



November 12, 2013

Investor Call Presentation

3rd Quarter 2013 Results

Agenda

1 **Key Highlights**

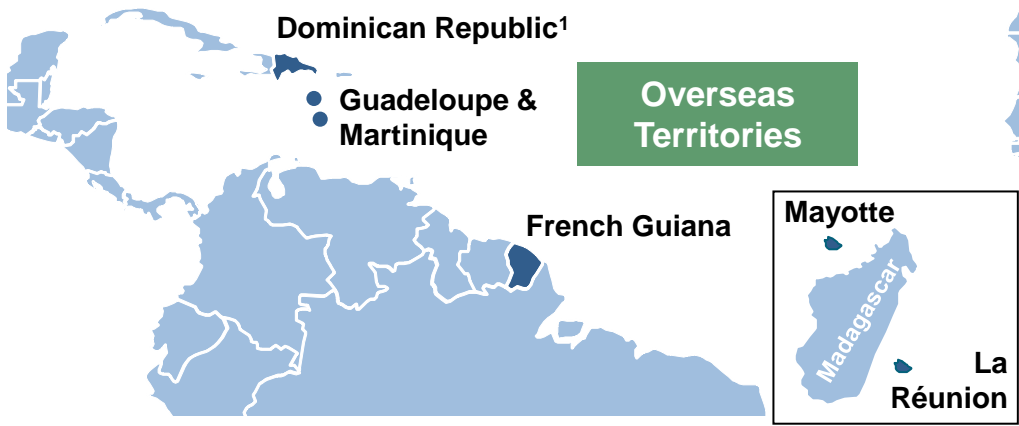
2 **Group Financials**

3 **Q&A**



An International Cable Operator in Attractive Markets

- ✓ 7 Territories
- ✓ 3.6m Homes Passed
- ✓ 1.5m Cable Customer Rel.
- ✓ 3.2m Cable RGUs
- ✓ Recently signed acquisition in DR



Portugal / Belgium & Luxembourg

Portugal

Belgium

**Luxembourg
Switzerland**

Israel



outremertelecom



¹ Following the acquisition of Tricom, which is subject to regulatory approval

Altice Group

Key KPIs

30 September 2013

In '000	Homes Passed	Cable Customers	3P Customers	Cable-based RGUs			Total	Cable Service ARPU	Mobile Subs
				Pay TV	Broadband	Telephony			
Israel	2,272	1,145	448	881	755	680	2,316	€ 47.6	773
Belgium & Luxembourg	233	115	51	130	56	53	239	€ 41.1	3
Portugal	906	240	136	227	156	226	609	€ 35.1	-
Overseas Territories ^{1,2}	154	38	15	38	15	15	69	€ 50.8	367
Total	3,565	1,538	650	1,276	982	974	3,233		1,143

- The Altice Restricted Group has 3.6m Homes Passed and 1.5m Cable Customers as of 30 September 2013²
- In addition the Altice Restricted Group has mobile operations in 3 geographies, Israel, the Overseas Territories and Belgium totalling 1.1m subscribers pro forma as of 30 September 2013

¹ Only relates to the cable-based services (PayTV, Broadband internet and fixed-line telephony) we provide in Guadeloupe and Martinique and excludes the xDSL based broadband Internet (including IPTV) and fixed-line telephony services we provide in Guadeloupe, Martinique, French Guiana, La Reunion and Mayotte following our acquisition of a controlling interest in Outremer Telecom on July 5, 2013. In the nine months ended September 30, 2013 our xDSL services accounted for 55,000 broadband Internet RGUs and 80,000 fixed-line telephony RGUs

² Excludes Tricom

Altice Group

9M 2013 Overview

Operations

- PF Revenue growth of 2.4% vs. 9M 2012 (0.4% at constant exchange rate) to €1,102m driven by HOT and HOT UMTS, partially offset by Portugal and the decline of IDEN revenues in Israel
- PF EBITDA growth of 14.5% vs. 9M 2012 (12.2% at constant exchange rate) to €430m thanks to a significant decline in the Israel cable cost base and the ongoing cost restructuring programme in Portugal
- Continued 3P conversion across the footprint; currently 42% 3P penetration
- Launch of “La Box” across the portfolio leveraging best practices
- Integration of OMT and ONI ongoing, with synergies to come

Strategic Initiatives

- OMT and ONI acquisitions closed in Q3
- Smaller bolt on acquisitions signed MCS and SporTV (Content) and Mobius (La Reunion) in October
- Acquisition of Tricom signed, pending regulatory approval (November)
- New network and site sharing agreement signed for HOT Mobile with Partner (November)

Liquidity & Capital

- All cable assets consolidated into the Restricted Group in Q2 and Q3 as planned
- PF leverage is in target range 3.0-4.0x
- Altice revolver USD80m + €60m remains undrawn
- Coditel minority (40%) buyout will be funded by drawing remaining TLB (November)

Altice Group

9M 2013 Key Operational Highlights

Israel

- Reorganization program finished
- Growth in cable revenues driven by focus on multiple-play offerings and increase in ARPUs
- Growth in mobile UMTS revenues more than offset the decrease in IDEN
- Strong decrease in Capex as 9M 2012 Capex was impacted by exceptional investments (set top boxes, UMTS network, etc.)

Belgium & Luxembourg

- Positive growth despite negative year-on-year one-off impact of police camera contract in 9M 2012
- Launch of La Box in Q1 2013 very well received by customers
- Positive impact of price increases and full year impact of revenues generated from AIESH
- Higher Capex related to the acquisition of the AIESH concession, launch of La Box and 200 Mbps product

Portugal

- Strong competition in B2B operations, which also suffered from adverse macroeconomic conditions and austerity measures
- ARPU remains stable despite macroeconomic conditions
- Lower cost base from renegotiation/restructuring of all supplier contracts following the acquisition of Cabovisao in 2012
- Stable Capex vs. 9M 2012

Overseas Territories

- Strong growth in OT driven by postpaid mobile and triple play subscribers
- Fixed and mobile integration driving ongoing cost optimisation
- Higher Capex from 3G mobile network expansion, upgrade of distribution network development of a payment platform

Operations

Integration and Turnaround of OMT and ONI Under Way

outremertelecom 

Cost savings by reducing duplicative cost structures



Leverage a combined distribution and customer care network



Development of international connectivity based on OMT's backbone



Cross and up-selling to cable, DSL and mobile customer bases



By converging our cable, DSL and mobile businesses, we believe we are able to grow our OT operations profitability

oni 

Positive mix effect from a greater weight of data services vs. voice



Certain activities to be combined with Cabovisão (IT, call centres)



Ongoing renegotiation and restructuring



Altice group scale leading to better procurement terms



While ONI had a c.12% EBITDA margin in 2012, we believe we are able to grow profitability towards levels achieved by peers

Strategic Initiatives

Smaller Bolt-on Content Acquisitions Completed



We acquired MCS and SporTV and announced the acquisition of Mobius in October 2013

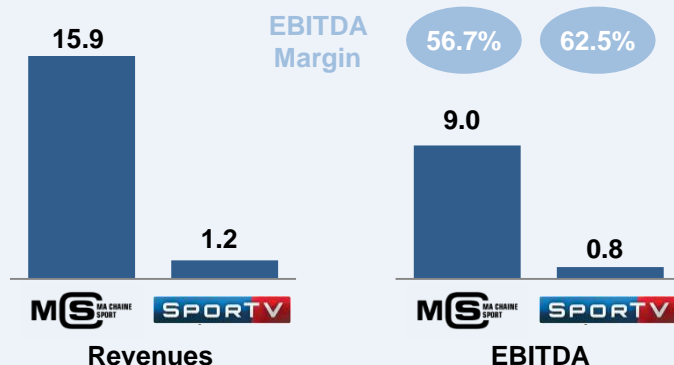
Overview of MCS

- Independent sport channel established in 2007
 - Available in HD
 - Mainly distributed in France but has also launched internationally
- Broadcasted on Cable, Satellite and ADSL networks
- Mainly distributes football and other sports disciplines (tennis, volleyball, handball, US sports, boxing, wrestling, poker)
- Produces numerous live and exclusive programs

