



**FY 2015**

Q4 Preliminary Results Presentation

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All figures in this presentation are calculated based on exact numbers and results are rounded to appropriate accuracy.

## Q4 and full year 2015<sup>1</sup> – Key observations

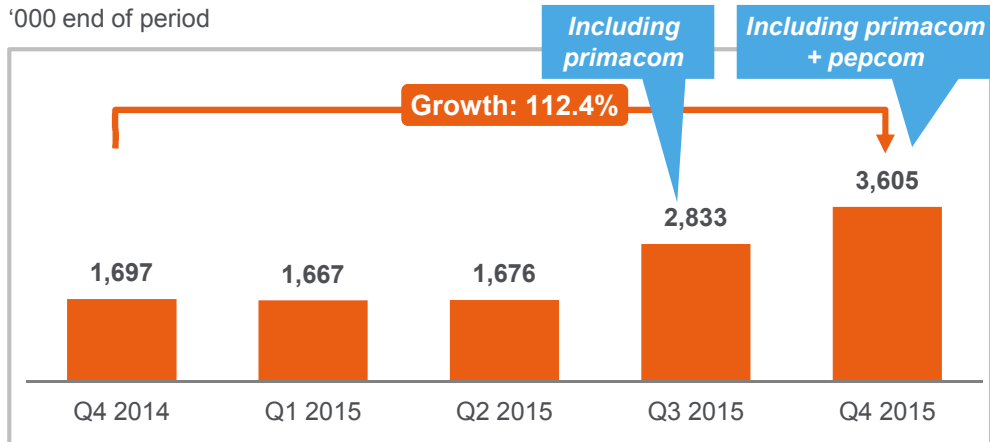
- ✓ **Q4 and full year 2015 financials significantly impacted by M&A activity**
  - Consolidation of primacom started from August 2015 (5 months in FY2015 results)
  - Consolidation of pepcom reflected since December 2015 (1 month in Q4 and FY2015 results)
- ✓ **Significant step-up in scale of combined group through M&A**
  - Increase in homes connected from 1.7 million (Dec 2014) to 3.6 million (Dec 2015)
  - More than doubled homes marketable for fixed Internet & Telephony to 2.2 million
- ✓ **Pro-forma key financials for Tele Columbus, primacom and pepcom as well as guidance for FY2016 and medium term outlook to be provided on Capital Markets Day (hosted on 11 April 2016 in Berlin)**
- ✓ **Final annual report expected to be published on 15 April 2016**

1) All financials and KPIs in this presentation are preliminary and subject to completion of full audit

