



FY 2015

Q1 Results Presentation

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Strong Q1 2015 results on the back of Tele Columbus' successful IPO in January 2015

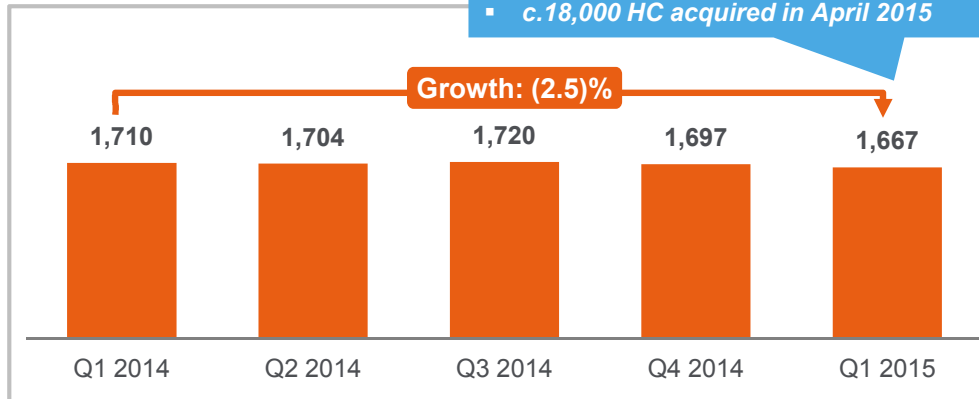
- ✓ **Revenues of €53.6m (+2.2% YoY)** mainly driven by
 - Strong **Internet & Telephony** revenue growth (**+15.8% YoY**)
 - **RGU/sub** continued to grow reaching **1.46x** (from 1.42x in Q1 2014)
 - Blended ARPU of **€14.10** (from €13.80 in Q1 2014) reflecting growth from increased penetration in Internet & Telephony, in line with our strategy
- ✓ **Normalised total operating performance of €59.0m (+7.1% YoY)**
- ✓ **Normalised EBITDA of €24.4m and 45.5% margin (+11.7% YoY, +3.9ppt margin uplift vs. Q1 2014)** driven by
 - Continued reduction in **Basic CATV signal fees** paid to third-party networks
 - Better **product mix** with larger contribution from **Internet & Telephony products**
- ✓ **Capex of €14.7m** in line with clearly defined investment plan on customer projects and network architecture

Positive Internet & Telephony RGUs and blended APRU momentum in Q1

Homes connected

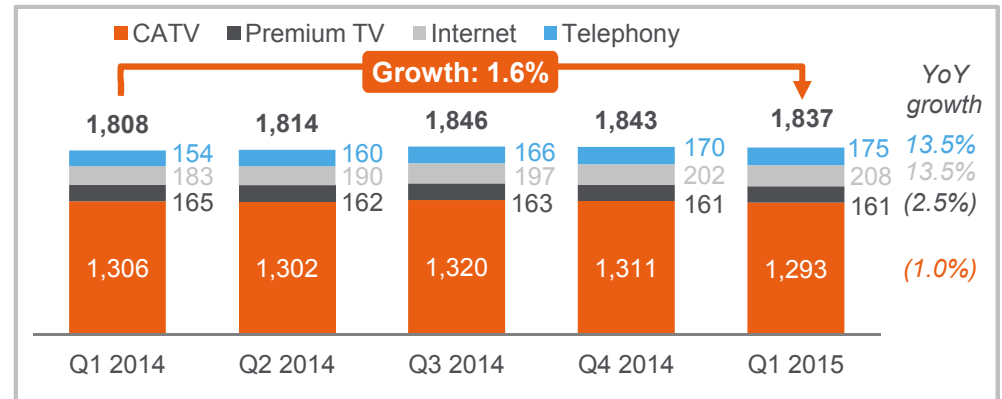
'000 end of period

- Majority of lost contracts were non-upgradeable HCs
- c.18,000 HC acquired in April 2015



RGU breakdown

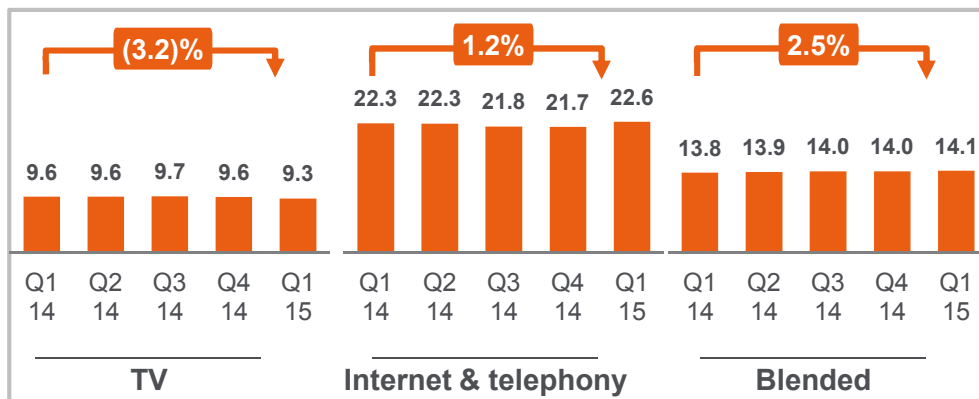
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ARPU

