Altice France S.A.

Condensed interim consolidated financial statements

As of and for the nine-month period ended September 30, 2018

Consolidated Statement of Income (€m)	**September 30, 2018**	**September 30, 2017 restated (*)**
Revenues	**7,560.0**	**8,113.2**
Purchasing and subcontracting	(2,446.1)	(2,989.8)
Other operating expenses	(1,686.9)	(1,784.2)
Staff costs and employee benefit expenses	(650.8)	(680.9)
Depreciation, amortization and impairment	(1,911.9)	(2,005.6)
Non-recurring income and expenses	(324.4)	(958.4)
Operating income	**539.8**	**(305.6)**
Financial income	5.0	3.4
Cost of gross financial debt	(600.8)	(666.3)
Other financial expenses	(210.6)	(40.8)
Net financial income (expense)	**(806.4)**	**(703.7)**
Share in net income (loss) of associates	(8.5)	(8.4)
Income (loss) before taxes	**(275.1)**	**(1,017.7)**
Income tax income (expense)	(34.8)	238.9
Net income (loss) from continuing operations	**(309.8)**	**(778.8)**
Net income (loss) from discontinued operations	**-**	**-**
Net income (loss)	**(309.8)**	**(778.8)**
Group share	(307.8)	(772.5)
Non-controlling interests	(2.0)	(6.3)

(*) Refer to Note 20 – *Restated information*

Consolidated Statement of comprehensive Income (€m)	**September 30, 2018**	**September 30, 2017 restated (*)**
Net income (loss)	**(309.8)**	**(778.8)**
Items that may be subsequently reclassified to profit or loss :		
Foreign currency translation adjustments	0.5	**0.8**
Cash flow hedges	(76.7)	**149.8**
Related taxes	19.8	**(38.7)**
Other items related to associates	0.4	**0.5**
Items that will not be subsequently reclassified to profit or loss :		
Actuarial gain (loss)	(0.2)	**(0.0)**
Related taxes	0.0	**0.0**
Comprehensive income (loss)	**(365.9)**	**(666.4)**
Of which :		
Comprehensive income (loss), Group share	**(364.0)**	**(660.1)**
Comprehensive income (loss), Non-controlling interests	**(2.0)**	**(6.3)**

(*) Refer to Note 20 – *Restated information*

Consolidated Statement of Financial Position **(€m)**	**September 30, 2018**	**December 31, 2017 restated (*)**
Assets		
Goodwill	11,251.1	11,199.2
Intangible assets	6,101.9	6,518.7
Contracts costs	151.8	152.0
Property, plant and equipment	6,533.9	6,424.2
Investments in associates	20.0	23.0
Non-current financial assets	742.9	735.7
Deferred tax assets	3.5	11.6
Other non-current assets	245.9	195.0
Non-current assets	**25,051.0**	**25,259.4**
Inventories	323.0	288.8
Trade and other receivables	3,549.6	3,616.4
Contracts assets	214.7	266.3
Income tax receivable	97.8	150.6
Current financial assets	1.7	17.4
Cash and cash equivalents	362.8	451.3
Assets held for sale	-	(0.0)
Current assets	**4,549.6**	**4,790.7**
Total Assets	**29,600.5**	**30,050.1**

(€m)	**September 30, 2018**	**December 31, 2017 restated (*)**
Equity and liabilities		
Share capital	443.7	443.7
Additional paid- in capital	5,403.1	5,403.1
Reserves	(3,374)	(2,738)
Equity attributable to owners of the company	**2,472.3**	**3,108.4**
Non-controlling interests	**6.5**	**(85)**
Consolidated equity	**2,478.8**	**3,023.3**
Non-current borrowings and other financial liabilities	17,173.0	16,854.4
Other non-current financial liabilities	341.9	248.1
Non-current provisions	428.4	476.3
Non-current contracts liabilities	476.4	455.2
Deferred tax liabilities	271.9	356.6
Other non-current liabilities	113.9	112.3
Non-current liabilities	**18,805.4**	**18,503.0**
Current borrowings and financial liabilities	272.6	351.4
Other current financial liabilities	1,315.4	1,106.9
Trade payables and other liabilities	5,813.3	6,045.3
Current contracts liabilities	552.4	517.3
Income tax liabilities	74.6	104.5
Current provisions	222.4	349.6
Other current liabilities	65.5	48.8
Liabilities directly associated to assets held for sale	-	(0.0)
Current liabilities	**8,316.3**	**8,523.8**
Total Equity & liabilities	**29,600.5**	**30,050.1**

(*) Refer to Note 20 – *Restated information*

Consolidated Statement of Changes in Equity (€m)	Equity attributable to owners of the company: Capital	Additional paid-in capital	Reserves	Other comprehensive income	Total	Non-controlling interests	Consolidated equity
Position at December 31, 2016	**442.5**	**5,388.0**	**(1,854.2)**	**(367.2)**	**3,609.1**	**(37.4)**	**3,571.7**
IFRS 15 - Retrospective application			250.8		250.8		250.8
Restated position at December 31, 2016	**442.5**	**5,388.0**	**(1,603.4)**	**(367.2)**	**3,860.0**	**(37.4)**	**3,822.5**
Dividends paid	-	-	-	-	-	(6.9)	(6.9)
Comprehensive income	-	-	(772.5)	112.4	(660.1)	(6.3)	(666.4)
Issuance of new shares	1.2	15.1	-	-	16.3	-	16.3
Share-based compensation	-	-	1.1	-	1.1	-	1.1
Purchase of treasury shares	-	-	1.2	-	1.2	-	1.2
Other movements (a)	-	-	(53.0)	-	(53.0)	(22.1)	(75.1)
Restated position at September 30, 2017	**443.7**	**5,403.1**	**(2,426.5)**	**(254.8)**	**3,165.5**	**(72.7)**	**3,092.7**
Comprehensive income (loss)	-	-	10.2	(78.4)	(68.2)	(15.3)	(83.5)
Issuance of new shares	-	-	-	-	-	-	-
Share-based compensation	-	-	0.9	-	0.9	-	0.9
Purchase of treasury shares	-	-	-	-	-	-	-
Other movements	-	-	10.2	-	10.2	3.0	13.2
Restated position at December 31, 2017	**443.7**	**5,403.1**	**(2,405.1)**	**(333.2)**	**3,108.4**	**(85.1)**	**3,023.3**
IFRS 9 - Prospective application			21.4		21.4		21.4
Position at January 1st, 2018	**443.7**	**5,403.1**	**(2,383.7)**	**(333.2)**	**3,129.8**	**(85.1)**	**3,044.7**
Dividends paid	-	-	-	-	-	-	-
Comprehensive income (loss)	-	-	(307.8)	(56.1)	(364.0)	(2.0)	(365.9)
Business combination under common control (b)	-	-	(94.8)	-	(94.8)	7.2	(87.6)
Additional participation in ACL and GNP (c)	-	-	(108.4)	-	(108.4)	78.8	(29.6)
Other movements (d)	-	-	(90.4)	-	(90.4)	(7.6)	(82.8)
Position at September 30, 2018	**443.7**	**5,403.1**	**(2,985.1)**	**(389.3)**	**2,472.4**	**6.5**	**2,478.8**

(a) Of which compensation paid to SFR Group stock-options holders following the buyout offer: €34.1 million (Refer to Note 26 - *Share-based payments* in the Group's 2017 annual consolidated financial statements).
(b) Refer to Note 2 – *Significant events of the period - Acquisition of ACS ATSF and MCS* and Note 3 – *Change in scope*.
(c) Refer to Note 2 – *Significant events of the period - Exclusive control over NextradioTV.*
(d) Of which additional participation in ERT Luxembourg : €(42.0) million, additional participation in DTVHolding : €(32.8) million.

Breakdown of Changes in Equity Related to Other Comprehensive income (€m)	December 31, 2016 restated (*)	September 30, 2017 restated (*)	Change	December 31, 2017 restated (*)	September 30, 2018	Change
Hedging instruments	(498.3)	(348.5)	*149.8*	(441.8)	(518.5)	*(76.7)*
Related taxes	139.5	100.8	*(38.7)*	114.1	133.9	*19.8*
Actuarial gains and losses	(10.4)	(10.4)	*(0.0)*	(9.5)	(9.6)	*(0.1)*
Related taxes	1.4	1.4	*0.0*	1.8	1.8	*0.0*
Foreign currency translation adjustments	(2.0)	(1.2)	*0.8*	(1.1)	(0.6)	*0.5*
Items related to associates	2.5	3.1	*0.5*	3.2	3.6	*0.4*
Total	**(367.2)**	**(254.8)**	***112.4***	**(333.3)**	**(389.3)**	***(56.1)***

