**

	Available for sale (unlisted shares)	Others	Total
		(In € million)	
December 31, 2014			
Opening balance	31.9	-	31.9
Total gains or losses:			
– in profit or loss	-	-	-
– in other comprehensive income	4.6	-	4.6
Closing balance	**36.5**	**-**	**36.5**

19. Trade and other payables

	December 31, 2015	December 31, 2014 (* Revised)
	(In millions €)	
Trade payables	5,421.7	4,041.1
Corporate and social security contributions	476.2	472.8
Indirect tax payables	535.1	597.5
Other payables	4.0	-
Amounts due to related parties	-	0.1
Total trade and other payables	**6,437.0**	**5,111.4**

The increase in trade and other payables is mainly attributable to the acquisitions of PT-Portugal and Suddenlink.

20. Other current and non-current liabilities

	December 31, 2015	December 31, 2014 (* Revised)
	(In millions €)	
Current deferred revenue [(1)]	924.5	695.5
Other current liabilities [(2)]	130.0	496.2
Total other current liabilities	**1,054.4**	**1,190.6**
Non-current deferred revenue [(3)]	321.4	390.3
Fixed asset payables [(4)]	444.6	4.8
Other liabilities non-current[(5)]	48.9	203.8
Total other non-current liabilities	**814.7**	**598.9**

1. Current deferred revenues refer to revenues recognized from customers billed in advance of the monthly cut-off as well as those generated by sales of prepaid mobile contracts at SFR and ODO.

2. The decrease in other current liabilities is mainly related to the re-statement of advances and client pre-payments to trade payables at SFR, following the harmonisation with Group accounting policies. This decrease was partially offset by the restatement of the unpaid capital for Numergy (€79 million). See point 5 below.

3. Non-current deferred revenues result from multi-year contracts with business customers. The increase in non-current deferred revenues for the year ended December 31, 2015 was mainly due to the acquisition of PT-Portugal and Suddenlink during the course of the year.

4. Fixed asset payables mainly refer to payments due on the acquisition of a licence to operate in the 700 Mhz spectrum in France.

5. The decrease in mainly due to the reclassification of the unsubscribed capital to be paid to Numergy (€79 million) from non-current to current liabilities, following the acquisition of Numergy by SFR in January 2016.

21. Classification and fair value of financial assets and liabilities

On December 31, 2015 and 2014, the principles for measuring financial instruments and their market value break down as follows:

	December 31, 2015			
			Fair Value	
	Book value	Amortized cost	Derivative instruments	Assets available for sale
	(In millions €)			
Current assets				
Cash and cash equivalents	2,515.0	2,515.0	-	-
Restricted cash	7,737.0	7,737.0	-	-
Trade and other receivables	3,864.2	3,864.2	-	-
Other current assets	306.4	306.4	-	-
Non-current assets			-	-
Restricted cash	0.6	0.6	-	-
Loans and receivables	248.5	248.5	-	-
Available for Sale	6.5	-	-	6.5
Other Financial assets	2,567.2	18.5	2,548.7	-
Other long-term trade receivables	97.7	97.7	-	-
	17,343.1	**14,787.9**	**2,548.7**	**6.5**

	Book value	Amortized cost	Fair value
Current liabilities			
Borrowings	352.4	352.4	-
Loans from related parties	-	-	-
Trade and other payables	6,437.0	6,437.0	-
Other current liabilities	1,054.4	1,054.4	-
Non-current liabilities			
Borrowings	45,711.0	45,611.3	99.7
Other financial liabilities	1,566.1	818.0	748.0
Other non-current liabilities	814.7	814.7	-
	55,935.5	**55,087.8**	**847.7**

	December 31, 2014			
			Fair Value	
	Book value	Amortized cost	Derivative instruments	Assets available for sale
	(In millions €)			
Current assets				
Cash and cash equivalents..............	1,563.6	1,563.6	-	-
Restricted cash	-	-	-	-
Trade and other receivables.............	3,084.4	3,084.4	-	-
Other current assets	404.1	404.1	-	-
Non-current assets			-	-
Loans and receivables	96.4	96.4		
Available for Sale............................	42.0	-	-	42.0
Other Financial assets......................	1,205.2	9.4	1,195.8	-
Other long-term trade receivables ...	78.7	78.7	-	-
	6,474.4	**5,236.6**	**1,195.8**	**42.0**

	Book value	Amortized cost	Fair value
Current liabilities			
Borrowings...............................	166.5	166.5	-
Loans from related parties.........	-	-	-
Trade and other payables...........	5,111.4	5,111.4	-
Others payables			-
Other current liabilities.............	1,190.6	1,190.6	-
Non-current liabilities			-
Borrowings	20,483.2	20,455.5	27.8
Other financial liabilities...........	907.3	223.3	684.0
Other non-current liabilities	598.9	598.9	-
	28,457.9	**27,746.2**	**711.8**

22. Taxation

Income taxes are detailed as follows:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Current taxes	(323.5)	(8.7)
Deferred taxes	61.8	177.4
TOTAL..	**(261.7)**	**168.9**

(*) For the revision impact please see note 32

Before netting deferred tax assets and liabilities by fiscal entity, the components of deferred tax balances are as follows:

	December 31, 2015	**December 31, 2014 (revised)***
	(In millions €)	
Employee benefits	348.4	48.4
Other temporary non-deductible provisions	143.0	80.1
Net operating losses and tax carry forward, net of allowance	1,083.1	479.5
Other temporary tax deductions	97.9	157.0
Difference between tax and accounting depreciation	(3,797.3)	(1,792.9)
Fair value adjustment (derivative)	(92.3)	(25.3)
Valuation allowances for deferred tax asset	(253.0)	(128.0)
TOTAL	**(2,470.2)**	**(1,181.0)**

(*) For the revision impact please see note 32

After netting deferred tax assets and liabilities by fiscal entity, deferred taxes are presented on the statement of financial position as follows:

	December 31, 2015	**December 31, 2014 (revised)***
	(In millions €)	
Deferred tax assets	444.3	875.9
Deferred taxes liabilities	(2,914.5)	(2,056.9)
TOTAL	**(2,470.2)**	**(1,181.0)**

(*) For the revision impact please see note 32

The net deferred tax variation in the statement of financial position is analysed as follows:

	December 31, 2015	**December 31, 2014 (revised)***
	(In millions €)	
Opening balance	**(1,181.0)**	**(135.7)**
Deferred tax on income	61.8	177.4
Deferred tax on shareholder’s equity	18.1	40.5
Change in consolidation scope	(1,362.7)	(1,262.5)
Currency translation adjustment	(6.4)	(0.7)
Closing balance	**(2,470.2)**	**(1,181.0)**

(*) For the revision impact please see note 32

The reconciliation between the effective tax rate and the theoretical tax rate:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
Loss for the year	**(219.9)**	**(579.5)**
Share of profit in associates	8.1	4.8
Tax charge (expenses)/ income	(261.7)	168.9
Profit/(loss) before income tax and associates	**33.7**	**(753.2)**
Statutory tax rate (1)	25.00%	29.22%
Income tax calculated on theoretical tax	(8.4)	220.1
Impact of:		
Differences between Parent company and foreign income tax rates	(82.1)	(11.4)
Effect of permanent differences	(125.1)	(39.4)
Effect of SFR Earnout (see note 26)	285.0	-
Recognition of tax losses and variation in related allowances	(175.6)	(18.4)
French business tax (see note 2.27)	(41.0)	(10.0)
Effect of change in tax rate	(26.7)	-
Other movements	(87.8)	28.0
Income tax (expense)/income	**(261.7)**	**168.9**
Effective tax rate	776.5%	22.42%

(*) For the revision impact please see note 32

(1) In 2015, the statutory tax rate represents the statutory tax rate of the Netherlands, while in 2014 it represents the tax rate in Luxembourg

Permanent differences are mainly due to financial interests that are non-deductible, penalties and other non-deductible expenses.

Net operating losses and carried forward tax credits

Deferred tax assets related to carried forward tax credit on net operating losses expire in the following years:

	December 31, 2015	December 31, 2014 (revised)*
	(In millions €)	
2016	1,7	11.5
Between 2017- 2020	12,1	15.0
2021	862,9	-
Unlimited	2,657.7	2,765.9
Net operating losses and tax carry forward, gross	**3,534.5**	**2,792.4**
Valuation allowance	(2,451.4)	(2,312.9)
Net operating losses and tax carry forward, net	**1,083.1**	**479.5**

(*) For the revision impact please see note 32

Net operating losses and tax carry forward exit mainly at Holding companies level as well as SFR-Numericable, Portugal Telecom and Suddenlink. The Company doesn’t believe that the unrecognized deferred tax losses can be used in the actual structuring but will continue exploring opportunities to use these in the future and offset against any future profits that the Company or its subsidiaries may generate.

Tax litigation

NC Numericable

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

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

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

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

The proposed assessments have been recognized in the consolidated financial statements as of December 31, 2015 for an amount of €40.5 million.

SFR

In a proposed adjustment received on December 23, 2014, the tax authorities have contested the merger of Vivendi Telecom International (VTI) and SFR dated December 12, 2011 and therefore intend to challenge SFR's inclusion in the Vivendi tax consolidation group for fiscal year 2011. The tax authorities thus intend to tax SFR separately from the Vivendi tax consolidation group, leading to a corporate tax of €711 million (principal) plus late interest and surcharges amounting to €663 million, for a total adjustment of €1,374 million. It should be noted that, under the agreement signed on February 27, 2015 by Vivendi, Altice France and Numericable-SFR, Vivendi agreed to repay to SFR, if applicable, any taxes and levies charged to SFR for fiscal year 2011, which SFR had already paid to Vivendi at the time, subject to a maximum €711 million, if the 2011 merger of SFR and VTI is ruled invalid for tax purposes.

SFR believes it has strong legal grounds to defend the merger.

At the same time, an accounting audit of 2012 and 2013 led the tax authorities to make various adjustments in the principal amount of the corporate tax. The company, which is disputing the assessments proposed, recognized a provision of €59.5 million at December 31, 2015.

Portugal Telecom PT

The Company estimates that the probable tax contingencies arising from tax audits conducted by Portuguese tax authorities on various Group companies over the years amount to €34.5 million. In addition, MEO received Value Added Tax ("VAT") assessments for 2012 and 2013 related to indemnities charged as result of the breach of loyalty contracts by postpaid customers. MEO believes these indemnities are not subject to VAT as they do not remunerate the company for any services rendered or goods sold but aim to compensate the company for costs incurred.

23 Operating expenses

Other operating expenses consist of the following cost captions:

	December 31, 2015	December 31, 2014
	(In millions €)	
Technical and maintenance costs	(1,038.3)	(246.9)
Customer services	(676.4)	(164.6)
Business Taxes	(254.9)	(39.4)
Sales and marketing expenses	(848.9)	(407.3)
General and administrative expenses	(415.3)	(101.8)
Total	**(3,233.7)**	**(960.0)**

24 Equity based compensation

As part of the listing process, the Group adopted a new remuneration policy and company stock options were issued to executive directors and some senior management of the Group. The expenses associated with the issuance of these stock options were calculated and recorded in accordance with 'IFRS 2 – Share Based Payments'. The options were valued using the Black and Scholes model, considering the modalities of the options as described in the articles and bylaws of the Company.

As part of the Corporate Restructuring described in Note 3.2, the Company has adopted a stock option plan similar to the one proposed by its Predecessor Entity. The new stock option plan issued by the Company has been considered as a replacement of equity instruments issued by its predecessor entity and based on the fair value of the new SOP at the modification date, and the Company continue to expense the initial fair value not yet recognised over the original vesting period.

Each option granted entitles the holder to acquire one Common Share A of the Company;

- Options vest on a non-linear basis as per the following schedule:
    - A first tranche of 50% vests two years after the allocation of the options;
    - A second tranche of 25% vests three years after the allocation of the options ; and
    - The final tranche of 25% will vest four years after the allocation of the options.
- Vested options can be exercised at any time until the 10th anniversary of the issue date, after which they will be considered to have lapsed;

In addition, the Board of Directors of Numericable-SFR has adopted, starting from 2013, stock option plans for its employees and key management personnel. The exercise of options is subject to conditions of presence and performances (based on consolidated revenue and EBITDA-capex).

The vesting occurs in three periods:

- A first tranche of 50% vests two years after the allocation of the options;
- A second tranche of 25% vests three years after the allocation of the options ; and
- The final tranche of 25% will vest four years after the allocation of the options.

For the year ended December 31, 2015, the Group has recorded € 28.0 million as expenses related to stock options in the line item "staff costs and employee benefits" (€ 21.2 million for the year ended December 31, 2014):

- € 18.5 million for Altice N.V (€ 12.2 million for the year ended December 2014),
- € 9.5 million for N-SFR (€ 9 million for the year ended December 2014).