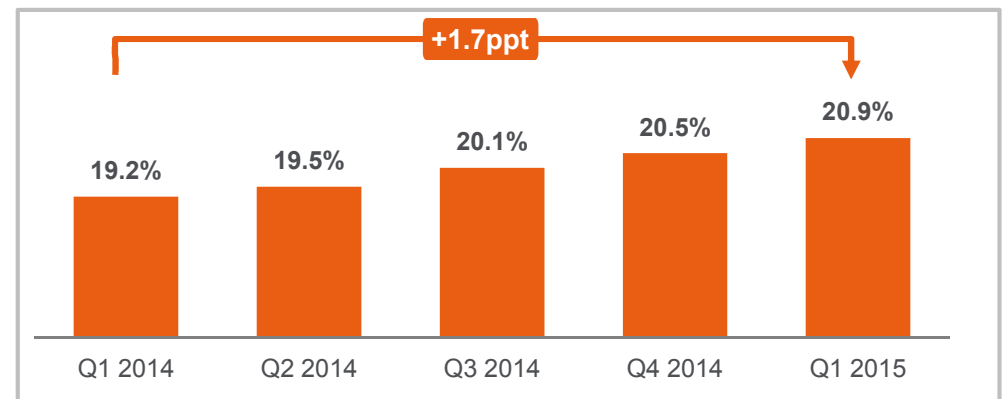
Re-allocation of late payment collection revenues (across TV and Internet & telephony) results in one-off adjustment in Q1 2015¹

€, p.m. for the quarter



Internet penetration

Internet RGUs within "own" network as a % of two-way homes upgraded within "own" network

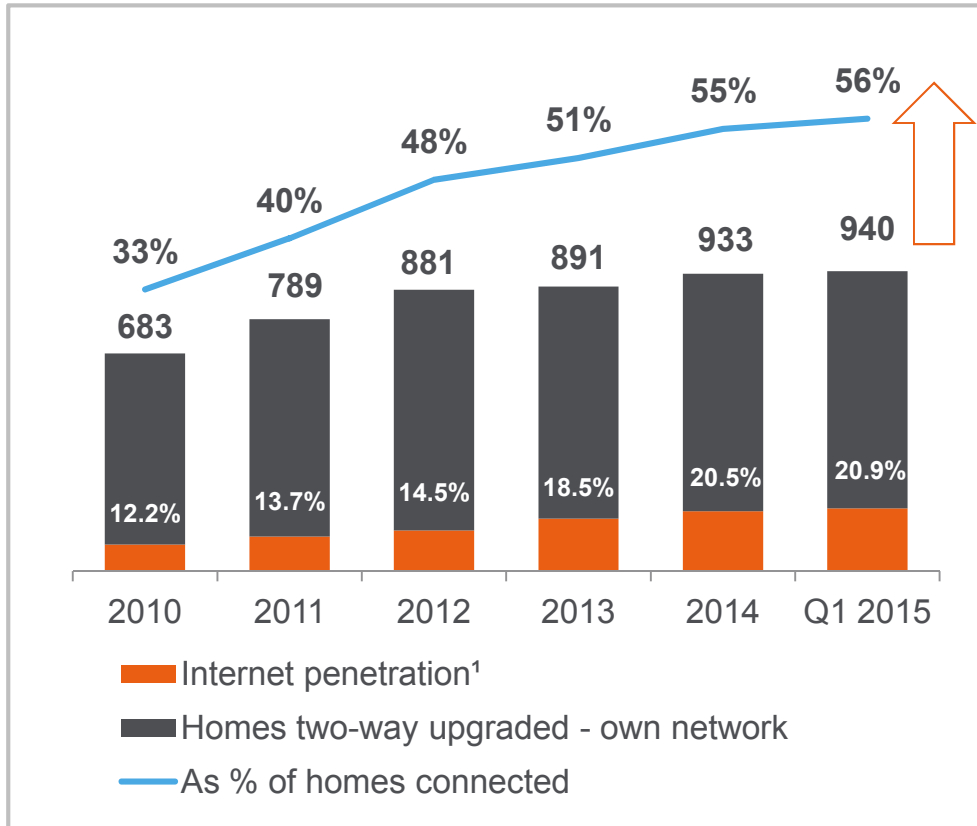


1) Late payment collection revenues previously only booked under TV, now allocated across TV and Internet & Telephony

Successful network upgrades continue progress and RGUs/sub heading towards 1.5x

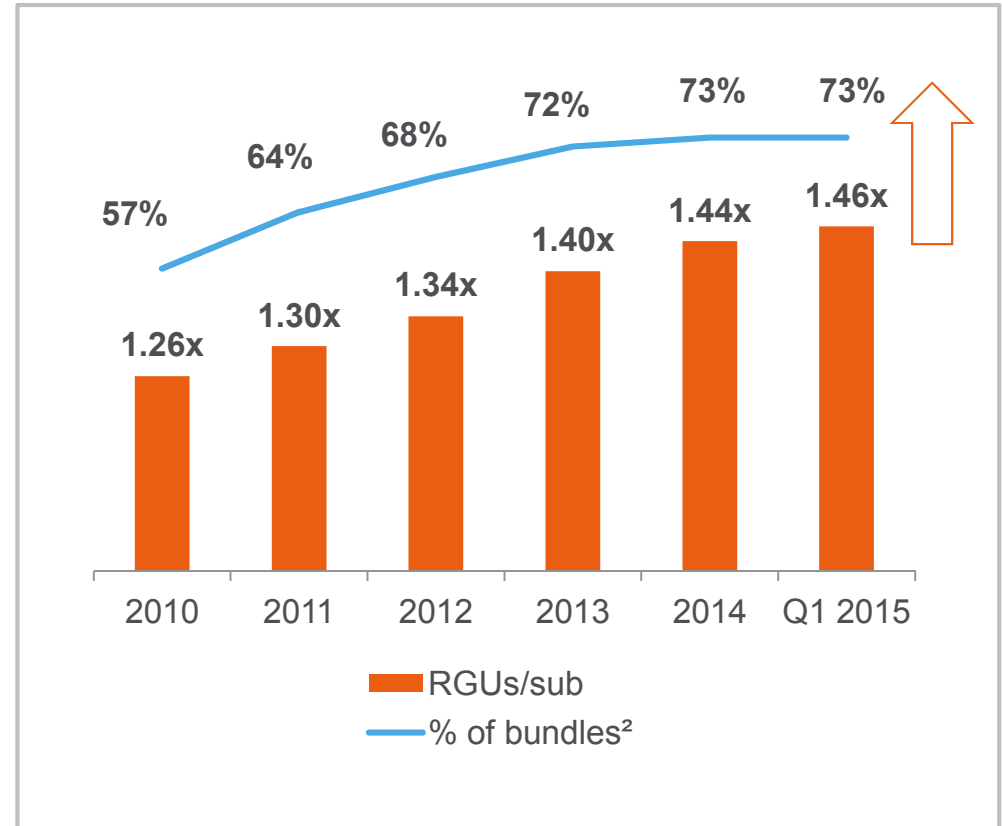
Two-way upgrade status

Homes two-way upgraded - own network ('000 end of period),
as % of homes connected - own network