(*) Refer to Note 20 – Restated information

Consolidated Statement of Cash Flows **(€m)**	**September 30, 2018**	**September 30, 2017 restated (*)**
Net income (loss), Group share	**(307.8)**	**(772.5)**
Adjustments:		
Non-controlling interests	(2.0)	(6.3)
Depreciation, amortization and provisions	1,730.8	2,061.8
Share in net income (loss) of associates	8.5	8.4
Net income from sale of property, plant and equipment and intangible assets	(19.2)	82.2
Net financial expense (income)	806.4	703.7
Income tax expense (income)	34.8	(238.9)
Other non-cash items	39.9	(58.2)
Income tax paid	(39.9)	(174.4)
Change in working capital (a)	(38.3)	457.4
Net cash flow provided (used) by operating activities	**2,213.0**	**2,063.2**
Acquisitions of property, plant and equipment and intangible assets	(1,659.6)	(1,679.9)
Acquisition of consolidated entities, net of cash acquired	(127.0)	(135.2)
Acquisitions of other financial assets	(36.9)	(19.2)
Disposals of property, plant and equipment and intangible assets	41.4	28.9
Disposal of consolidated entities, net of cash disposals	27.8	34.2
Disposal of other financial assets	33.4	16.6
Change in working capital related to property, plant and equipment and intangible assets	(85.9)	(268.7)
Net cash flow provided (used) by investing activities	**(1,806.8)**	**(2,023.2)**
Purchases of treasury shares	-	1.7
Capital increase	0.0	16.3
Dividends paid	-	(6.9)
- to owners of the company	-	-
- to non-controlling interests	0.0	(6.9)
Dividends received	2.8	9.4
Issuance of debt	5,006.8	2,478.2
Repayment of debt	(4,817.6)	(2,493.4)
Interest paid	(702.3)	(785.2)
Other flows from financing activities (b)	65.3	690.8
Net cash flow provided (used) by financing activities	**(445.0)**	**(89.0)**
Net increase (decrease) in cash and cash equivalents	**(38.8)**	**(49.1)**
Exchange rate impact on cash in foreign currencies	(25.3)	0.2
Net cash and cash equivalents at beginning of period	**373.3**	**399.9**
Net cash and cash equivalents at end of period	**309.1**	**351.0**
of which cash and cash equivalents	362.8	386.6
of which bank overdrafts	(53.7)	(35.5)

(*) Refer to Note 20 – *Restated information*

(a) Includes settlements paid as part of the voluntary departure plan for an aggregate amount of €297.4 million.

(b) Of which: €75.0 million of commercial paper, €22.2 million of reverse factoring, €157,2 million related to restructuring of swaps, €(129,6) million of early redemption call premium as of September 30, 2018 compared to respectively €421.2 million, €101.6 million and €203.0 million of financial income related to monetization of derivative instruments as of September 30, 2017,

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1. Basis of preparation of the consolidated financial statements

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

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

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

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

On January 8, 2018, Altice N.V. announced the separation of American businesses from European businesses, Altice N.V. becoming then Altice Europe N.V. (« Altice Europe »). As of September 30, 2018, Altice Europe directly or indirectly held 100% of the capital of Altice France S.A.

This Note describes the changes in the accounting principles adopted by the Group for the interim consolidated financial statements for the nine-month period ended September 30, 2018 based on the annual consolidated financial statements for the year ended December 31, 2017.

1.1. Basis of preparation of financial information

On November 09, 2018, the Company's Board of Directors approved the interim condensed consolidated financial statements for the nine-month period ended September 30, 2018.

The interim condensed consolidated financial statements for the nine-month period ended September 30, 2018 were prepared in accordance with IAS 34 – *Interim Financial Reporting*, issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU).

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

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

The Group has applied for the first time IFRS 15 - *Revenue from Contracts with Customers* and IFRS 9 - *Financial Instruments*, leading to restate the consolidated financial statements of previous periods. As IAS 34 requires, the nature and impact of these restatements are presented in Note 20 – *Restated Information*.

1.2. Use of estimates and judgements

In preparing the Group's financial statements, Management makes estimates insofar as many factors included in the financial statements cannot be measured accurately. The assumptions on which key estimates are based are the same as those described in Note 3 – *Use of estimates and judgements* of the consolidated financial statements for the year ended December 31, 2017, excepted for new assumptions related to IFRS 15. Management reviews such estimates as the circumstances on which they are based change or as a result of new information or additional experience. Consequently, the estimates made as of September 30, 2018 may be significantly modified in subsequent periods, and actual amounts may differ from estimates.

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

1.3. New standards and interpretations

1.3.1. Standards and interpretations applied from January 1, 2018

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

1.3.1.1. IFRS 15 - *Revenue from Contracts with Customers*

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

Revenue recognition

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

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

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

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

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

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

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

Revenues from Mobile devices

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

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

Installation revenue

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

Agent versus principal

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

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

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

Contract costs

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

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

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

The Group has adopted IFRS 15 for annual period beginning on January 1, 2018, in accordance with the full retrospective method by restating each prior period and recognize the cumulative effect of initially applying IFRS 15 as an adjustment to the opening balance of equity at the beginning of the earliest period presented (January 1, 2017, refer to Note 20 – *Restated Information*).

1.3.1.2. IFRS 9 - *Financial Instruments*

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

IFRS 9 allows two methods for measurement:

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

Classification and measurement

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

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

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

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

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

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

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

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognized in the statement of profit or loss.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

Impairment

The adoption of IFRS 9 has changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Group to record an allowance for ECLs for all loans and other debt financial assets not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at the asset's original effective interest rate.

For Contract assets and Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Hedge accounting

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

Financial liabilities restructuring

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

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

The Group implemented the standard based on the simplified retrospective approach (refer to Note 20 – *Restated Information*).

1.3.2. Standards and interpretations not yet applied

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

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

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

2. Significant events of the period

Altice Group Reorganization

On January, 8 2018 Altice Europe announced:

- That existing sports content wholesale contracts between Altice France and Altice TV would be cancelled and replaced by new contracts (“revenue sharing”) with a lower guaranteed minimum income. Altice TV will be eligible to receive an indemnity of €300.0million as part of the renegotiation (this amount has been recorded as expenses as of March 31, 2018);
- The reorganization of its structure comprising Altice France, Altice International and Altice TV;
- The planned acquisition by Altice France of the shares held by Altice International in Outremer Telecom, Altice Technical Services (France) and Altice Customer Services.

Agreement with ARCEP concerning “Zones blanches” sites

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

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

Altice France sold its international wholesale voice carrier business

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

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

The transfer of assets to SFR International Carrier Services and its sale to Tofane Global were finalized on September 12, 2018. The disposal price amounted to €21.3 million.

Exclusive control over NextRadioTV S.A.

The convergence between the Group’s telecoms and media offerings was initiated in 2015 with Altice Europe’s acquisition of a 49% stake in NextRadioTV S.A. (“NextRadioTV”) (which was subsequently acquired by the Group in 2016). In furtherance of this convergence strategy, the Group has taken the following steps to take exclusive control of NextRadioTV through the joint venture Group News Participations (“GNP”).

On January 30, 2017, the Group announced that it intended to take over exclusive control of NextRadioTV and, to that effect, had filed the necessary application with the Conseil Supérieur de l'Audiovisuel ("CSA") and the French Competition Authority in order to obtain their clearance of the proposed transaction. On June 13, 2017, the French Competition Authority granted its clearance and authorized the transaction.

On April 5, 2018, Altice France acquired the minority stake held by News Participations S.A.S. in Altice Content Luxembourg S.A. for the amount of €100.0 million byexercising the call option it held on News Participation's 25% stake in Altice Content Luxembourg, following which Altice Content Luxembourg has become a wholly-owned subsidiary of Altice France. Altice Content Luxembourg is an indirect parent of NextRadioTV and the direct parent of GNP.

On April 20, 2018, the CSA granted its clearance and authorized the transaction. On May 31, 2018, the Group consummated the acquisition of the remaining 51% stake in NextRadioTV (via a conversion of convertible bonds).

The Group has been consolidating the results of GNP in application of IFRS 10 since May 2016, hence this authorization does not have any impact on the financial statements, except for a reclassification of non controlling interests to Group equity.The net impact of the operation was €(29.6) million (refer to statement of changes in equity).

In the event of a change in control, the French Labor code (L-7112-5) allows journalists to activate a five-year Exit clause ("clause de cession"). As of September 30, 2018, the Group considers that the associated financial risk is difficult to estimate and unlikely to be material as a whole and is hence considered to be a contingent liability under IAS 37.

Disposal of i24News to Altice USA

On April 23, 2018, the Group completed the sale of i24News, an Israeli international 24-hour news and current affairs television channel, to Altice USA for a total consideration of $2.5 million.

Closing of the previously announced acquisitions of Altice Customer Services and AlticeTechnical Services France

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

Altice France acquired a 65.0% stake in the capital of Altice Customer Services from Altice International for a total consideration of €64.5 million, of which €30.0 million served as consideration for the shares of the company and €34.4 million served as consideration for financial assets held by Altice International against Altice Customer Services.

The seller has agreed to issue a vendor note with a maturity under one year to Altice France for the total amount of the consideration transferred. The fair value of put and call options on the 35.0% minority interest, not held by Altice before the transaction, have been booked in equity for a negative amount of €23.6 million.

Altice Customer Services comprises mainly of companies of the Intelcia group, a French language-focussed player in the customer relations management outsourcing industry.

Altice France also acquired a 100% stake in Altice Technical Services France ("ATSF") from Altice International for a total consideration of €174.8 million. The seller has agreed to issue a vendor note with a maturity under one year to Altice France for the total amount of the consideration transferred.

Altice Technical Services France is an all-round technical services company offering among others network deployment, upgrade and maintenance for the telecommunications industry.

Implementation of separation of Altice Europe and Altice USA

On January 8, 2018, Altice Europe announced the separation of Altice USA from Altice Europe.

The separation was effected by a spin-off of Altice Europe's 67.2% interest in Altice USA through a distribution in kind to Altice Europe shareholders. Altice Europe announced completion of the Spin-Off on June 8, 2018.