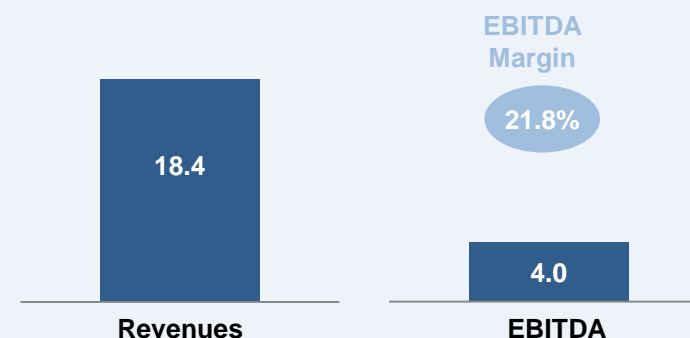
Overview of Mobius

- Telecommunications operator in La Reunion providing
 - Internet access to professional clients under the “Mobius Technology” brand
 - Double and triple play services based on xDSL technology to residential customers under the “IZI” brand
- Consummation of the acquisition expected to occur in Q1 2014 and subject to the satisfaction of customary closing conditions, including regulatory approval

2012A Revenue and EBITDA (in €m)



2012A Revenue and EBITDA (in €m)





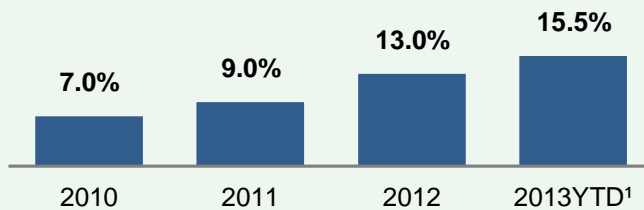
Strategic Initiatives

Acquisition of Dominican Republican Cable Operator Tricom

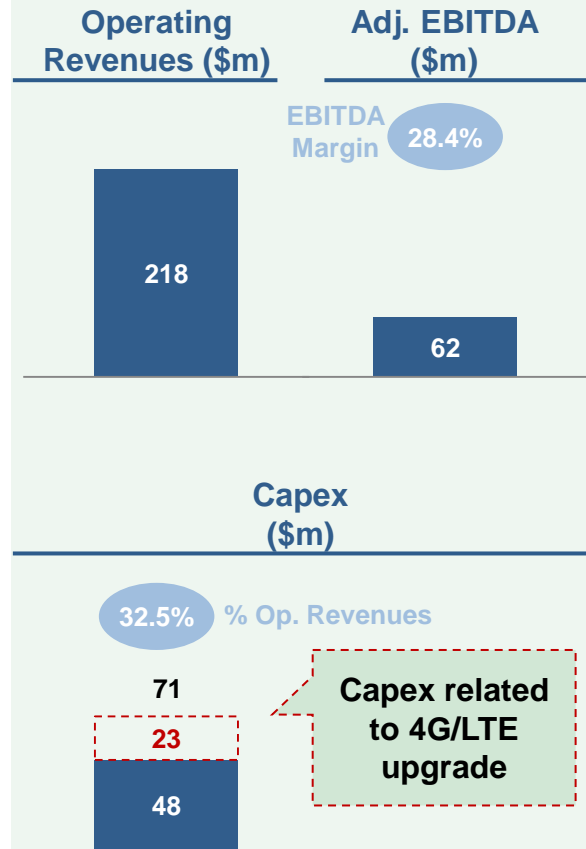
Acquisition Rationale

- Dominican Republic has attractive population demographics, strong GDP growth, a growing middle class and low penetration of broadband and Pay TV
- Altice to acquire c. 88% of Tricom, with the existing shareholders retaining a 12% stake
- Leading Pay TV and broadband market position
 - Recently re-launched mobile operations with 4G
 - Resilient and profitable fixed telephony business
- Significant up-sell opportunity as single play is currently very high
- Superior HFC based cable network and attractive excess mobile spectrum
- Unique cost and Capex optimisation opportunity

3P Customers (% of Total)



2012 Key Financials



Source: Company Information

¹ As of Aug-2013

Strategic Initiatives

Network and Site Sharing Agreement at HOT Mobile

- **HOT Mobile has signed a network and site sharing agreement with Partner with a duration of 15 years**
 - Includes sharing of antennas, sites and frequencies
 - Maintains operating core network separately, as well as marketing and sales solely to its own customers
 - Allows for right of use on Partner's 2G and 3G networks
- **HOT Mobile and Partner have agreed to jointly develop and own a 4G network**
- **Significant savings in roaming, expenses, site costs, network and maintenance**
- **Lower deployment of Capex going forward**



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Altice VII

Historical Consolidated Financials



Source: Company Information

¹ Defined as EBITDA – Capex.

² Defined as (EBITDA – Capex) / EBITDA.

Altice VII

Pro Forma Consolidated Revenue

In €m	Pro Forma Consolidated Revenue		
	9M 2012	9M 2013	Growth
Israel	635	669	5.4 %
Belgium and Luxembourg	53	53	0.5 %
Portugal	175	160	(8.5)%
Overseas Territories	163	166	1.9 %
Other	51	53	5.7 %
Total	1,076	1,102	2.4 %

- Total revenue growth of 2.4% (0.4% rebased)
- Israel pro-forma revenues have increased by 5.4% (2.0% rebased), underpinned by strengthening of the Shekel and growth in cable/mobile UMTS revenues
 - Revenue growth excluding IDEN of 14.9% (11.2% rebased)
- Belgium growth rate was impacted by one-off B2B police camera contract; triple-play continues to grow
- Strong competition in Portugal in B2B operations, which also suffered from adverse macroeconomic conditions and austerity measures
- Strong growth in OT driven by postpaid mobile and triple play subscribers

Note: Assumes NIS / € exchange rate of 4.730. Financials and growth rates shown are rounded

Altice VII

Pro Forma Consolidated EBITDA

Pro Forma Consolidated EBITDA			
In €m	9M 2012	9M 2013	Growth
Israel	229	270	17.7 %
Belgium and Luxembourg	35	35	0.3 %
Portugal	32	45	41.4 %
Overseas Territories	57	62	8.5 %
Other	18	18	(2.9)%
Total	375¹	430	14.5 %

- Total PF EBITDA growth of 14.5% (12.2% rebased)
- Israel pro-forma EBITDA has increased by 17.7% in 9M 2013 vs. 9M 2012 (13.9% at constant exchange rate)
- All core operations are contributing to EBITDA growth
- Adjusted Total Pro Forma EBITDA margin is 39.0%
- New network and site sharing agreement signed for HOT Mobile with Partner to lead to significant savings in roaming expenses, site costs, network and maintenance

Note: Assumes NIS / € exchange rate of 4.730. Financials and growth rates shown are rounded

¹ includes c.€3.8m adjustment for equity based compensation.

Altice VII

Pro Forma Consolidated Capex

In €m	Pro Forma Combined Adjusted Capex		
	9M 2012	9M 2013	Growth
Israel	230	136	(40.9)%
Belgium and Luxembourg	12	15	26.5 %
Portugal	20	20	(0.5)%
Overseas Territories	22	27	25.5 %
Other	13	13	(0.4)%
Total	297	211	(28.8)%
Total EBITDA - Capex	78	218	178.8 %

- Lower Capex in Israel related to an exceptionally high level of Capex in 9M 2012 as a result of the following initiatives: (i) purchase of a building for call centre operations, (ii) purchase of new set top boxes, (iii) completion of the upgrade to 100 Mbps capacity throughout the cable network, (iv) fibre roll-out in certain areas and (v) in mobile, expansion of the UMTS network
- Adjusted Total Pro Forma Capex as % of Revenue is 19.2% in 9M 2013 down from 27.6% in 9M 2012

Note: Assumes NIS / € exchange rate of 4.730. Financials and growth rates shown are rounded