# Strong organic growth of Internet & Telephony in Q4 of approximately 16k internet RGUs

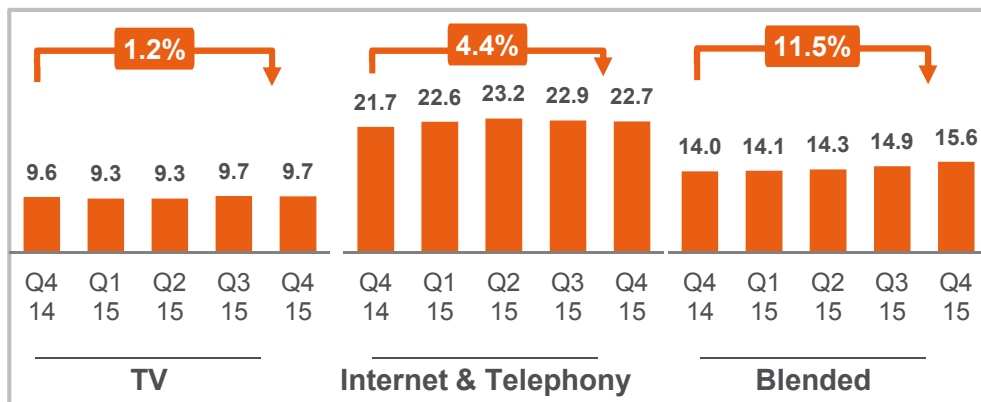
## Homes connected

'000 end of period



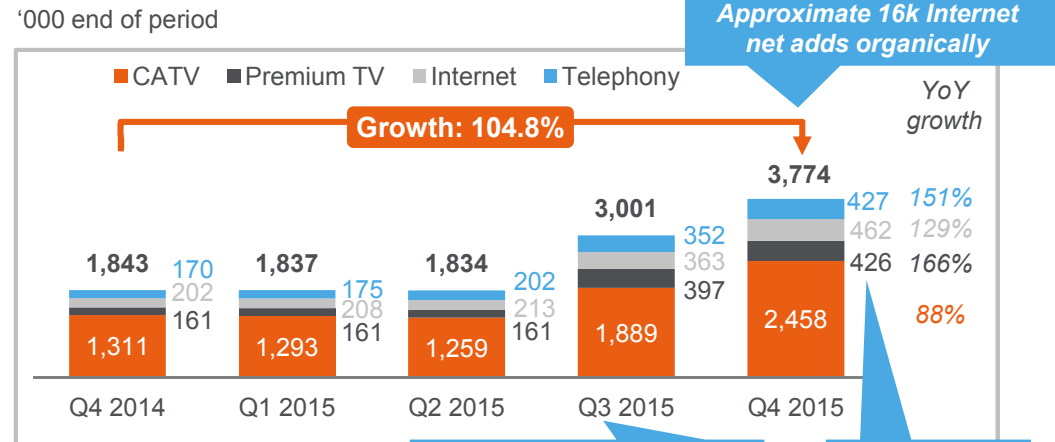
## ARPU

€, p.m. for the quarter



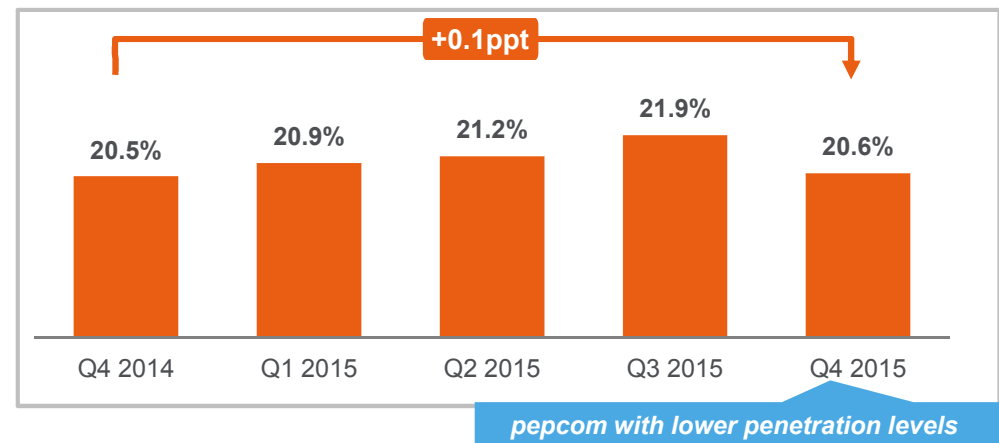
## RGU breakdown

'000 end of period



## Internet penetration

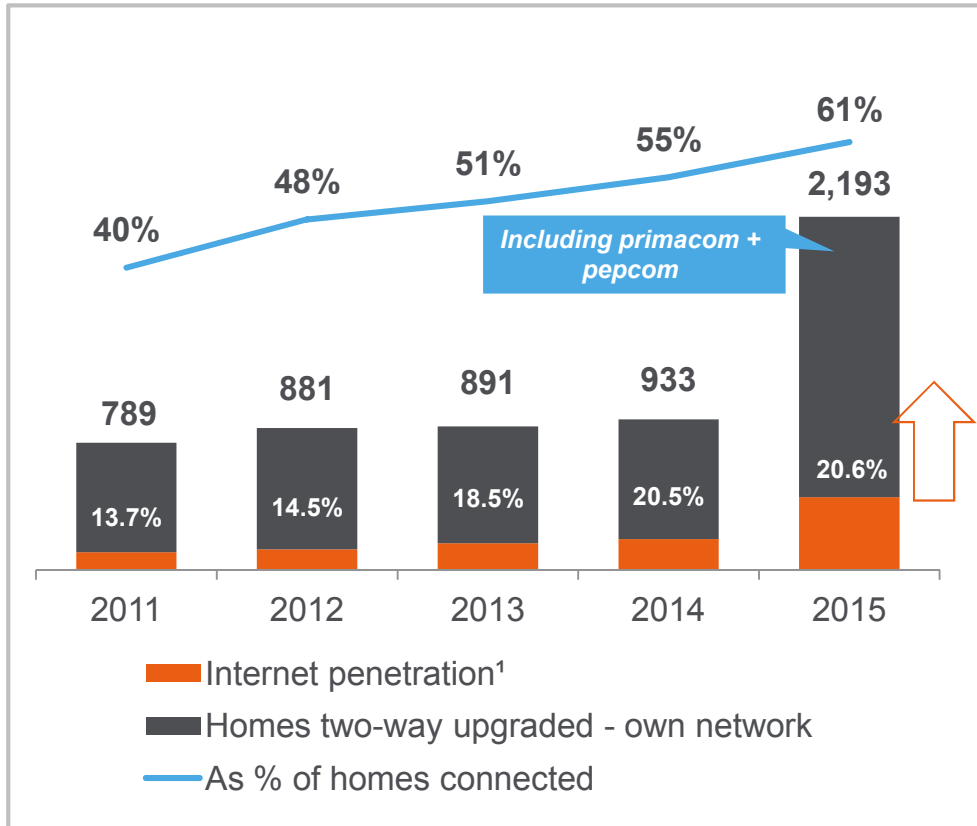
Internet RGUs within "own" network as a % of two-way homes upgraded within "own" network



# 2.2m homes can now be marketed for fixed Internet & Telephony services across the combined company

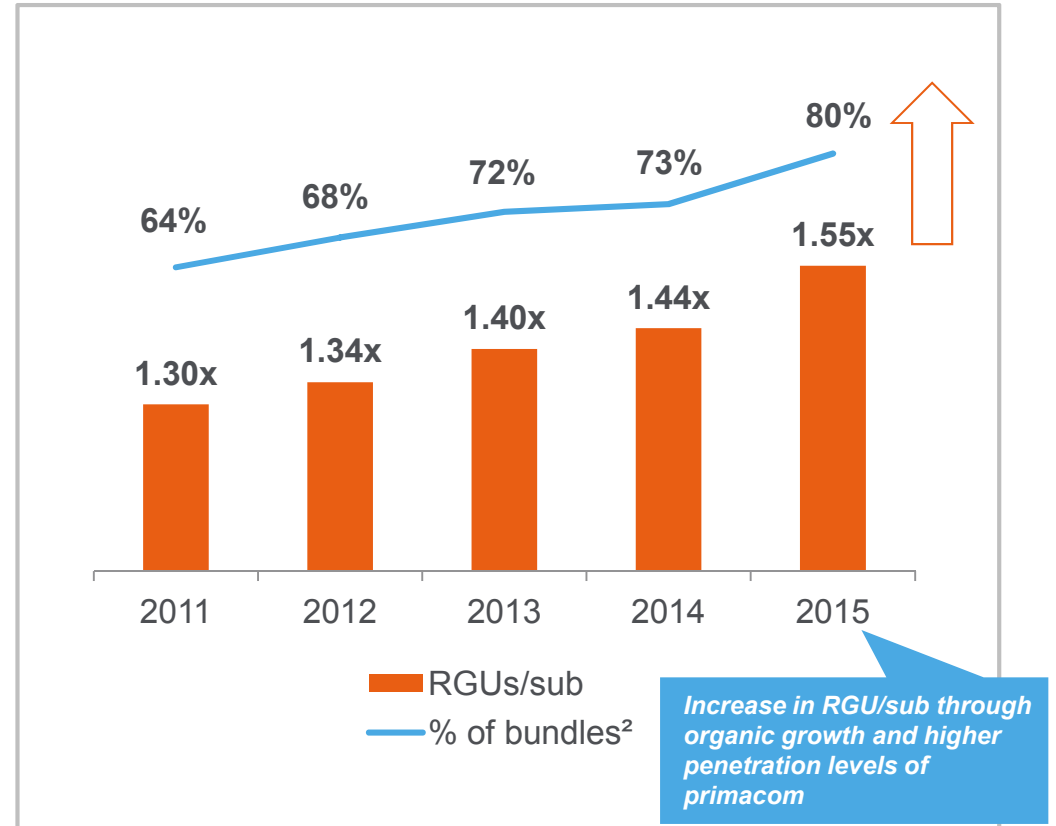
## Two-way upgrade status

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



The new medium targets for RGUs/sub have to be redefined and will be communicated on TC's Capital Markets Day