Key characteristic of the stock option plan at the Company and Numericable-SFR are given below:

Altice N.V. SOP	**Number of options granted (*)**	**Grant date**	**Expiry date**	**Exercise Price (*)**
	(In millions)			*(In €)*
Options granted at IPO (31/01/2014)	34.12	31/01/2014	31/01/2024	7.06
Options granted on 01/07/2014	1.36	01/07/2014	01/07/2024	7.28
Options granted on 01/09/2014	0.32	01/09/2014	01/09/2024	7.80
Options granted on 30/09/2014	1.36	30/09/2014	30/09/2024	7.33
Options granted on 19/12/2014	1.32	19/12/2014	19/12/2024	12.28
Options granted on 31/01/2015	0.20	31/01/2015	31/01/2025	13.59
Options granted on 01/05/2015	0.11	01/05/2015	01/05/2025	12.55
Options granted on 01/09/2015	3.10	01/09/2015	01/09/2025	21.7
Options granted on 01/12/2015	0.21	01/12/2015	01/12/2025	14.3

Numericable-SFR SOP	**Number of options granted**	**Grant date**	**Expiry date**	**Exercise Price (**)**
	(In millions)			*(In €)*
Options granted at IPO (November 2013)	5.23	11/2013	11/2021	11.4
Options granted in January 2014	0.5	01/2014	01/2022	12.7
Options granted in May 2014	0.1	05/2014	05/2022	17.8
Options granted in November 2014	2.35	11/2014	11/2022	24.8
Options granted in April 2015	0.4	04/2015	04/2023	44.2
Options granted in September 2015	0.1	09/2015	09/2023	38.8

(*) Adjusted after the split by four of Altice shares of August 2015

(**) adjusted following the dividend payment of 5.7 € per share of December 2015

The fair value of the stock option plan has been measured by using a Black and Scholes valuation model, which was based on the following parameters:

Altice N.V. SOP	**Options granted on 31/01/2015**	**Options granted on 01/05/2015**	**Options granted on 01/09/2015**	**Options granted on 01/12/2015**
Unit fair value at the grant date (€) (*)	2.85	4.9	3.3-4.07	1.2
Share price at the grant date (€) (*)	18.5	23.1	23.7	17.0
Exercise price of the option(€) (*)	13.6	12.6	21.7	14.3
Anticipated volatility (weighed average)	23%	23%	27%	24%
Anticipated dividends	2.5%	2.5%	2.5%	2.5%
Risk free interest rate (governments bonds)	0.3%	0.37%	0.8%	0.47%

Altice N.V. SOP	**Options granted at IPO (31/01/2014)**	**Options granted on 01/07/2014**	**Options granted on 01/09/2014**	**Options granted on 30/09/2014**	**Options granted on 19/12/2014**
Unit fair value at the grant date (€) (*)	0.9-1.01	2.9	2.5	2.0	2.0
Share price at the grant date (€) (*)	7.1	12.7	11.9	10.5	14.8
Exercise price of the option(€) (*)	7.1	7.3	7.8	7.3	12.3
Anticipated volatility (weighed average)	26%	25%	24%	24%	27%
Anticipated dividends	2.5%	2.5%	2.5%	2.5%	2.5%
Risk free interest rate (governments bonds)	1.71%	1.29%	0.88%	0.96%	0.59%

Numericable-SFR SOP	**Options granted at IPO (11/2013)**	**Options granted in 01/2014**	**Options granted in 05/2014**	**Options granted in 11/2014**	**Options granted in 04/2015**	**Options granted in 09/2015**
Unit fair value at the grant date (€)	1.9	2.2	2.9	5.2	7.5	5.7
Exercise price of the option(€) (**)	11.4	12.7	17.8	24.8	44.2	38.8
Anticipated volatility (weighed average)	25%	25%	25%	25%	26%	27%
Anticipated dividends	4%	4%	4%	4%	4%	4%
Risk free interest rate (governments bonds)	0.75%	1%	0.50%	0.25%	0%	0%

(*) Adjusted after the split by four of Altice shares of August 2015

(**) adjusted following the dividend payment of 5.7 € per share of December 2015

Variations in the stock option plan for the year are given below:

	Number granted (*)	**Weighted average exercise price (*) (**)**
	(In millions)	(€)
Altice N.V SOP		
Options outstanding as at January 1, 2014	-	-
Granted	38.4	7.3
Exercised	-	-
Cancelled, lapsed	(1.6)	7.1
Options outstanding as at December 31, 2014	**36.8**	**7.3**
Granted	4.5	19.2
Exercised	-	-
Cancelled, lapsed	(1.2)	7.1
Options outstanding as at December 31, 2015	***40.1***	***8.6***

Numericable-SFR SOP		
Options outstanding at the beginning of the year	-	-
Granted	8.2	15.4
Exercised	-	-
Cancelled, lapsed	-	-
Options outstanding as at December 31, 2014	**8.2**	**15.4**
Granted	0.5	43.1
Exercised	(1.9)	13.9
Cancelled, lapsed	(0.4)	17.9
Adjustment 12/2015 (**)	1.1	21.8
Options outstanding as at December 31, 2015	**7.5**	**18.4**

(*) Adjusted after the split by four of Altice shares of August 2015

(**) adjusted following the dividend payment of 5.7 € per share of December 2015

25 Depreciation, amortization and impairment losses

Depreciations and amortizations mainly consist of (i) amortization of intangible assets for a total of €1,981.9 million (2014: €466.9 million), (ii) depreciation of tangible assets for a total of €1,770.9 (2014: €645.9 million). The increase in 2015 compared to 2014 was mainly driven by the acquisition of PT-Portugal and Suddenlink and the full year impact of the integration of NSFR. Additionally, the Group completed final purchase price allocation for NSFR, Altice Hispaniola and Tricom and preliminary purchase price allocations for PT-Portugal and Suddenlink, which also led to an increase in depreciations and amortisations.

In 2015, the Group recognised an impairment of the ONLY brand in the French Overseas Territories for an amount of €20.9 million. In 2014, the Group had recognised impairments on the Numericable brand in Belgium (€5.4 million) and ONI in Portugal (€8.3 million).

26 Non-recurring gains/losses

26.1 Gain recognized on step-acquisition

On February 3, 2014, Altice France, a direct subsidiary of the Company, completed the acquisition of an additional 10% stake in Numericable Group S.A. (“NG”). This acquisition triggered a change in control of NG, with Altice France becoming the largest shareholder in NG, with 5 out of 10 seats on the Board and the ability to name the Chairman, who casts a vote in event of a tie. Thus, from February 3, 2014, NG has been fully consolidated into the financial statements of Altice S.A.

As a result of this change, the investment in associates recorded in the financial statements of the Altice S.A. was reversed and the fair value of the investment in NG was recorded in the accounts of Altice S.A. as investments in subsidiaries. The difference between the value previously recorded in the financial statements of Altice S.A. and the fair value of the investment (€936.6 million) was recorded as a gain on step acquisition in the consolidated statement of income of Altice S.A. for the year ended December 31, 2014, which amounted to €256.3 million.

No such gain was recorded in 2015.

26.2 Gain recognised on the extinguishment of a financial liability

In February 2015, the Group repurchased the 20% stake in NSFR held by Vivendi. As a result of this, the earn-out due to Vivendi upon the completion of certain financial milestones was extinguished, thus giving rise to a one-off gain of €643.5 million (net of taxes) in the consolidated statement of income. Refer to note 3.4.

27 Net finance costs

	December 31, 2015	December 31, 2014
	(In millions €)	
Gain recognized on extinguishment of a financial liability[1]	**643.5**	**-**
Gain arising on fair value of financial instruments[2]	158.7	-
Seller's guarantee granted by Vivendi[3]	124.0	-
Realised gain on FX forward[4]	88.1	-
Other financial income	46.2	13.5
Finance income	**417.0**	**13.5**
Interests charges on borrowings [5]	(1,905.7)	(937.8)
Mark-to-Market effect on borrowings	(107.8)	149.5
Interest relative to gross financial debt	**(2,013.5)**	**(788.3)**
Foreign exchange losses	(45.1)	(137.7)
Refinancing costs	-	(155.0)
Other financial expenses	(169.2)	(67.7)
Impairment of available for sale financial assets[6]	(47.7)	-
Other financial expenses	**(262.0)**	**(360.4)**
Finance costs, net	**(1,215.0)**	**(1,135.2)**

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(1) Refer to Note 26.

(2) The increase in the gain arising on fair value of financial instruments related to the Mark-to-Market of the various hedging instruments held by the Group.

(3) NSFR has been granted a guarantee pertaining to the outcome of certain litigation dated prior to its acquisition by the Group. It is recorded as a financial asset on the BS.

(4) Realised gain on FX forward transaction relating to the capital increase of October 1, 2015.

(5) The increase in interest expense for the year ended December 31, 2015 was primarily due to (i) the issuance of new debts to finance the acquisition of Portugal Telecom, Suddenlink and Cablevision (€525.0M for the year ended December 31, 2015), (ii) the full year impact of the interests on the debts issued in May 2014 to finance the acquisition of SFR group, and (iii) the issuance of new term loans (€192.2M for the year ended December 31, 2015).

(6) See note 8, financial assets

As of December 31, 2015, the pre-tax weighted average cost of debt of the Group was 5.9%.

28. Average workforce

The workforce employed by the Group, expressed in the form of full-time-equivalent employees, is presented below. The full time equivalence of each employee is calculated based on the number of hours worked by the employee in a given period, compared to the maximum number of hours/period allowed as per the local law prevalent in the country of operation.

	Year ended December 31, 2015	Year ended December 31, 2014
Managers	9,519	470
Technicians	9,960	1,782
Employees	18,027	7,111
	37,506(1)	**9,363**

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(1) The increase in personnel was mainly due to the acquisition of PT-Portugal and Suddenlink and the full year integration of SFR into the Group (compared to only one month in 2014).

29 Transaction with related parties

29.1 Trading and financial transaction

Transactions with related parties are mainly related to transactions with minority investors in Suddenink, associates of the NSFR group and other associates of the Group such as Next Radio TV. Such transactions are limited to (i) exchange of services between associates of the NSFR group and NSFR (see note 8 for more details on associates) and between Next Radio TV and Altice Content Luxembourg and Altice Content , (ii) significant debt and equity transactions between the group and certain managers and executives, (iii) exchange of services between different group companies and i24 News, (iv) consulting services invoiced by certain executives of the company and (v) significant debt transactions with minority shareholders in Suddenlink

Transactions with managers and executives are mainly related to equity purchases made by such executives in relation to the management investment plan that has been put in place by the Company. Such transactions have been included in note 13, issued capital and additional paid in capital.

The increase in the related party transactions for operating expenses, accounts receivables, accounts payables and revenues is related to the acquisition of SFR by NG and the transactions that the new NSFR group has with its associate companies (for details see note 8). These transactions are limited to:

- Telephony with La Poste Telecom
- Cloud computing services purchased from Numergy
- Transactions with Synerail related to the GSM-R PPP
- The construction of the new SFR headquarters with Fonciere Rimbaud.

The increase in loans and receivables is mainly due to loans granted by indirect subsidiaries of the Group to Next Radio TV. Such loans and receivables amounted to €297.3 million (See note 8).

The increase in other financial liabilities is mainly related to the vendor note granted by the non-controlling investors in Suddenlink for an aggregate amount of €464.7 million ($500 million equivalent) (see note 16).

Transactions with related parties are not subject to any guarantees. All such transactions are at arm's length and settled in cash.

We license the Altice brand from our founder Patrick Drahi without any fee on the basis that the Altice name is not use for trading or commercial purposes.

Consolidated Income and expenses	Revenue December 31, 2015	Revenue December 31, 2014	Operating expenses December 31, 2015	Operating expenses December 31, 2014	Financial expenses December 31, 2015	Financial expenses December 31, 2014
			(In millions €)			
Equity holders	0.3	0.2	3.5	2.3	-	1.0
Executive managers........	-	-	1.4	2.4	-	-
Associate companies	118.2	34.5	46.0	30.1	1.8	0.3
TOTAL..........................	**118.4**	**34.7**	**50.9**	**34.8**	**1.8**	**1.3**

Assets	Loans and receivables December 31, 2015	Loans and receivables December 31, 2014	Trade accounts receivable and other December 31, 2015	Trade accounts receivable and other December 31, 2014	Current accounts December 31, 2015	Current accounts December 31, 2014
			(In millions €)			
Equity holders	4.7	2.8	1.2	0.4	-	-
Executive managers........	-	-	-	-	-	-
Associate companies	408.3	-	30.6	101.3	-	0.3
TOTAL..........................	**413.0**	**2.8**	**31.8**	**101.7**	**-**	**0.3**

Liabilities	Other financial liabilities December 31, 2015	Other financial liabilities December 31, 2014	Trade accounts payable and other December 31, 2015	Trade accounts payable and other December 31, 2014	Current accounts December 31, 2015	Current accounts December 31, 2014
			(In millions €)			
Equity holders	0.2	0.2	0.3	0.1	-	-
Executive managers........	-	-	-	-	-	-
Associate companies	464.7	1.5	96.9	84.5	-	-
TOTAL..........................	**464.9**	**1.7**	**97.2**	**84.6**	**-**	**-**

29.2 Compensation of key management personnel and members of Board of Directors

Compensation paid to members of the Board of Directors of the Company and certain executive members of the management team is listed below:

As per the guidelines of remuneration policy of the Company, compensation paid to executive members of the board has a fixed and variable component that is determined and approved by the remuneration committee. All executive directors receive compensation from the company for their roles on the board, as follows:

Executive Director	**Amount (EUR)**
President	200,000
CEO	180,000
CFO	160,000
Other Executive Director	150,000

Non-executive directors of the company are eligible to receive a fixed compensation of EUR 60,000 per annum. In addition to this, non-executive directors who are also chairman of the remuneration and audit committees are eligible to receive additional compensation of EUR 10,000 and EUR 20,000 respectively. Each member of the audit and remuneration committee receives additional compensation of EUR 5,000 and EUR 20,000 respectively.

The remuneration of directors and other members of key management personnel during the year was as follows:

	December 31, 2015	December 31, 2014
	(In € millions)	
Short-term benefits	1.4	8.9
Post-employment benefits	-	-
Other long-term benefits	-	-
Share-based payments	11.2	12.2
Termination benefits	-	-
TOTAL	**12.6**	**21.1**

Details of remuneration paid to the board for the year ended December 31, 2015 are given below:

Remuneration of Board Members in 2015

Name	Fixed fee[(a)]	Additional fee for services to the Group(2) (a)	Committee membership	Equity based compensation(6)	Total (EUR)(3)
Patrick Drahi	EUR 78,333	-	N/A	EUR 4,043,596	4,121,929
Dexter Goei	EUR 255,116	CHF 375,000 EUR 72,678	N/A	EUR 4,043,596	4,722,547
Dennis Okhuijsen	EUR 219,996	EUR 77,499	N/A	EUR 672,283	969,778
Jérémie Bonnin(4)	EUR 141,550	EUR 19,319 CHF 146,366	N/A	EUR 1,078,292	1,376,221
Jurgen van Breukelen	EUR 36,300(5)	N/A	EUR 27,225(5)	N/A	63,525
Scott Matlock	EUR 60,000	N/A	EUR 35,000	N/A	95,000
Jean-Luc Allavena	EUR 60,000	N/A	EUR 25,000	N/A	85,000
Michel Combes(6)	EUR 23,076	N/A	EUR 17,308	N/A	40,384

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(1) For every amount specified, the amount includes payments from Altice S.A. in 2015 up to its merger into the Company.

(2) Payable to the Executive Directors by subsidiaries for services rendered to the Group.

(3) For calculation purposes, the average exchange rate of Swiss Francs into Euros for the year ended 31 December 2015 was used (i.e. 1.0679).

(4) As a Board Member of Altice S.A. until 8 August 2015 and as a permanent representative of A4 S.A. on the Board since 9 August 2015.

(5) Including 21% VAT.

(6) On 19 May 2015, Mr Michel Combes resigned from his position as non-executive director of Altice S.A.

(a) Gross amounts, before the impact of social security or income tax deductions

The executive managers and executive directors have entered into certain transactions with the company, wherein they have invested in either debt or equity issued by the company.

30. Contractual obligations and commercial commitments

30.1 Contractual commitments

The Company has contractual obligations to various suppliers, customers and financial institutions that are summarized below. A detailed breakdown by operating entity is provided below. These contractual obligations listed below do not contain operating leases (detailed in note 17).