Israel

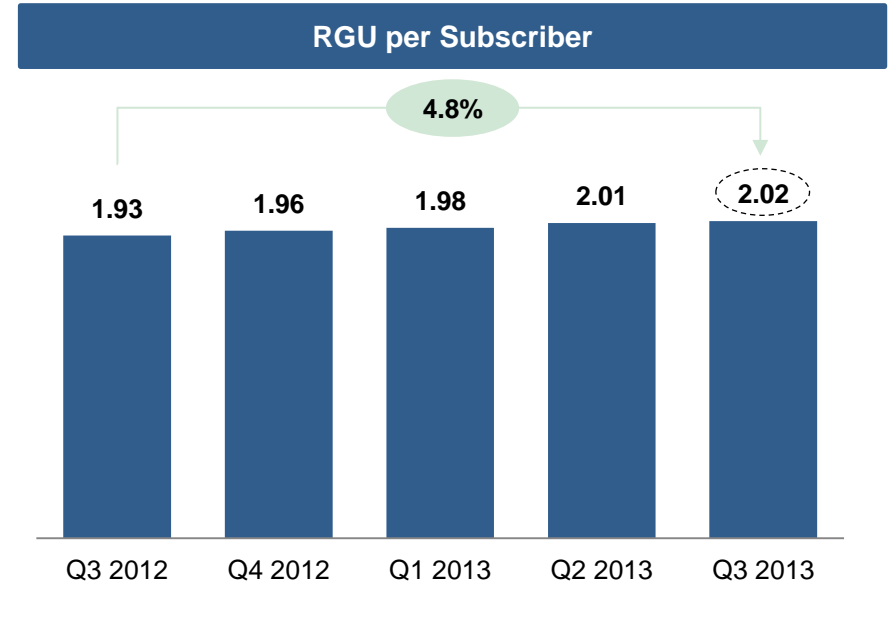
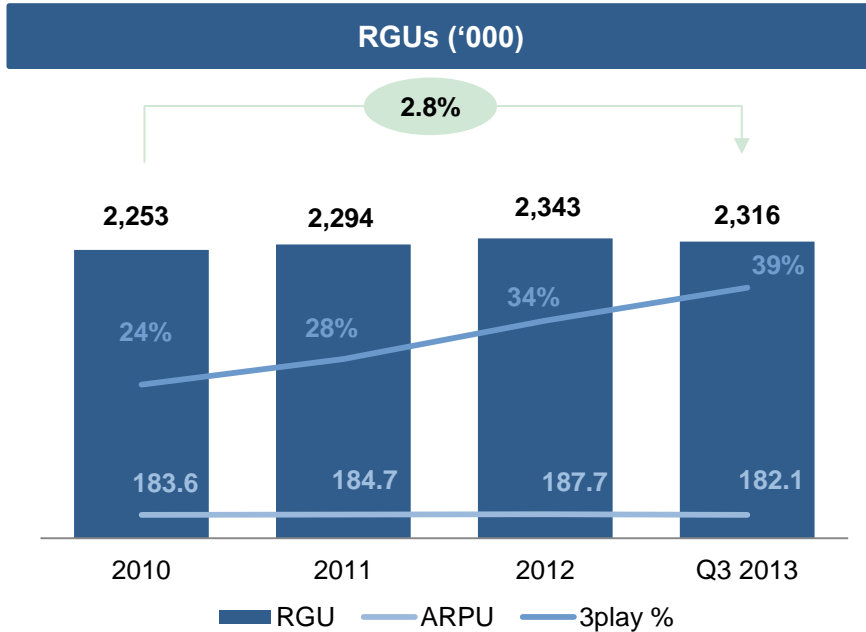
HOT 9M 2013 Dashboard



		9M 2012	9M 2013	9M 2013 vs. 9M 2012
Cable	Cable Customers ('000)	1,207	1,145	(5)%
	Cable RGUs ('000)	2,333	2,316	(1)%
	Cable RGUs per Customer (x)	1.93	2.02	5%
	Cable Revenue (€m)	509.6	527.0	3%
	Cable ARPU per Customer (€)	44.2	47.6	8%
Mobile	iDEN Subs ('000)	371	234	(37)%
	UMTS Subs ('000)	316	539	71%
	Total Subs ('000)	687	773	13%
	Mobile Revenue (€m) ¹	125.3	142.4	14%
	Coverage UMTS Israel	32%	50%	18pp

Israel

Growth in Cable RGUs Driven by Triple-Play Services



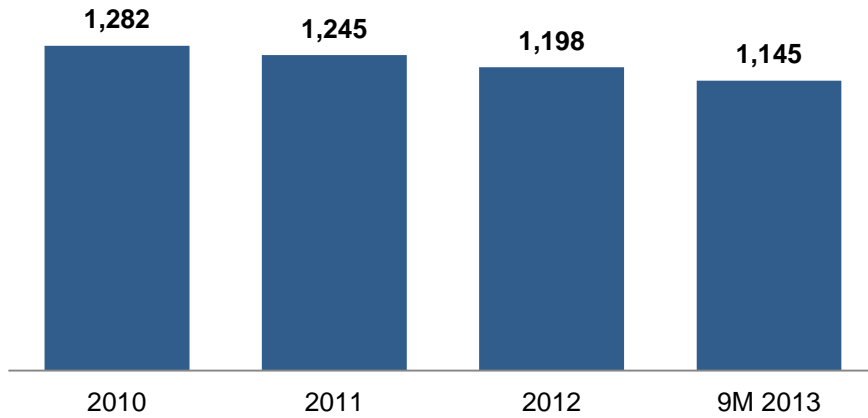
- Increase in ARPU resulting from higher number of RGUs per cable customer
- Continued triple-play customer growth since 2010
- RGUs per cable customer grew 4.8% Q3 2013 vs. Q3 2012
- Currently >50% of gross sales are "triple-play"
- Installation problems of new customers in July/August resolved

Israel

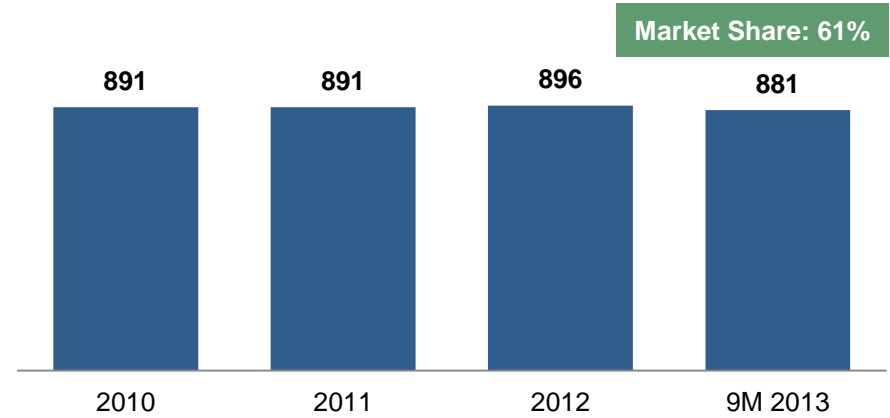
Cable KPIs



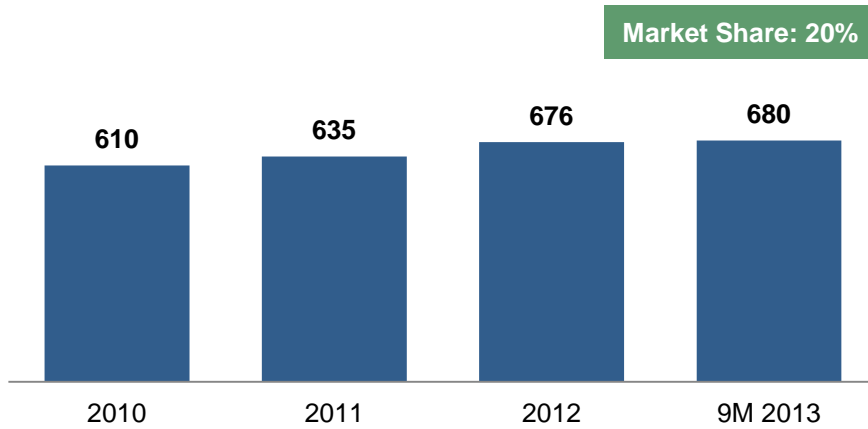
Cable Subscribers ('000)