Development of RGUs/sub and % of bundles

end of period



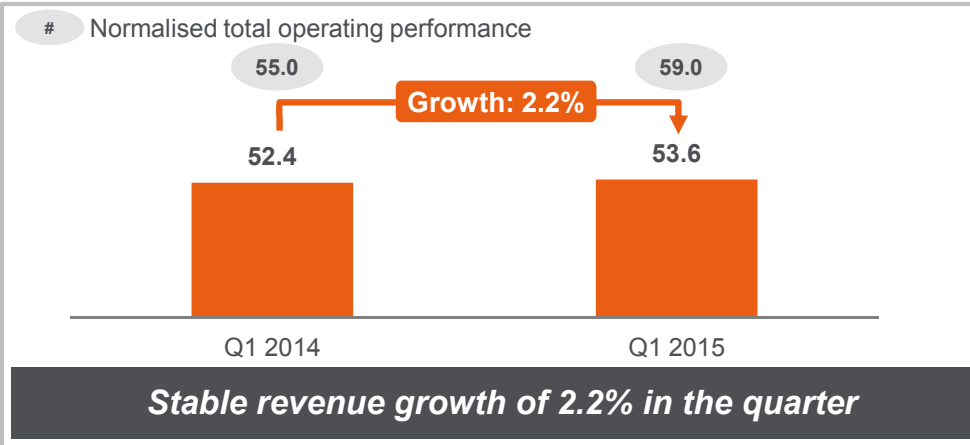
Operational results continue to confirm the success of our strategy

1) Calculated as RGUs on "own" network as % of two-way upgraded homes connected to "own" network
2) Based on subscribers segmented by bundles, only Internet and only Telephony

Q1 revenue and EBITDA driven by Internet & Telephony growth, migrations, reduced signal fees and improving product mix