Unrecognised contractual commitments *(in million €)*	**December 31, 2015** **< 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Five years or more**	**Total**
Good and service purchase commitments	283.4	98.4	28.8	3.0	(38.8)	374.8
Investment commitments	764.0	204.0	214.5	65.1	716.5	1,964.1
Guarantees given to suppliers/customers	3.6	0.5	1.5	0.5	21.0	27.1
Guarantees given to financial institutions	71.0	-	-	12.0	48.0	131.0
Guarantees given to government agencies	18.1	14.2	-	18.0	88.0	138.2
Other commitments	57.4	-	-	5.0	30.0	92.4
Total	**1,197.5**	**317.1**	**244.8**	**103.6**	**864.6**	**2,727.6**

Unrecognised contractual commitments *(in million €)*	**December 31, 2014** **< 1 year**	**Between 1 and 2 years**	**Between 2 and 3 years**	**Between 3 and 4 years**	**Five years or more**	**Total**
Good and service purchase commitments	145.2	154.9	2.6	-	29	331.8
Investment commitments	525.8	115.4	68.1	-	153	862.3
Guarantees given to suppliers/customers	12.7	2.0	2.0	1.9	105	123.6
Guarantees given to financial institutions	9.0	-	-	-	81	90.0
Guarantees given to government agencies	9.4	2.6	4.5	18.2	5.6	40.3
Other commitments	51.9	-	39	-	16	106.9
Total contingent liabilities	**754.0**	**275.0**	**116.3**	**20.1**	**389.6**	**1,554.9**

Commitment to purchase goods and services

Commitments to purchase goods and services mainly refer to long term contracts that different operating entities have entered into with suppliers of goods and services that are used to provide services to end customers:

(1) At Portugal Telecom, commitments to a total of €195.0 million include commitments to purchase inventory (mainly mobile phones, set-top-boxes and Hone Gateways), commitments under contracts entered into with channels included in the pay-tv offer and commitments for other services, primarily related to maintenance contracts.

(2) HOT Telecom and HOT Mobile have commitments to purchase goods and services for a total of €90.1 million over the next three years. Such commitments include commitments to purchase inventory and engineering and IT related services.

(3) At Numericable-SFR, a net commitment to a total of €35.0 million for the future maintenance of NSFR’s telecommunication network over the next five years.

Investment commitments

Investment commitments mainly refer to commitments made by different Group companies to suppliers of tangible and intangible assets (including content capex). It also includes commitments made to government or local bodies to make certain investments in the context of Public-Private Partnerships ("PPP") entered into by some subsidiaries of the Group.

(1) At NSFR, a total of €414.0 million was committed to suppliers of tangible and intangible assets over a period of over five years. Additionally, a total of €260 million has been committed to PPPs entered between various local governments in France and SFR to connect houses with Fiber to the Home (FTTH) sockets and also to deploy FTTH in moderately dense areas.

(2) At Altice Pictures and Portugal Telecom, sports content commitments for a total amount of €1,181.6 million includes mainly

i) Right to broadcast soccer games of the English Premier League,

ii) Right to broadcast games of the French National Basketball league, and

iii) Contracts entered into with several soccer clubs in Portugal for exclusive broadcasting rights and sponsorship of some of these clubs.

Guarantees given to suppliers/customers

This caption mainly consists of guarantees given to suppliers or customers given by different companies in the course of their business.

Guarantees given to financial institutions

This caption mainly consists of bank guarantees given by different companies in the course of their business. It mainly includes a commitment of €107.0 million made by NSFR as part of a PPP that it has entered with Vinci, AXA and TDF along with Réseau Ferré de France (R.F.F.).

Guarantees given to government agencies

This caption mainly consists of guarantees given by the different companies to government agencies as part of its regular operations.

(1) At Portugal Telecom, guarantees to government agencies for an amount of €63.5 million include a guarantee granted to the Portuguese telecom regulator (Anacom) under the acquisition of the 4G license, amounting to €12 million, and the remaining amount of €51 million relates to bank guarantees under tax litigation.

(2) At Hot Mobile, a bank guarantee which was made available by Hot Mobile within the context of its win in a tender for the allocation of frequencies and as collateral for its commitment in favour of the Ministry of Communications, which is in force until December 31, 2018. On November 21, 2013, Hot Mobile achieved the target market share that is requires under the terms of the guarantee and accordingly the amount of the guarantee has been reduced to €18.8 million (NIS 80 million), which represents the commitment to achieve a target for the deployment of the network.

(3) At NSFR, guarantees to government agencies for an amount of €22.8 million include a guarantee for a tax audit of €16 million.

Other commitments and guarantees

These mainly consist of commitments broken down as follows:

(1) At NSFR, a commitment in an amount of €16 million by NSFR to buy out minority interests in certain ventures in case it fails to meet certain contractual obligations defined in the shareholders' agreement signed at the inception of the venture and a commitment in an amount of €21 million provided as collateral for various projects at NSFR; and

(3) At Hot Telecom, a commitment in an amount of €57.4 million provided as guarantee related to building lease agreement.

30.2 Other commitments

Network sharing agreement

In the mobile segment, the group has signed Network sharing agreements in several subsidiaries. In France, on January 31, 2014 SFR and Bouygues Telecom signed a strategic agreement to share their mobile networks. They will deploy a new shared-access mobile network in an area covering 57% of the population. The agreement allows the two operators to improve their mobile coverage and to achieve significant savings over time.

Commitments linked to telecommunications activities

Furthermore, SFR is paying a contribution to the spectrum development fund for frequency bands which were thus developed, as decided by the French Government (700 MHz, 800 MHz, 2.1 GHz and 2.6 GHz,) as well as a tax to the National Frequencies Agency intended to cover the complete costs incurred by this establishment for the collection and treatment of claims of users of audiovisual communications services relating to interference caused by the start-up of radio-electric stations (700 MHz and 800 MHz).

In Portugal, Meo provides mobile telephone services through GSM, UMTS and LTE technologies (2G, 3G and 4G, respectively), the licenses of which were awarded by the local telecom regulator (ANACOM) in 1992, 2000 and 2011, respectively, for initial periods of 15 years, renewable for an additional period of 15 years, which already occurred for the GSM license, from 2007 to 2022, while for the UMTS license there was an extension of the initial 15-years period until 2018, after which it can be extended for the additional 15-years period.

The carrying amount of these licenses amounts to approximately €307 million (net carrying before purchase price allocation) as at 31 December 2015, reflecting mainly:

- the acquisition of the UMTS license in 2000 for €133 million;
- the commitments assumed in 2000 by MEO (as well as by other mobile operators) of making contributions to the information society during the period through the maturity of the 3G license, which were valued at the time at €242 million that was capitalized in 2007;
- additional commitments under the terms of the 3G license, which were capitalized in 2009 for an amount of €11.5 million; and
- the acquisition of the LTE license in 2011 in connection with which an amount of €106 million was capitalized, corresponding to the present value of an amount of €83 million paid in January 2012 and five annual installments of €6 million each payable from January 2012 to January 2017.

The right of use of frequencies for terrestrial electronic communications services allocated to MEO requires compliance with a number of obligations, including satisfying minimum quality standards and coverage levels, network effectiveness and servicing time, interoperability and access granting, network integrity and safety, providing ANACOM with specific information about MEO's mobile telephone operations and payment of fees and contributions to the electronic communications universal service compensation fund.

Commitments related to the acquisition of SFR

As part of the acquisition of SFR in November 2014, the NSFR group has undertaken a commitment not to reduce headcount (unless dictated by unsustainable market conditions), for a period of 36 months.

The French anti-trust authority (“ADLC”) also imposed certain conditions on the acquisition, which are applicable for a period of 5 years, renewable once and will be monitored by an independent third party appointed by the ADLC.

The various commitments are listed below:

- *Commitment to sell Outremer Telecom’s (“OMT”) mobile telephony business and owned stores in Reunion Island and Mayotte. The sale was finalised during 2015 (see note 3.2.1),*

- *Commitments regarding the sale of Completel’s DSL Network. The disposal was completed subsequent to year end (see note 35),*

- *Commitments regarding the relationship between NG and Vivendi.*

Following the buyback of the stake held by Vivendi in Numericable-SFR, these commitments have extinguished.

Commitments related to the acquisition of PT

As part of the acquisition of PT in June 2015, the Group had committed to the European commission and the Portuguese anti-trust authorities that it would dispose of its existing business in Portugal (Cabovisao and its subsidiary, Winreason). The sale was concluded on January 20, 2016 (see note 35).

31 Litigation

In the normal course of its activities, the Group is accused in a certain number of governmental, arbitration and administrative law suits.

Provisions are booked by the Group when it is more likely than not that such lawsuits shall incur expenses to the Group and also if the magnitude of these expenses can either be quantified or estimated within a reasonable range. In this case, the provisions corresponds to our best estimate of the risks. The magnitude of the provisions retained is based on the estimate of the level of risk on a case-by-case basis, it being taken into account that the occurrence of events in the course of the legal action can involve a constant re-estimation of this risk.

The Group is not aware of other dispute, arbitration, governmental or legal action or exceptional fact (including any legal action of which the issuer is aware, which is outstanding or by which it is threatened) that may have been or is in progress during the last twelve months and that has a significant effect on the financial position, the earnings, the activity and the assets of the company and the group, other than those described below.

This note lists below all significant Group ongoing legal disputes as at December 31, 2015. Tax disputes as at December 31, 2015 are described in Note 22.

31.1 Civil and commercial disputes in France

31.1.1 Wholesale disputes

Complaint by Bouygues Telecom against SFR and Orange regarding the wholesale market in mobile call termination and the retail market in mobile telephony

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

SFR appealed the decision. The case was argued in the Court of Appeals of Paris on February 20, 2014.

The Paris Court of Appeals rendered its judgment on June 19, 2014, dismissing SFR’s appeal (the judgment was appealed to the Court of Cassation by SFR on July 9, 2014; on October 6, 2015, the Court of Cassation rejected SFR’s appeal), and asked the European Commission to provide an Amicus Curiae brief to shed light on the economic and legal issues raised by this case. The Court of Appeals postponed a ruling on the merits of the case pending the Commission’s opinion. The Commission rendered its opinion on December 1, 2014, which went against SFR. The hearing on the merits of the case was held December 10, 2015. The Court of Appeals will hand down its ruling in May 2016.

As a result of the French Competition Authority’s decision of December 13, 2012, Bouygues Telecom, OMEA and EI Telecom (NRJ Mobile) brought suit against SFR in the Commercial Court for damages. In accordance with the transaction SFR and Bouygues Telecom in June 2014, the hearing to close the mediation proceedings was held on December 5, 2014. The motion for discontinuance on September 11, 2014 ended the legal action between the two companies. With respect to the claim by OMEA (€67.9 million) and EI Telecom (€28.6 million), SFR applied for stay on a ruling pending the decision of the Paris Court of Appeals, and obtained it.

Claim by Mundio Mobile against SFR

Mundio Mobile, an MVNO on the SFR network, brought claim in the form of a surprise filing against SFR on November 5, 2014 in the Paris Commercial Court. Mundio Mobile is claiming €63.6 million in damages from SFR. Mundio Mobile accuses SFR of unfair practices under the MVNO contract (by launching the offer of its former subsidiary Buzz Mobile). Mundio is also challenging certain aspects of the contract including its pricing terms.

Complaint against Orange filed with the French Competition Authority (NRA ZO)

On December 9, 2009, SFR and SFR Collectivités filed a complaint with the French Competition Authority against Orange for unfair practices. SFR withdrew its action on October 1, 2015.

As part of this complaint, on June 18, 2013, SFR sued Orange in the Paris Commercial Court (NRA ZO) for damages. SFR is seeking €50 million in interim damages from Orange.

SFR’s lawsuit and complaint against Orange in the Paris Commercial Court (call termination - call origination)

On February 22, 2010, SFR filed suit against Orange seeking cancellation of the price for Orange call origination for the period 2006-2007 and replacement with a lower rate of 2% for 2006 and 15% for 2007. On June 25, 2013, all of SFR’s claims were dismissed. On July 25, 2013, SFR appealed the Commercial Court ruling. On December 4, 2015, the Court of Appeals dismissed SFR’s claim.

Complaint by Orange Réunion, Orange Mayotte and Outremer Telecom against SRR and SFR

Differential on-net/off-net pricing in the mobile telephony market in Mayotte and Réunion

Orange Réunion, Orange Mayotte and Outremer Telecom filed a complaint with the French Competition Authority in June 2009 alleging unfair differential on-net/off-net pricing by SRR in the mobile telephony market on Mayotte and Réunion seeking provisional measures from the Competition Authority.

On September 15, 2009, the French Competition Authority announced provisional y measures against SRR, pending its decision on the merits. SRR had to discontinue any price spread exceeding its actual “off-net/on-net” costs in the network concerned.

As the French Competition Authority found that SRR had not fully complied with its injunction, it fined SRR €2 million on January 24, 2012.

In the proceedings on the merits, with regard to the “Consumers” component of the case, SRR requested and obtained a “no contest” on the complaints on July 31, 2013. On June 13, 2014, the Authority rendered its decision for the “Consumers” component of the case, fining SFR and its subsidiary SRR €45.9 million.

Non-residential mobile telephony market in Mayotte and Réunion

The SRR premises were raided and records seized on September 12, 2013. The operation focused on the non-residential mobile telephony market in Réunion and Mayotte and was also in response to the complaint filed by Outremer Telecom.

SRR appealed to the Chief Justice of the Saint-Denis Court of Appeals of Réunion the decision authorizing the operation and a second appeal against its procedure. On June 13, 2014, the Chief Justice of the Saint-Denis Court of Appeals of Réunion handed down an order rescinding all the seizures at SRR in September 2013. The Competition Authority appealed this order.

With respect to the proceedings on the merits, the Competition Authority on February 12, 2015 sent a notice of complaints to SFR and SRR which decided not to dispute the complaints. A report of no-contest was signed on April 1, 2015. A session in front of the Authority board was held on September 15, 2015. On June 30, 2015, the French Competition Authority fined SRR (and SFR as the parent company) for an amount €10.8 million.

Compensation disputes

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

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

In a ruling on November 13, 2013, the Court awarded SRR and SFR a postponement until the Competition Authority makes a decision, or until the Chief Justice of the Court of Appeals orders the postponement of the enforcement of the Competition Authority’s decision. To date, the proceeding has not resumed despite the fact that the ruling of the Chief Justice of the Court of Appeals was handed down on June 13, 2014.

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

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

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

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

At the same time, SFR filed suit against Orange in the Commercial Court and is seeking €512 million euros (subject to adjustment) as remedy for the loss suffered as a result of the practices in question in the proceeding with the Competition Authority.