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

# Key recent developments

## ✓ M&A

- Closed acquisition of pepcom, the 5<sup>th</sup> largest German cable operator on 30 November 2015
- Acquired several smaller L4 cable operators in October/November 2015 and January 2016

## ✓ New product launches and network developments

- 2play Internet & Telephony and 3play product harmonisation between Tele Columbus and primacom accomplished on 1 March 2016
- Launched Community Wifi with approximately 50k hotspots on 1 March 2016
- Friendly user test of Advanced TV platform started

## ✓ Update on integration

- Integration of primacom and pepcom ongoing and on track
- New management announced in November 2015; full management team now in operation including new MD of HL komm and CEO-2 members from pepcom (Sales, NOC, Upgrade, Marketing)
- Negotiations with workers council (e.g. about movement of Hanover administrative functions to Berlin and Leipzig within maximum of 2 years) commenced in December – balance of interest (“Interessenausgleich”) for Tele Columbus and primacom expected by mid 2016

## ✓ Shareholding structure

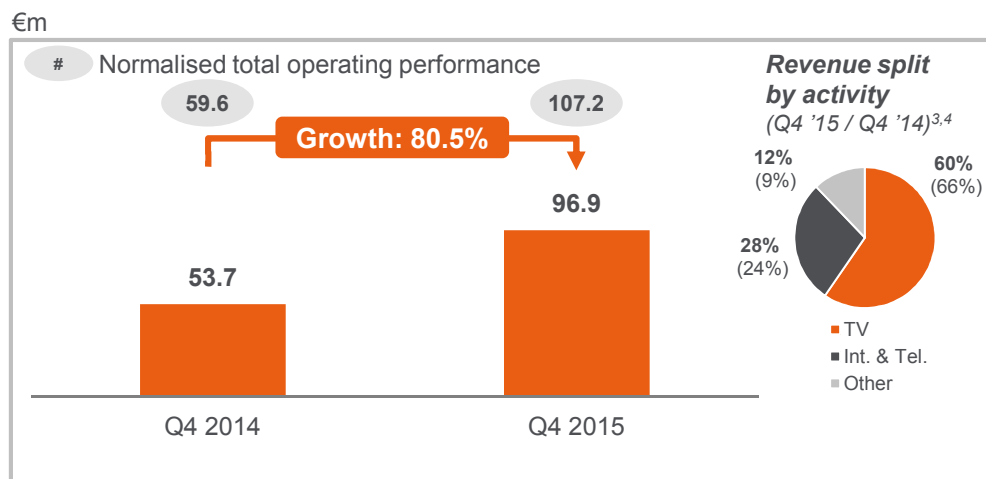
- After obtaining final approval from antitrust authorities, United Internet became the largest Tele Columbus shareholder owning a 25.11% stake

## ✓ Financing

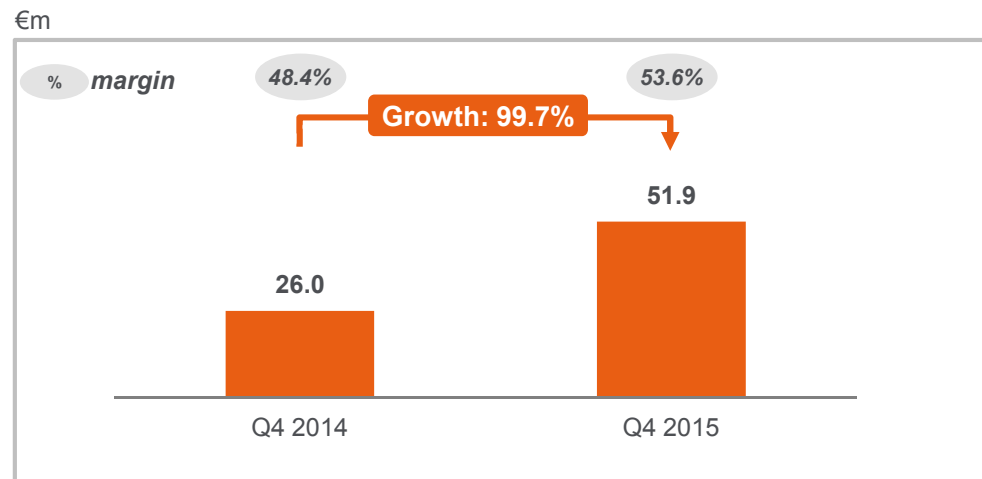
- Successfully accomplished rights offering/capital increase for €382.7m (through issuance of new share capital equal to 125% of the share capital prior to the rights issue, out of Tele Columbus’ existing Authorised Capital 2015/I and the approved EGM share capital)
- Successful syndication of incremental €320m First Lien TLB and €117m 2<sup>nd</sup> Lien loan in November 2015
- €1,100m fully hedged until December 2020. Cap of 75bps on Euribor as underlying variable interest rate