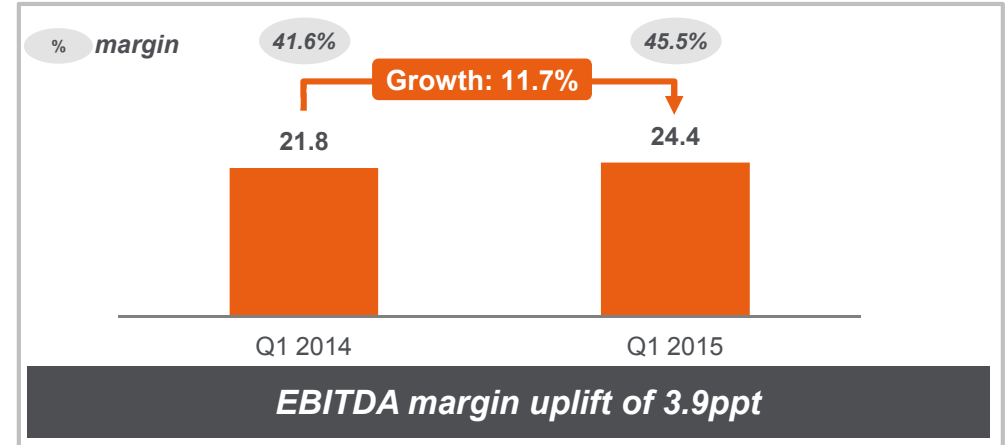
Revenues¹

€m



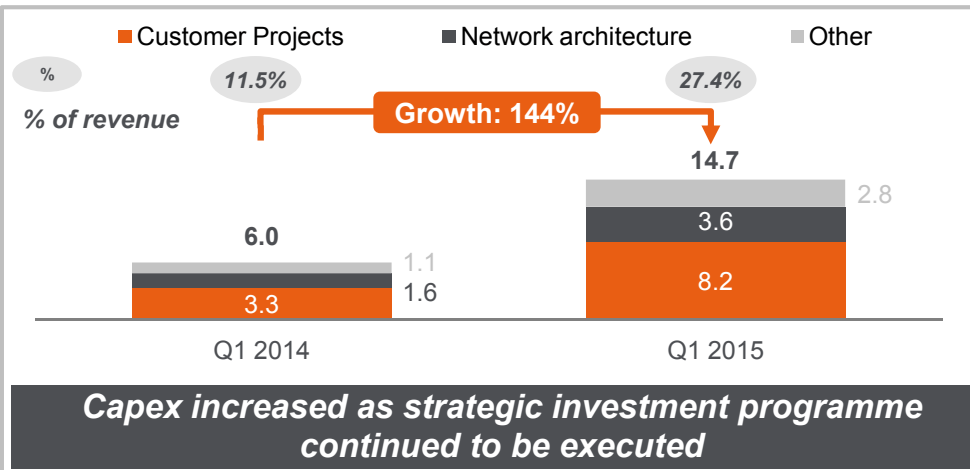
Normalised EBITDA¹

€m



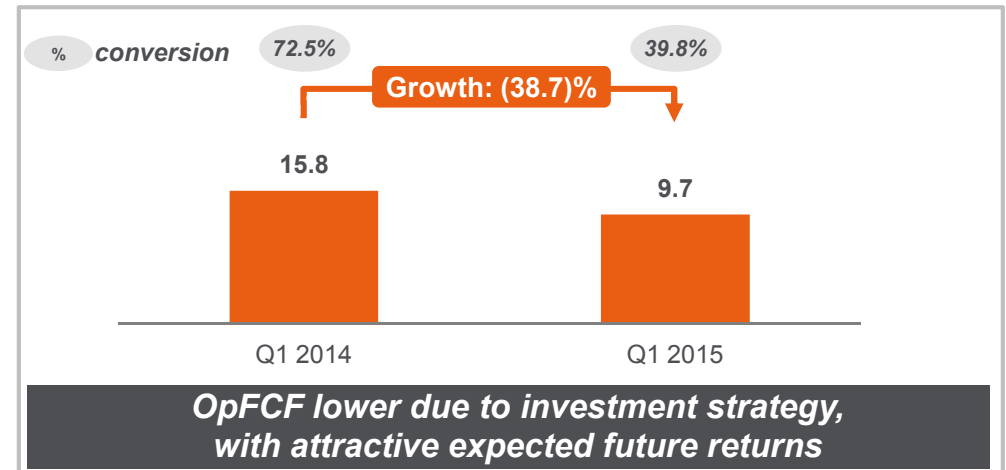
Capex³

€m



OpFCF^{1,2}

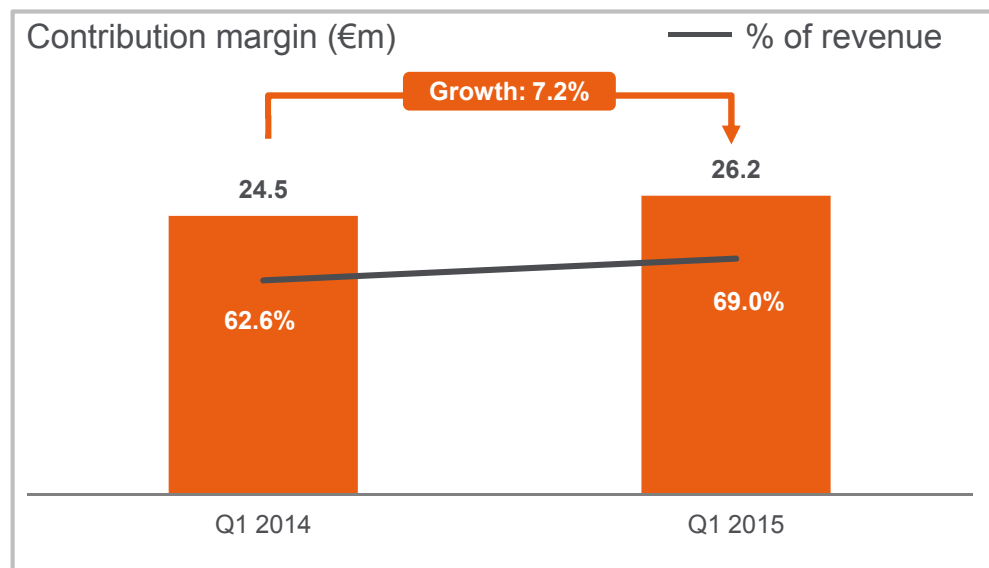
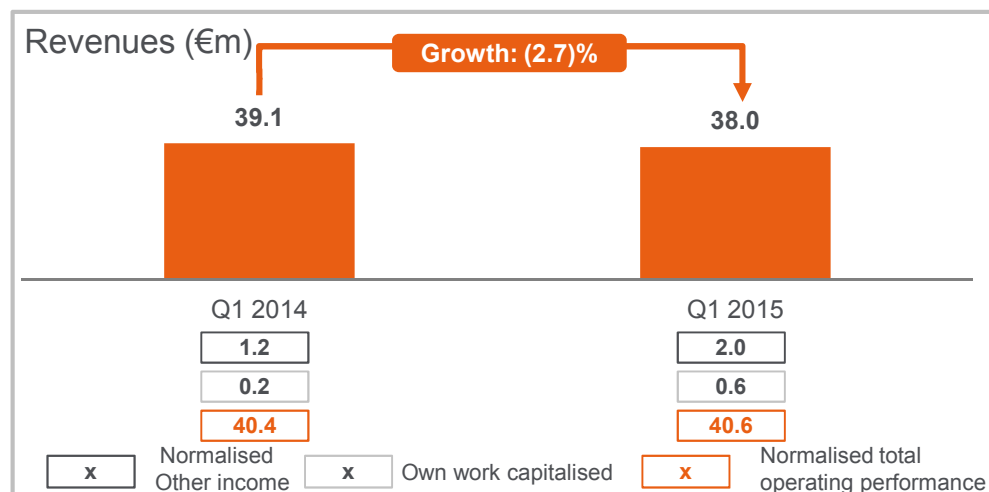
€m