Orange suit against SFR in the Paris Commercial Court (overflows case)

Orange filed a claim on August 10, 2011 with the Paris Commercial Court asking the Court to order SFR to immediately cease its unfair “overflow” practices and to order SFR to pay €309.5 million in contractual penalties. It accused SFR of deliberately organizing overflows onto the Orange network for the purpose of economically optimizing its own network (underdesigning the Primary Digital Block (PBN)). In a ruling on December 10, 2013, the Court ordered SFR to pay Orange €22.1 million. SFR and Orange both appealed the ruling. On January 16, 2015, the Paris Court of Appeals upheld the Commercial Court’s ruling and SFR paid the €22.1 million. On August 11, 2014, SFR also petitioned the District Court enforcement judge, who rendered his decision on May 18, 2015 by ordering SFR to pay €600,000 (assessment of penalty for 118 abusive overflows).

SFR v. Orange: abuse of dominant position in the second homes market

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

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

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

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

SFR v. Orange (non unbundled areas)

On 26 November 2012, SFR filed a complaint with the French Competition Authority for abuse of dominant position in the retail market for high speed Internet access in non-unbundled areas. On October 1, 2015, SFR withdrew its petition.

Orange v. SFR and Bouygues Telecom (Sharing Agreement)

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

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

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

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

The Court of Appeals upheld this decision on January 29, 2015. Orange is now appealing the matter to the Supreme Court.

Claim by Bouygues Télecom against Numericable, Completel, and NC Numericable

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

On July 24, 2015, Bouygues Telecom filed suit against NC Numericable and Completel concerning the performance of the contract to supply very high-speed links. Bouygues Telecom is accusing NC Numericable and Completel of abusive practices and contractual faults, and is seeking nullification of certain provisions of the contract and indemnification of €79 million euros. The case was postponed until March 15, 2016 for designation of the reporting judge.

31.1.2 Consumer Disputes

CLCV complaint against SFR

On 7 January 2013, the consumer association CLCV filed a complaint against SFR in the Paris Commercial Court. CLCV claimed that some of the clauses in SFR's general terms of subscription, and those of some other telephone operators, were unfair. It also asked for compensation for the collective harm inflicted.

The Paris District Court ruled that the clauses were unfair.

Free v. SFT: unfair practices for non-compliance with consumer credit provisions in a subsidized offer

On May 21, 2012 Free filed a complaint against SFR in the Paris Commercial Court. Free challenged the subsidy used in SFR's "Cross" offers sold over the web between June 2011 and December 2012, claiming that it constituted a form of consumer credit and, as such, SFR was guilty of unfair practices by not complying with the consumer credit provisions, in particular in terms of prior information to customers. Free asked the Paris Commercial Court to require SFR to inform its customers and to order it to pay €29 million in damages. On 15 January 2013, the Commercial Court dismissed all of Free's requests and granted SFR €0.3 million in damages. In March 2016, the Court of Appeal of Paris confirmed the decision of the Commercial Court and ordered Free to pay €0.2 million more to SFR.

SFR v. Iliad, Free and Free mobile: unfair practices by disparagement

In June 2014, SFR filed a complaint against Iliad, Free and Free Mobile in the Paris Commercial Court for unfair competition claiming that when Free Mobile was launched and afterwards, Iliad, Free and Free Mobile were guilty of disparaging SFR services.

Disputes regarding the transfer of customer call centers from Toulouse, Lyon and Poitiers

Following the transfer of customer call centers from Toulouse and Lyon to the company Infomobile and the Poitiers call centers to a subsidiary of the Bertelsmann Group, the former employees at those sites filed legal actions at Labor Tribunal in each city to penalize what they claim were unfair employment contracts constituting fraud under Article L. 1224-1 of the French Labor Code and also contravening the legal provisions regarding dismissal for economic reasons. The rulings in 2013 were mixed as the Toulouse Court of Appeals penalized SFR and Téléperformance in half of the cases while the Lyon and Poitiers courts ruled in favor of SFR. The cases are now at different stages of proceedings: Labor Tribunal, Court of Appeals and Court of Cassation. On June 18, 2014, the Court of Cassation upheld the decision of the Toulouse Court of Appeals (which went against SFR) and dismissed the appeal against the decision of the Poitiers Court of Appeals.

Litigation over distribution in the independent network (Consumer market and SFR Business Team)

SFR, like companies operating an indirect distribution model, faces complaints from a certain number of its distributors and almost routinely from former distributors. Such recurring complaints revolve around claims of sudden breach of contractual relations, unfair economic dependency and/or demands for requalification as a sales agent as well as, recently, demands for requalification as a contractual branch manager and requalification as SFR contracted point of sale staff. SFR, after receiving four adverse judgements by the Court of Cassation regarding the status of branch manager, was recently successful in various Courts of Appeals. Regarding the requalification of employment contracts and sales contracts in these disputes, despite rare exceptions, SFR received favorable judgements.

Free v. SFR

In July 2015, Free filed suit against SFR in order to stop it from using the word “Fiber,” claiming that the solution marketed by SFR is not a fiber to the home (FTTH) solution; Free considers SFR’s communication to be deceptive about substantial qualities and, on that basis, is asking the court to find that there is free-riding and unfair competition.

Familles Rurales v. SFR

In May 2015, Familles Rurales filed suit against SFR in the Paris District Court in the context of a class action seeking remedy for the loss allegedly suffered by consumers, claiming deceptive sales practices used by SFR in its communications about 4G.

31.1.3 Other disputes

In-depth inquiry of the European Commission into the assignment of cable infrastructures by certain local authorities

On July 17, 2013, the European Commission signaled that it had decided to open an investigation to verify whether the transfer of public cable infrastructure between 2003 and 2006 by several French municipalities to Numericable was consistent with European Union government aid rules. In announcing the opening of this in-depth investigation, the European Commission indicated that it believes that the sale of public assets to a private company without proper compensation gives the latter an economic advantage not enjoyed by its competitors, and that it therefore constitutes government aid within the meaning of the rules of the European Union and that the free-of-charge transfer of the cable networks and ducts by 33 French municipalities to Numericable, they have argued, confers a benefit of this type and, as such, is government aid. The European Commission has expressed doubts about the compatibility of the alleged aid with the rules of the European Union. The Group firmly denies the existence of any government aid. In addition, the decision to open an investigation concerns a relatively small number of network connections (approximately 200,000), the majority of which have not been migrated to EuroDocsis 3.0 and only allow access to a limited number of the Group’s television services. The European Commission’s decision of July 17, 2013 was published in the Official Journal of the European Union on September 17, 2013. Since then, discussions have continued within the framework of this process both in terms of comments from third parties as well as those from the parties to the proceedings as to the allegation of the existence of aid and its extent, with the Group firmly challenging the existence of any government aid.

Dispute with Orange concerning certain IRUs

The Group signed four non-exclusive IRUs with Orange on May 6, 1999, May 18, 2001, July 2, 2004 and December 21, 2004, in connection with the Group's acquisition of certain companies operating cable networks built by Orange. These cable networks, accessible only through the civil engineering installations of Orange (mainly its ducts), are made available to the Group by Orange through these non-exclusive IRUs.

Each of these IRUs covers a different geographic area and was signed for a term of 20 years.

Following ARCEP's decision 2008-0835 of July 24, 2008, Orange published, on September 15, 2008, a technical and commercial offer made to telecommunication operators allowing them access to the civil engineering infrastructure of the local wire-based network, pursuant to which the operators can roll out their own fiber networks in Orange's ducts. The terms of this mandatory technical and commercial offer are more restrictive than the terms that the Group enjoys under the Orange IRUs.

As a result, in December 2011, Numericable and Orange signed amendments to the IRUs in order to comply with the November 4, 2010 ARCEP decision and to align the operating procedures set out in the IRUs with the procedures set out in the Orange general technical and commercial offer.

Lastly, Numericable initiated parallel proceedings against Orange before the Commercial Court of Paris on October 7, 2010 claiming damages of €2.7 billion for breach and modification of the IRUs by Orange.

On April 23, 2012, the Commercial Court of Paris ruled in favor of Orange and dismissed Numericable's claims for damages, ruling that there were no material differences between the original operational procedures and the new operational procedures imposed on Numericable by Orange under the terms of its general technical and commercial offer, published on September 15, 2008. Numericable appealed this decision before the Paris Court of Appeals. Numericable claimed the same amount of damages in the Paris Court of Appeals as it had in the Paris Commercial Court. Orange, in turn, claims that this proceeding materially impaired its brand and image, and is seeking an order to make Numericable pay damages of €50 million.

In a ruling dated June 20, 2014, the Paris Court of Appeals dismissed Numericable's appeal, which was referred to the Court of Cassation on August 14, 2014. On February 2, 2015, the Court of Cassation set aside the ruling of the Paris Court of Appeals except in that it recognized NC Numericable's interest in acting and referred the case back to the Paris Court of Appeals.

Action by Colt, Free and Orange in the General Court of the European Union concerning the DSP 92 project

Colt, Free and Orange, in three separate motions filed against the European Commission before the General Court of the European Union seeking to annul the European Commission's final decision of September 30, 2009 (Decision No. C (2009) 7426), which held that the compensation of €59 million granted for the establishment and operation of a high-speed electronic communications network in the department of Hauts de Seine does not constitute government aid within the meaning of the rules of the European Union. The Group is not party to this proceeding. Its subsidiary Sequalum is acting as the civil party, as well as the French government and the department of Hauts de Seine. In three rulings dated September 16, 2013, the General Court of the European Union rejected the requests of the three applicants and confirmed the aforementioned decision of the European Commission. Free and Orange have appealed to the Court of Justice of the European Union.

Litigation between Sequalum and CG 92 regarding DSP 92

A disagreement arose between the Hauts-de-Seine General Council ("CG92") and Sequalum regarding the terms of performance of a utilities concession contract ("THD Seine") signed on March 13, 2006 between Sequalum, a subsidiary of the Group, and the Hauts-de-Seine General Council, to create a very-high-speed fiber optic network in the Hauts-de-Seine region.

The Hauts-de-Seine General Council meeting of October 17, 2014 decided to terminate the public service delegation agreement signed with Sequalum "for gross misconduct by the delegatee for which it is solely responsible." The Hauts-de-Seine General Council demanded the payment of penalties totaling approximately €45 million for delays, advanced by the sole delegator and disputed by Sequalum, in the deployment of fiber optics and connections to buildings.

The order for payment was contested in a motion in the Administrative Court of Cergy Pontoise on September 3, 2014. Its enforcement and the payment of the sums requested have been suspended pending a ruling on the merits.

On May 7, 2015, the General Council sent a second demand for an order for payment in the amount of €51.6 million euros, orders disputed by Sequalum on July 11, 2015.

Sequalum claims that the termination was unlawful and is continuing to perform the contract, subject to any demands that the delegator may impose. If the competent courts confirm this interpretation, Sequalum may have to repay the public subsidies received for the DSP 92 project, normally the outstanding component of the subsidies (the company received €25 million in subsidies from the General Council). In turn, the department of Hauts-de-Seine received the returnable assets of the DSP on July 1, 2015. Furthermore, the General Council will also have to pay compensation to Sequalum in an amount essentially equal to the net value of the assets.

On October 16, 2014, Sequalum filed a motion in the Administrative Court of Cergy Pontoise to have the public service delegation rescinded on the grounds of force majeure in the form of irreversible disruption of the contract economics.

At December 31, 2015, the assets were removed from Sequalum's accounts in the amount of €116 million.

Income receivable in the amount of €139 million related to the expected indemnification was also recognized, an amount fully provisioned given the situation.

Numericable-SFR states that it also has its own fiber optics in the department of Hauts-de-Seine to service its customers. Furthermore, the revenue generated by DSP 92 accounts for a relatively insignificant percentage of Group revenue.

Operations, inspections and seizures

By Order of March 25, 2015, the Nanterre District Court authorized the rapporteur-general of the Competition Authority to conduct inspections and seizures in order to find proof of actions prohibited by Article L 430-8-II of the French Commercial Code and any evidence of such actions before the authorization of the concentration of Numericable-SFR, Omea Telecom and SFR. On April 9, 2015, Numericable-SFR appealed the authorization of the District Court of Nanterre and filed an appeal against the inspection and seizure operations with the Chief Justice of the Court of Appeals of Versailles. The hearing date is scheduled for May 26, 2016. It is understood that the opening of such an inquiry by the Competition Authority does not in any way prejudice the results that may be issued by the Authority.

31.2 Civil and commercial disputes in Portugal

As of December 31, 2015, Portugal Telecom (PT Group) had the following outstanding litigations pending against it.

Optimus - Interconnection agreement

This legal action is dated from 2001 and relates to the price that Telecomunicações Móveis Nacionais ("TMN", PT Portugal's mobile operation at that time) charged Optimus - Comunicações S.A. ("Optimus", one of MEO's mobile competitors at that time, currently NOS) for mobile interconnection services, price that Optimus did not agree with. TMN transferred to PT Comunicações (PT Portugal's fixed operation at that time, currently named MEO) the receivables from Optimus, and subsequently PT Comunicações offset those receivables with payables due to Optimus. NOS argues for the annulment of the offset made by PT Comunicações and accordingly claims from PT Comunicações the settlement of the payables due before the offset plus accrued interest. In August 2015, the court decided that the transfer of the interconnection receivables from TMN to PT Comunicações and consequently the offset of those receivables with payables due by PT Comunicações to Optimus were not legal and therefore sentenced MEO to settle those payables plus interest up to date in the total amount of approximately €35 million. MEO appealed from this decision in October 2015 to the Court of Appeal of Lisbon. The appeal was accepted by the court, which accepted also MEO's request to consider the suspensive effect of the appeal, conditional upon the submission of a bank guarantee that MEO has already presented in the beginning of 2016.

TV Tel - Restricted access to the telecommunication ducts

In March 2004, TV TEL Grande Porto - Comunicações, S.A. ("TVTEL", subsequently acquired by NOS), a telecommunications company based in Oporto, filed a claim against PT Comunicações in the Lisbon Judicial Court. TV TEL alleged that, since 2001, PT Comunicações has unlawfully restricted and/or refused access to its telecommunication ducts in Oporto, thereby undermining and delaying the installation and development of TV TEL's telecommunications network. TV TEL is claiming an amount of approximately €15 million from MEO for damages and losses allegedly caused and yet to be sustained by that company as a result of the delay in the installation of its telecommunications network in Oporto. PT Comunicações submitted its defence to these claims in June 2004, stating that (1) TV TEL did not have a general right to install its network in PT Comunicações's ducts, (2) all of TV TEL's requests were lawfully and timely responded to by PT Comunicações according to its general infra-structure management policy, and (3) TV TEL's claims for damages and losses were not factually sustainable. After an initial trial and based in a judicial decision, a new trial is yet to be scheduled to appreciate new facts on this matter. Recently the court notified MEO to present the list of witnesses.