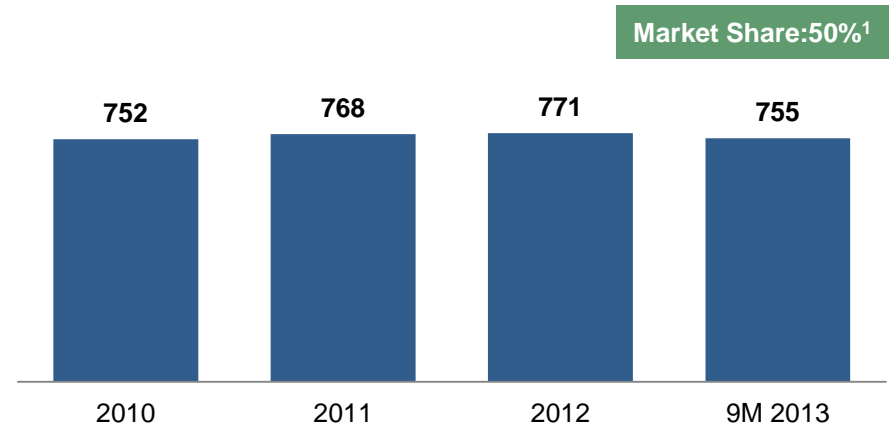
TV RGUs ('000)



Telephony RGUs ('000)



Internet RGUs ('000)



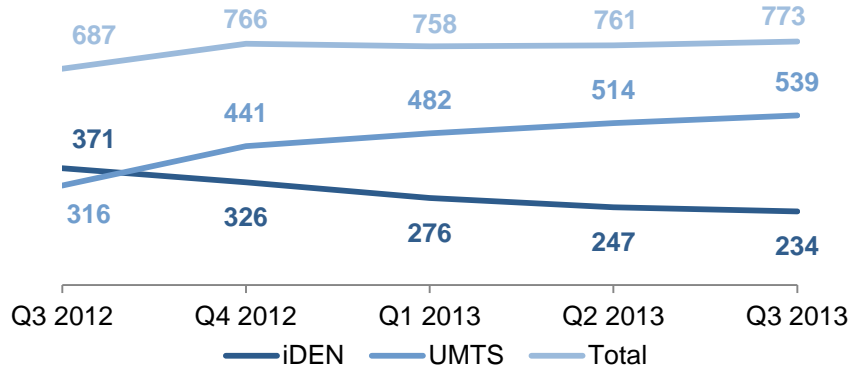
¹ Residential market share only.

Israel

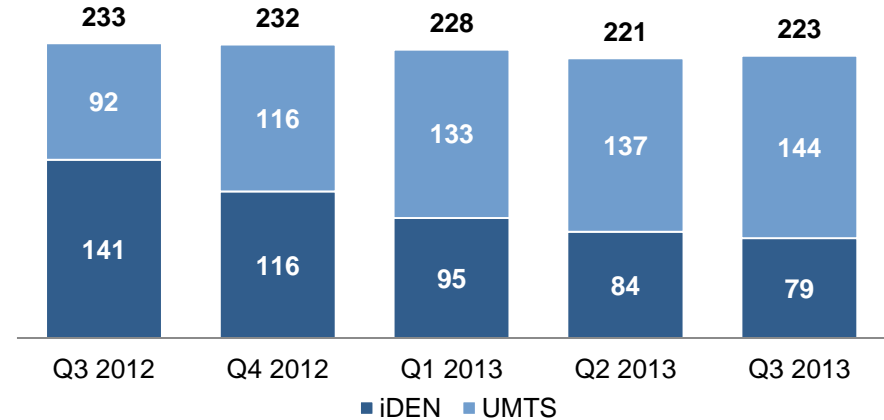
Mobile ARPUs Are Stabilising



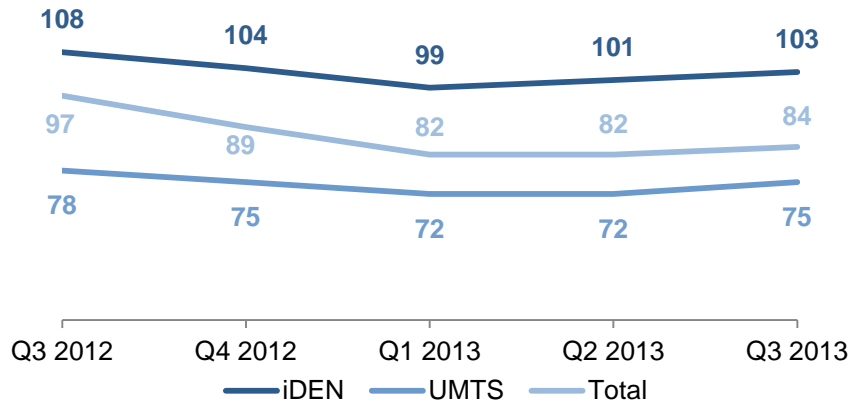
Subscribers ('000)



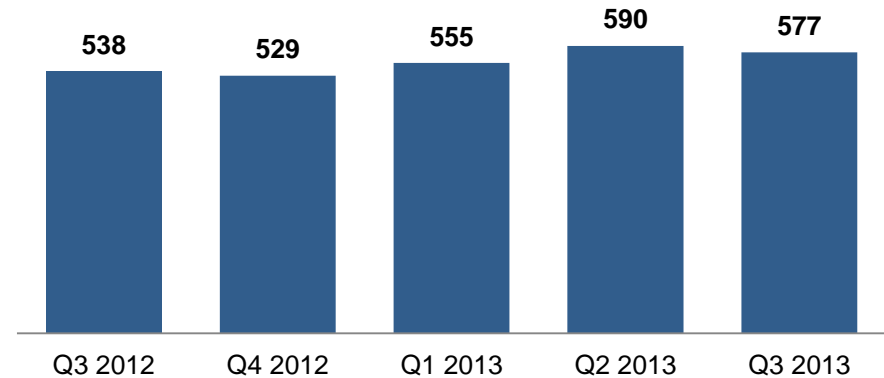
Revenue (NISm)



ARPU (NIS)



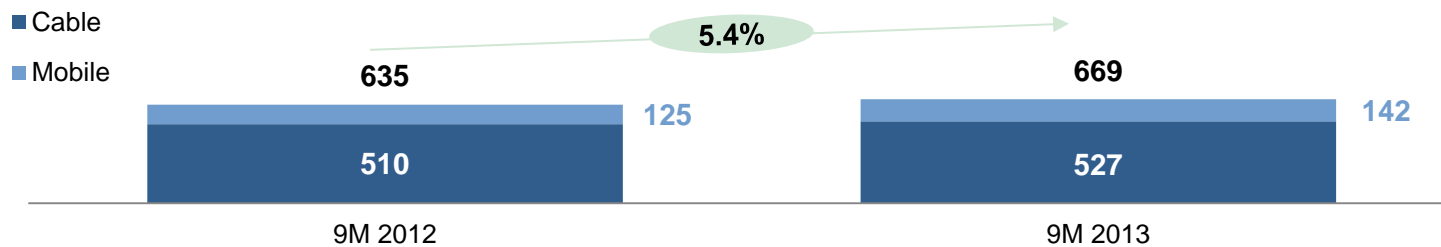
MOU (per month/subs.)