# Q4 FY 2015 revenue and EBITDA driven by primacom and pepcom consolidation ...

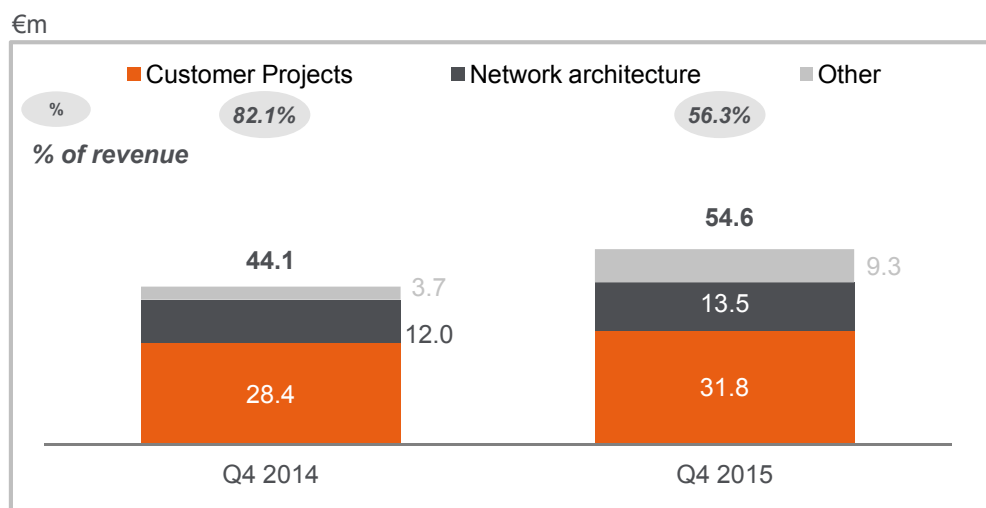
## Revenues



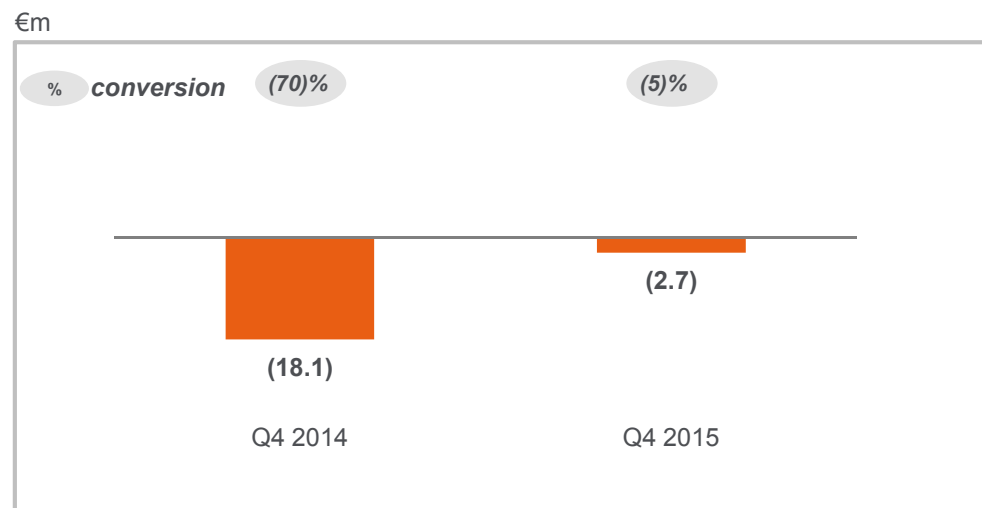
## Normalised EBITDA



## Capex<sup>1</sup>



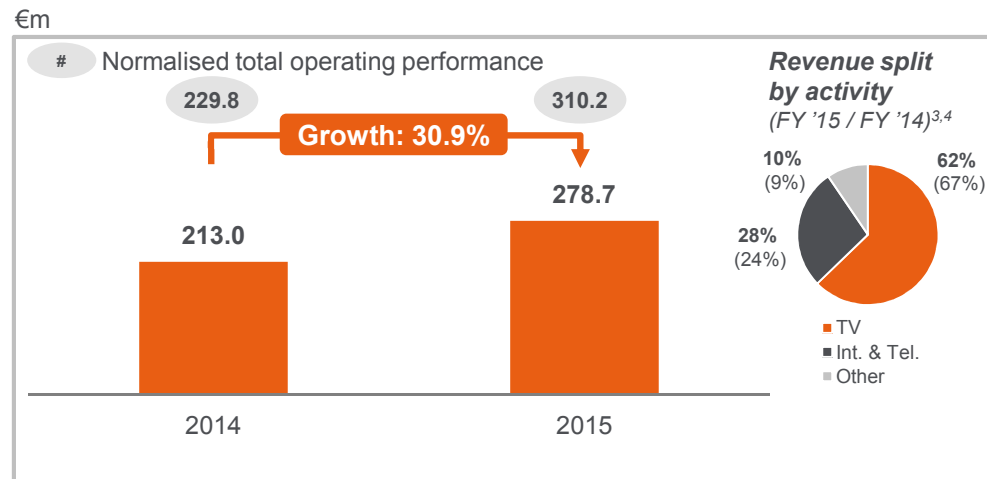
## OpFCF<sup>2</sup>



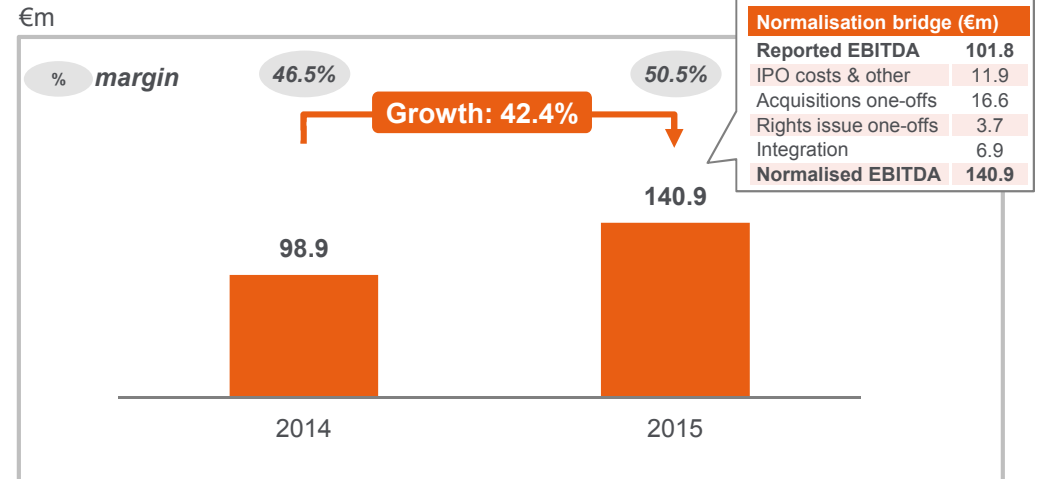
Note: "Normalised" financials; all financials are preliminary and subject to completion of full audit; 1) Other capex includes IT capex, OWC capex and other capex; 2) Defined as Normalised EBITDA – Capex; 3) Q4 FY2014 only includes TC standalone; 4) P&L revenue split – differs to segment reporting due to changes in product portfolio