The Altice Europe Group will reorganize its structure comprising the Group Altice France (including SFR, Altice Technical Services France, Altice Customer Services and, following consummation of the FOT Acquisition, the

FOT Business), Altice International and its consolidated subsidiaries and Altice TV and its consolidated subsidiaries (including AENS).

Tower assets transaction

On June 20, 2018, Altice France entered into an exclusivity and put option agreement with Starlight BidCo S.A.S., an entity controlled by funds affiliated with KKR for the sale of 49.99% of the shares in a newly incorporated tower company "SFR TowerCo" that will comprise 10,198 sites currently operated by the Group. The envisaged transaction values "SFR TowerCo" at an enterprise value of €3.6 billion. In addition, a build-to-suitagreement for 1,200 new sites between the Group and "SFR TowerCo" is expected to generate approximately €250 millionin additional proceeds to the Group within the next four years.

In connection with this transaction, Altice France and the Starlight BidCo will enter into a shareholders agreement relating to the management of "SFR TowerCo" and certain other matters, which will, inter alia, provide Starlight BidCo with consent rights intended to protect its financial interest over specified matters relating to the operation and financing of "SFR TowerCo". In addition, "SFR TowerCo" and the Group will enter into a 20-year master services agreement for the hosting, site development and ancillary services to be provided by "SFR TowerCo" to the Group as tenant.

Altice France intend to fully consolidate "SFR TowerCo". The closing of the towers transaction will be subject to customary conditions precedent, including that at least 90% of the sites have been contributed to "SFR TowerCo" (this threshold was reached at the end of October), as well as regulatory approvals and is expected to occur in the financial year ending December 31, 2018.

New employment commitment

On June 22, 2018, the Group entered into an agreement providing a new commitment to the unions to maintain its current number of employees (9,428 as of June 30, 2018) until December 31, 2020. Under this agreement, the Group has also provided a commitment to the effect that if it undertakes any minor restructuring, its employees will benefit from certain support and structured departure processes.

Agreement with Orange for the deployment of Fiber in AMII zones

At the end of June, SFR and Orange signed an agreement to extend their FTTH (Fiber to The Home) deployments outside very densely populated areas ("ZTD"). This agreement concerns part of the moderately dense areas ("AMII") which was not covered under the agreement signed by SFR and Orange in 2011.

The area concerned has 2.9 million housing units or business premises which will now be distributed as follows:

- 1.83 million homes or business premises will be deployed by Orange in 363 municipalities;
- 1.07 million homes or business premises will be deployed by SFR in 291 municipalities.

SFR undertooke to finalize the 1.07 million housing and business premises by the end of 2020.

Refinancing of 2022 Notes and restructuring of associated cross currency swaps

On July 16 and July 18, 2018, the Group announced that it had successfully completed the issuance of new term loans and bonds with the intention of redeeming its USD and EUR denominated Senior Secured Notes due in 2022.

The Group issued a USD term loan for a nominal amount of $2,500 million with and interest rate of Libor 3m+4.00% falling due in 2026 and two Senior Secured Notes, a $1,750 million note with a coupon of 8.125% falling due in 2027 and a €1,000 million note witha 5.875% coupon also falling due in 2027.

The proceeds from these issuances were used to fully redeem its $4,000 million May 2022 6% Senior Secured Notes and the €1,000 million May 2022 5.735% SeniorSecured Notes.

The transactions were approved by the board of the Group on July 6, 2018 and were closed in August 2018.

Additionally, cross currency interest rate swaps issued by the Group to hedge the dollar denominated debts were also restructured in order to reflect the new conditions of the new debt instruments.

As part of these transactions, the Group recorded a non recurring expense of €145 million related to the restructuring of the debt and a net non recurring expense of €8 million related to the restructuring of the cross currency swaps (refer to Note 12 – *Derivative instruments* for more details).

3. Change in scope

Over the nine-month period ended September 30, 2018, the changes in the consolidation scope are described as follows:

- Acquisition under common control of the group Altice Customer Services;
- Acquisition under common control of the group Altice Transaction Services France;
- Acquisition under common control of Ma Chaîne Sport;
- Additional participation in ACL et GNP;
- Additional participation in DTV holding (Ex PHO Holding);
- Additional participation in ERT Luxembourg;
- Two new "DSP's entry in the consolidation scope (Martinique THD and Connect 76);
- Transfer of all assets and liabilities ("Transmission Universelle de Patrimoine") of Decovery, Technologues Culturels and Forum Investissement to Groupe l'Express;
- Transfer of all assets and liabilities ("Transmission Universelle de Patrimoine") of Futur telecom and 2SIP to SFR;
- Transfer of all assets and liabilities ("Transmission Universelle de Patrimoine") of SIG50 to Altice France;
- Transfer of all assets and liabilities ("Transmission Universelle de Patrimoine") of PMP to PMP Holding;
- Transfer of all assets and liabilities ("Transmission Universelle de Patrimoine") of PMP Holding to HolcoB;
- Creation of the company SFR International Carrier Services followed by a sale to Tofane Global;
- Disposal of i24News to Altice USA.

The consolidation scope updated is presented in Note 18 – *List of consolidated entities*.

Acquisition under common control

The acquisitions of Altice Customer Services (hereinafter "ACS"), of Altice Technical Services France (hereinafter "ATSF") were considered as "business combinations under common control" as defined by the IFRS standards and, in this respect, excluded from the scope of application of the revised IFRS3. These transactions were recorded in the consolidated financial statements at historic accounting values for the two sub-groups in order to, as indicated in IAS 8, disclose the most relevant information.

The treatment was as follows:

- The combination date is the acquisition date;
- The purchaser is Altice France;
- The values adopted for newly-consolidated companies are the carrying amounts in the consolidated financial statements of Altice International for ACS,and ATSF on the acquisition date;
- No new goodwill is generated by these transactions and the difference between the acquired net position and the acquisition price of securities is allocated to equity.

No pro forma information was prepared given that these entries into the scope are immaterial at group level. The consolidated statement of income includes five months of activity for ACS and ATSF.

The impact of the entry of ACS and ATSF in to the scope is broken down below:

ACS

(in € millions)	**Net value**
Non-current assets	66.4
Current assets	133.5
Assets	**199.8**
Non-current liabilities	51.3
Current liabilities	108.6
Liabilities	**160.0**
Equity acquired (a)	***39.9***
Acquisition share's price (b)	**30.0**
Impact on equity (a) - (b)	***9.9***
- Equity, Group share	*10.8*
- Non-controlling interests	(0.9)

ATSF

(in € millions)	**Net value**
Non-current assets	20.3
Current assets	179.3
Assets	**199.6**
Non-current liabilities	5.5
Current liabilities	102.8
Liabilities	**108.3**
Equity acquired (a)	***91.3***
Acquisition share's price (b)	**174.8**
Impact on equity (a) - (b)	**(83.5)**
- Equity, Group share	(91.7)
- Non-controlling interests	8.1

The goodwill included in the non-current assets of ACS and ATSF amounts to, respectively €26.8 million and €72.9 million.

As described in Note 2 – *Significant events of the period*, concerning ACS, an additional impact on equity has been booked for a negative amount of €23.6 million (Fair value of the put and call option on non-controlling interests).

Concerning ATSF, an additional impact on equity has been booked to record a deferred tax asset of €216 million related to the elimination of margins on intercompany transactions.

MCS

The acquisition of the entity Ma Chaine Sport ("MCS") by SportCoTV, subsidiary of GNP to AENS, subsidiary of Altice International was considered as "business combinations under common control" as defined by the IFRS standards and, in this respect, excluded from the scope of application of the revised IFRS3. The treatment is explained above.

The impact of the entry of MCS amounts to €(14.9) million on the Group's share equity. As the other impacts in the statement of financial position are no significant, this statement is not disclosed. No pro forma information was prepared given that this entry into the scope is immaterial at group level. The consolidated statement of income includes three months of activity for MCS.

4. Revenue

The breakdown of revenue is detailed as follows:

Revenues (€m)	**September 30, 2018**	**September 30, 2017 restated**
Mobile-service	2,950.6	3,117.1
Mobile-equipment sales	537.5	525.6
Fixe	2,836.0	3,080.2
Wholesale	896.1	1,001.3
Media	328.5	389.0
Other	11.3	-
Total	**7,560.0**	**8,113.1**

The line « Other » now includes the consolidated revenues of ACS and ATSF. As of September 30, 2018, this revenue concerns mainly ACS.

5. Reconciliation of operating income to Adjusted EBITDA

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

Reconciliation of Operating income to Adjusted Ebitda (€m)	September 30, 2018	September 30, 2017 restated
Operating income	539.8	(305.6)
Depreciation, amortization and impairment	1,911.9	2,005.6
Restructuring costs	4.5	702.9
Costs relating to stock option plans	-	1.1
Other non-recurring costs (a)	319.7	264.5
Adjusted EBITDA	**2,775.9**	**2,668.5**

(a) As of September 30, 2018, mainly include the neutralization of the break-up fee with Altice Entertainment News & Sport (€(300.0) million), net reversal of provision related to litigation (€99.4 million), costs related tothe change in office premises to the new Altice Campus (€(32.9) million) and net loss on share disposals (€(40.3) million, including i24 News)– Refer to Note 2 – *Significant events of the period* and Note 16.2 - *Other disputes*.

The definition of Adjusted EBITDA has been revised in accordance with Altice Europe accounting policies: management fees are now excluded from Adjusted EBITDA. As a reminder, the amount of management fees was nil as of September 30, 2017.