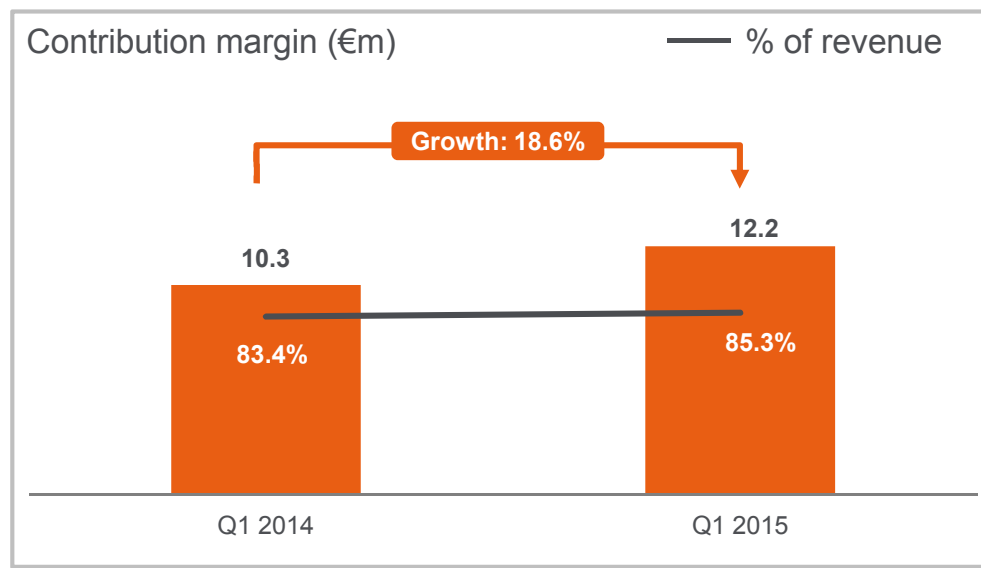
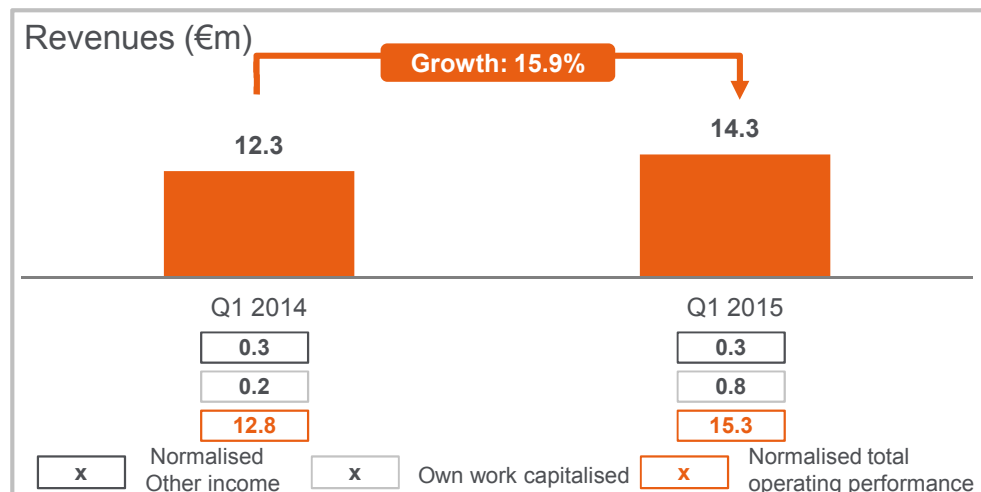
Note: "Normalised" financials; 1) Q1 2015 revenue and Normalised EBITDA include RFC Radio-, Fernseh- u. Computertechnik GmbH which Tele Columbus repurchased in January 2015; 2) Defined as Normalised EBITDA – Capex; 3) Other capex includes IT capex, OWC capex and other capex

Stable performance in TV while migration strategy continues to boost significant growth in Internet & Telephony

TV performance review



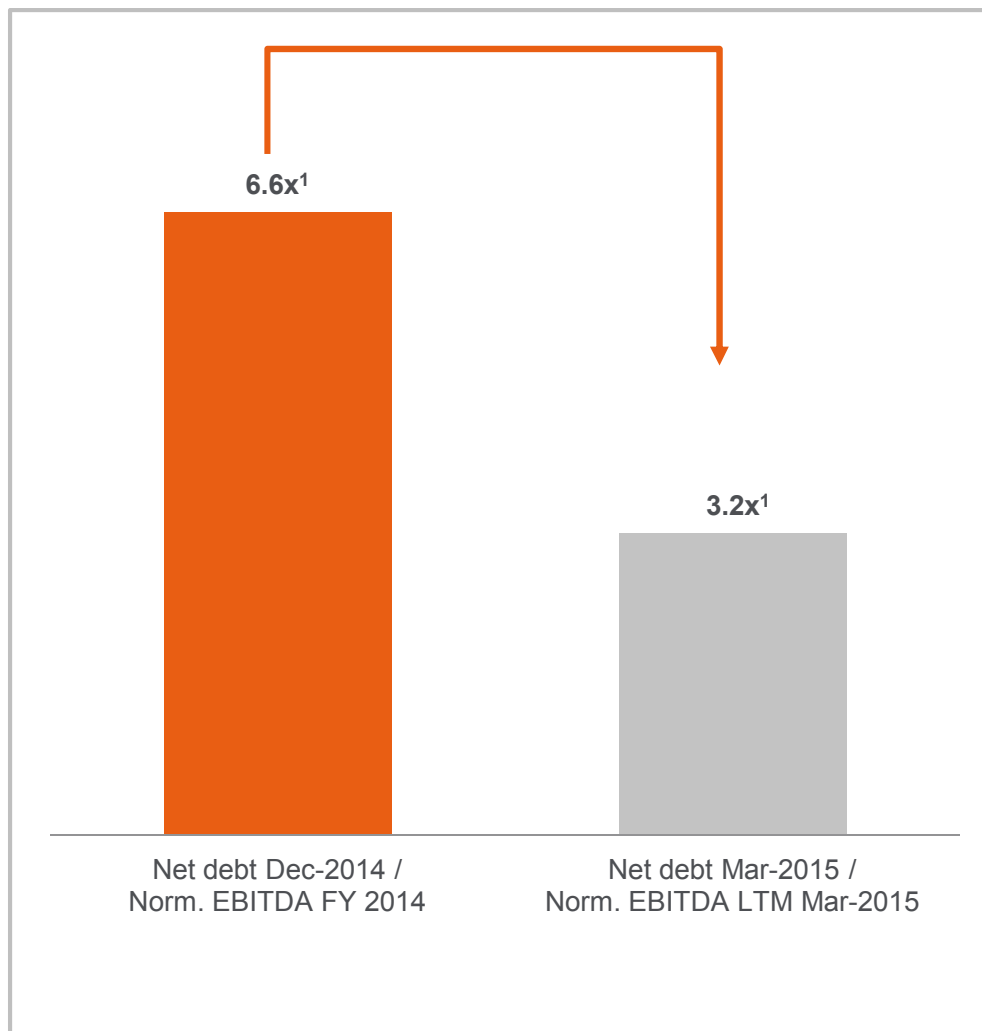
Internet & Telephony performance review



Note: "Normalised" financials; TV includes CATV and Premium TV

Tele Columbus net leverage reduced to 3.2x in Q1 2015

Leverage update¹



- ✓ Full capital structure refinancing completed on January 27 with maturities in 2020 and 2021
- ✓ Significant deleveraging from 6.6x to 3.2x as of March 31, 2015¹
- ✓ Improved average interest rates by approximately 2.5-3.0% p.a.
- ✓ RCF and capex facility undrawn as of 31 March 2015
- ✓ Leverage excl. finance leases of 2.9x as of 31 March 2015