Anacom litigation

MEO has several outstanding proceedings filed from Anacom, for some of which MEO has not yet received formal condemnations. This litigation includes matters such as the violation of rules relating to portability, TDT, the non-compliance of obligations under the universal service (fixed voice and public phones) and restricting the access to phone numbers starting at 760. Historically, MEO paid amounts significantly lower than the administrative fines set by Anacom in final decisions. The initial value of the proceedings is normally set at the maximum applicable amount of the administrative fine until the final.

Zon TV Cabo Portugal – Violation of portability rules

Zon TV Cabo Portugal (currently NOS) claims that MEO has not complied with the applicable rules for the portability of fixed numbers, as a result of which claims for an indemnity of €22 million corresponding to profits lost due to unreasonable rejections and the delay in providing the portability of the number. An expert indicated by each party and a third party expert evaluated this matter and presented the final report to the court. MEO has also filed a claim against NOS regarding portability compensations, the trial of which is scheduled to take place in 2016.

Optimus - Abuse of dominant position in the wholesale market

In March 2011, Optimus filed a claim against MEO in the Judicial Court of Lisbon for the payment of approximately €11 million, as a result of an alleged abuse of dominant position by MEO in the wholesale offer. Optimus sustained its position by arguing that they suffered losses and damages as a result of MEO's conduct. The trial is scheduled to take place during the first half of 2016.

Municipal taxes and rights-of-way

Pursuant to a statute enacted on 1 August 1997, as an operator of a basic telecommunications network, MEO was exempt from municipal taxes and rights-of-way and other fees with respect to its network in connection with its obligations under the Concession. The Portuguese Government has advised MEO in the past that this statute confirmed the tax exemption under MEO's former Concession and that it will continue to take the necessary actions in order for MEO Comunicações to maintain the economic benefits contemplated by the former Concession.

Law 5/2004, dated 10 February 2004, established a new rights-of-way regime in Portugal whereby each municipality may establish a fee, up to a maximum of 0.25% of each wireline services bill, to be paid by the customers of those wireline operators which network infra-structures are located in each such municipality.. Meanwhile, Decree-Law 123/2009, dated 21 May 2009, clarified that no other tax should be levied by the municipalities in addition to the tax established by Law 5/2004. This interpretation was confirmed by the Supreme Administrative Court of Portugal in several legal actions.

Some municipalities however, continue to persive that the Law 5/2004 does not expressly revoke other taxes that the municipalities wish to establish, because Law 5/2004 is not applicable to the public municipality domain.

Currently, there are legal actions with some municipalities regarding this matter and some of the municipalities have initiated enforcement proceedings against MEO to demand the payment of those taxes.

Invesfundo II - Disposal of plots of land

Invesfundo II acquired from one of MEO's former pension fund assets a group of plots of land for a total amount of €41 million, including one plot of land that Invesfundo II argues that it was not MEO's property, as a result of which Investfundo II had to acquire that plot of land from a third party for €4 million, amount that is claiming from MEO. The parties are waiting for a judicial decision.

31.3 Civil and commercial disputes in Israel

In Israel, during the routine course of business, lawsuits have been filed against the companies that comprise the HOT group and various legal proceedings are outstanding against it. In the opinion of the Board of Directors of the Group, based, inter alia, on legal opinions in respect of the chances of the lawsuits, a provision of €15.3 million has been recorded in the consolidated financial statements as of December 31, 2015, where provisions are required, in order to cover the exposure as the result of the lawsuits. In the opinion of the Board of Directors of the Group, the amount of the additional exposure, for an amount of approximately €164 million (over and above the provisions that have been recorded in these consolidated financial statements), as of December 31, 2015, as a result of lawsuits that have been filed against companies in the HOT group covers claims which the Board of Directors and legal team estimate to have more than a 50% chance of succeeding.

32. Revised information

As per the provisions of IFRS 3 Business Combination, the impact of the recognition of the identifiable tangible and intangible assets of the Numericable-SFR, Tricom and ODO at their fair value was revised for the year ended December 31, 2014.

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

	December 31, 2014 (previously reported)	**Revision**	**December 31, 2014 (revised)**
		(In millions €)	
Goodwill	15,835.4	*(2,413.3)*	13,422.1
Intangible assets	5,199.1	*4,309.1*	9,508.2
Property, plant & equipment	7,602.1	*(253.3)*	7,348.8
Other non-current assets	1,551.9	*(3.7)*	1,548.3
Deferred tax assets	648.4	*227.5*	875.9
Non-current assets	**30,836.9**	***1,866.3***	**32,703.3**
Current assets	***5,200.9***	***128.5***	**5,329.4**
Assets classified as held for sale	*77.3*	-	*77.3*
Total assets	**36,115.1**	***1,994.8***	**38,110.0**
Equity	5,196.3	*27.8*	5,224.1
Other non-current liabilities	**22,174.7**	***508.5***	**22,683.2**
Deferred tax liabilities	**406.9**	***1,650.0***	**2,056.9**
Non-current liabilities	**22,581.6**	***2,158.5***	**24,739.4**
Current liabilities	8,314.8	*(191.4)*	8,123.4
Liabilities directly associated with assets classified as held for sale	*22.5*	-	*22.5*
Total equity and liabilities	**36,115.1**	***1,994.8***	**38,110.0**

	December 31, 2014 (previously reported)	**Revision**	**December 31, 2014 (revised)**
		(In millions €)	
Revenues	3,934.5	-	3,934.5
Other operating expenses	(2,458.6)	*15.9*	(2,442.7)
Depreciation, amortization and impairment	(1,098.5)	*(27.9)*	(1,126.4)
Other expenses and income	(219.3)	*(20.3)*	(239.6)
Operating profit	**158.0**	***(32.3)***	**125.7**
Finance costs, net	*(1,136.2)*	*1.0*	*(1,135.2)*
Gain recognized on step acquisition	256.3	-	256.3
Share of profit in associates	4.8	-	4.8
Loss before taxes	**(717.1)**	***(31.3)***	**(748.4)**
Income tax expense	164.7	*4.2*	168.9
Loss for the year	**(552.4)**	***(27.1)***	**(579.5)**
Comprehensive income for the year	**(682.9)**	***(27.1)***	**(710.0)**

33 Statutory Auditors' fees

In 2015, an amount of €7.7 million (2014 €5.2 million) was paid to various networks affiliates of the Company's auditors, split mainly between €4.0 million (2014 €3.0 million) for audit services and €1.1 million (2014 €1.0 million) for other assurance services, and €2.7 million (2014 €1.0 million) for non-audit services.

34 Going concern

As at December 31, 2015, the Group had net current liability position of €2,940.9 million (excluding restricted cash of €7,737.0 million related to the acquisition of Cablevision) and a negative working capital of €2,204.0 million (€1,749.8 in 2014). During the year ended December 31, 2015, the Group registered a net loss of €219.9 million (loss of €579.5 million in financial year 2014) and generated cash flows from operations of €4,636.4 million. The positive cash flow from operations balance was mainly due to strong earnings growth and EBITDA generation. The net loss recorded in the financial year was mainly driven by the increased finance costs on the issuance of new debt to finance the PT Portugal and Suddenlink and Cablevision acquisitions. The negative working capital position is structural and follows industry norms. Customers generally pay subscription revenues early or mid-month, with short DSOs (Days of Sales Outstanding) and suppliers are paid under standard commercial terms, thus generating a negative working capital, as evidenced by the difference in the level of receivables and payables (€3,864.2 million vs. €6,437.0 million). Payables due the following month are covered by revenues and cash flows from operations (if needed).

As of December 31, 2015, the Group's short term borrowings mainly comprised of the accrued interests (€764.2 million) on the bonds and loans from financial institutions which are repaid on a semi-annual basis, some local bonds and bank loans (€352.4 million) and a draw down on a portion of our €501 million and €1,125 million RCF for an amount of respectively €160 million and €450 million. Those short term obligations are expected to be covered by the cash flows from operations of the operating subsidiaries.

The long term debt of the Group commences to mature in 2019 (except Hot Telecom debentures which matures in 2018 and the Corporate Facility of Altice Corporate Financing which matures in 2017. In March 2016, the Group extended the maturity of a part of the Corporate facility by two years) (see notes 16 and 35).

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

- The Group has a strong track record of generating positive EBITDA and generated strong positive operating cash flows in 2015 (€4,476.2 million). EBITDA amounted to €5,494.2 million, an increase of 264% compared to financial year 2014. This increase in EBITDA is mainly due to the integration of newly acquired entities (see note 3) which contributed to this increase compared to prior year. The Board of Directors is of the view that such EBITDA and the consequent cash flows are sufficient to service the working capital of the Group.

- The Group had healthy unrestricted cash reserves at the end of 2015 (€2,515.0 million vs. €1,563.6 million in 2013), which would allow it to cover any urgent cash needs. Additionally, as of December 31, 2015, the Group had access to Revolving Credit Facilities ("RCF") and guarantee facilities of up to €2,309.5 million (out of which €610 million has been drawn as at December 31, 2015). The Group has consistently repaid its short term commitments, as evidenced by the repayment of the vendor note to Cinven and Carlyle in February 2015 (€529.2 million) and the repayment of the guarantee facility due on the acquisition of a 10% stake in NSFR from Vivendi in December 2015.

- As of December 31, 2015, the market value of the Company shows a premium compared to the net equity of the Group indicating that the Group could divest of some of its assets with a significant premium. Within these assets, the Board notes that the fair value of the Numericable-SFR shares is in excess of the cost in the books of Altice France.

- As of December 31, 2015, the Group had a positive equity position of €1,978.1 million, of which €1,036.5 million attributable to the equity owners of the Company. This positive position mainly results from the capital issuance carried out by the Group in October 2015.

On the basis of the above, the Board of Directors is of the view that the Group will continue to act as a going concern for 12 months from the date of approval of these consolidated financial statements and has hence deemed it appropriate to prepare these consolidated financial statements using the going concern assumption.

35 Events after the reporting period

Disposal of Cabovisão

On January 20, 2016, the Group announced that it had completed the sale of Cabovisão and its subsidiaries (including Winreason) to Apax France. This disposal was mandated by the European Commission and the Portuguese competition authorities following the acquisition of PT Portugal in June 2015. These entities were classified as held for sale by the Group as of 31 December 2015, in accordance with IFRS 5.

The enterprise value amounted to EUR 150.8 million, before any impact of price adjustments.

Numergy

On January 22, 2016, the Group finalized the acquisitions of the interests held by Caisse des Dépôts (33%) (acting in its own name and on behalf of the government under the Future Investments Program) and Atos (20%) in Numergy. In this way, the Group is perpetuating a company in which SFR has invested since its beginning. 50% of the price of these ownership interests was paid on January 22, 2016. The remaining 50% will be due January 22, 2017. In this context, the Group established a first-demand guarantee maturing in more than one year in order to cover the amount still due to Caisse des Dépôts and Atos.

Formed in September 2012, Numergy is a company that specializes in building and operating French and European Cloud computing infrastructures. Numergy was designed to become a true “digital energy power plant” serving the economy and growth. Its mission is to provide businesses (very small, small, medium, and intermediate businesses and major accounts) and public organizations with secure, high-performance and competitive IT resources. The SFR offer of Cloud computing services for businesses, a major component of the Group’s strategy, is therefore strengthened. In effect, the Numergy offer and technology, which complement the offer of SFR and the Altice Group, represent an opportunity to accelerate the deployment of the Cloud in France and in Europe.

Extension of Maturity of Corporate Facility

In March 2016, the Group extended the maturity of a portion of the EUR 1,500 million corporate facility (for an amount of EUR 1,000 million) at Altice Corporate Financing by two years, from May 2017 to March 2019.

New Derivatives

On February 16, 2016, NSFR signed an interest rate swap agreement with JP Morgan Chase with the following features:

- Nominal: €4.0 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: (0.121%)
- Maturity: 7 years, but with a clause from the bank to advance the remaining cash flows at the end of 5 years.

The Group is continuing its strategy to hedge financial risks by converting approximately two-thirds of its variable rate borrowings into fixed rates. As a result, around 80% of the NSFR’s long-term debt is fixed-rate.

The Group also entered into a similar swap at Altice Financing S.A. with the following features:

- Nominal: €0.75 billion
- Variable rate paid by the bank: 3-month EURIBOR
- Rate paid by the Group: (0.13%)
- Maturity: 7 years, but with a clause from the bank to advance the remaining cash flows at the end of 5 years.

Change in consolidation method of NextRadioTV

Following the successful completion of the tender offer for all the outstanding equity securities of NextRadioTV on February 1, 2016 and the implementation of some organizational changes (such as the appointment of Mr. Weill to Altice's Executive Committee), the Group has concluded that its investment in GNP (the controlling shareholder of NextRadioTV) meets the criteria for establishing control in accordance with IFRS 10 "Consolidated Financial Statements". The tender offer was fully financed by the Group by subscribing an additional tranche of convertible bonds issued by GNP for an aggregate amount of €315.6 million (before price adjustments, if any).

Thus, the Group will consolidate GNP from 1 February 2016 onwards in its consolidated financial statements.