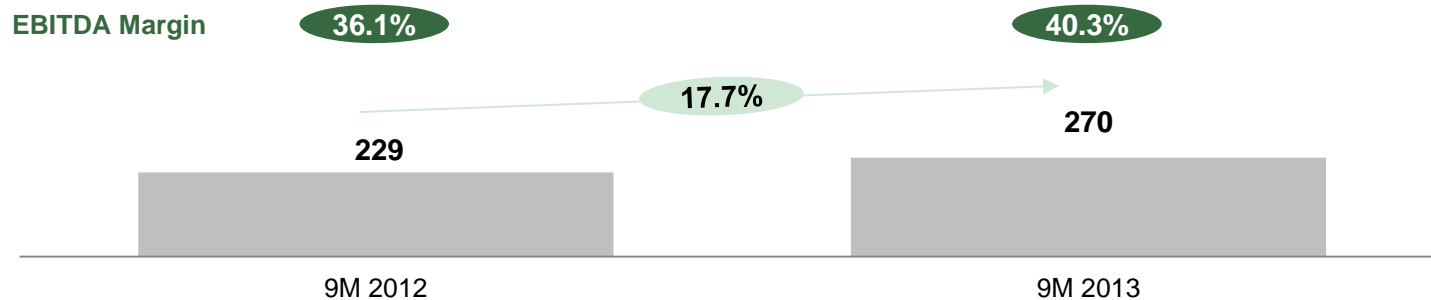
Israel Financials



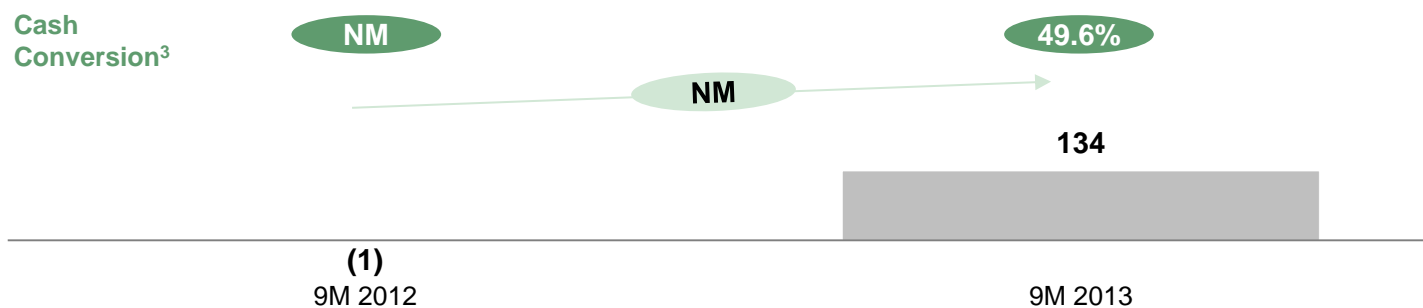
Revenues (€m)



EBITDA¹ (€m)



Operating Free Cash Flow (€m)^{1,2}



Source: Company Information

Notes:

¹ The network sharing agreement recently signed with Partner is expected to have an impact of approximately NIS 195m (c.€ 41m) on 2013E EBITDA.

² Defined as EBITDA – Capex.

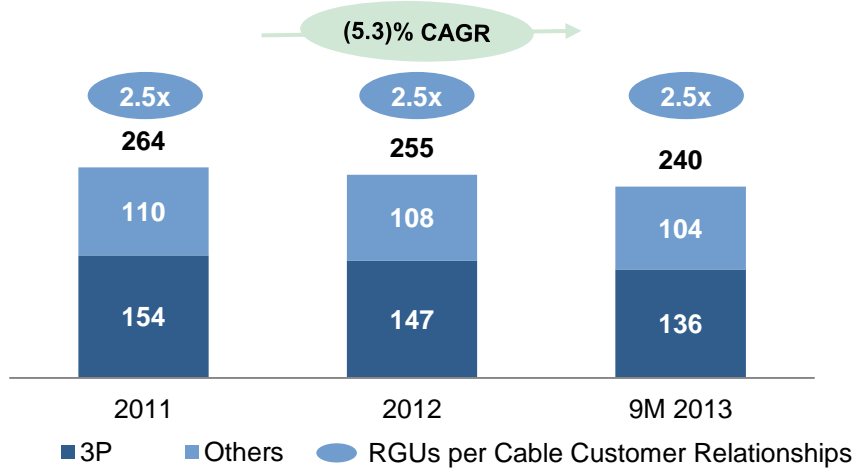
³ Defined as (EBITDA – Capex) / EBITDA.

Portugal

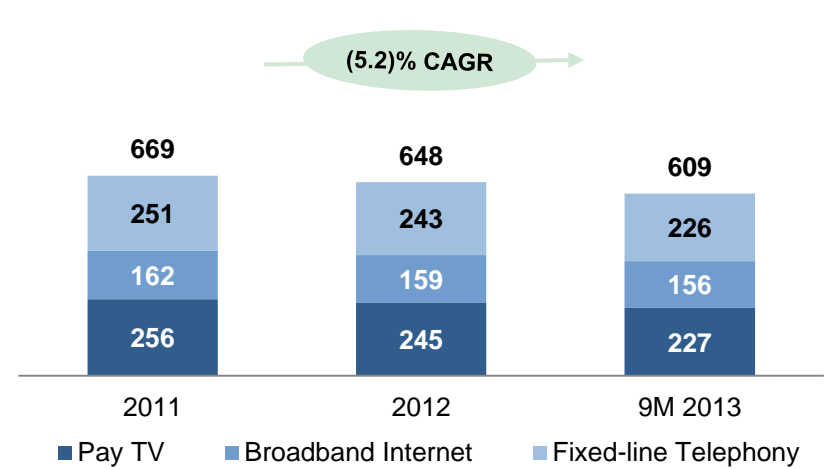
B2C KPIs



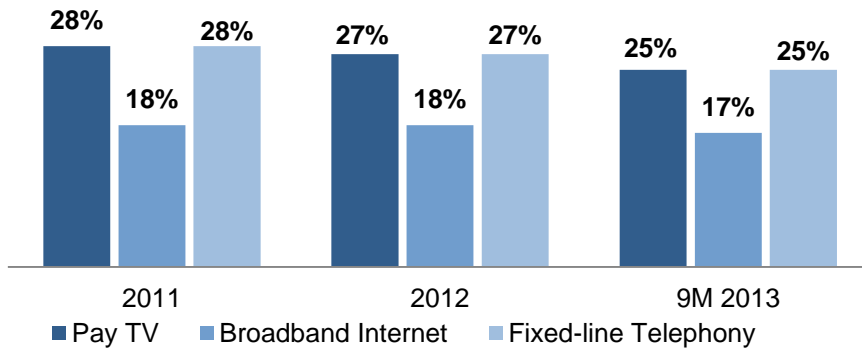
Cable Customer Relationships ('000)



Cable-based RGUs Breakdown ('000)

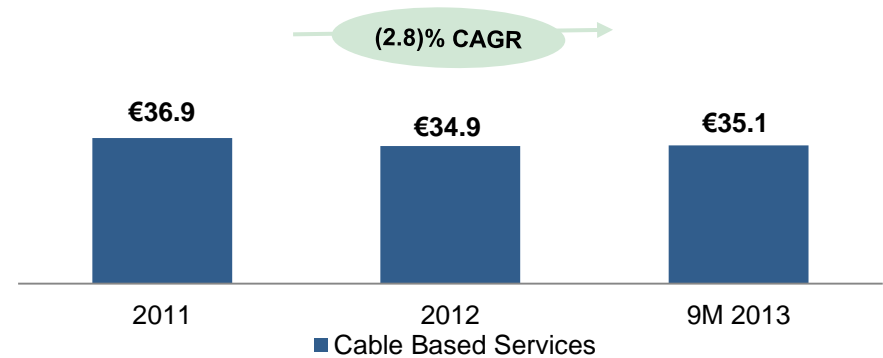


Penetration Levels (%)



Source: Company information

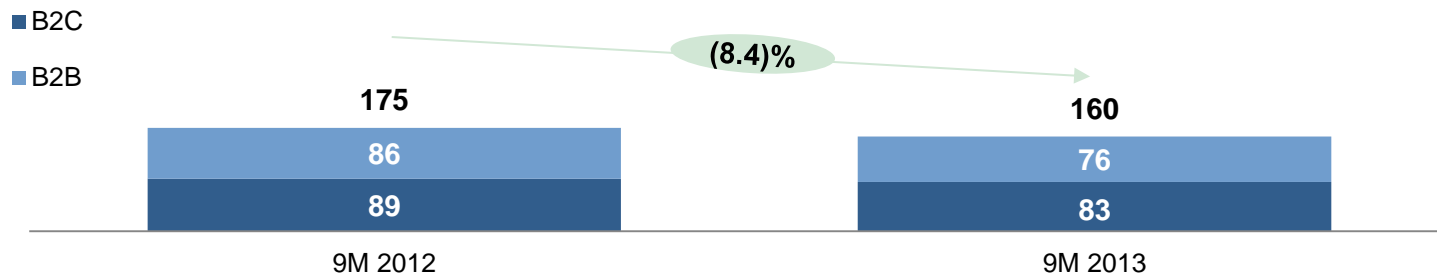
ARPU (€)