1) Leverage figures include finance leases

Key recent developments

✓ M&A

- Announced the acquisition of several smaller cable network operators **with c.18,000 homes connected** in April 2015

✓ New product launches

- New Internet offering comprising **download speed of up to 400 Mbit/s¹** (€100 price per month) launched in Potsdam in April 2015 with **strong initial customer interest**
- 400 Mbit/s offering planned to be extended to a broader customer base in the future

✓ Update on product pipeline

- **Advanced TV launch** planned towards end of 2015
- MVNO-based cooperation with Drillisch signed; further commercial details will be negotiated during the next month; **mobile product launch** expected in H2 2015

✓ Product portfolio improvements

- Customers transitioned to higher speed products (no longer offering <16MBit/s internet product) and from Telephony-only to Internet & Telephony contracts
- B2B tariffs launched for SMEs in May 2015

1) First roll-out in Potsdam reaching c.40,000 homes connected

FY 2015 guidance affirmed

	FY 2014	FY 2015 Guidance
Homes Connected	1.7m	Expected to stabilize at 2014 levels
Revenue Growth	3.3%	Expected between 4.0 – 6.0%
Normalised EBITDA Margin	46.5%	Expand to levels above 47.5%
Capex	€84m ¹	€110m – €120m
Empire / Migration	55%	>60% of homes connected to be on own network and upgraded
Dividend	-	No dividend
Leverage	6.6x ²	Medium term target of 3.0 - 4.0x Normalised EBITDA

1) Including BIG and BMB acquisitions; 2) Leverage figures include finance leases

Financial calendar and Investor Relations contact

Key dates

15 May 2015	Annual General Meeting
7 August 2015	Q2/H1 FY2015 results
12 November 2015	Q3/9M FY2015 results



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Appendix

Overview of key KPIs

	FY '11	FY '12	2013				FY '13	2014				FY '14	Q1 '15
			Q1 '13	Q2 '13	Q3 '13	Q4 '13		Q1 '14	Q2 '14	Q3 '14	Q4 '14		
Homes connected ('000)	1,963	1,856	1,814	1,760	1,750	1,749	1,749	1,710	1,704	1,720	1,697	1,697	1,667
Homes connected - own network - two-way upgraded ('000)	789	881	862	866	873	891	891	901	925	932	933	933	940
Homes connected - own network - two-way upgraded / Homes connected	40%	48%	48%	49%	50%	51%	51%	53%	54%	54%	55%	55%	56%
Unique subscribers	1,447	1,353	1,321	1,299	1,303	1,302	1,302	1,272	1,274	1,291	1,282	1,282	1,258
RGUs													
CATV ('000)	1,538	1,416	1,371	1,346	1,343	1,338	1,338	1,306	1,302	1,320	1,311	1,311	1,293
Premium TV ('000)	142	153	150	151	153	164	164	165	162	163	161	161	161
Internet ('000)	115	135	146	153	162	174	174	183	190	197	202	202	208
Telephony ('000)	87	112	121	128	136	146	146	154	160	166	170	170	175
Total RGUs ('000)	1,881	1,816	1,788	1,779	1,794	1,822	1,822	1,808	1,814	1,846	1,843	1,843	1,837
RGU / Unique subscriber	1.30x	1.34x	1.35x	1.37x	1.38x	1.40x	1.40x	1.42x	1.42x	1.43x	1.44x	1.44x	1.46x
Penetration													
Internet (RGUs on own network as % of two-way upgraded homes connected - own network)	13.7%	14.5%	15.9%	16.7%	17.6%	18.5%	18.5%	19.2%	19.5%	20.1%	20.5%	20.5%	20.9%
% of bundles ¹	63.9%	68.2%	69.7%	70.6%	71.3%	71.9%	71.9%	72.6%	73.0%	73.0%	73.0%	73.0%	72.8%
ARPU (€/month)²													
Blended TV ARPU (per RGU)	9.2	9.4	9.4	9.5	9.5	9.5	9.5	9.6	9.6	9.7	9.6	9.6	9.3
Blended Internet & telephony ARPU (per internet RGU)	21.9	21.9	22.2	22.2	22.6	22.5	22.4	22.3	22.3	21.8	21.7	22.0	22.6
Total blended ARPU	11.6	12.4	13.0	13.1	13.3	13.5	13.2	13.8	13.9	14.0	14.0	13.9	14.1

1) Based on subscribers segmented by bundles, only Internet and only Telephony

2) Quarter-average ARPUs are calculated by dividing total subscription revenues (based on combined financials; including discounts and credits and installation fees) generated from the provision of services during the quarter by the sum of monthly RGUs for the quarter; Year-average ARPUs are calculated by dividing total subscription revenues (based on combined financials; including discounts and credits and installation fees) generated from the provision of services during the year by the sum of monthly RGUs for the year