36 Full list of entities included in the scope of consolidation

Name of subsidiary	**Place of incorporation and operation**	**Method of consolidation**		**Proportion of ownership interest held by the Group**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Altice N.V.	Netherlands	FC(1)	FC(1)	Parent Company/Successor entity	-
Altice S.A.	Luxembourg	-	FC(1)	-	Predecessor entity/Parent company
Altice Luxembourg S.A.	Luxembourg	FC(1)	-	100%	-
Altice France S.A.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice International S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Management Europe	Switzerland	FC(1)	FC(1)	100%	100%
Cool Holding LTD	Israel	FC(1)	FC(1)	100%	100%
H. Hadaros 2012 LTD	Israel	FC(1)	FC(1)	100%	100%
HOT Telecommunication Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Telecom Limited Partnership	Israel	FC(1)	FC(1)	100%	100%
Hot Mobile LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Cable Telecommunications Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Net Internet Services LTD (Formerly Hot Investments and Finance LTD)	Israel	FC(1)	FC(1)	100%	100%
Hot Vision LTD	Israel	FC(1)	FC(1)	100%	100%
Nonstop Ventures LTD	Israel	EM(2)	EM(2)	50%	50%
South Saron Communications LTD	Israel	FC(1)	FC(1)	100%	100%
Iscarable LTD	Israel	FC(1)	FC(1)	100%	100%
Hot TLM Subscription Television LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Eden Cables Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Israel Cables Systems LTD	Israel	FC(1)	FC(1)	100%	100%
Hot Net Limited Partnership	Israel	FC(1)	FC(1)	100%	100%
Hot EDOM LTD	Israel	FC(1)	FC(1)	100%	100%
Zira (Copyrights on the Internet) LTD	Israel	EM(2)	EM(2)	25%	25%
Altice Securities S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Holdings S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Africa S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Blue One S.A.S. (4)	France	-	FC(1)	-	100%
MTVC S.A.	France	FC(1)	FC(1)	99,85%	99,85%
WSG S.A.	France	FC(1)	FC(1)	99,85%	99,85%
Green.ch	Switzerland	FC(1)	FC(1)	99,57%	99,57%
Auberimmo S.A.S.	France	FC(1)	FC(1)	100%	100%
Green Datacenter AG	Switzerland	FC(1)	FC(1)	98,63%	98,63%
Deficom Telecom S.à r.l.	Luxembourg	FC(1)	FC(1)	74%	74%
Coditel Holding Lux II S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%

Name of subsidiary	**Place of incorporation and operation**	**Method of consolidation**		**Proportion of ownership interest held by the Group**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Coditel Holding Lux S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Coditel Holding S.A.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Coditel Brabant S.p.r.l.	Belgium	FC(1)	FC(1)	84,40%	84,40%
Coditel S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Coditel Management S.à r.l.	Luxembourg	FC(1)	FC(1)	84,40%	84,40%
Altice Caribbean S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Portugal S.A.	Portugal	FC(1)	FC(1)	100%	100%
Cabovisao S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Altice Finco S.A.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Financing S.A.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice West Europe S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
OMT Invest S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
Groupe Outremer Telecom S.A.	France	FC(1)	FC(1)	99,85%	99,85%
Outremer Télécom S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
Outremer Télécom Océan Indien S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
Altice Blue Two S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
City Call Ltd	Mauritius	FC(1)	FC(1)	99,85%	99,85%
Outremer Telecom Ltee	Mauritius	FC(1)	FC(1)	99,85%	99,85%
Telecom Reunion SNC	France	FC(1)	FC(1)	99,85%	99,85%
Telecom 2004 SNC	France	FC(1)	FC(1)	99,85%	99,85%
OPS S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
WLL Antilles-Guyane S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
WLL Réunion S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
ONI S.G.P.S., S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Winreason S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Onitelecom-Infomunicações, S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Knewon S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Onitelecom Açores S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Onitelecom Madeira S.A. (3)	Portugal	FC(1)	FC(1)	100%	100%
Altice Content S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Ma Chaine Sport S.A.S.	France	FC(1)	FC(1)	100%	100%
Altice Entertainment and Sport S.A. (ex Sportv)	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Entertainment and Sport Lux S.à r.l. (ex SportLux)	Luxembourg	FC(1)	FC(1)	100%	100%
CPA Lux S.à r.l.	Luxembourg	FC(1)	FC(1)	100%	100%
Altice Bahamas S.à r.l.	Luxembourg	FC(1)	FC(1)	97,20%	97,20%
Fiberman Management S.à r.l. (4)	Luxembourg	-	FC(1)	-	100%
Altice Hispaniola S.A.	Dominican Republic	FC(1)	FC(1)	97,20%	97,20%
Tricom S.A.	Dominican Republic	FC(1)	FC(1)	97,20%	97,20%

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Global Interlinks Ltd	Dominican Republic	FC(1)	FC(1)	97,20%	97,20%
Mobius S.A.S.	France	FC(1)	FC(1)	99,85%	99,85%
SIG 50 S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFR S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Omer Telecom Ltd.	United Kingdom	FC(1)	FC(1)	78,14%	60,30%
Omea Holding S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Omea Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Numericable-SFR S.A	France	FC(1)	FC(1)	78,14%	60,30%
Ypso Holding S.à.r.l	Luxembourg	FC(1)	FC(1)	78,14%	60,30%
Ypso France S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
NC Numericable S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Numericable Finance & Co. S.C.A. (4)	Luxembourg	-	FC(1)	-	60,30%
Numericable Finance S.à r.l. (4)	Luxembourg	-	FC(1)	-	60,30%
Stichting Ypso 1 (4)	Netherlands	-	FC(1)	-	60,30%
Stichting Ypso 2 (4)	Netherlands	-	FC(1)	-	60,30%
TME France S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Coditel Debt S.à r.l. (4)	Luxembourg	-	FC(1)	-	60,30%
Ypso Finance S.à r.l.	Luxembourg	FC(1)	FC(1)	78,14%	60,30%
Sequalum Participation S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Sequalum S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Alsace Connexia Participation S.A.S. (4)	France	-	FC(1)	-	60,30%
Altice B2B France S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Completel S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
LTI Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Invescom S.A.	France	-	FC(1)	-	60,30%
B3G International BV	Netherlands	FC(1)	FC(1)	78,14%	60,30%
Numericable US S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Numericable US LLC	United States	FC(1)	FC(1)	78,14%	60,30%
SFR Participation	France	FC(1)	FC(1)	78,14%	60,30%
Groupe Telindus France S.A. (4)	France	-	FC(1)	-	60,30%
SFR Business Solutions S.A.S. (ex Telindus France S.A.S.)	France	FC(1)	FC(1)	78,14%	60,30%
Telindus Morocco S.A.	Morocco	FC(1)	FC(1)	78,14%	60,30%
LD Communications BV	Netherlands	FC(1)	FC(1)	78,14%	60,30%
LD Communications Italie Srl	Italy	FC(1)	FC(1)	78,14%	60,30%
LD Communications Suisse S.A.	Switzerland	FC(1)	FC(1)	78,14%	60,30%
2SID S.A.S. (4)	France	-	FC(1)	-	60,30%
2SIP S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Cinq sur Cinq S.A.	France	FC(1)	FC(1)	78,14%	60,30%

Name of subsidiary	**Place of incorporation and operation**	**Method of consolidation**		**Proportion of ownership interest held by the Group**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Ariège Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Cap Connexion S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
CID S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Debitex Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Eur@seine S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
FOD SNC	France	FC(1)	FC(1)	78,14%	60,30%
Futur Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Gravelines Network S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Haut-Rhin Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Loiret THD S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
MACS THD S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Opalys Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Rennes Métropole Telecom S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Rimbaud Gestion B S.C.I.	France	FC(1)	FC(1)	78,14%	60,30%
Foncière Velizy S.C.I.	France	FC(1)	FC(1)	78,14%	60,30%
SFCM S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFD S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFR Collectivités S.A.	France	FC(1)	FC(1)	78,14%	60,30%
SFR Développement S.A.S	France	FC(1)	FC(1)	78,14%	60,30%
SID S.C.S.	France	FC(1)	FC(1)	78,14%	60,30%
SRR S.C.S.	France	FC(1)	FC(1)	78,14%	60,30%
SHD S.A.	France	FC(1)	FC(1)	78,14%	60,30%
LTBR S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Pays Voironnais Network S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Pays Voironnais Network Part. S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
SFR Service Client S.A.	France	FC(1)	FC(1)	78,14%	60,30%
Iris 64 S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Manche Telecom S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Medi@lys S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Teloise S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Synerail Exploitation S.AS	France	FC(1)	FC(1)	46,91%	36,20%
Inolia S.A.	France	FC(1)	FC(1)	46,91%	36,20%
Moselle Telecom Part. S.A.S.	France	FC(1)	FC(1)	43,80%	33,80%
Comstell S.A.S.	France	FC(1)	FC(1)	39,13%	30,20%
Alsace Connexia S.A.S.	France	FC(1)	FC(1)	54,69%	42,20%
Moselle Telecom S.A.S.	France	FC(1)	FC(1)	30,58%	23,60%
Irisé S.A.S.	France	FC(1)	FC(1)	19,57%	15,10%
Foncière Rimbaud 1 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Foncière Rimbaud 2 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%

Name of subsidiary	**Place of incorporation and operation**	**Method of consolidation**		**Proportion of ownership interest held by the Group**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Foncière Rimbaud 3 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Foncière Rimbaud 4 S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
Dokeo TV S.A.S.	France	EM(2)	EM(2)	39,13%	30,20%
La Poste Telecom S.A.S.	France	EM(2)	EM(2)	38,23%	29,50%
Numergy S.A.S.	France	EM(2)	EM(2)	36,54%	28,20%
Synerail Construction S.A.S.	France	EM(2)	EM(2)	31,23%	24,10%
VOD Factory S.A.S.	France	EM(2)	EM(2)	31,23%	24,10%
Fischer Telecom S.A.S.	France	EM(2)	EM(2)	26,57%	20,50%
Synerail S.A.S.	France	EM(2)	EM(2)	23,45%	18,10%
Webwag S.A.S.	France	-	EM(2)	-	16,30%
Buyster S.A.	France	EM(2)	EM(2)	19,70%	15,20%
Ocealis S.A.S.	France	EM(2)	EM(2)	19,57%	15,10%
AF83 S.A.S.	France	EM(2)	EM(2)	19,18%	14,80%
Sud Partner S.à r.l.	France	EM(2)	EM(2)	18,79%	14,50%
Sofialys S.A.S.	France	EM(2)	EM(2)	18,66%	14,40%
Idenum S.A.S.	France	EM(2)	EM(2)	16,46%	12,70%
INFRACOS S.A.S.	France	PC(1)	PC(1)	39,13%	30,20%
Oise Numerique S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Eure et Loir THD S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Valofibre S.A.S.	France	FC(1)	FC(1)	78,14%	60,30%
Altice C&V Finance S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice Content Luxembourg S.à r.l.	Luxembourg	FC(1)	-	76,00%	-
Altice Corporate Financing S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice France Bis S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice Group Lux S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice LP S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice Picture S.à r.l.	Luxembourg	FC(1)	-	100,00%	-
Altice US Finance S.A.	Luxembourg	FC(1)	-	100,00%	-
Altice US Holding I S.C.A.	Luxembourg	FC(1)	-	100,00%	-
Altice US Holding II S.à r.l	Luxembourg	FC(1)	-	100,00%	-
Altice US Management S.à r.l	Luxembourg	FC(1)	-	100,00%	-

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
CVC 1 B.V.	Netherlands	FC(1)	-	99,05%	-
CVC 2 B.V.	Netherlands	FC(1)	-	69,80%	-
CVC 3 B.V.	Netherlands	FC(1)	-	69,80%	-
Appalachian Communications, LLC	U.S.A	FC(1)	-	69,80%	
A R H, Ltd.	U.S.A	FC(1)	-	69,80%	
Cable Systems, Inc.	U.S.A	FC(1)	-	69,80%	
Cebridge Acquisition, LLC	U.S.A	FC(1)	-	69,80%	
Cebridge Acquisition, L.P.	U.S.A	FC(1)	-	69,80%	
Cebridge Connections Equipment Sales, LLC	U.S.A	FC(1)	-	69,80%	
Cebridge Connections Finance Corp.	U.S.A	FC(1)	-	69,80%	
Cebridge Connections, Inc.	U.S.A	FC(1)	-	69,80%	
Cebridge Corporation	U.S.A	FC(1)	-	69,80%	
Cebridge General, LLC	U.S.A	FC(1)	-	69,80%	
Cebridge Limited, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom CA, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom General, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom ID, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom IN, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom KS, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom KY, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom LA, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom Limited, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom MO, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom MS, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom NC, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom NM, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom OH, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom OK, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom, TX, L.P.	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom VA, LLC	U.S.A	FC(1)	-	69,80%	-
Cebridge Telecom WV, LLC	U.S.A	FC(1)	-	69,80%	-
Cequel III Communications I, LLC	U.S.A	FC(1)	-	69,80%	-
Cequel III Communications II, LLC	U.S.A	FC(1)	-	69,80%	-
Cequel Capital Corporation	U.S.A	FC(1)	-	69,80%	-
Cequel Communications II, LLC	U.S.A	FC(1)	-	69,80%	-
Cequel Communications III, LLC	U.S.A	FC(1)	-	69,80%	-
Cequel Communications IV, LLC	U.S.A	FC(1)	-	69,80%	-
Cequel Communications Access Services, LLC	U.S.A	FC(1)	-	69,80%	-

Name of subsidiary	Place of incorporation and operation	Method of consolidation		Proportion of ownership interest held by the Group	
		December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Cequel Communications Holdco, LLC	U.S.A	FC[(1)]	-	69,80%	-
Cequel Communications Holdings, LLC	U.S.A	FC[(1)]	-	69,80%	-
Cequel Communications Holdings I, LLC	U.S.A	FC[(1)]	-	69,80%	-
Cequel Communications Holdings II, LLC	U.S.A	FC[(1)]	-	69,80%	-
Cequel Communications, LLC	U.S.A	FC[(1)]	-	69,80%	-
Classic Cable, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Classic Cable of Louisiana, LLC	U.S.A	FC[(1)]	-	69,80%	-
Classic Cable of Oklahoma, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Classic Communications, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Excell Communications, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Friendship Cable of Arkansas, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Friendship Cable of Texas, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Hornell Television Services, Inc.	U.S.A	FC[(1)]	-	69,80%	-
Kingwood Holdings, LLC	U.S.A	FC[(1)]	-	69,80%	-
Kingwood Security Services, LLC	U.S.A	FC[(1)]	-	69,80%	-
Mercury Voice and Data, LLC	U.S.A	FC[(1)]	-	69,80%	-
NPG Cable, LLC	U.S.A	FC[(1)]	-	69,80%	-
NPG Digital Phone, LLC	U.S.A	FC[(1)]	-	69,80%	-
Orbis1, L.L.C.	U.S.A	FC[(1)]	-	69,80%	-
SL3TV, LLC	U.S.A	FC[(1)]	-	69,80%	-
TCA Communications, LLC	U.S.A	FC[(1)]	-	69,80%	-
Universal Cable Holdings, Inc.	U.S.A	FC[(1)]	-	69,80%	-
W.K. Communications, Inc.	U.S.A	FC[(1)]	-	69,80%	-
MEO-Serviços de Comunicações e Multimédia, S.A.	Portugal	FC[(1)]	-	100,00%	-
PT Sales	Portugal	FC[(1)]	-	100,00%	-
PT Data Center	Portugal	FC[(1)]	-	100,00%	-
PT Pay	Portugal	FC[(1)]	-	100,00%	-
PT Centro Corporativo S.A.	Portugal	FC[(1)]	-	100,00%	-
PT Moveis	Portugal	FC[(1)]	-	100,00%	-
PT Brasil	Portugal	FC[(1)]	-	100,00%	-
PT Pro	Portugal	FC[(1)]	-	100,00%	-
PTM.COM Brasil	Portugal	FC[(1)]	-	100,00%	-
PT Contact	Portugal	FC[(1)]	-	100,00%	-
PT Imobiliária	Portugal	FC[(1)]	-	100,00%	-
Previsão	Portugal	FC[(1)]	-	100,00%	-
Portugal Telecom Inovação e Sistemas, S.A.	Portugal	FC[(1)]	-	100,00%	-
PT Cloud e Data Centers, S.A.	Portugal	FC[(1)]	-	100,00%	-

Name of subsidiary	**Place of incorporation and operation**	**Method of consolidation**		**Proportion of ownership interest held by the Group**	
		December 31, 2015	**December 31, 2014**	**December 31, 2015**	**December 31, 2014**
Portugal Telecom Inovação Brasil, LDA.	Portugal	FC(1)	-	100,00%	-
Contact Cabo Verde	Portugal	FC(1)	-	100,00%	-
PT Prestações	Portugal	FC(1)	-	100,00%	-
New Post - A.C.E.	Portugal	FC(1)	-	100,00%	-
Open Ideia Angola	Portugal	FC(1)	-	100,00%	-
Openidea, Tecnologia de Telecomunicações e Sistemas de Informação	Portugal	FC(1)	-	100,00%	-
Open Ideia Marocco	Portugal	FC(1)	-	100,00%	-
PT Blueclip	Portugal	FC(1)	-	100,00%	-
Open Labs Pesquisa e Desenvolvimento LTDA	Portugal	FC(1)	-	100,00%	-
Groupe News Participation S.A.S	France	EM(2)	-	37,24%	-
Neptune Holding US Corp	U.S.A	FC(1)	-	100,00%	-
Neptune Finco Corp	U.S.A	FC(1)	-	100,00%	-
Neptune Merger Sub Corp	U.S.A	FC(1)	-	100,00%	-
Cequel Corporation	U.S.A	FC(1)	-	100,00%	-
Altice US Finance I	Luxembourg	FC(1)	-	100,00%	-
Altice Content France S.A.S.	France	FC(1)		100,00%	-
PT SGPS S.A.	Portugal	FC(1)	-	100,00%	-

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(1) FC stands for “Full Consolidation”;

(2) EM stand for “Equity Method”;

(3) These entities are classified as held for sale as of December 31, 2015

(4) Entities liquidated during the year ended December 31, 2015

Altice N.V.