6. Financial income

Financial income is broken down below:

Financial Income (€m)	September 30, 2018	September 30, 2017 restated
Cost of gross financial debt	**(600.8)**	**(666.3)**
Financial income	**5.0**	**3.4**
Provisions and unwinding of discount	(18.4)	(12.6)
Other	(192.2)	(28.2)
Other financial expenses	**(210.6)**	**(40.8)**
Net financial income (expense)	**(806.4)**	**(703.7)**

The cost of gross financial debt decreased from €666.3 million as of September 30, 2017 to €600.8 million as of September 30, 2018, mainly as a result of the refinancing of debts carried out during the course of 2017, which lead to a decrease in the cost of debt for the Group.

Other financial expenses increased for the period ended September 30, 2018 mainly include a non recurring expense of €145 million related to the refinancingof the 2022 notes. See notes 2 – Significant events of the period and note 11 – Financial liabilities for more information.

7. Income tax expense

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

8. Other non-current assets

Other non-current assets are detailed as follows:

(in € millions)	September 30, 2018	December 31, 2017 restated
Derivative financial instruments (a)	640.7	649.9
Other	102.2	85.8
Non-current financial assets	**742.9**	**735.7**
Other non-current assets (b)	245.9	195.0
Other non- current assets	**988.8**	**930.7**

(a) Of which €624.8 million related to swaps (Refer toNote 12 – *Derivative instruments*) and €15.9 million related to the call option linked to ACS (Refer to Note 2 – *Significant events of the period).*
(b) Includes mainly non-current prepaid expenses.

9. Cash and cash equivalents

Cash and cash equivalents are broken down below:

Cash and Cash Equivalent (€m)	September 30, 2018	December 31, 2017 restated
Cash	303.1	384.9
Cash equivalents (a)	59.7	66.3
Cash and cash equivalents	**362.8**	**451.3**

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

10. Equity

As of September 30, 2018, Altice France's share capital amounted to €443,706,618 comprising 443,706,618 ordinary shares with a par value of €1.0 each. There was no change on share capital over the nine-month period.

11. Financial liabilities

11.1. Financial liabilities breakdown

Financial liabilities break down as follows:

	Current		Non-current		Total	
(€m)	September 30, 2018	December 31, 2017 restated	September 30, 2018	December 31, 2017 restated	September 30, 2018	December 31, 2017 restated
Bonds	110.7	274.0	9,372.0	10,993.1	9,482.7	11,267.2
Term loans (a)	161.9	77.3	7,100.2	5,005.0	7,262.1	5,082.4
Derivative instruments	-	-	700.8	856.3	700.8	856.3
Borrowings	**272.6**	**351.4**	**17,173.0**	**16,854.4**	**17,445.7**	**17,205.8**
Finance lease liabilities	22.0	33.4	49.0	39.5	71.0	72.9
Perpetual subordinated notes ("TSDI")	-	-	52.1	49.5	52.1	49.5
Deposits received from customers	37.1	52.2	154.1	147.4	191.2	199.6
Bank overdrafts	53.7	78.0	-	-	53.7	78.0
Securitization	240.6	248.3	-	-	240.6	248.3
Reverse factoring	578.3	556.1	-	-	578.3	556.1
Commercial paper	109.5	34.5	-	-	109.5	34.5
Other (b)	274.3	104.4	86.6	11.7	360.9	116.1
Other financial liabilities	**1,315.4**	**1,106.9**	**341.9**	**248.1**	**1,657.2**	**1,355.1**
Financial liabilities	**1,588.0**	**1,458.3**	**17,514.9**	**17,102.6**	**19,102.9**	**18,560.8**

(a) This amount includes €75.0 million of RCF as of September 30, 2018 (nil at December 31, 2017).
(b) As of September 30, 2018, this amount includes €2421 of vendor loans (including accrued interests) related to the acquisitions of ACS and ATSF, €39.5 million related to the put option on ACS's minority interests and €37.2 million debts on the repurchase of ERT Luxembourg minority interests.

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

- As of September 30, 2018: €1 = 1.1614 USD
- As of December 31, 2017: €1 = 1.2022 USD

On August 15, 2018, the Group successfully completed the refinancing of its 2022 dollar and euro denominated notes through the issuance of new euro and dollar denominated notes and a new dollar term loan.

The new notes have the following characteristics:

- Euro denominated notes due in 2027 with a nominal of €1,000 million and paying a coupon of 5.875%;
- Dollar denominated notes due in 2027 with a nominal of €1,750 million and paying a coupon of 8.125%;
- Dollar denominated Term Loan ("TLB13") due in 2026 with a nominal of €2,500 million and paying a coupon of USD Libor 3m + 4.00%.

The notes were issued at par and the term loan with an OID of 2.5%.

The refinancing operation was treated as an extinguishment of debt by the Group, following the provisions of IFRS9.

The Group exercised the early redemption call option in order to repay the 2022 notes and thus paid a call premium of 103% for the dollar notes and 102.6875% for the euro notes for an aggregate amount of €130 million. Additionally, unamortised issuance costs that were capitalized as part of the initial issuance of the 2022 notes were directly expensed through the consolidated statement of profit and loss for an amount of €16 million.

11.2. Net financial debt

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

(€m)	September 30, 2018	December 31, 2017 restated
Bonds	9,409.5	11,038.1
Term loans	7,395.7	5,102.9
Finance lease liabilities	71.0	72.9
Commercial paper	109.5	34.5
Bank overdrafts	53.7	78.0
Other financial liabilities	71.3	54.6
Financial Liabilities contributing to net financial debt (a)	**17,110.7**	**16,380.9**
Cash and cash equivalents	362.8	451.3
Net derivative instruments - currency translation impact	801.5	546.6
Financial Assets contributing to net financial debt (b)	**1,164.3**	**997.9**
Net financial debt (a) – (b)	**15,946.3**	**15,383.0**

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

(b) Asset items consist of cash and cash equivalents and the portion of the fair value of derivatives related to the currency impact (€801.5 million as of September 30, 2018 and €546.6million as of December 31, 2017). The fair value of derivatives related to the interest rate impacts €(877.5) million as of September 30, 2018 and €(753.0) million as of December 31, 2017 is not included.

11.3. Reconciliation between net financial liabilities and net financial debt

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

(€m)	September 30, 2018	December 31, 2017 restated
Financial liabilities	19,102.9	18,560.8
Cash and cash equivalents	(362.8)	(451.3)
Derivative instruments – asset(a)	(624.8)	(649.9)
Net financial debt - consolidated statement of financial position	**18,115.3**	**17,459.6**
Reconciliation :		
Net derivative instruments - rate impact	(877.5)	(753.0)
Accrued interest	(149.7)	(335.2)
EIR	224.5	148.3
Perpetual subordinated notes ("TSDI")	(52.1)	(49.5)
Deposits received from customers	(191.2)	(199.6)
Securitization	(240.6)	(248.3)
Reverse factoring	(578.3)	(556.1)
Debt on share purchase	(289.9)	(71.0)
Dividend to pay	(6.3)	(1.9)
Current accounts	(0.8)	(8.6)
Other	(7.1)	(1.7)
Net financial debt	**15,946.3**	**15,383.0**

(a) Excluding the fair value of ACS Call (€15.9 million), refer to Note 8 – *Other non-current assets.*

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

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

(€m)	December 31, 2017 restated	Consolidated statement of cash flows: Net cash flow - financing activities	Consolidated statement of cash flows: Other flows	Other flows - non cash	September 30, 2018
Non-current borrowings and other financial liabilities	16,854.4	116.9	-	201.7 [2]	17,173.0
Other non-current financial liabilities	248.1	(14.3)	29.1	78.9 [3]	341.9
Non-current financial liabilities	**17,102.6**	**102.6**	29.1	**280.6**	**17,514.9**
Current borrowings and financial liabilities	351.4	(630.0)	-	551.3	272.6
Other current financial liabilities	1,106.9	82.4	199.1	(73.0)	1,315.4
Current financial liabilities	**1,458.3**	**(547.6)**	**199.1**	**478.2** [4]	**1,588.0**
Financial liabilities	**18,560.8**	**(445.0)**	**228.2** [1]	**758.9**	**19,102.9**

1. Of which debt on share purchase for €261.6 million and bank overdraft for €(29.4) million ;
2. Of which change effect for €411.0 million, change in fair value of derivative instruments for €(155.5) million, and EIR for €(24.8) million. It should be noted that flows related to EIR include IFRS 9 impact for €(56.1) million (change in accounting method as of January 1, 2018) ;
3. Of which fair value of the put option on ACS NCI for €39.5 million, debts of new consolidated entities ACS, ATSF and MCS for €24.4 million ;
4. Of which accrued interests for €564.5 million and extinguishment of the put option of ACL NCI for €(70.4) million.