# ...with I&T revenue contribution increasing to 28% in FY2015

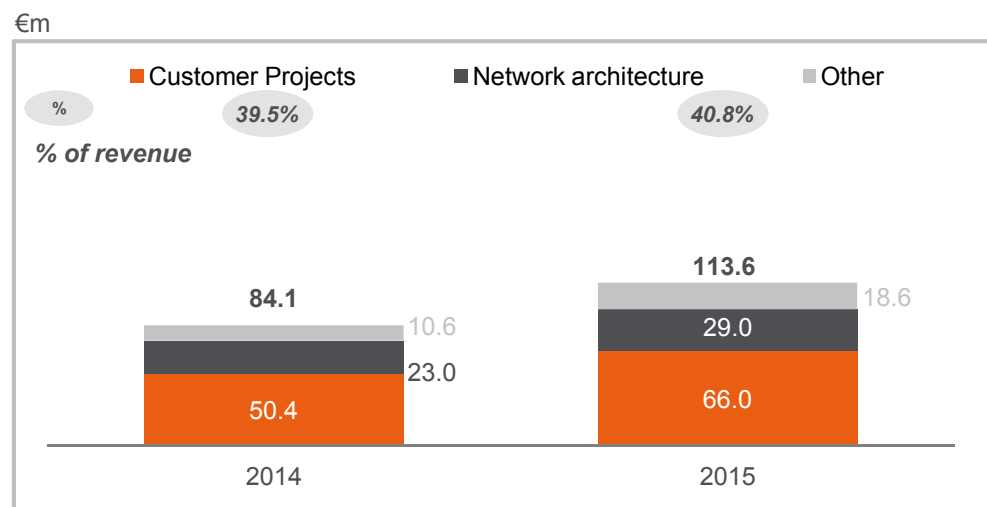
## Revenues



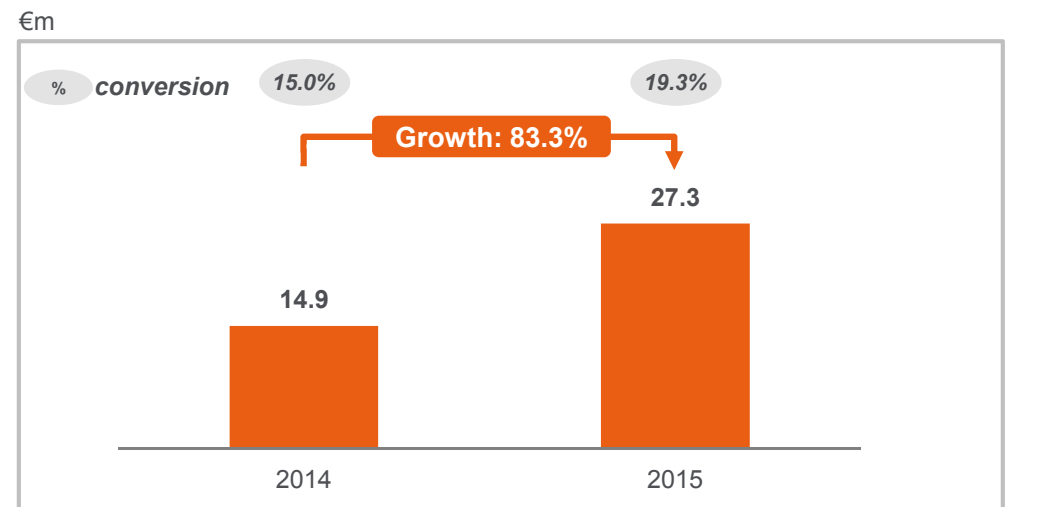
## Normalised EBITDA



## Capex<sup>1</sup>



## OpFCF<sup>2</sup>

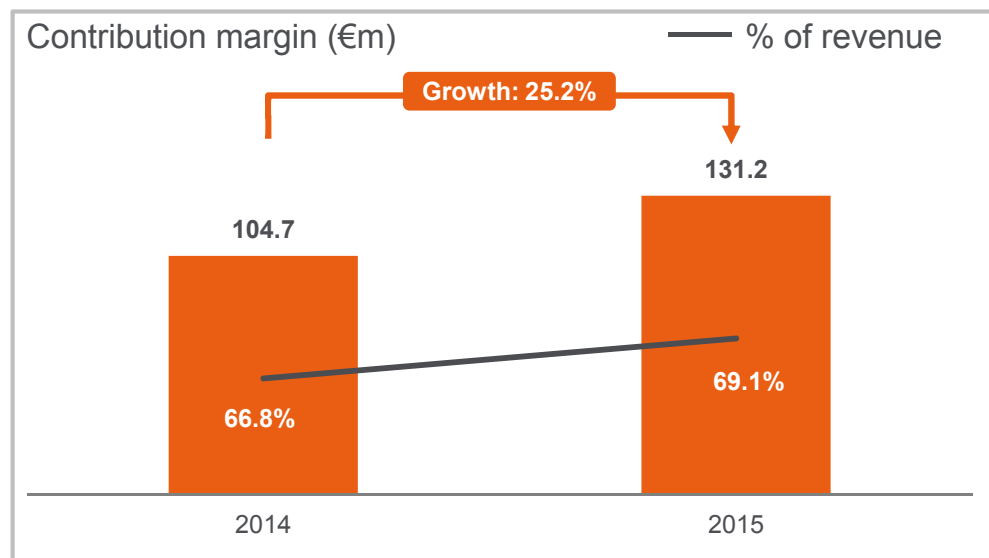
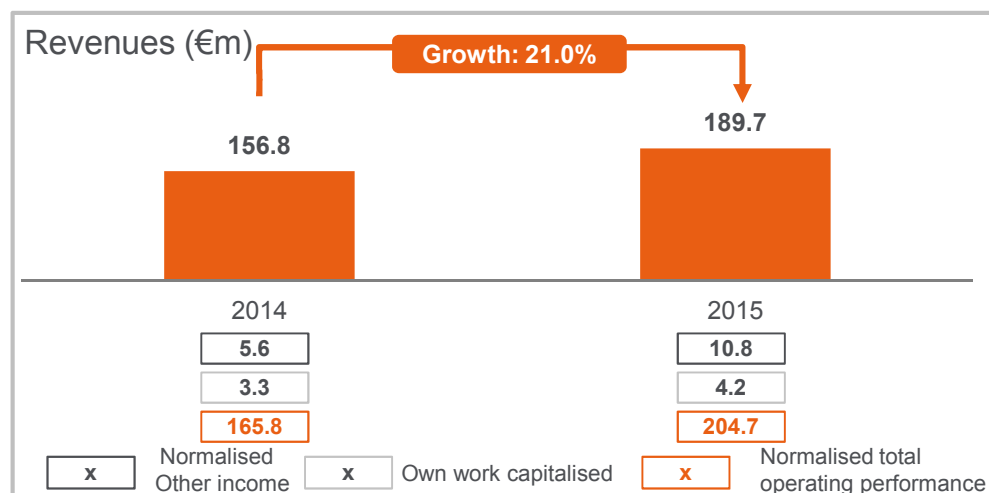


