

Quarterly Statement

Publication of first quarter results 2017

Tele Columbus AG: Strong Q1 results underline successful start into the year

- + Revenues of EUR 121.0 million (up 4.3% year on year); Normalised EBITDA of EUR 61.1 million (up 8.2% year on year)
- + Positive momentum for Internet RGUs continues: total base now at 535k, up 12.6% year on year
- + Successful repricing of senior credit facilities resulting in 20% lower interest expenses per annum
- + Promising launch of advanceTV
- + Management confirms its FY 2017 guidance

Berlin, 22 May 2016. Tele Columbus AG (“Tele Columbus”, “Company” or “the Group”), the third largest German cable operator, published its financials for the first quarter of fiscal year 2017. The Group successfully continued on its growth path recording an 4.3% revenue increase year on year to EUR 121.0 million (Q1 FY2016: EUR 116.1 million). The company also increased the normalised total operating performance which includes own work capitalized amongst others by 4.1% year on year to EUR 127.9 million (Q1 FY2016: EUR 122.8 million). Positively, Normalised EBITDA for the quarter grew disproportionately to EUR 61.1 million, resulting in an increase of 8.2% year on year (Q1 FY2016: EUR 56.5 million). This led to a Normalised EBITDA margin of 50.5%, up 1.9ppt from the first quarter of FY2016. In the reported period, Tele Columbus again invested significantly in its network infrastructure and technological innovation by spending EUR 21.9 million on capital expenditures (18.0% of revenues).

As of 31 March 2017, the Group continued to have a stable 3.6 million homes connected, serving 2.4 million customers. Cable TV RGUs (Revenue Generating Units) amounted to 2.4 million while Premium TV RGUs reached 430k. During the first quarter 2017, Internet RGUs rose substantially to 535k which is an increase of 15k net additions quarter over quarter. At the same time, telephony RGUs increased by even 18k net additions quarter on quarter. Therefore the total number of telephony RGUs reached 513k in Q1 FY2017 which underlines the increasing share of bundle sales. Thus, the number of RGUs per subscriber increased to 1.62x (Q1 FY 2016: 1.56x) while the total blended average revenues per user (ARPU) rose by 6.9% year on year to EUR 17.0 in the first quarter (Q1 FY2016: EUR 15.9).

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Based on the successful results, the Management Board of Tele Columbus reiterates its guidance for fiscal year 2017 expecting:

- stable Homes Connected year on year
- mid single digit percentage revenue growth year on year
- c 10% Normalised EBITDA growth year on year
- Capex as a percentage of revenues to range between 33 and 35%.

„Despite the ongoing integration of primacom and pepcom, the currently running migration of our systems as well as the recently launched rebranding project, our day to day business is running very smoothly. Therefore, I am very pleased that we ended the first quarter with increasing revenues and disproportionate Normalised EBITDA growth year on year”, says Ronny Verhelst, CEO of Tele Columbus Group. “The successful results show that we are very well on track setting up the company as a strong new attacker in the market to take advantage of the numerous chances in our industry.”

On 16 January 2016, Tele Columbus launched advanceTV, its new 4k-ready TV platform which enhances the customer experience by further innovative features such as interactive, time-shift and multi-screen TV usage. Key to advanceTV is its electronic programme guide which informs the viewer intelligently and comprehensively about the upcoming TV programme. Additionally, through the integration of maxdome to its platform, Tele Columbus customers have access to movies, series and documentaries out of Germany’s largest online video library.

On 31 January 2017, Tele Columbus launched Germany’s first Gigabit network in the municipality of Markt Indersdorf, Bavaria. This is the first time that a complete regional network is operated with a 1 Gigabit/s offering for business customers as well as consumers in Germany. The newly built, 108 kilometer superfast broadband network reaches 3,500 homes and adjacent business areas.

On 22 February 2017, Tele Columbus laid the cornerstone for the new data centre of its B2B unit in Leipzig which will be linked to Europe’s most important internet exchanges (eg DE-CIX, AMS-IX and BCIX). Upon completion in 2019, the data centre will comprise 1,400 square metres, which can be modularly extended up to 4,000 square metres. Moreover, supplied by energy from 100% renewable sources it will fulfill the highest energy efficiency requirements while being fully redundant.

On 21 March 2017, Tele Columbus successfully amended its EUR 1.255 billion existing term loan, reducing the margin from E+400bps to E+325bps, and extending the maturity from January 2023 to October 2024. Overall this should result in interest savings of approximately 20% per annum going forward. Additionally the Company was also able to amend certain provisions of the whole credit facilities (including RCF and Capex Facilities) which will give the Company significant enhanced operational flexibility going forward. Importantly, a large majority of the term loan is long-term hedged, thereby minimising the risk of increasing prime interest rates.