11.5. Fair value hierarchy of financial assets and liabilities

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

(€m)	September 30, 2018		December 31, 2017 restated	
	Net carrying amount	**Fair value**	**Net carrying amount**	**Fair value**
Assets				
Trade and other receivables*	3,333.6	3,333.6	3,484.1	3,484.1
Derivative instruments classified as assets	640.7	640.7	649.9	649.9
Non-current financial assets	102.1	102.1	85.8	85.8
Other non-current assets	2.7	2.7	10.9	10.9
Current financial assets	1.7	1.7	17.4	17.4
Cash and cash equivalents	362.8	362.8	451.3	451.3
Liabilities				
Non-current borrowings and financial liabilities	16,472.2	16,509.3	15,998.2	16,205.9
Derivative instruments classified as liabilities	700.8	700.8	856.3	856.3
Other non-current financial liabilities	341.9	341.9	248.1	248.1
Other non-current liabilities *	113.9	113.9	112.3	112.3
Current borrowings and financial liabilities	272.6	272.6	351.4	351.4
Other financial liabilities	1,315.4	1,315.4	1,106.9	1,106.9
Trade payables and other liabilities	5,813.3	5,813.3	6,045.3	6,045.3
Other current liabilities *	65.5	65.5	48.8	48.8

*Excluding prepaid expenses and contracts assets and liabilities

No significant events occurred in the nine-month period ended September 30, 2018 that would affect the fair value of financial assets and liabilities (including no transfer into or out of a fair level value and no change in the measurement methods used).

12. Derivative instruments

The following table shows the derivative instruments fair value:

(€m) **Type**	**Underlying element**	**September 30, 2018**	**December 31, 2017 restated**
Cross-currency Swaps	2022 USD bonds	-	458.7
	2024 USD bonds	78.1	59.3
	2026 USD bonds	(95.6)	(449.7)
	2027 USD bonds	93.2	-
	January 2026 USD term loan	(28.3)	(48.9)
	January 2026 USD term loan	(38.8)	(89.3)
	July 2025 USD term loan	107.0	50.5
	August 2026 USD term loan	(85.0)	-
	Fixed rate - Floating rate USD	(81.4)	(176.1)
	January 2026 USD term loan	-	(12.4)
Interest rate swaps	Fixed rate - EURIBOR 3 months	0.0	1.5
	Swap EURIBOR 1 month - EURIBOR 3 months	(25.1)	-
	Derivative instruments classified as assets	624.8	649.9
	Derivative instruments classified as liabilities	(700.8)	(856.3)
	Net Derivative instruments	**(76.0)**	**(206.4)**
	o/w currency effect	801.5	546.6
	o/w interest rate effect	(877.5)	(753.0)

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

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

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

As part of the refinancing of the 2022 notes, the Group restructured the associated cross curreny swaps in order to reflect the conditions of the new debt.

The cross currency swaps associated with the 2022 notes had the following characteristics:

Hedged item	Hedging instrument	Nominal in CCY(million)	Countervalue in Eur (million)	Pay rate	Recv. Rate
$ 4,000 notes due 2022	Cross currency interest rate swaps	$ 4,000	€ 2,989	5.143%	6.000%

The Group considered that as the hedged item had been completely extinguished as part of the refinancing operation, the associated hedging instrument was also considered to be extinguished and hence any fair value variations stored in OCI were recycled via the statement of income on the date of extingusihment of the swaps. A net loss of €165 million was recorded in the line item, ‘cost of gross financial debt’ in the consolidated statement of income as part of this operation for the nine months ended September 30, 2018. As part of the restructuring of these derivative instruments, the Group received €157 million as compensation from the different counterparties, which was recorded in the line item, ‘cost of gross financial debt’ in the consolidated statement of income.

The Group entered into new hedging arrangements for the new dollar denominated debt issued as part of the refinancing transaction. The details of the new instruments are as follows:

Hedged item	Hedging instrument	Nominal in CCY (million)	Countervalue in Eur (million)	Pay rate*	Recv. Rate
$ 1,750 million notes due 2027	Cross currency interest rate swaps	$ 1,736 million	1,290 million	6.431%	8.125%
$ 2,500 million term loan due 2026	Cross currency interest rate swaps	$ 2,514 million	2,073 million	5.495%	Libor 3m (USD) + 4.00%

** Pay rate is the calculated based on the average interest paid on the different novations of the instrument.*

As per the provisions of IAS 39 and in keeping with its hedging strategy, the Group has chosen to partially qualify the hedging instruments as cash flow hedges at inception. The variations in fair value of the qualified portion will be recorded in the statement of other comprehensive income till such time as; 1) the instrument fails to meet the criteria for prospective efficiency testing as per IAS 39 or 2) the underlying hedged item is extinguished.

The following tranches were qualified for the hedge accounting for the period ended September 30, 2018.

- $1,192 million for the $1,736 million 2027 Notes
- $2,334 million for the $2,514 million 2026 Term loan.

The variations in fair value of the unqualified portions of the hedging instruments were recorded directly in the statement of income.

13. Provisions

The following table details the amount of provisions:

Provisions	September 30, 2018					
(€m)	Opening	Increase	Utilization	Reversal and changes of accounting estimates	Other	Closing
Employee benefit plans	124.1	8.5	(0.5)	(0.5)	7.1	138.8
Restructuring (a)	45.9	0.2	(20.0)	(0.1)	3.4	29.3
Technical site restoration (b)	97.0	1.8	(3.6)	-	(7.7)	87.5
Litigation and other ('c)	559.0	48.8	(73.3)	(134.9)	(4.4)	395.2
Provisions	**826.0**	**59.3**	**(97.3)**	**(135.5)**	**(1.5)**	**650.8**
Current provisions	*349.6*	*30.2*	*(75.8)*	*(133.1)*	*51.4*	*222.4*
Non-current provisions	*476.3*	*29.0*	*(21.5)*	*(2.4)*	*(53.0)*	*428.4*

(a) Concern mainly the reversal of provision of the Telecom division for €(18.0) million.
(b) Site restoration expenses: the Group has an obligation to restore the technical sites of its network at the end of the lease when they are not renewed or are terminated early.
(c) Litigation and other: these are included in provisions mainly when their amounts and types are not disclosed, because disclosing them may harm the Group. Provisions for litigation cover the risks connected with court action against the Group (Refer to Note 16 – *Litigation*). All provisioned disputes are currently awaiting hearing or motions in a court. The unused portion of provisions recognized at the beginning of the period reflects disputes that have been settled by the Group paying amounts smaller than those provisioned, or to a downward re-assessment of the risk.

The table for fiscal year 2017 is presented below:

Provisions	December 31, 2017 restated					
(€m)	Opening	Increase	Utilization	Reversal and changes of accounting estimates	Other	Closing
Employee benefit plans	161.4	15.3	(1.1)	(49.4)	(2.0)	124.1
Restructuring	145.6	746.2	(765.7)	(45.6)	(34.6)	45.9
Technical site restoration	118.8	3.4	(10.6)	-	(14.6)	97.0
Litigation and other	810.7	231.4	(201.0)	(301.2)	19.1	559.0
Provisions	**1,236.4**	**996.3**	**(978.4)**	**(396.2)**	**(32.1)**	**826.0**
Current provisions	*396.2*	*839.5*	*(826.1)*	*(42.6)*	*(17.3)*	*349.6*
Non-current provisions	*840.2*	*156.8*	*(152.3)*	*(353.6)*	*(14.8)*	*476.3*

14. Related party transactions

Parties related to the Group include:

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

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

As of September 30, 2018, the overview of these transactions was as follows:

(€m)	September 30, 2018	September 30, 2017 restated
Total income	51.8	120.0
Total expenses	(438.5)	(461.4)
Total	**(386.7)**	**(341.4)**

As of September 30, 2018, the significant changes in the statement of income versus September 2017 concern:

- Decrease in purchase of customer services from Altice Management International and Intelcia (consolidated since may 2018): €48.4 million,
- Decrease in purchase of TV channels programs, including sports channel (saving of €277.9 million) from Altice Entertainment News & Sport and Ma Chaîne Sport offset by €300.0 million of break-up fee (Refer to Note 2 – *Significant events of the period*).

These expenses include management fees (€14.8million) from Altice Europe N.V.

Investments made (especially construction and deployment of networks with ATS) amount to €134.8 million (for five months) as of September 30, 2018 compared to €178.9 million as of September 30, 2017.

As a reminder, the acquisition of ATSF, ACS and MCS are transactions between related parties as well as the disposal of i24News.

As a consequence of the contract renegociation of TV channels with Altice Entertainment News & Sport, the commitments decreased by around €1,1 billion since December 31, 2017 to amount to €312.5 million as of September 30, 2018.

15. Commitments and contractual obligations

There was no significant change in the commitments and contractual obligations undertaken or received by the Group as described in the Group's 2017 annual consolidated financial statements, excepted for commitments related to purchase of TV channels programs, improve mobile coverage in certain poorly covered mobile areas ("Zones blanches"), new commitment for the FTTH deployment and new employment commitment as mentioned in the previous notes.

16. Litigation

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

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

Concerning the other litigation, refer to Note 33 – *Litigation* of the annual consolidated financial statements 2017.

16.1. Consumer Disputes

CLCV's summons and complaint against SFR

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

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

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

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

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

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

Accordingly, the court sentences, as compensation, SFR to pay to Free Mobile €5 million as damages.This decision was executed and the Group paid the €5 million net amount to Free Mobile in June 2018. SFR appealed this decision. The case is still pending.

16.2. Other disputes

Canal Plus Group (GCP) against SFR and SFR Fibre (ex- NC Numericable)

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

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

GCP requested the termination of the above under financial penalty of thirty thousand euros per day, and damages in the amount of €174 million. On September 18, 2018, the two parties signed a contract allowing GCP to distribute sports channels produced by the Group via satellite. As part of this agreement, both parties decided to mutually desist from all open legal proceedings, thus ending the aforementioned litigation.