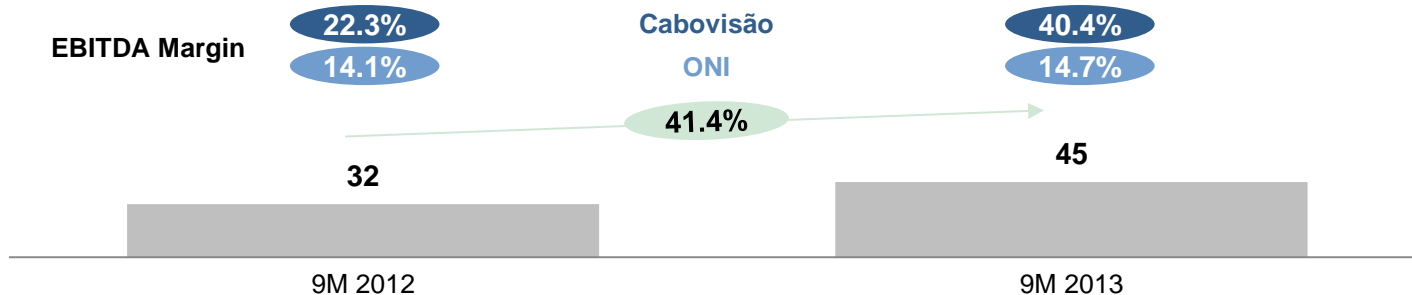
Portugal Financials



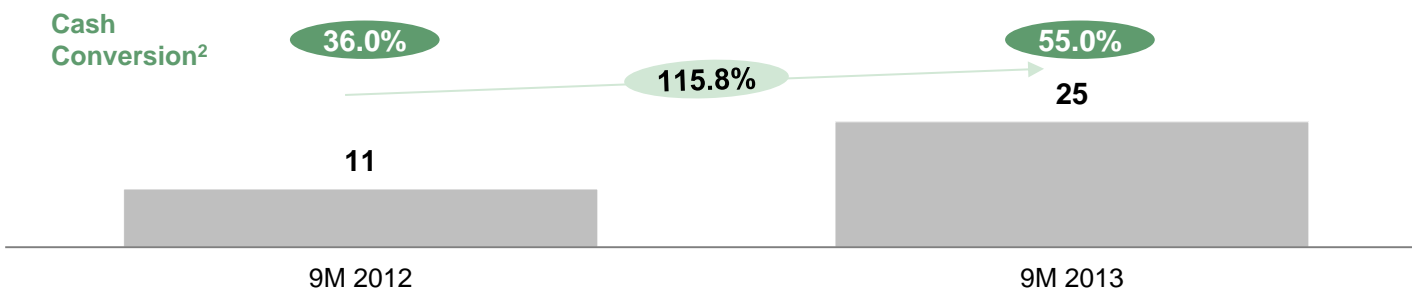
Revenues (€m)



EBITDA (€m)



Operating Free Cash Flow (€m)¹



Source: Company Information

Notes:

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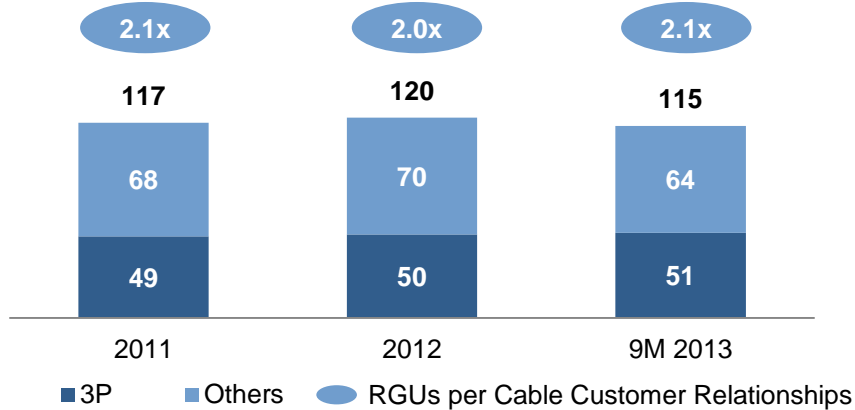
² Defined as (EBITDA – Capex) / EBITDA

Belgium & Luxembourg

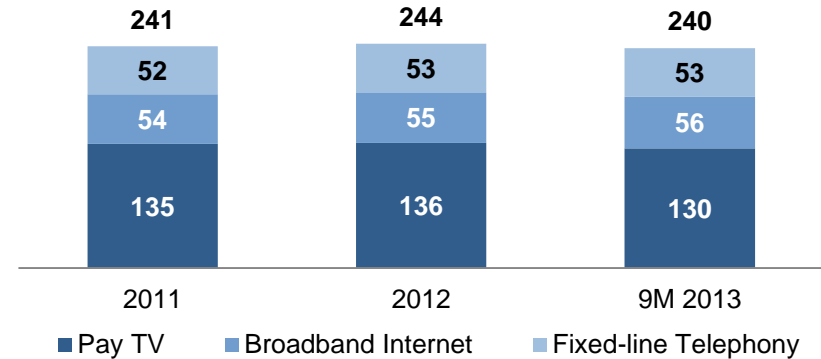
KPIs



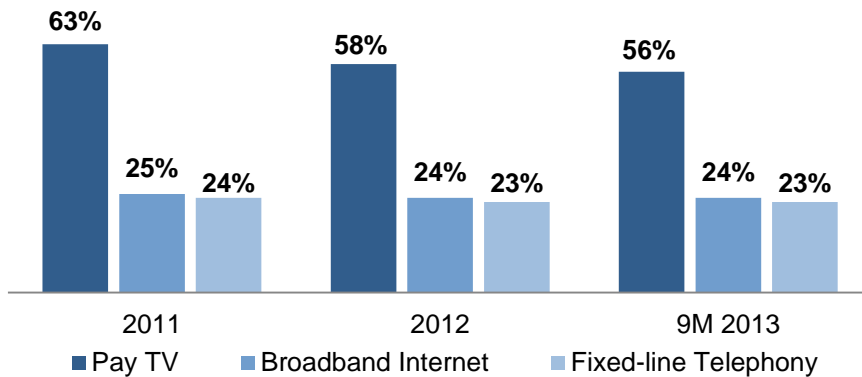
Cable Customer Relationships¹ ('000)



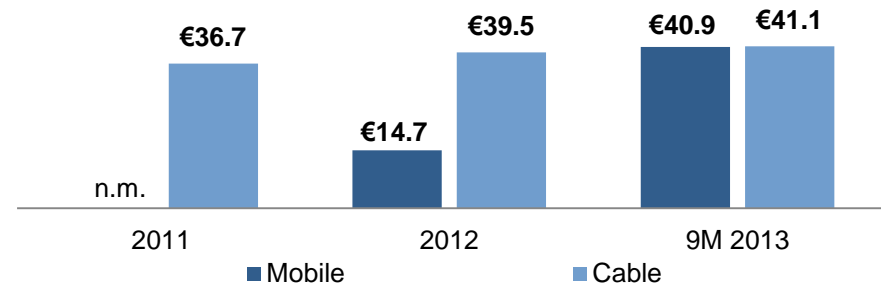
Cable-based RGUs Breakdown ('000)



Penetration Levels² (%)



ARPU³ (€)