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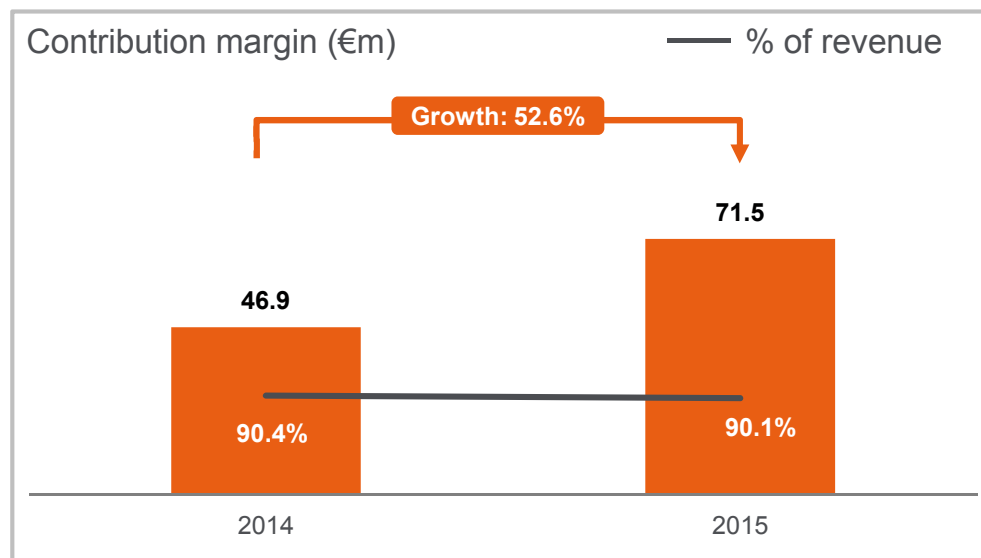
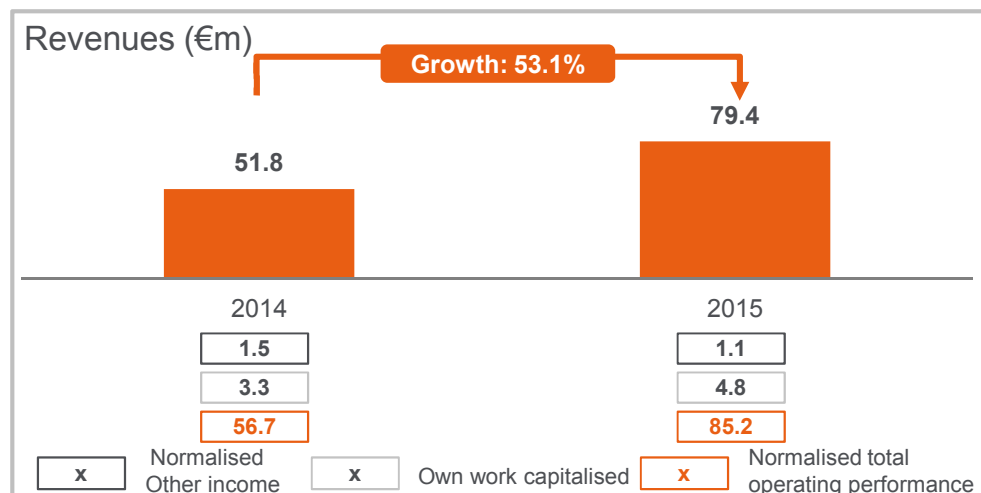


# Stable performance in TV while migration strategy continues to boost significant growth in Internet & Telephony

## TV performance review



## Internet & Telephony performance review



Note: "Normalised" financials; all financials are preliminary and subject to completion of full audit; TV includes CATV and Premium TV