Recent developments

Following the rebranding kick-off in January 2017 the project teams are now working on full steam preparing the implementation of the new brand. Tele Columbus' goal is to approach all of its customers under one unified brand across all segments following the commercial launch in autumn 2017.

On 11 April 2017, pepcom, a Tele Columbus subsidiary, signed a contract with the "Zweckverband Breitbandversorgung Landkreis Lörrach" to operate a regional network being built for 35 involved municipalities in south west Germany and to deliver its high-speed broadband internet, telephony and TV services to local residents and business alike.

On 19 April 2017, the Group launched its top-speed 400 Mbit/s broadband internet product in the network of Munich with 280,000 connected homes, making the service available to a total of more than 1.2 million households in the Tele Columbus networks.

On 19 May 2017, the Company invited for its Annual General Meeting on 21 June 2017 in Berlin. The agenda is available under <https://ir.telecolumbus.com/agm>.

Additional information

Annual General Meeting: 21 June 2017 in Berlin

Release of Q2/H1 results FY2017: 24 August 2017

Release of Q3/9M results FY2017: 22 November 2017

Summary table for Q1 2016 and Q1 2017:

€m	Q1 2016	Q1 2017	yoy %
Revenues	116.1	121.0	4.3
Normalised EBITDA	56.5	61.1	8.2
<i>Normalised EBITDA margin, %</i>	<i>48.6</i>	<i>50.5</i>	<i>1.9ppt</i>
Capex	19.5	21.9	12.3
<i>Capex / Revenues, %</i>	<i>16.8</i>	<i>18.0</i>	<i>1.2ppt</i>
€ per month			
Total blended ARPU	15.9	17.0	6.9
RGU as per end of period (in '000)			
CATV	2,451	2,398	(2.2)
Internet	475	535	12.6
Telephony	441	513	16.3
Premium TV	424	430	1.5

For further information on the quarterly financial data please refer to the website <https://ir.telecolumbus.com/websites/telecolumbus/German/4010/abschluesse-und-lageberichte.html>. A more detailed presentation on the results is also available under <https://ir.telecolumbus.com/websites/telecolumbus/German/4030/praesentationen.html>.

About Tele Columbus

The SDAX listed Tele Columbus Group is one of Germany's largest cable network operators. Via its origins – individual regional cable network operators that were merged into Tele Columbus – the company dates back to 1972. Today, about 3.6 million connected households in Germany are served by Tele Columbus, primacom, pepcom, Deutsche Telekom, Martens und KMS with TV signals and, increasingly, digital broadcast packages, Internet and voice connections provided via high-performance broadband cable. As a national provider with a regional focus and a partner of the housing industry, the Group is present throughout its core markets Berlin, Brandenburg, Saxony, Saxony-Anhalt and Thuringia as well as in numerous key regions in western Germany. In tune with current demand trends, the company is upgrading its networks in a hybrid fibre-optic infrastructure for superfast Internet connections of up to several hundred megabits per second with the state-of-the-art Internet transmission standard DOCSIS 3.0. The broadband cable caters to the entire range of innovative media applications from analogous, digital and high-definition TV to high-speed Internet and voice connections to telemetry services, tenant portals and interactive services. Beyond merely transmitting signals, Tele Columbus uses its own product platform in order to actively increase the programme offering and to develop additional services. Via its company HL komm, Tele Columbus also delivers powerful connections and network services to business customers.

Disclaimer

This release contains forward-looking statements. These statements are based on management's current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Although we believe that such forward-looking statements are reasonable, we cannot assure you that any forward-looking statements will prove to be correct. Such forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this Investor Relations release may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements.

This release contains references to certain Non-GAAP financial measures, such as Normalized EBITDA and Capex, and operating measures, such as RGUs, ARPU, and Unique subscribers calculation. These supplemental financial and operating measures should not be viewed in isolation as alternatives to measures of Tele Columbus' financial condition, results of operations or cash flows as presented in accordance with IFRS in its Consolidated Financial Statements. The Non-GAAP financial and operating measures used by Tele Columbus may differ from, and not be comparable to, similarly titled measures used by other companies.

In addition, this release contains pro-forma financials. Our pro forma financials have been prepared for illustrative purposes only. They are based on the assumption that the primacom and pepcom acquisitions had occurred on 1 January 2015. Because of their nature, our pro forma financials address a hypothetical situation and, therefore, do not represent our actual results of operations. It is not necessarily indicative of the results that should be expected in the future.

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