Standalone Financial Statements as of December 31, 2015 and for the period from May 18, 2015 to December 31, 2015

Amsterdam, The Netherlands

Altice N.V.
Prins Bernhardplein 200
1097JB Amsterdam
The Netherlands
Chamber of Commerce: 63329743

Altice N.V.
Standalone Financial Statements for the period between May 18, 2015 and December 31, 2015

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1.1 Balance sheet as at December 31, 2015

(After result appropriation)

		December 31, 2015	
ASSETS		€	€
Fixed assets			
Financial fixed assets			
Investments in subsidiaries and associated companies	1.4.1	6,935,973,735	
			6,935,973,735
Current assets			
Receivables	1.4.2		
Receivables from group companies		12,673,771	
Other receivables		1,823,046	
			14,496,817
Cash and cash equivalents	1.4.3		1,702,889,686
			8,653,360,238

1.1 Balance sheet as at December 31, 2015

(After result appropriation)

		December 31, 2015	
SHAREHOLDERS' EQUITY AND LIABILITIES		€	€
Shareholders' equity	1.4.4		
Share capital		76,482,509	
Share premium		8,473,395,636	
Legal reserve		31,165,773	
Retained earnings		61,491,990	
			8,642,535,908
Current liabilities			
Trade creditors		1,148,561	
Payables to group companies		9,549,223	
Taxes payable		50,180	
Accrued expenses and other liabilities		76,366	
			10,824,330
			8,653,360,238

1.2 Statement of income for the period from May 18, 2015 to December 31, 2015

		May 18, 2015 up to and including December 31, 2015	
		€	€
Wages and salaries	1.5.1	396,223	
Social insurances		3,094	
General costs		3,407,958	
Total operating charges			3,807,275
Operating result			(3,807,275)
Interest and financial income	1.5.2	89,888,218	
Interest and financial expenditure	1.5.3	(24,588,953)	
Total financial income and expenditure			65,299,265
Result			61,491,990

1.3 Notes to the financial statements

General information

Altice N.V. (the "Company") was incorporated with limited liability under the laws of the Netherlands on May 18, 2015. The registered office of the Company is in Amsterdam, the Netherlands.

The financial year of the Company runs from January 1 to December 31, with the exception of its first year of operation, where it ran from May 18, 2015 to December 31, 2015.

On August 8, 2015 the Company changed its articles of association and transposed the Company into a joint-stock company.
The objectives of the Company are to act as a holding and finance company. The Company prepares consolidated financial statements at year end.

Basis of preparation

The financial statements are prepared in accordance with accounting principles generally accepted in the Netherlands and comply with the financial reporting requirements included in Part 9 of Book 2 of the Dutch Civil Code. The financial statements are prepared under the historical cost convention and presented in euros (€).
Assets and liabilities are stated at nominal value, unless otherwise stated. If deemed necessary, a provision is deducted from the nominal amount of accounts receivable.

The Company qualifies as a small sized company. Therefore, based on article 396 Book 2 of the Dutch Civil Code, exemptions apply to the presentation and disclosures in the Company's financial statements.

Income recognition

Interest income and expense are recognized in the income statement based on accrual accounting. Dividend income is recognized in the income statement of the year in which the Company's legal right to receive payment is established. Operating expenses are accounted for in the period in which these are incurred. Losses are accounted for in the year in which they are identified.

Estimates

The preparation of the financial statements requires management to make estimates and assumptions that influence the application of principles and the reported values of assets and liabilities and of income and expenditure. The actual results may differ from these estimates. The estimates and the underlying assumptions are constantly assessed. Revisions of estimates are recognised in the period in which the estimate is revised and in future periods for which the revision has consequences.

Impairment of fixed assets

At each balance sheet date, the Board of Directors reviews whether there is any indication that an asset may be subject to impairment. If any such indication exists, the recoverable amount of the asset is determined. If it is not possible to determine the recoverable amount for an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined. An impairment is recognized if the carrying amount of an asset is greater than its recoverable amount. The recoverable amount is the higher of net realizable value and value in use.

Currency

Assets and liabilities denominated in foreign currencies are translated at year-end exchange rates. Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the income statement. Non-monetary balance sheet items, which are valued at cost and resulting from transactions in foreign currencies, are translated at the rate prevailing on the date of the transaction.

1.3 Notes to the financial statements

FINANCIAL INSTRUMENTS

General
Financial instruments are valued at amortized cost unless explained otherwise in the notes. Due to the short-term nature of the financial instruments included in these financial statements, the estimated fair value for these financial instruments approximates the book value.

Financial fixed assets
Subsidiaries, which are those entities in which the Company has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies, are stated at net asset value.

Where a permanent diminution in value occurs in the subsidiary and/or associate valued at cost, the carrying amount is written down to its estimated recoverable amount.

The carrying amount is minimally stated at zero, unless the Company has incurred obligations or guaranteed obligations in respect of the subsidiary and/or associated company. In that case a provision will be formed.

Receivables
The fair value and amortized cost equal the face value. Provisions deemed necessary for doubtful accounts are deducted. These provisions are determined by individual assessment of the receivables.

Current liabilities
Current liabilities concern debts with a term of less than one year. Upon initial recognition the current liabilities are recorded at the fair value and subsequently valued at the amortized cost, which is equal to the nominal value.

Taxation
Taxation is based on the result in the annual accounts, taking into account tax losses from previous years and the permanent differences between the profit calculation according to the annual accounts on the one hand and according to profit calculation for tax purposes on the other hand. The calculation is made at the current tax rate. The difference in the tax due, based on the profit calculation for tax purposes, is reflected in the provision for deferred tax liabilities.
Corporate income tax is calculated at the applicable rate on the taxable profit for the financial year, taking into account the applicable tax credits.

1.4 Notes to the balance sheet

Financial fixed assets

1.4.1 Investments in subsidiaries

The investments in subsidiaries are detailed as follows:

Name	Place of business	Share in capital	Equity in accordance with last annual account
		%	€
Altice Group Lux S.à r.l.	Luxembourg	100.00	5,985,376,307
CVC 1 B.V.	Netherlands	99.05	950,597,428
			6,935,973,735

	May 18, 2015 up to and including December 31, 2015
	€
Altice Group Lux S.à r.l., Luxembourg, Luxembourg	
Opening balance as per May 18, 2015	-
Incorporation	12,500
Contributions in kind	5,985,363,807
Closing balance as per December 31, 2015	5,985,376,307
CVC 1 B.V., Amsterdam, the Netherlands	
Opening balance as per May 18, 2015	-
Contributions in kind	959,709,876
Sale of shares	(9,112,448)
Closing balance as per December 31, 2015	950,597,428

The Board of Directors is in the opinion that no impairement is required on these investments.

Altice Luxembourg S.A., Luxembourg, Luxembourg	
Opening balance	-
Transfer of shares from Altice S.A.	6,945,048,683
Sale to Altice Group Lux S.à r.l.	(6,945,048,683)
Closing balance as per December 31, 2015	-
Altice Corporate Financing S.à r.l., Luxembourg, Luxembourg	
Opening balance	-
Incorporation	12,500
Sale to Altice Group Lux S.à r.l.	(12,500)
Closing balance as per December 31, 2015	-

1.4 Notes to the balance sheet

	May 18, 2015 up to and including December 31, 2015
Altice LP S.à r.l., Luxembourg, Luxembourg	
Opening balance	-
Incorporation	12,500
Sale to Altice Group Lux S.à r.l.	(12,500)
Closing balance as per December 31, 2015	-

1.4.2 Receivables

	December 31, 2015 €
Due from group companies	
Receivable Altice Luxembourg S.A.	12,673,771
	12,673,771

The amount due from group companies related to an intercompany account with Altice Luxembourg S.A., this receivable is payable on demand and does not carry interest.

	December 31, 2015 €
Other receivables	
Interest receivable	1,823,046
	1,823,046

The amount in other receivables consists of accrued interest on the deposits placed in financial institutions (see note 1.4.3).

1.4.3 Cash and cash equivalents

	December 31, 2015 €
Currrent account	49,541,656
Deposits account	1,653,348,030
	1,702,889,686

The current account is freely available to the Company.

The deposits accounts have a duration of 4 months; the average interest percentage amounts to 0,49%.

1.4 Notes to the balance sheet

1.4.4 Shareholders' equity

	May 18, 2015 up to and including December 31, 2015
	€
Share capital	
Opening balance as per May 18, 2015	-
Incorporation	1
Share issuance	76,482,508
Closing balance as per December 31, 2015	76,482,509

The authorized capital amounts to € 345,962,639.50, divided into 8,168,034,850 ordinary shares A with a nominal value of € 0,01, 4,700,000,000 preference shares A with a nominal value of € 0,04, 299,129,164 ordinary shares B with a nominal value of € 0,25 and 150,000,000 preference shares B with a nominal value of € 0,01.

The paid up share capital of the Company amounts to € 76,482,509.50, divided into 841,244,925 ordinary shares A, (including 25,400,064 treasury shares A) and 272,280,241 ordinary shares B.

Share premium	
Opening balance as per May 18, 2015	-
Premium on Merger	6,875,517,550
Premium on issue shares	1,605,088,058
Transaction costs issue shares	(7,209,972)
Closing balance December 31, 2015	8,473,395,636

During the merger on August 9, 2015 the shares were issued with a premium. On October 5, 2015 the Company issued shares with a premium.

Legal reserve	
Opening balance as per May 18, 2015	-
Movements during the period	31,165,773
Closing balance as per December 31, 2015	31,165,773

During 2015 the Company issued a Stock Option Plan for its employees. Under specific circumstances the employees have the right to buy shares from the Company at a fixed price. The costs for this Stock Option Plan are equal to EUR 31,165,773. Part of these costs will be recharged to other group companies in which the employees have their work contract.

Retained earnings	
Opening balance as per May 18, 2015	-
Result for the period	61,491,990
Closing balance December 31, 2015	61,491,990

1.5 Notes to the statement of income

	May 18, 2015 up to and including December 31, 2015
	€
1.5.1 Wages and salaries	
Salaries	332,698
Directors fee	63,525
	396,223

Employees

During the year under review the Company employed 4 employees.

1.5.2 Interest and financial income	
Interest on current account	1,791,301
Gain on foreign exchange translation	88,096,917
	89,888,218

1.5.3 Interest and financial expenditure	
Stock option plan expenses	18,513,953
Equity commitment fee	6,075,000
	24,588,953

The equity commitment fee is an agreement between Altice N.V., BNP Paribas and J.P. Morgan in respect of the proposed acquisition by Altice, directly or indirectly, of 10% of the outstanding capital stock of Numericable-SFR S.A.

Directors

The Company has four executive directors and three non-executive directors.

Amsterdam, April 1, 2016

The Executive Directors

D. Goei

D.L. Okhuijsen

A4 S.A.

3. OTHER INFORMATION

3.1 Independent auditor's report on financial statements

To: The Shareholders and Board of Directors of ALTICE N.V.

Report on the Audit of the Financial Statements 2015

Opinion

We have audited the accompanying financial statements 2015 of Altice N.V. (the "Company"; the "Group") based in Amsterdam. The financial statements include the consolidated financial statements and the company financial statements.

In our opinion:

- The consolidated financial statements give a true and fair view of the consolidated financial position of ALTICE N.V. on December 31, 2015, its consolidated results and its consolidated cash flows in the year 2015 in accordance with International Financial Reporting Standards as adopted in the European Union ("EU-IFRS") and with Part 9 of Book 2 of the Dutch Civil Code.
- The company financial statements give a true and fair view of the financial position of ALTICE N.V. as at December 31, 2015 and of its financial performance for the period from May 18, 2015 to December 31, 2015 in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

The consolidated financial statements comprise:

1. The consolidated statement of financial position as at December 31, 2015;
2. The following statements for the year ended December 31, 2015: consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended; and
3. Notes comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

1. The company balance sheet on December 31, 2015;
2. The company profit and loss account for the period from May 18, 2015 to December 31, 2015; and
3. Notes comprising a summary of the accounting policies and other explanatory information.