Historic financials – consolidated income statement

€m	FY '11	FY '12	FY '13	FY '14	Q1 '14	Q1 '15
Revenue						
TV	159.8	151.9	145.0	142.5	35.6	34.2
Internet & Telephony	27.0	32.3	41.6	50.4	11.9	13.8
Other revenue	17.9	21.2	19.7	20.1	4.9	5.5
Total revenue	204.7	205.3	206.2	213.0	52.4	53.6
Own work capitalised	6.7	7.0	6.9	6.6	0.4	1.9
Normalised other income	11.3	10.7	10.4	10.2	2.2	3.4
Normalised total operating performance	222.6	223.0	223.5	229.8	55.0	59.0
Basic CATV signal fee	(37.4)	(34.7)	(31.0)	(32.5)	(7.5)	(7.8)
Other direct costs	(49.8)	(46.1)	(51.0)	(38.6)	(11.1)	(10.0)
Normalised contribution margin	135.4	142.2	141.4	158.7	36.5	41.1
<i>% margin</i>	66.2%	69.3%	68.6%	74.5%	69.6%	76.7%
Employee benefits	(30.6)	(29.5)	(28.5)	(30.6)	(7.8)	(9.3)
Advertising	(7.8)	(7.0)	(6.8)	(8.7)	(1.9)	(2.0)
Other operating income and expenses	(18.6)	(18.6)	(18.0)	(20.4)	(5.0)	(5.4)
Normalised EBITDA	78.4	87.1	88.1	98.9	21.8	24.4
<i>% margin</i>	38.3%	42.4%	42.7%	46.5%	41.6%	45.5%
Non-recurring items	(4.5)	30.7	3.1	(14.8)	(0.6)	(4.3)
Reported EBITDA	73.9	117.8	91.2	84.2	21.3	20.1
<i>% margin</i>	36.1%	57.4%	44.2%	39.5%	40.5%	37.4%
Depreciation and Amortization	(57.4)	(62.9)	(62.8)	(50.8)	(14.1)	(11.5)
Reported Operating Profit (EBIT)	16.5	54.9	28.3	33.4	7.2	8.5
<i>% margin</i>	8.1%	26.7%	13.7%	15.7%	13.7%	15.9%
Profit from investments in associates	0.1	0.0	(0.0)	(0.0)	0.0	0.0
Interest and similar income	0.5	0.6	0.4	0.1	0.0	0.0
Interest and similar expenses	(34.9)	(32.3)	(28.3)	(45.8)	(8.5)	(15.1)
Other finance income/costs	(2.6)	(0.1)	(0.5)	(1.5)	(0.0)	3.6
Reported Profit before tax	(20.5)	23.2	(0.0)	(13.9)	(1.4)	(3.0)
<i>% margin</i>	(10.0%)	11.3%	0.0%	(6.5%)	(2.6%)	(5.6%)
Income tax expenses	(1.1)	(2.7)	(8.6)	(8.0)	(0.8)	(1.9)
Reported Profit/loss for the period	(21.6)	20.5	(8.6)	(21.9)	(2.2)	(4.9)
<i>% margin</i>	(10.5%)	10.0%	(4.2%)	(10.3%)	(4.2%)	(9.2%)
Profit/loss attributable to owners of Tele Columbus Group	(23.9)	17.6	(12.0)	(24.1)	(3.3)	(5.6)
Profit/loss attributable to non-controlling interests	2.3	2.9	3.3	2.2	1.1	0.6
Capital expenditure	68.1	59.6	51.5	84.1	6.0	14.7
<i>% of revenues</i>	33.3%	29.0%	25.0%	39.5%	11.5%	27.4%

Historic financials – consolidated balance sheet

€m	FY '11	FY '12	FY '13	FY '14	Q1 '15
Non-current assets					
Property, plant and equipment	204.5	206.9	207.8	209.9	210.2
Intangible assets and goodwill	386.1	380.7	372.2	381.8	383.1
Investments in non-consolidated subsidiaries	0.5	0.5	0.5	0.0	0.0
Investments in associates	0.3	0.3	0.3	0.3	0.3
Receivables from related parties	9.2	9.3	9.4	0.0	0.0
Other financial receivables	0.8	0.9	1.5	1.1	1.1
Deferred expenses	0.2	0.1	0.0	0.1	1.8
Deferred taxes	0.0	0.0	0.0	0.0	2.3
Total non-current assets	601.7	598.7	591.7	593.2	598.9
Current assets					
Inventories	1.5	2.5	1.7	3.3	4.4
Trade receivables	16.3	18.5	18.9	19.1	27.5
Receivables from related parties	2.9	6.0	2.2	3.1	5.0
Other financial receivables	3.8	18.6	7.1	4.7	14.2
Other receivables	3.7	1.1	0.9	13.1	13.4
Income tax rebate claims	1.8	1.3	1.2	0.5	0.5
Cash and cash equivalents	45.6	22.0	70.5	24.4	81.6
Deferred expenses	1.1	1.1	2.2	5.7	10.4
Total current assets	76.6	71.0	104.7	73.9	156.9
Total assets	678.3	669.7	696.4	667.2	755.8
Equity					
Net assets attributable to shareholders of Tele Columbus Group	(107.5)	(88.7)	(68.2)	(112.6)	238.2
Non-controlling interests	5.8	6.1	6.7	5.3	5.9
Total equity	(101.8)	(82.6)	(61.535)	(107.3)	244.1
Non-current liabilities					
Pensions and other long-term employee benefits	7.7	9.9	9.8	10.6	10.3
Other provisions	20.8	27.0	11.4	11.9	12.1
Interest-bearing liabilities	597.0	601.9	43.5	640.5	374.1
Liabilities to related parties	19.1	19.4	13.2	0.0	0.0
Trade payables	25.6	27.0	32.7	33.9	33.0
Deferred income	0.1	0.1	1.2	0.9	0.9
Deferred taxes	0.0	0.0	0.0	0.0	0.0
Total non-current liabilities	670.3	685.3	111.7	697.9	430.3
Current liabilities					
Other provisions	3.2	2.8	4.8	7.5	1.9
Interest-bearing liabilities	13.7	11.2	578.1	2.6	2.6
Trade payables	30.6	27.9	43.2	41.0	46.3
Liabilities to related parties	2.3	8.7	2.6	2.6	1.8
Other financial liabilities	38.1	4.3	4.6	0.3	15.3
Other payables	15.6	7.2	8.0	12.6	1.0
Income tax liabilities	1.8	0.4	0.7	5.8	1.3
Deferred income	4.6	4.7	4.2	4.3	11.3
Total current liabilities	109.8	67.1	646.2	76.6	81.4
Total equity and liabilities	678.3	669.7	696.4	667.2	755.8
Net debt calculation					
Current interest-bearing liabilities	13.7	11.2	578.1	2.6	2.6
Non-current interest-bearing liabilities	597.0	601.9	43.5	640.5	374.1
Cash & cash equivalents	45.6	22.0	70.5	24.4	81.6
Net debt	565.1	591.1	551.1	618.7	295.2
Leverage¹	7.2 x	6.8 x	6.3 x	6.3 x	2.9 x
Current finance leases ²	2.8	3.5	5.5	6.1	6.2
Non-current finance leases ³	25.5	25.3	29.4	29.6	28.3
Net debt (incl. finance leases)	593.5	619.8	586.0	654.4	329.6
Leverage¹	7.6 x	7.1 x	6.7 x	6.6 x	3.2 x
Unsustainable debt	16.0	16.1	9.4	0.0	0.0
Net debt (incl. finance leases and unsustainable debt)	609.5	635.9	595.5	654.4	329.6
Leverage¹	7.8 x	7.3 x	6.8 x	6.6 x	3.2 x