# Q4 FY2015 leverage

## Capitalisation table (long-term debt) as of 31 December 2015

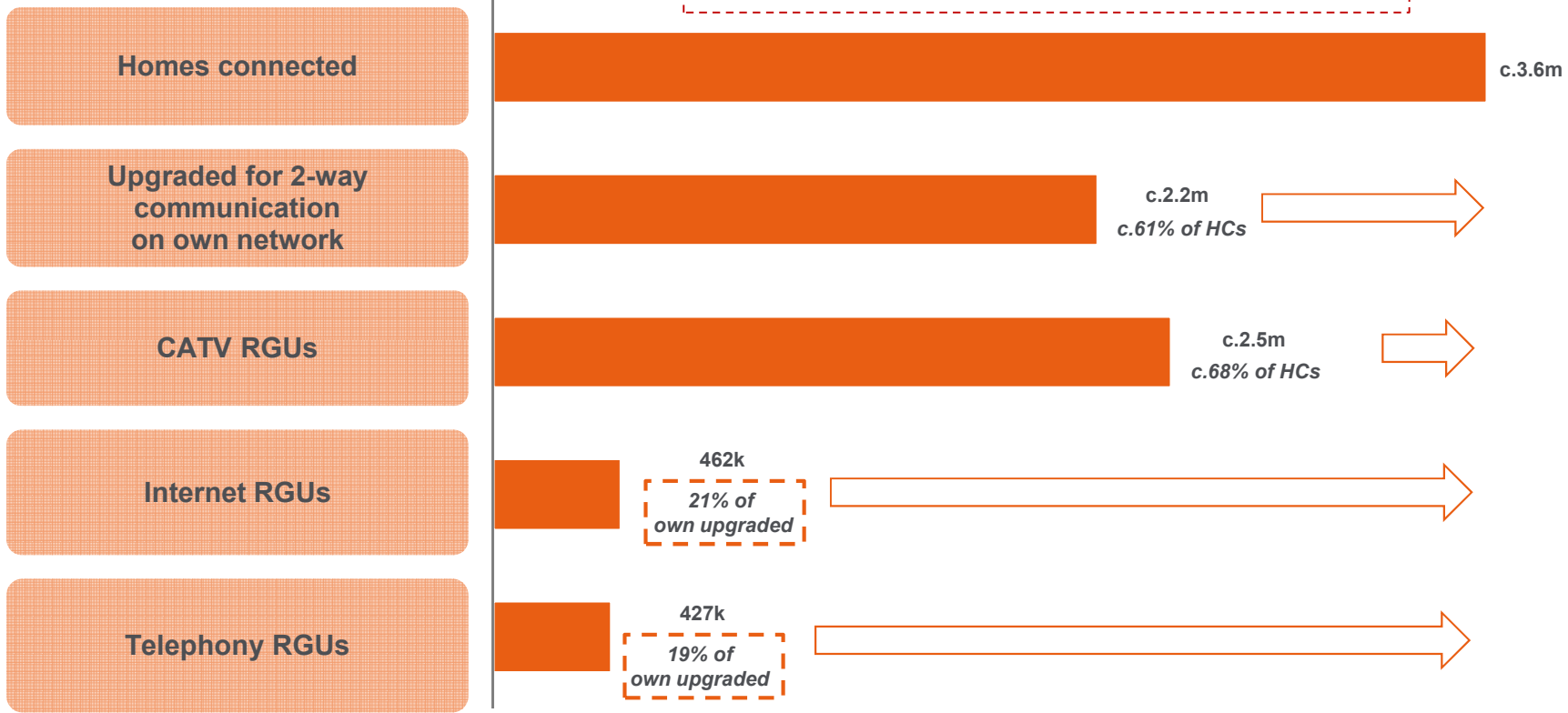
	Terms <sup>1</sup>	Maturity	Existing <sup>2</sup>
			€m
Cash			85
RCF (€50m)	E+450bps	Jan 2020	-
Capex facility (€75m)	E+375bps	Jan 2020	-
First Lien Term Loan B	E+450 bps	Jan 2021	1,130
Other			8
<b>Net First Lien debt</b>			<b>1,052</b>
Second Lien Term Loan	E +750 bps (1% floor)	Jul 2022	117
<b>Net total debt</b>			<b>1,169<sup>3</sup></b>

Corresponds to approximately 5.0x leverage based on FY2015PF Normalised EBITDA before synergies

**Significant headroom under the current maintenance covenants Net debt/Normalised EBITDA (senior 5.95x, junior 7.25x) and Interest Coverage (2.5x/2.25x)**

1) Lower terms apply in case of deleveraging; ticking fee applies on undrawn amount; 2) Excluding non-controlling interest and finance leases; 3) Long-term debt only. €1,169m total long-term net debt., €50m short term debt as of December 2015

# The new Tele Columbus – key network statistics



The upside from further Level 3 migrations/upgrades and upselling of fixed Internet, Telephony, Wifi, Premium TV and MVNO mobile services has never been better

# Financial calendar and Investor Relations contact

## Key dates

11 April 2016	First Capital Markets Day – expected to start at 1pm CET in Berlin, webcast link on IR website
13 May 2016	Q1 FY2016 results announcement
10 June 2016	Annual General Meeting



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## Appendix

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# Overview of key KPIs – preliminary for Q4 and FY2015

	FY '11	FY '12	2013				FY '13	2014				FY '14	2015		FY '15		
			Q1 '13	Q2 '13	Q3 '13	Q4 '13		Q1 '14	Q2 '14	Q3 '14	Q4 '14		Q3 '15 incl. primacom	Q4 '15 incl. pc/pepcom			
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	1,676	2,833	3,605	3,605
Homes connected - own network - two-way upgraded ('000)	789	881	862	866	873	891	891	901	925	932	933	933	940	955	1,608	2,193	2,193
Homes connected - foreign network - two-way upgraded ('000)	139	135	158	151	150	148	148	147	135	136	133	133	132	95	94	156	156
Homes connected - own network - two-way upgraded / Homes connected	40%	48%	48%	49%	50%	51%	51%	53%	54%	54%	55%	55%	56%	57%	57%	61%	61%
<b>Unique subscribers</b>	<b>1,447</b>	<b>1,353</b>	<b>1,321</b>	<b>1,299</b>	<b>1,303</b>	<b>1,302</b>	<b>1,302</b>	<b>1,272</b>	<b>1,274</b>	<b>1,291</b>	<b>1,282</b>	<b>1,282</b>	<b>1,258</b>	<b>1,225</b>	<b>1,872</b>	<b>2,435</b>	<b>2,435</b>
<b>RGUs</b>																	
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	1,259	1,889	2,458	2,458
Premium TV ('000)	142	153	150	151	153	164	164	165	162	163	161	161	161	161	397	426	426
Internet ('000)	115	135	146	153	162	174	174	183	190	197	202	202	208	213	363	462	462
Telephony ('000)	87	112	121	128	136	146	146	154	160	166	170	170	175	202	352	427	427
<b>Total RGUs ('000)</b>	<b>1,881</b>	<b>1,816</b>	<b>1,788</b>	<b>1,779</b>	<b>1,794</b>	<b>1,822</b>	<b>1,822</b>	<b>1,808</b>	<b>1,814</b>	<b>1,846</b>	<b>1,843</b>	<b>1,843</b>	<b>1,837</b>	<b>1,834</b>	<b>3,001</b>	<b>3,774</b>	<b>3,774</b>
RGU / Unique subscriber	<b>1.30x</b>	<b>1.34x</b>	<b>1.35x</b>	<b>1.37x</b>	<b>1.38x</b>	<b>1.40x</b>	<b>1.40x</b>	<b>1.42x</b>	<b>1.42x</b>	<b>1.43x</b>	<b>1.44x</b>	<b>1.44x</b>	<b>1.46x</b>	<b>1.50x</b>	<b>1.60x</b>	<b>1.55x</b>	<b>1.55x</b>
<b>Penetration</b>																	
Internet (RGUs on own network as % of two-way upgraded homes connected - % of bundles <sup>1</sup> )	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%	21.2%	21.9%	20.6%	20.6%
	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%	82.7%	83.0%	80.3%	80.3%
<b>ARPU (€/month)<sup>2</sup></b>																	
Blended TV ARPU (per subscriber)	9.2	9.4	9.4	9.5	9.5	9.5	9.5	9.6	9.6	9.6	9.6	9.6	9.3	9.3	9.7	9.7	9.5
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	23.2	22.9	22.7	22.9
<b>Total blended ARPU</b>	<b>11.6</b>	<b>12.4</b>	<b>13.0</b>	<b>13.1</b>	<b>13.3</b>	<b>13.5</b>	<b>13.2</b>	<b>13.8</b>	<b>13.9</b>	<b>14.0</b>	<b>14.0</b>	<b>13.9</b>	<b>14.1</b>	<b>14.3</b>	<b>14.9</b>	<b>15.6</b>	<b>14.9</b>