Bouygues Telecom against SFR (Faber CCI)

On October 19, 2017, Bouygues Telecom submitted a request for arbitration to the secretary of the International Chamber of Commerce ("ICC") relating to a disagreement regarding the Faber Agreement between Bouygues Telecom and SFR.

Bouygues Telecom claims that SFR breached certain contractual duties and commitments made before the French Competition Authority relating to the Faber Agreement (namely, certain delays and not having connected certain categories of buildings, thereby causing damage to Bouygues Telecom).

The Arbitration court has been setup and proceeding began in May 2018.

In a document dated June 15, 2018 Bouygues Telecom alleged that it has suffered prejudices amounting to €164.9 million. The Group fully disputes these claims.

The Group presented its counter claim on October 15, 2018 and is preparing the estimate of its own prejudice suffered and analysing the prejudice mentioned by Bouygues Telecom in collaboration with an independent expert. As of September 30, 2018, the Group considers that the risk is difficult to estimate reliably and is hence considered to be a contingent liability under IAS 37.

Non-compliance with the commitments entered into by Altice France, in the context of the SFR Acquisition, relating to the agreement concluded between SFR and Bouygues Telecom on November 9, 2010 (Faber)

Following a complaint by Bouygues Telecom, the French Competition Authority took legal action on October 5, 2015, to examine whether SFR fulfilled its commitments made to the French Competition Authority, in connection with the SFR Acquisition, under its co-investment agreement with Bouygues Telecom for the deployment of optical fiber in very densely populated areas (the "Faber Agreement"). A session before the French Competition Authority board was held on November 22, and then on December 7, 2016.

On March 8, 2017, the French Competition Authority imposed a financial sanction of €40 million against Altice Europe and the Group for not having complied with the commitments set out in the Faber Agreement at the time of the SFR Acquisition. This amount was recognized as of March 31, 2017 and was paid during the second quarter of 2017.

The French Competition Authority also imposed injunctions, including mandating a new schedule to supply all outstanding access points with progressive penalties imposed in the event of non-compliance.

A summary was lodged on April 13, 2017 before the Council of State. The judge in chambers of the Council of State said there is no matter to be referred. On September 28, 2017, the Council of State rejected the application of Altice Europe and the Group for cancellation of the decision of the French Competition Authority.

The French Competition authority is currently controlling the compliance by SFR of the commitment set out in the Faber Agreement.

As of September 30, 2018, the Group considers that the risk is difficult to estimate reliably and is hence considered to be a contingent liability under IAS 37.

Complaint by Orange Réunion and Orange Mayotte against SRR and SFR

Differential on-net/off-net pricing in the mobile telephony market in Mayotte and Reunion

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 conservatory measures from the Competition Authority.

On September 15, 2009, the French Competition Authority announced provisional 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.

On June 18, 2018, the Group agreed on a settlement with Orange, whereby both parties mutually agreed to desist from certain on going legal provisions.

Compensation disputes

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

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

Outremer withdrew from the proceedings against SRR and SFR on May 10, 2015.

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. Various procedural issues have been raised, on which a judgment is pending. The Court rendered its ruling on June 20, 2016 stating that the petitions of Orange Réunion cannot relate to the period preceding October 8, 2009 and therefore refused to exonerate SFR.

On December 20, 2016, following the Court’s judgment, Orange updated its estimate of the loss it believes it suffered after October 8, 2009 and reached the amount of €88 million (which represents the non-time-barred portion of the alleged loss).

As part of the agreement described above, on June 18, 2018, Orange has agreed to drop this litigation.

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 (under designing the Primary Digital Block (PBN)). In a ruling of 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 January 13, 2017, SFR appealed the ruling.

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 €0.6 million (assessment of penalty for 118 abusive overflows).

On July 24, 2017, Orange summoned SFR before the Paris Commercial Court in order to obtain the payment of €11.8 million by application of contractual penalty clauses concerning misbehaviors between July 2011 and July 2014. At the same date, Orange summoned Completel before the same Court, for the same reasons and basis, but for an amount of €9.7 million.

By pleadings dated January 30, 2018, SFR and Completel asked for a ruling deferment in order to await the Court of Cassation judgment.

As part of the agreement described above, on June 18, 2018, Orange has agreed to drop this litigation.

SFR against Orange: abuse of dominant position in the second homes market

On April 24, 2012, SFR filed a complaint against Orange with the Paris Commercial Court for 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 abuse of dominant position in the second homes market.

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

On April 12, 2016, the French Supreme Court overturned the Court of Appeal's decision and referred the case back to the Paris Court of Appeal. Orange returned €52.7 million to SFR on May 31, 2016. Orange refiled the case before the Paris Court of Appeal on August 30, 2016.

On June 8, 2018, the Paris Court of Appeal rejected Orange's appeal. Orange retains the possibility of refiling an appeal with the French Supreme Court.

17. Entity consolidating the financial statements

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

18. List of consolidated entities

Entity	Country Registered office	Group interest 2018	Group interest 2017	Method [1] 2018	Method [1] 2017
Altice France	**France**	**100%**	**100%**	**Parent company**	
SFR SA	France	100%	100%	FC	FC
SFR Fibre SAS	France	100%	100%	FC	FC
Altice B2B France SAS	France	100%	100%	FC	FC
Ariège Telecom SAS	France	100%	100%	FC	FC
B3G International BV	Netherlands	100%	100%	FC	FC

Entity	Country Registered office	Group interest 2018	Group interest 2017	Method (1) 2018	Method (1) 2017
Cap Connexion SAS	France	100%	100%	FC	FC
CID SA	France	100%	100%	FC	FC
SFR Business Distribution SA	France	100%	100%	FC	FC
Completel SAS	France	100%	100%	FC	FC
Debitex Telecom SAS	France	100%	100%	FC	FC
Eure et Loir THD SAS	France	100%	100%	FC	FC
Isère fibre SAS	France	100%	100%	FC	FC
FOD SNC	France	100%	100%	FC	FC
Foncière Velizy SCI	France	100%	100%	FC	FC
Futur Telecom SAS (2)	France	-	100%	-	FC
Gravelines Network SAS	France	100%	100%	FC	FC
Haut-Rhin Telecom SAS	France	100%	100%	FC	FC
LD Communications Italie Srl	Italy	100%	100%	FC	FC
LD Communications Suisse SA	Switzerland	100%	100%	FC	FC
Loiret THD SAS	France	100%	100%	FC	FC
LTBR SA	France	100%	100%	FC	FC
MACS THD SAS	France	100%	100%	FC	FC
Numergy SAS	France	100%	100%	FC	FC
Numericable US LLC	United Stated	100%	100%	FC	FC
Numericable US SAS	France	100%	100%	FC	FC
Oise Numérique SAS	France	100%	100%	FC	FC
Omer Telecom LTD	United Kingdom	100%	100%	FC	FC
Opalys Telecom SAS	France	100%	100%	FC	FC
Pays Voironnais Network SAS	France	100%	100%	FC	FC
Rennes Métropole Telecom SAS	France	100%	100%	FC	FC
Rimbaud Gestion B SCI	France	100%	100%	FC	FC
Sequalum Participation SAS	France	100%	100%	FC	FC
Sequalum SAS	France	100%	100%	FC	FC
SFCM SA	France	100%	100%	FC	FC
SFR Distribution SA	France	100%	100%	FC	FC
SFR Collectivités SA	France	100%	100%	FC	FC
SFR Développement SAS	France	100%	100%	FC	FC
SFR Participation	France	100%	100%	FC	FC
SHD SA	France	100%	100%	FC	FC
SIG 50 SA (2)	France	-	100%	-	FC
SRR SCS	France	100%	100%	FC	FC
SFR Business Solutions Morocco SA	Morocco	100%	100%	FC	FC
TME France SA	France	100%	100%	FC	FC
Valofibre SAS	France	100%	100%	FC	FC
Ypso Finance S.à.r.l	Luxembourg	100%	100%	FC	FC
Ypso France SAS	France	100%	100%	FC	FC
2SIP SAS (2)	France	-	100%	-	FC
Connect 76 SAS (7)	France	100%	-	FC	-
Martinique THD SAS (7)	France	100%	-	FC	-
Alsace Connexia SAS	France	70%	70%	FC	FC
Iris 64 SAS	France	70%	70%	FC	FC
Manche Telecom SAS	France	70%	70%	FC	FC
Medi@lys SAS	France	70%	70%	FC	FC
Teloise SAS	France	70%	70%	FC	FC
Inolia SA	France	60%	60%	FC	FC
Synerail Exploitation SAS	France	60%	60%	FC	FC
Moselle Telecom Part. SAS	France	56%	56%	FC	FC
Comstell SAS	France	50%	50%	FC	FC
Foncière Rimbaud 1 SAS	France	50%	50%	EM	EM
Foncière Rimbaud 2 SAS	France	50%	50%	EM	EM