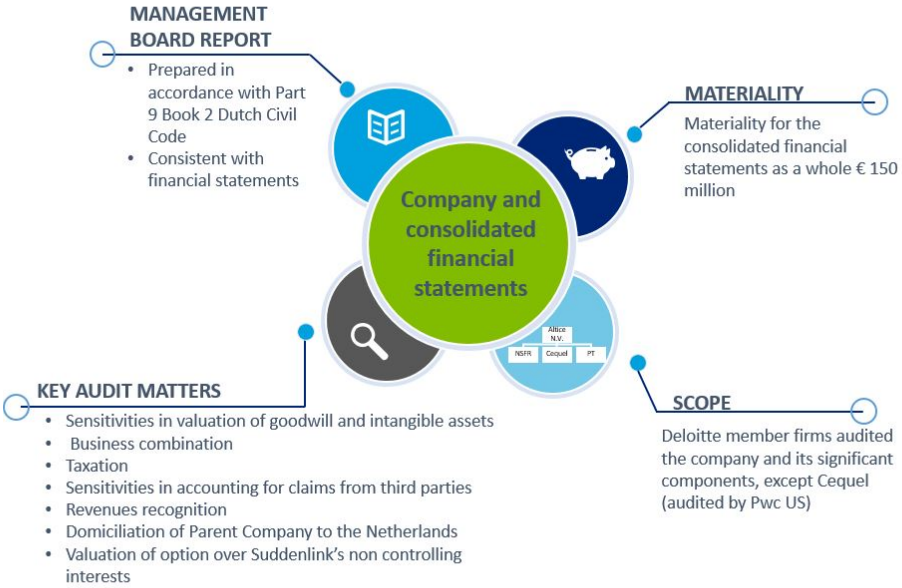
Basis for Our Opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of ALTICE N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach



MANAGEMENT BOARD REPORT

- Prepared in accordance with Part 9 Book 2 Dutch Civil Code
- Consistent with financial statements

MATERIALITY

Materiality for the consolidated financial statements as a whole € 150 million

KEY AUDIT MATTERS

- Sensitivities in valuation of goodwill and intangible assets
- Business combination
- Taxation
- Sensitivities in accounting for claims from third parties
- Revenues recognition
- Domiciliation of Parent Company to the Netherlands
- Valuation of option over Suddenlink's non controlling interests

SCOPE

Deloitte member firms audited the company and its significant components, except Cequel (audited by Pwc US)

As part of our audit we have determined materiality and used it to assess the risks of material misstatement. We have specifically assessed accounts where subjectivity is high because of estimates regarding uncertain future developments. We have likewise specifically focused on the risk related to management override of controls and the risk of material misstatement due to fraud.

Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced.
We use materiality both in planning the scope of our audit work and in evaluating the results of our work

Misstatements may arise due to fraud or error and will be considered material if, individually or in the aggregate, one can reasonably expect them to influence the economic decisions made by users based on the financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

Based on our professional judgement we determined the materiality for the financial statements as a whole.

Materiality overview	
Group materiality level	EUR 150 million
Basis for group materiality level	approximately 3% of Operating income before depreciation, amortization, impairment and other expenses & income
Threshold for reporting misstatements to the Audit Committee	EUR 7.5 million

We have also taken into account misstatements and possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements

No revision of the materiality was necessary, as Operating income before depreciation, amortization, impairment and other expenses & income as of December 31, 2015 is higher than the one extrapolated during the planning phase using interim figures.

Scope of the Group Audit

ALTICE N.V. is the head of a group of entities. The financial information of these entities is included in the consolidated financial statements of ALTICE N.V.

Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out for group entities. In selecting these entities, we considered the size or risk profile of the component. On this basis, we selected group entities for which an audit or specific audit procedures had to be carried out.

The following entities were subject to a full scope audit

Entity	Segment	Entity	Segment
Altice N.V.	Other	Numericable-SFR S.A.	France
Cequel Corp. (*)	USA	Portugal Telecom SGPS S.A. (*)	Portugal
Cool Holdings Ltd	Israel	Altice Hispaniola S.A.	Dominican Republic
Tricom S.A.	Dominican Republic	Altice International S.à r.l.	Other
Altice Luxembourg S.A.	Other		

(*) from the date of acquisition by the Group

Other entities have been scoped in for audit of specific account balance, class of transaction or disclosures, namely the financing entities of the group for which audit procedures were performed on borrowings, related interests and derivatives. Additional entities have been scoped in for audit of specific account balance, class of transaction or disclosures according to their overall contribution to such account balance, class of transaction or disclosures.

Audit coverage of	
Consolidated revenues	97 %
Operating income before depreciation, amortization, impairment and other expenses & income	96 %
Total assets	98 %
Borrowings	99,9 %

In addition, we performed procedures at consolidated level to re-examine our assessment that there are no significant risks of material misstatement within the smaller components.

The group audit team provided detailed instructions to all component auditors that covered significant audit areas including the relevant risks of material misstatement, and set out the information required to be reported back to the group audit team. We also allocated specific materiality to the component auditors based on the size of the activity of the local entities and the significant risks identified for these entities. Senior members of each component audit team attended a kick off meeting hosted by the Group audit team covering, understanding of the Group, its business, risks and its core strategy, presentation by the Chief Financial Officer and Chairman of the audit committee, a discussion of the significant risks and workshops on our planned audit approach.

Senior members of the group engagement team visited component auditors and performed file reviews for all locations that were subject to an audit of the complete set of financial statement. Conference calls and physical planning meetings were held with all the component auditors. During these visits and calls, the findings and observations reported to the group audit team were discussed in detail. Any further work deemed necessary by the group audit team was subsequently performed.

By performing the procedures mentioned above at components, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence to provide an audit opinion on the consolidated financial statements.

Our Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the Audit Committee. The key audit matters are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit on the financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Key audit matter	How the key audit matter was addressed in the audit
Sensitivites in valuation of goodwill and intangible assets	
At December 31, 2015, Goodwill balance amounts to EUR 17.361,4 million while Intangible assets balance amounts to EUR 16.519,0. Under IFRS as adopted in the EU, the Company is required to test annually for impairment Goodwill and Intangible assets with indefinite useful lives. This annual impairment testing is significant to our audit because the assessment process is complex and judgemental. Such test is based on assumptions that are affected by expected market or economic conditions. The key assumptions used in the preparation of forecasts (see note 5 to the consolidated financial statements) are: - perpetuity growth rates - EBIT margin - (country specific) discount rate	We obtained an understanding of controls surrounding Impairment Testing. We performed audit procedures on all impairment models relating to material cash generating units. Mainly the Group audit team with the exception of certain locations for which we reviewed the work performed by the component teams performed these audit procedures. We challenged management's assumptions with reference to historical data and, where applicable, external benchmarks noting the assumptions used fell within an acceptable range. We tested the integrity of models with the assistance of our own specialists and carried out audit procedures on management's sensitivity calculations. We considered the appropriateness of the related disclosures provided in the consolidated Financial Statements. In particular, we considered the completeness of the disclosures regarding those Cash Generating Units with material goodwill balances and where a reasonably possible change in certain variables could lead to impairment. For Goodwill and intangible assets where management determined that no impairment was required, we found that these judgements were supported by reasonable assumptions that would require significant downside changes before any material impairment was necessary.
Acquisition of Portugal Telecom and Suddenlink, Completion of Purchase Price Allocation of SFR and Virgin Mobile	
As disclosed in note 4 to the consolidated financial statements, the Group performed the following: On June 2, 2015, the Group acquired Portugal Telecom, leading telecommunication operator in Portugal for a total consideration of EUR 195 million net of cash acquired. The Company recognized the purchase price allocation which resulted amongst others in EUR 1,857 million of goodwill and EUR 1,463 million of other intangible assets recognized (mainly through the recording of the value of the customer relationship and the brand as intangibles).	We obtained an understanding of controls around the accounting for Business Combinations. We inquired of management throughout the year regarding new transactions the Company considered and of their business purpose. We evaluated management's accounting papers on how IFRSs have been applied for the acquisition accounting.

On December 21, 2015, the Group acquired a 70% stake in Suddenlink a US based cable operator for a total consideration of EUR 3,395 million net of cash acquired. The Company recognized the provisional purchase price allocation which resulted amongst others in EUR 1,891 million of goodwill recognized During the year, the Group finalized the purchase price allocation relating to the acquisition of SFR and Virgin Mobile which were acquired end of 2014. The comparative figures for 2014 were revised to take into account the finalization of the purchase price allocation, given the valuation procedures on certain tangible and intangible assets were not finalized as at December 31, 2014. Valuating the Intangible assets was significant to our audit as the assessment process is complex and judgemental by nature as it is based on assumption on future market and economic condition. The Company hired third part valuation experts to assist in the valuation of these intangible assets and goodwill.	We evaluated the work by performed by the Management and its valuation experts, including the valuation of the identified intangible and tangible assets. We involved internal specialist to challenge the methodology and underlying assumption used in the valuation. This also included challenging management's identification of intangible assets.
Redomiciliation of the Company to the Netherlands	
During the year and as disclosed in note 2 to the consolidated financial statements, the Company merged with Altice S.A. (the "Merger") which was at that time the parent company of the Group and the entity which shares were previously listed on the Amsterdam Stock Exchange. In the absence of guidance under IFRS regarding transaction under common control, the Group made reference to the accounting standards issued by other Accounting Standards Setting Bodies and concluded that the Company was the Successor Entity of Altice S.A. and applied specific accounting treatment to the redomiciliation transaction.	Senior members of a Deloitte member firm have held several discussions with the Group Management prior to the Merger to understand the process and the impact on financial reporting. To obtain an understanding of the Group, its activity and business environment, we involved senior members of a Deloitte member firm which were the auditors of Altice S.A. and as such are deemed to have the appropriate knowledge of the Group. We evaluated management's accounting papers on how IFRSs have been applied for the Successor accounting.
Valuation of option to acquire non controlling interest in Suddenlink	
As part of the acquisition of Suddenlink, the Group entered into put and call options agreement with BC Partners and CPPIB regarding their stake in Suddenlink. The value of the call option is based on the expected profitability of Suddenlink as of exercise date.	We obtained an understanding of controls around the valuation of these options We performed audit procedures on the management's position papers to ensure compliance with IFRS. We obtained and understood the related contractual agreement. We involved internal specialists to audit the methodology and underlying assumptions used in the valuation.
Taxation	
The Group operates across a large number of jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of	We obtained an understanding of controls around accounting for income taxes

business including transfer pricing,indirect taxes and transaction-related tax matters. As at December 31, 2015, the Group has current taxes payable of EUR 289,0 million, deferred tax liabilities of EUR 2.914,5 million and deferred tax assets of EUR 444,3 million (see note 22 to the consolidated financial statements). The Group has recognized deferred tax assets relating to Net Operating Losses carried forward by certain component (Cequel, Numericable-SFR, Portugal Telecom), significant judgement is exercised by Management.	We performed audit procedures on the management's position papers in respect of these issues and supporting evidence. We challenged management's assessment of validity of tax arguments, and the risk of economic outflow. We have considered the advice and opinions provided to management. We used an independent tax audit team to exercise oversight over the work performed by our teams in the different countries. We evaluated management position regarding the recognition of deferred tax arising from purchase price allocation. We challenged management plans regarding recoverability of tax losses carried-forward and ensured consistency of assumptions with the model used in impairment testing. We considered the disclosures in respect to uncertain tax positions.
Sensitivities in accounting for claims from third parties	
A number of claims have been brought against the Company or its subsidiaries. Management judgement regarding the timing or amount at stake has a significant impact on the amount of the provision (see note 31 to the consolidated financial statements).	We obtained an understanding of controls surrounding monitoring of litigation and provision valuation process We reviewed management's papers in respect of the provisions and supporting evidence. We also sent confirmation letters to the different lawyers to corroborate management's assessment of the validity of the provisions, and the risk of economic outflow. In the different jurisdictions (on an adhoc basis), we involved our own experts to read the communication exchanged between the parties and assess the exposure for the Altice group and compared it with management assessment. We have considered the advice and opinions provided to management. We considered the disclosures in respect of claims from third parties.
Revenue recognition	
There is an inherent risk around the accuracy of revenue recorded given the complexity of systems and the impact of changes in pricing models to revenue recognition (Discounts, incentives, bundles, etc.). The application of revenue recognition accounting standards is complex and involves a number of estimates and key judgements.	We obtained an understanding of controls surrounding revenue recognition considering the various streams of revenues. We evaluated the relevant IT systems (including billing systems), design of controls, and tested operating effectiveness of controls with the assistance of information technology specialist. Our testing included capture and recording of revenues arrangement, management of rate changes around billing systems.

	We tested reconciliation between billing systems and accounting records. We performed test of details on sample of customer bills and traced these to cash received.

Responsibilities of Management and the Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the management board report in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, Management is responsible for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Group and Company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, Management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern.

The Board of Directors is responsible for overseeing the company's financial reporting process.

Our Responsibilities for the Audit of the Financial Statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not have detected all errors and fraud.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements.
Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Concluding on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

We provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Report on Other Legal and Regulatory Requirements

Report on the management board report and the other information

Pursuant to legal requirements under Section 2:393 sub 5 at e and f of the Dutch Civil Code (concerning our obligation to report about the management board report and other data), we declare that:

- We have no deficiencies to report as a result of our examination whether the management board report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed.
- Further we report that the management board report, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Engagement

We were engaged by the General Meeting of Shareholders of ALTICE N.V. on August 7, 2015, for the audit of the year 2015 and have operated as statutory auditor ever since that date.

Amsterdam, April 1, 2016

Deloitte Accountants B.V.

Originally signed by E.R. Termaten

3.2 Statutory provisions concerning appropriation of result

According to article 30 of the articles of association of the Company:

- Out of the profits accrued in a financial year, first a preferred amount of 0.01% of the paid up part of the aggregate nominal value of the issued preference shares A is added to the retained earnings reserve exclusively for the benefit of the holders of preference shares A, and subsequently an amount equal to 0.01% of the aggregate nominal value of the issued preference shares B is added to the retained earnings reserve exclusively for the benefit of the holders of preference shares B. If, in a financial year, no profit is made or the profits are insufficient to allow the addition to the retained earnings reserve for the preference shares A, the deficit shall be added from profits earned in following financial years (Article 30.1).

- Each year the Board may determine which part of the profits after application of Article 30.1 shall be reserved (Article 30.2).

- The General Meeting may resolve to distribute any part of the profits remaining after reservation in accordance with Article 30.2, provided that out of such profits (i) no further additions shall be made to the retained earnings reserve for preference shares A and/or preference shares B and (ii) no distributions shall be made on the preference shares. If the General Meeting does not resolve to distribute these profits in whole or in part, such profits (or any profits remaining after distribution) shall also be reserved.

- Distributions may be made only up to an amount which does not exceed the amount of the distributable equity, i.e. the part of the Company's equity which exceeds the aggregate of the paid in and called up part of the capital and the reserves which must be maintained pursuant to the law.

3.3 Appropriation of result for the year

Management proposes to allocate the entire profit for the year to the retained earnings.

3.4 Subsequent events

Events that occurred subsequent to the balance sheet date are detailed in note 35 to the consolidated financial statements of the Company