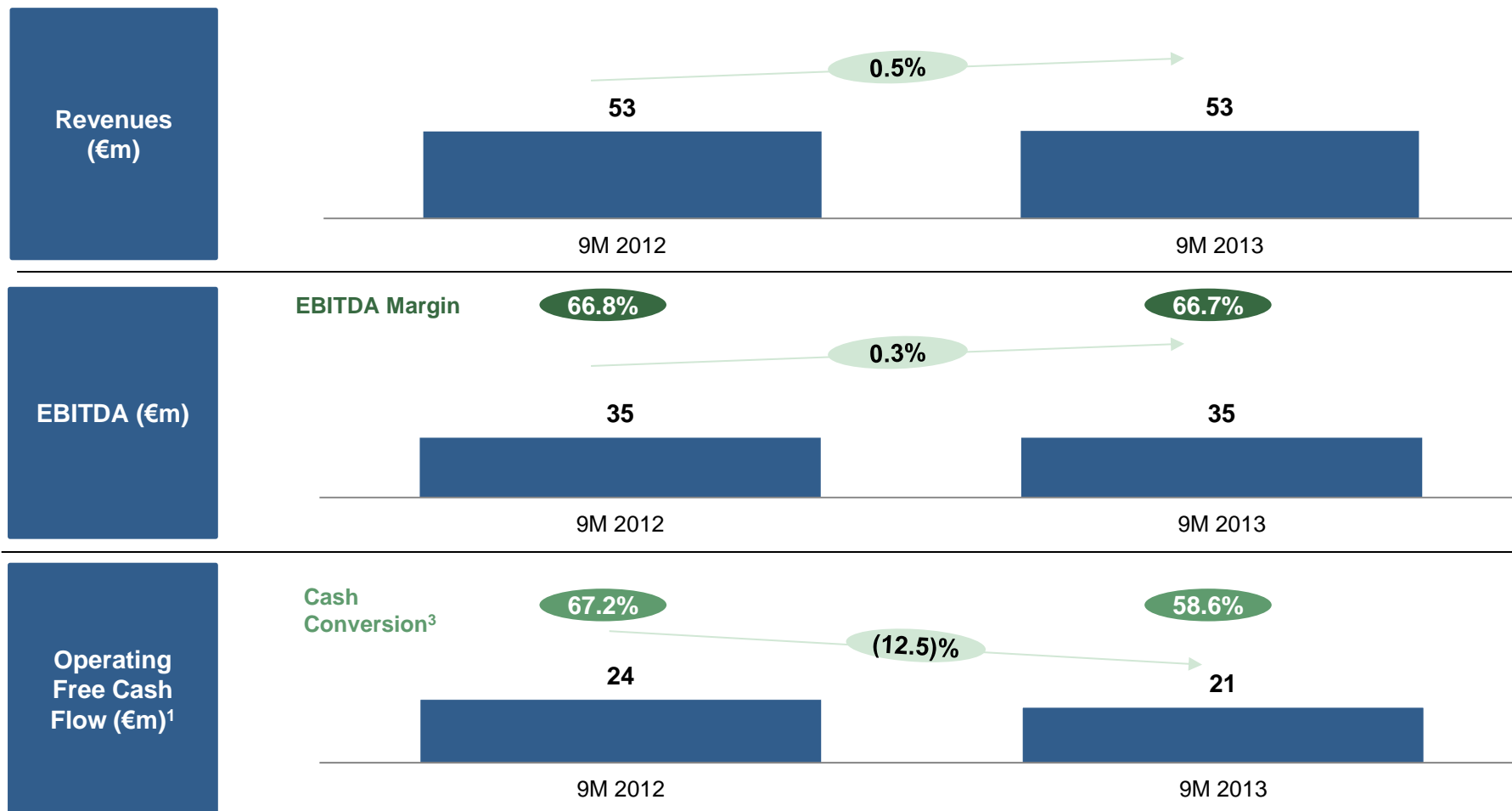
Source: Company information

¹ Represents the number of individual end users who have subscribed for one or more of our cable based services (including Pay TV, Broadband Internet or Fixed-line Telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. Cable Customer Relationships does not include subscribers to mobile services

² Calculated by dividing the number of Pay TV, Broadband Internet and Fixed-line Telephony subscriptions by the number of homes passed by cable network

³ Calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue for the respective period by the average number of customer relationships for that period and further by the number of months in the period

Belgium & Luxembourg Financials



Source: Company Information

Notes:

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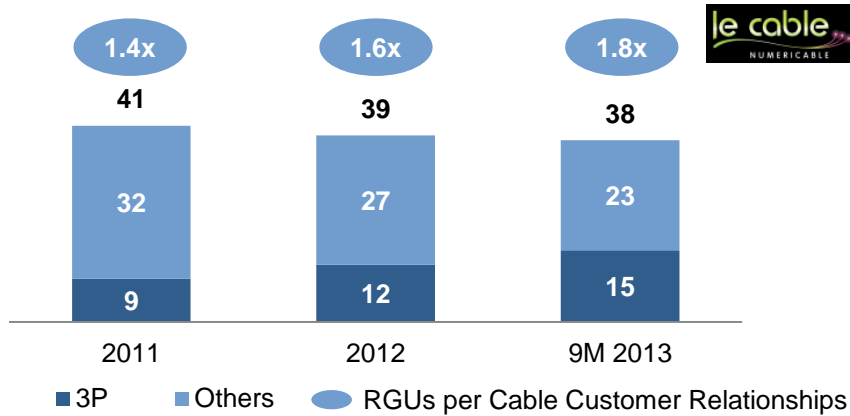
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Overseas Territories

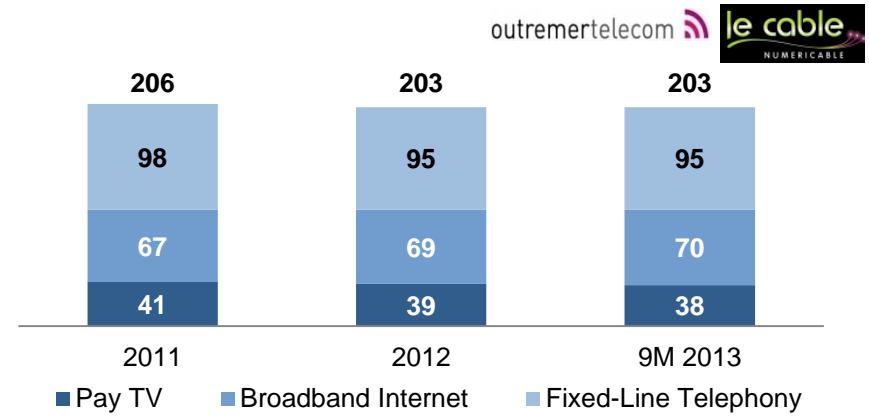
KPIs



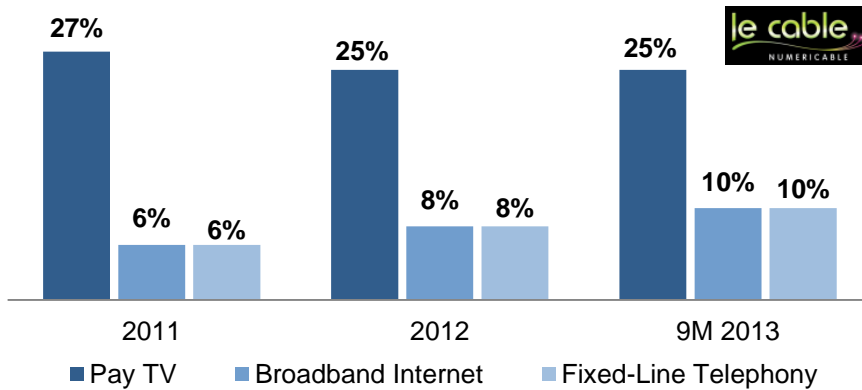
Cable Customer Relationships¹ ('000)



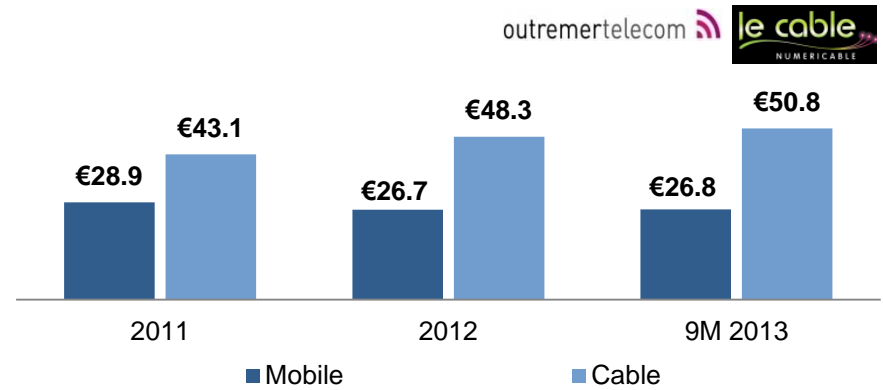
RGUs Breakdown² ('000)



Cable Penetration Levels^{3,5} (%)