Entity	Country Registered office	Group interest 2018	Group interest 2017	Method (1) 2018	Method (1) 2017
Foncière Rimbaud 3 SAS	France	50%	50%	EM	EM
Foncière Rimbaud 4 SAS	France	50%	50%	EM	EM
Infracos SAS	France	50%	50%	JV	JV
La Poste Telecom SAS	France	49%	49%	EM	EM
Synerail Construction SAS	France	40%	40%	EM	EM
VOD Factory SAS	France	40%	40%	EM	EM
Moselle Telecom SAS	France	39%	39%	FC	FC
Fischer Telecom SAS	France	34%	34%	EM	EM
Synerail SAS	France	30%	30%	EM	EM
Buyster SA (4)	France	-	25%	-	EM
Irisé SAS	France	25%	25%	FC	FC
Ocealis SAS	France	25%	25%	EM	EM
Sud Partner SARL	France	24%	24%	EM	EM
Sofialys SAS	France	24%	24%	EM	EM
Coalition Media group SAS (5)	France	-	25%	-	EM
Altice Media Events SAS	France	100%	100%	FC	FC
Altice Media Publicité SAS	France	100%	100%	FC	FC
SFR Presse Distribution SAS	France	100%	100%	FC	FC
A nous Paris SAS	France	100%	100%	FC	FC
Audience Square SAS	France	18%	18%	EM	EM
Decovery SAS (2)	France	-	100%	-	FC
Forum de l'investissement SA (2)	France	-	100%	-	FC
Groupe L'Express SA	France	100%	100%	FC	FC
Holco B SAS	France	100%	100%	FC	FC
i24 News SARL (5)	Luxembourg	-	100%	-	FC
L'express Ventures SAS	France	69%	69%	FC	FC
Libération SARL	France	100%	100%	FC	FC
Libération Medias SARL	France	100%	100%	FC	FC
Media Consumer Group SA	France	100%	100%	FC	FC
Middle East News Ltd (5)	Israel	-	100%	-	FC
Holco A SAS (ex.Newsco Group SAS)	France	100%	100%	FC	FC
01 net Mag SAS (ex.Newsco Mag SAS)	France	100%	100%	FC	FC
Presse Media Participations SAS (2)	France	-	100%	-	FC
PMP Holding SAS (2)	France	-	100%	-	FC
Prelude & Fugue SAS	France	100%	100%	FC	FC
SFR Presse SAS	France	100%	100%	FC	FC
Société Nouvelle de Télécommunication et Communication SARL	France	100%	100%	FC	FC
Technologues culturels SAS (2)	France	-	100%	-	FC
Altice Content Luxembourg SA	Luxembourg	100%	76%	FC	FC
NextRadioTV SA	France	100%	37%	FC	FC
NextInteractive SASU	France	100%	37%	FC	FC
NextRégie SASU	France	100%	37%	FC	FC
Groupe Tests Holding SASU	France	100%	37%	FC	FC
RMC SA Monégasque	France	100%	37%	FC	FC
RMC Sport SASU	France	100%	37%	FC	FC
RMC Découverte SAS	France	100%	37%	FC	FC
RMC BFM Production SASU	France	100%	37%	FC	FC
BFM TV SASU	France	100%	37%	FC	FC
Business FM SASU	France	100%	37%	FC	FC
BFM PARIS SASU (ex.CBFM)	France	100%	37%	FC	FC
BFM Business TV SASU	France	100%	37%	FC	FC
NEXTDEV SASU	France	100%	37%	FC	FC
RMC BFM Edition SASU	France	100%	37%	FC	FC
Next Pictures SASU (ex.NextRadioTV Production)	France	100%	37%	FC	FC
BFM Sport SASU	France	100%	37%	FC	FC
WMC SAS	France	100%	37%	FC	FC

Entity	Country Registered office	Group interest 2018	Group interest 2017	Method (1) 2018	Method (1) 2017
La Banque Audiovisuelle SASU	France	100%	37%	FC	FC
NEXTPROD SAS	France	100%	37%	FC	FC
Newco B SASU	France	100%	37%	FC	FC
Groupe News Participations SAS	France	100%	37%	FC	FC
Newco E SASU	France	100%	37%	FC	FC
SPORTSCOTV SASU	France	100%	37%	FC	FC
Newco G SASU (ex.BFM Paris)	France	100%	37%	FC	FC
Newco C SASU	France	100%	37%	FC	FC
MCS SAS (7)	France	100%	-	FC	-
Diversité TV France SAS	France	100%	19%	FC	FC
DTV Holding SAS (ex PHO Holding SASU)	France	100%	19%	FC	FC
Altice Customer Services S.à r.l (7)	Luxembourg	65%	-	FC	-
Emashore SA (7)	Morocco	65%	-	FC	-
Inovendys SA (7)	Morocco	65%	-	FC	-
Intelcia Cameroun SA (7)	Cameroon	46%	-	FC	-
Intelcia Cote d'Ivoire SAS (7)	Cote d'Ivoire	65%	-	FC	-
Intelcia France SAS (7)	France	65%	-	FC	-
Intelcia Group SA (7)	Morocco	65%	-	FC	-
Intelcia Maroc SA (7)	Morocco	65%	-	FC	-
Intelcia Maroc Inshore SA (7)	Morocco	65%	-	FC	-
Intelcia Senegal SAS (7)	Senegal	65%	-	FC	-
Intelcia Service Client SA (7)	France	65%	-	FC	-
Smartshore SARL (7)	Morocco	65%	-	FC	-
The Marketing Group SAS (7)	France	65%	-	FC	-
TMG Succ (7)	Morocco	65%	-	FC	-
IT Rabat SARL (7)	Morocco	65%	-	FC	-
ERT Holding SAS (7)	France	84%	-	FC	-
ERT Technologies SAS (7)	France	84%	-	FC	-
ICART SAS (7)	France	84%	-	FC	-
Rhôn'Telecom SAS (7)	France	60%	-	FC	-
ERT Luxembourg SA (7)	Luxembourg	84%	-	FC	-
TRC Belgium s.p.r.l (7)	Belgium	84%	-	FC	-
ATS France S.à r.l (7)	Luxembourg	100%	-	FC	-

(1) FC = Full Consolidation; EM = Equity Method; JO = Interest in Joint Operation
(2) Companies absorbed in 2018
(3) Change in consolidation method in 2018
(4) Companies liquidated in 2018
(5) Companies sold in 2018
(6) Companies no longer consolidated in 2018
(7) Entry in the Group in 2018

19. Subsequent events

Signing of an agreement for the acquisition of Télé Lyon Métropole (TLM)

On October 10, 2018, Altice France announced the signing of an agreement to acquire Télé Lyon Métropole (TLM), the local TNT channel in Lyon, in order to create BFM Lyon (or BFM Lyon Métropole). Altice France aims to build a 100% local news channel. The studios will be installed in Lyon and will host the Lyon editorial of the channel. The acquisition of TLM, subject to the approval of the *Conseil Superieur de l'Audiovisuel* ("CSA"), should be finalized by the end of 2018.

Acquisition of Altice Blue Two Group

On October 31, 2018, the Group successfully completed the acquisition of a controlling stake in Groupe Altice Blue Two, an indirect subsidiary of Altice Europe . This acquisition was part of the restructuring announced by the Altice Europe in January 2018.

Groupe Altice Blue includes the telecom operations of Outremer Telecom, a fixed and mobile operator present in the French Overseas Territories (and reported as 'FOT' in Altice Europe's financial communication).
The total consideration transferred amounted to €300 million, which was financed fully by drawing on the Group's available Revolving Credit Facility ("RCF")
As per the provisions of IFRS 3, this operation will be treated as an acquisition under common control and hence no goodwill will be created as part of this transaction.

Agreement between SFR and Canal Plus Group around Premier League broadcasting

Canal Plus has acquired broadcasting rights to England's Premier League soccer matches during the 2019/2022 season which will kick off in August 2019. The rights for 2016/2019 are currently owned by Altice. SFR has announced that it has already started to work with Canal + Group, in order to allow SFR subscribers to continue to enjoy the English Premier League on its TV channels after the summer of 2019.

20. Restated information

The consolidated financial statements as of December 31, 2017 and as of September 30, 2017 have been restated for the impacts of IFRS 15. The consolidated statement of financial position as of January 1, 2018 has been restated for the impacts of IFRS 9. Refer to Note 1 – *Basis of preparation of the consolidated financial statements*.

20.1. IFRS 15 - Revenue from Contracts with Customers

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

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

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

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

Mobile activities:

The most significant impact is in the mobile activities (B2C and B2B transactions) as some arrangements include multiple elements that are being bundled: a handset component sold at a discounted price and a communication service component. In application of IFRS 15, the group has identified those items as separate performance obligations. Total revenue will be allocated to both elements based on their stand-alone selling price, leading to more revenue being allocated to the handset upfront. This will also impact the timing of revenue recognition as the handset is delivered up-front, even though total revenue will not change in most cases over the life of the contract.

Other IFRS 15 topics impacting the accounts include capitalization of commissions (including prepaid and renewal commissions which will be broader than the current capitalization model, along with depreciation pattern which will require estimates relating to the contract duration in some instances (prepaid business for example).

Fixed activities:

In most cases, the service and the equipment will not be considered as distinct performance obligations. Additional services will be examined separately.

Other identified topics relate to connection fees, related costs and capitalization of commissions. Related estimates include the determination of capitalized assets depreciation period based (i) on contract period and (ii) possible additional periods related to anticipated contract that the Group can specifically identify.

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

- Shareholders' equity as of December 31, 2017 increased by €250,8 million after deferred tax effect mainly due to the mobile handsets subsidies contract assets and the effect of the change in commission capitalization and amortization pattern,
- Revenue and Adjusted EBITDA decreased by €95,4 million and €77,8 million, respectively, for the year ended December 31, 2017. The impact is mainly linked to:
  - The handsets subsidies adjustments as described above linked to a decrease in the sale of mobile bundles offers over the last years.
  - Change in the scope of commissions capitalized under IFRS 15.
- Thus net result for the year ended 2017 decreased by €68,9 million.