1) Leverage is calculated on LTM Normalised EBITDA; 2) Included in current trade payables; 3) Included in non-current trade payables

Historic financials – consolidated cash flow statement

€m	FY '11	FY '12	FY '13	FY '14	Q1 '14	Q1 '15
Cash flow from operating activities						
Operating Profit (EBIT)	16.5	54.9	28.3	33.4	7.2	8.5
Depreciation and Amortization	57.4	62.9	62.8	50.8	14.1	11.5
Losses/(gain) on sale of property, plant and equipment	(1.4)	(0.8)	(1.3)	(1.5)	(0.2)	(0.7)
(Increase)/decrease in inventories, trade receivables and other assets not classified as investing or financing activities	30.8	(3.2)	(5.5)	(14.4)	(6.5)	(29.9)
Increase/(decrease)in provisions, trade and other payables not classified as investing or financing activities	(23.9)	(34.3)	(4.5)	(12.6)	(12.0)	(0.7)
Income tax paid	2.5	(2.4)	(7.5)	(2.7)	(1.0)	(4.3)
Net cash from operating activities	81.9	77.1	72.3	52.9	1.6	(15.6)
Cash flow from investing activities						
Proceeds from sale of property, plant and equipment	2.5	1.9	4.6	3.2	0.6	0.9
Acquisition of property, plant and equipment	(61.5)	(48.8)	(41.4)	(35.9)	(3.3)	(9.0)
Acquisition of intangible assets	(5.9)	(7.6)	(6.7)	(7.1)	(1.2)	(2.7)
Acquisition of investment property	(0.2)	0.0	(0.8)	(10.6)	0.0	(2.0)
Interest and similar received	0.4	0.5	0.4	0.1	0.0	0.0
Net cash used in investing activities	(64.6)	(54.0)	(44.0)	(50.2)	(3.9)	(12.9)
Cash flow from financing activities						
Withdrawals/deposits	1.8	2.8	32.7	(1.7)	(1.7)	0.0
Payment of financial lease liabilities	0.0	(3.0)	(4.9)	(6.1)	(1.5)	(1.5)
Distributions of dividends	(2.1)	(2.5)	(2.8)	(3.1)	0.0	0.0
Proceeds from loans, bonds or short-term or long-term borrowings from banks	47.8	2.9	8.2	0.1	0.0	375.0
Repayment of borrowings and short-term or long-term borrowings	(49.4)	(1.8)	(3.5)	(2.9)	(0.6)	(640.6)
Changes in capital and non-controlling interest	0.0	0.0	0.0	(17.1)	0.0	(10.4)
Interest paid	(14.5)	(29.8)	(24.0)	(18.4)	(11.8)	(3.6)
Cash proceeds from issuing shares or other equity instruments	0.0	0.0	0.0	0.0	0.0	366.7
Cash flow from (used in) financing activities	(16.5)	(31.5)	5.8	(49.2)	(15.6)	85.6
Net increase/decrease in cash and cash equivalents	0.8	(8.4)	34.1	(46.5)	(17.9)	57.2
Less/plus release of restricted cash and cash equivalents in the financial year	0.3	(15.1)	14.4	0.4	0.4	(0.0)

Adjustments for IPO and refinancing costs in Q1

Bridge to PF adjusted EBIT

€m

	Q1 2014	Q1 2015	Change	
Reported EBIT	7.2	8.5	1.3	18.9%
IPO-Expenses (less reimbursement)	0	5.0	5.0	-
Refinancing expenses	0	4.0	4.0	-
Other employee expenses due to IPO	0	3.5	3.5	-
Adjusted EBIT	7.2	21.1	13.9	193.6%

IPO costs in equity and net proceeds in Q1

€m

	Q1 2014	Q1 2015	Change	
IPO costs in equity	0	(11.0)	(11.0)	-
IPO-/Refinancing proceeds net	0	101.1	101.1	-

Bridge to PF adjusted Cash flow

€m

	Q1 2014	Q1 2015	Change	
Cash flows as reported				
Cash flows from operating activities	1.6	(15.6)	(17.2)	-
Cash flows from investing activities	(3.9)	(12.9)	(9.0)	230.9%
Cash flows from financing activities	(15.6)	85.6	101.2	-
Net increase/decrease in cash and cash equivalents as reported	(17.9)	57.2	75.1	-
Cash flows adjusted				
Cash flows from operating activities	1.6	(7.1)	(8.7)	-
Cash flows from investing activities	(3.9)	(12.9)	(9.0)	230.9%
Cash flows from financing activities	(15.6)	89.6	105.2	-
Net increase/decrease in cash and cash equivalents	(17.9)	69.7	87.6	-

Comments

- **Normalized EBITDA of €24.4m (Q1 2014: €21.8m) as reported in Q1 2015**
 - Includes legal and consultancy costs as well as proceeds from rechargeable IPO costs
- **Adjusted EBIT of €21.1m (Q1 2014: €7.2m)**
 - Includes costs for the refinancing in January 2015 (repayment of old debt, new financing)
 - Includes employee bonuses for the IPO
- **Operational Cash flow down by €17m yoy due to**
 - Increased receivables only partly compensated by stabilised payables
 - €12.5m IPO costs expensed
 - €11.0m IPO costs booked against equity