Mobile and Cable ARPU^{4,5} (€)



Source: Company information

¹ Represents the number of individual end users who have subscribed for one or more of our cable based services (including Pay TV, broadband Internet or fixed-line telephony), without regard to how many services to which the end user subscribed. It is calculated on a unique premises basis. Cable Customer Relationships does not include subscribers to our mobile services

² Includes services provided over xDSL platform

³ Calculated by dividing the number of Pay TV, Broadband Internet, Fixed-Line Telephony subscriptions by the number of homes passed by cable network

⁴ Calculated by dividing the revenue for the service provided after certain deductions for non-customer related revenue for the respective period by the average number of customer relationships for that period and further by the number of months in the period

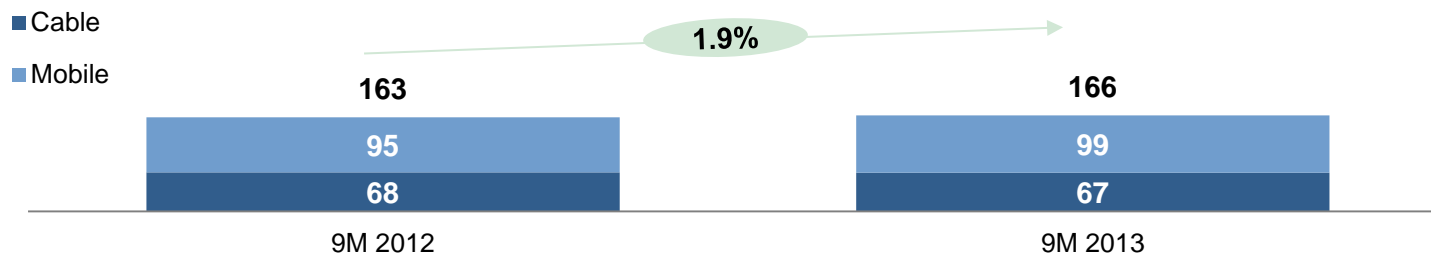
⁵ Only relates to cable based services in Guadeloupe and Martinique and excludes services provided over xDSL platform

Overseas Territories

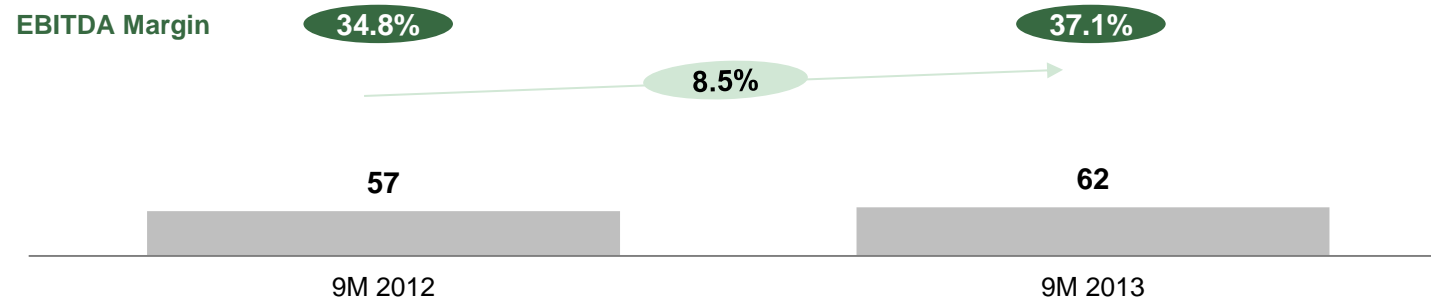
Financials



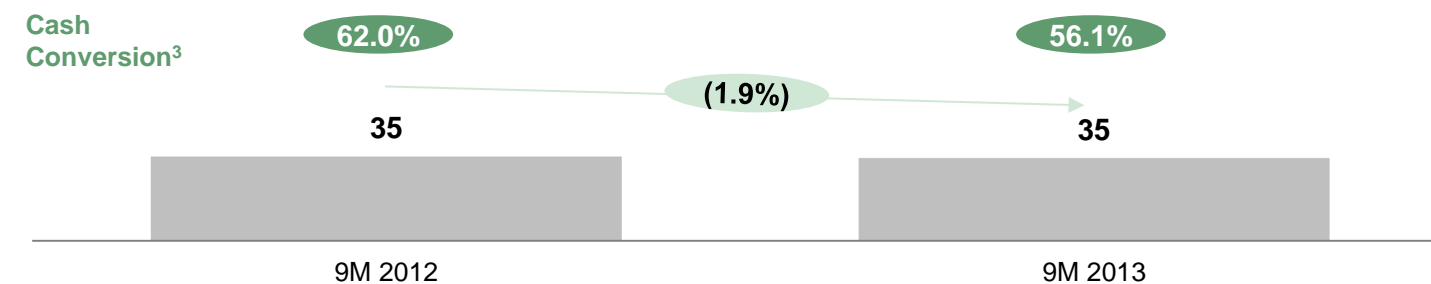
Revenues (€m)



EBITDA (€m)



Operating Free Cash Flow (€m)¹



Source: Company Information

Notes:

¹ Defined as EBITDA – Capex.

² Defined as (EBITDA – Capex) / EBITDA.

Our Capital Structure

Existing Capitalisation (Sep-2013)¹

	Amount (local currency)	Amount (€m equivalent)	Coupon / Margin	Maturity
HOT Unsecured Notes	NIS 1.3bn	278	3.90 - 6.90%	2018
Unsecured Coditel Mezzanine	€ 106m	106	8.50% / 5.25% PIK	2017
Green Data Center Debt	CHF 29m	24	L+1.700%	2022
Senior Secured Notes (USD)	USD 460m	340	7.875%	2019
Senior Secured Notes (EUR)	€ 210m	210	8.000%	2019
Term Loan ²	USD 929m	714	L+4.500%	2020
Altice Group Senior Debt		1,672		
Senior Notes (USD)	USD 425m	314	9.875%	2020
Senior Notes (EUR)	€ 250m	250	9.000%	2023
Altice Group Total Debt		2,236		
Cash Altice Group		62		
Altice Group Net Total Debt		2,174		
Undrawn Super Senior RCF (USD)	USD 80m	59	L+4.250%	2017
Undrawn Super Senior RCF (EUR)	EUR 60m	60	E+3.500%	2018
Undrawn Super Senior Guarantee Fac. (EUR)	€ 75m	73	E+3.500%	2018

- 3.0/4.0x senior/total leverage limitations under bond indentures and loans
- Uniform financing structure across the group permitting prudent and flexible incurrence of leverage in order to meet corporate objectives
- Liquidity in the form of cash and revolving facilities for use at group and operating subsidiary levels
- Long duration permanent capital structure comprised of a majority of bonds along with institutional term loans, with no near term maturities
- c.50% fixed rate debt, with (majority) of FX risk hedged on a (dynamic) basis (58% NIS Debt, 8% USD Debt and 34% EUR debt)

Source: Company information

¹ Assumed FX exchange rates as of September, 30 2013 (1.352 USD per EUR; 4.776 NIS per EUR)

² Term Loan converted from USD to EUR at a rate of 1.301 USD per EUR

Restricted Group Pro Forma Leverage September 30th, 2013

Pro Forma Leverage (Sep-2013)

In €m	Q2-2013	Q3-2013	L2QA
Total Adjusted EBITDA	145	149	587
Green Data Center EBITDA (Unrestricted Sub)	(3)	(3)	(11)
Total EBITDA excl. Green Data Center	142	146	576
Synergies ONI / OMT ¹			13
HOT Mobile Network Sharing Agreement ¹			41
Total EBITDA including Synergies and HOT Mobile Agreement			629

Debt as of Sep 30, 2013 (in €m)

Altice VII Gross Total Debt	2,236
Unrestricted Debt at Green Data Center	(24)
Drawn Debt for Coditel Buyout (November)	81
Altice VII PF Gross Financial Debt Restricted Group	2,293

- All cable assets consolidated into the Restricted Group in Q2 and Q3 as planned
- PF leverage is in target range 3.0-4.0x
- Altice revolver USD80m + €60m remains undrawn

Agenda

1 Key Highlights

2 Group Financials

3 Q&A





**Thank
You**