20.2. IFRS 9 – Financial Instruments

IFRS 9 - *Financial Instruments* issued on July 24, 2014 is the IASB's replacement of IAS 39 - *Financial Instruments: Recognition and Measurement.*

The Standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting.

The Group implemented the standard based on the simplified retrospective approach; the transition impact was recorded in equity as of January 1, 2018 with an impact of €21,4 million after deferred tax and can bebroken as follows:

- Financial liabilities restructuring : €41,6 million,
- Bad debt provision: €(20,2) million.

Main impacts of IFRS 9 are explained below:

- Based on the IFRS 9 guidance, financial liabilities that have been renegotiated in previous period, where the renegotiated terms were considered as a non-substantial modification of the initial terms (cash flows modified in a proportion equal to or lower than 10%), requires a specific treatment upon transition to IFRS 9. Under IFRS 9, the Company should use the original effective interest rate to calculate the carrying value of the debt which is the present value of the modified future cash flows. Under IAS 39, for financial liabilities that have been renegotiated, the effective interest rate is changed on a prospective basis, with no income statement impact at the renegotiation date. For restructuring of financial liabilities that have been treated as extinguishment of debt, there is no impact under IFRS 9.
- Based on the IFRS 9 guidance, the Group has applied the simplified model for trade receivables and contracts assets (without significant financing component) and has applied the expected credit loss model (i.e. including forward looking information) on assets (i.e. trade receivables not yet due and contract assets IFRS 15 - *Revenue from Contracts with Customers*). Under currents standard, the bad debt was calculated based on incurred losses.
- The new standard also implies change of classification in financial assets.

20.3. Consolidated Statement of Financial Position

(€m)	December 31, 2017	IFRS 15 Impact	December 31, 2017 restated	IFRS 9 Impact	January 1st 2018
Assets					
Goodwill	11,199.2	-	11,199.2	-	11,199.2
Intangible assets	6,665.8	(147.1)	6,518.7	-	6,518.7
Contracts costs	-	152.0	152.0	-	152.0
Property, plant and equipment	6,424.2	-	6,424.2	-	6,424.2
Investments in associates	23.0	-	23.0	-	23.0
Non-current financial assets	735.7	-	735.7	-	735.7
Deferred tax assets	11.6	-	11.6	10.6	22.2
Other non-current assets	195.0	-	195.0	-	195.0
Non-current assets	**25,254.6**	**4.8**	**25,259.4**	**10.6**	**25,270.0**
Inventories	288.8	-	288.8	-	288.8
Trade and other receivables	3,616.4	-	3,616.4	(18.0)	3,598.3
Contracts assets	-	266.3	266.3	(12.7)	253.6
Income tax receivable	150.6	-	150.6	-	150.6
Current financial assets	17.4	-	17.4	-	17.4
Cash and cash equivalents	451.3	-	451.3	-	451.3
Assets held for sale	(0.0)	-	(0.0)	-	(0.0)
Current assets	**4,524.4**	**266.3**	**4,790.7**	**(30.8)**	**4,760.0**
Total Assets	**29,779.0**	**271.1**	**30,050.1**	**(20.2)**	**30,029.9**

(in € millions)	December 31, 2017	IFRS15 Impact	December 31, 2017 restated	IFRS 9 Impact	January 1st 2018 restated
Equity and liabilities					
Share capital	443.7	-	443.7	-	443.7
Additional paid- in capital	5,403.1	-	5,403.1	-	5,403.1
Reserves	(2,920.3)	181.9	(2,738.4)	21.4	(2,716.9)
Equity attributable to owners of the company	**2,926.5**	**181.9**	**3,108.4**	**21.4**	**3,129.9**
Non-controlling interests	(85.1)	-	(85.1)	-	(85.1)
Consolidated equity	**2,841.4**	**181.9**	**3,023.3**	**21.4**	**3,044.7**
Non-current borrowings and other financial liabilities	16,854.4	-	16,854.4	(56.1)	16,798.4
Other non-current financial liabilities	248.1	-	248.1	-	248.1
Non-current provisions	480.4	(4.1)	476.3	-	476.3
Non-current contracts liabilities	-	455.2	455.2	-	455.2
Deferred tax liabilities	263.3	93.3	356.6	14.5	371.1
Other non-current liabilities	567.5	(455.2)	112.3	-	112.3
Non-current liabilities	**18,413.8**	**89.2**	**18,503.0**	**(41.6)**	**18,461.4**
Current borrowings and financial liabilities	351.4	-	351.4	-	351.4
Other current financial liabilities	1,106.9	-	1,106.9	-	1,106.9
Trade payables and other liabilities	6,045.3	-	6,045.3	-	6,045.3
Current contracts liabilities	-	517.3	517.3	-	517.3
Income tax liabilities	104.5	-	104.5	-	104.5
Current provisions	349.6	-	349.6	-	349.6
Other current liabilities	566.1	(517.3)	48.8	-	48.8
Liabilities directly associated to assets held for sale	(0.0)	-	(0.0)	-	(0.0)
Current liabilities	**8,523.8**	**-**	**8,523.8**	**-**	**8,523.8**
Total Equity & liabilities	**29,779.0**	**271.1**	**30,050.1**	**(20.2)**	**30,029.9**

Consolidated Statement of Income

(€m)	**September 30, 2017**	**IFRS 15 impact**	**September 30, 2017 restated**
Revenues	**8,204.5**	**(91.3)**	**8,113.2**
Purchasing and subcontracting	(2,978.4)	(11.4)	(2,989.8)
Other operating expenses	(1,790.7)	6.5	(1,784.2)
Staff costs and employee benefit expenses	(687.5)	6.6	(680.9)
Depreciation, amortization and impairment	(1,984.4)	(21.2)	(2,005.6)
Non-recurring income and expenses	(958.4)	-	(958.4)
Operating income	**(194.9)**	**(110.7)**	**(305.6)**
Financial income	3.4	-	3.4
Cost of gross financial debt	(666.3)	-	(666.3)
Other financial expenses	(40.8)	-	(40.8)
Net financial income (expense)	**(703.7)**	**-**	**(703.7)**
Share in net income (loss) of associates	(8.4)	0.0	(8.4)
Income (loss) before taxes	**(907.0)**	**(110.7)**	**(1,017.7)**
Income tax income (expense)	200.8	38.1	238.9
Net income (loss) from continuing operations	**(706.2)**	**(72.6)**	**(778.8)**
Net income (loss) from discontinued operations	-	-	-
Net income (loss)	**(706.2)**	**(72.6)**	**(778.8)**
Group share	(699.9)	(72.6)	(772.5)
Non-controlling interests	(6.3)	(0.0)	(6.3)

20.4. Consolidated Statement of Cash Flows

(€m)	**September 30, 2017**	**IFRS 15**	**September 30, 2017 restated**
Net income, Group share	**(699.9)**	**(72.6)**	**(772.5)**
Adjustments:			
Non-controlling interests	(6.3)	-	(6.3)
Depreciation, amortization and provisions	2,040.6	21.2	2,061.8
Share in net income (loss) of associates	8.4	(0.0)	8.4
Net income from sale of property, plant and equipment and intangible assets	82.2	-	82.2
Net financial expense (income)	703.7	-	703.7
Income tax expense (income)	(200.8)	(38.1)	(238.9)
Other non-cash items	(58.2)	-	(58.2)
Income tax paid	(174.4)	-	(174.4)
Change in working capital	354.8	102.6	457.4
Net cash flow provided (used) by operating activities	**2,050.1**	**13.1**	**2,063.2**
Acquisitions of PPE, intangible assets and contact costs	(1,666.8)	(13.1)	(1,679.9)
Acquisition of consolidated entities, net of cash acquired	(135.2)	-	(135.2)
Acquisitions of other financial assets	(19.2)	-	(19.2)
Disposals of property, plant and equipment and intangible assets	28.9	-	28.9
Disposal of consolidated entities, net of cash disposals	34.2	-	34.2
Disposal of other financial assets	16.6	-	16.6
Change in working capital related to property, plant and equipment and intangible assets	(268.7)	-	(268.7)
Net cash flow provided (used) by investing activities	**(2,010.1)**	**(13.1)**	**(2,023.2)**
Purchases of treasury shares	1.7	-	1.7
Capital increase	16.3	-	16.3
Dividends paid	(6.9)	-	(6.9)
- to owners of the company	-	-	-
- to non-controlling interests	(6.9)	-	(6.9)
Dividends received	9.4	-	9.4
Issuance of debt	2,478.2	-	2,478.2
Repayment of debt	(2,493.4)	-	(2,493.4)
Interest paid	(785.2)	-	(785.2)
Other flows from financing activities	690.8	-	690.8
Net cash flow provided (used) by financing activities	**(89.0)**	**-**	**(89.0)**
Adjustments with no impact on cash	-	-	-
Net increase (decrease) in cash and cash equivalents	**(49.1)**	**0.0**	**(49.1)**
Exchange rate impact on cash in foreign currencies	**0.2**	**-**	**0.2**
Net cash and cash equivalents at beginning of period	**399.9**	**0.0**	**399.9**
Net cash and cash equivalents at end of period	**351.0**	**-**	**351.0**
of which cash and cash equivalents	*386.6*	-	*386.6*
of which bank overdrafts	*(35.5)*	-	*(35.5)*