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 the monthly average number of unique subscribers 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 the monthly average number of total unique subscribers for the year

# Consolidated income statement – preliminary for Q4 and FY2015

€m	FY '11	FY '12	FY '13	FY '14	2015		FY '15		
					Q1 '15	Q2 '15			
<b>Revenue<sup>1</sup></b>									
TV	159.8	151.9	145.0	142.5	34.2	33.7	46.3	57.7	172.0
Internet & Telephony	27.0	32.3	41.6	50.4	13.8	15.1	21.4	27.4	77.7
Other revenue	17.9	21.2	19.7	20.1	5.5	5.5	6.3	11.8	29.1
<b>Total revenue</b>	<b>204.7</b>	<b>205.3</b>	<b>206.2</b>	<b>213.0</b>	<b>53.6</b>	<b>54.3</b>	<b>73.9</b>	<b>96.9</b>	<b>278.7</b>
Own work capitalised	6.7	7.0	6.9	6.6	1.9	1.7	2.6	6.9	13.2
Normalised other income	11.3	10.7	10.4	10.2	3.4	6.2	5.4	3.4	18.3
<b>Normalised total operating performance</b>	<b>222.6</b>	<b>223.0</b>	<b>223.5</b>	<b>229.8</b>	<b>59.0</b>	<b>62.2</b>	<b>81.9</b>	<b>107.2</b>	<b>310.2</b>
Basic CATV signal fee	(37.4)	(34.7)	(31.0)	(32.5)	(7.8)	(7.9)	(9.7)	(11.2)	(36.6)
Other direct costs	(49.8)	(46.1)	(51.0)	(38.6)	(10.0)	(9.4)	(13.2)	(19.0)	(51.7)
<b>Normalised contribution margin</b>	<b>135.4</b>	<b>142.2</b>	<b>141.4</b>	<b>158.7</b>	<b>41.1</b>	<b>44.9</b>	<b>59.0</b>	<b>77.0</b>	<b>222.0</b>
<b>% margin</b>	<b>66.2%</b>	<b>69.3%</b>	<b>68.6%</b>	<b>74.5%</b>	<b>76.7%</b>	<b>82.6%</b>	<b>79.8%</b>	<b>79.5%</b>	<b>79.6%</b>
Employee benefits	(30.6)	(29.5)	(28.5)	(30.6)	(9.3)	(9.5)	(12.1)	(13.6)	(44.5)
Advertising	(7.8)	(7.0)	(6.8)	(8.7)	(2.0)	(1.8)	(3.2)	(2.6)	(9.5)
Other operating income and expenses	(18.6)	(18.6)	(18.0)	(20.4)	(5.4)	(5.9)	(6.8)	(8.9)	(27.0)
<b>Normalised EBITDA</b>	<b>78.4</b>	<b>87.1</b>	<b>88.1</b>	<b>98.9</b>	<b>24.4</b>	<b>27.7</b>	<b>36.9</b>	<b>51.9</b>	<b>140.9</b>
<b>% margin</b>	<b>38.3%</b>	<b>42.4%</b>	<b>42.7%</b>	<b>46.5%</b>	<b>45.5%</b>	<b>51.0%</b>	<b>49.9%</b>	<b>53.6%</b>	<b>50.5%</b>
Non-recurring items	(4.5)	30.7	3.1	(14.8)	(4.3)	(2.1)	(14.2)	(18.5)	(39.1)
<b>Reported EBITDA</b>	<b>73.9</b>	<b>117.8</b>	<b>91.2</b>	<b>84.2</b>	<b>20.1</b>	<b>25.5</b>	<b>22.7</b>	<b>33.4</b>	<b>101.8</b>
<b>% margin</b>	<b>36.1%</b>	<b>57.4%</b>	<b>44.2%</b>	<b>39.5%</b>	<b>37.4%</b>	<b>47.0%</b>	<b>30.8%</b>	<b>34.5%</b>	<b>36.5%</b>
<b>Total capital expenditures</b>	<b>68.1</b>	<b>59.6</b>	<b>51.5</b>	<b>84.1</b>	<b>14.7</b>	<b>23.4</b>	<b>21.0</b>	<b>54.6</b>	<b>113.6</b>
<b>% revenue</b>	<b>33.3%</b>	<b>29.0%</b>	<b>25.0%</b>	<b>39.5%</b>	<b>27.4%</b>	<b>43.0%</b>	<b>28.4%</b>	<b>56.3%</b>	<b>40.8%</b>

Includes 12 months TC standalone, 5 months primacom and 1 month pepcom contribution

1) The P&L revenue split does not agree with the numbers communicated in the segment reporting due to a change in the product portfolio structure. In order to be consistent within the P&L the initial structure has been followed for FY13