

## IR Release

## Publication of second quarter and six months results 2017

# Tele Columbus continues to grow in H1 and confirms all its targets for fiscal 2017

- + In the first half of 2017, revenues grew by 4.0% from EUR 235.9 million to EUR 245.4 million year on year
- + Normalised EBITDA for H1 reached EUR 123.5 million, up 7.0% from EUR 115.4 million in the previous year's period
- + Tele Columbus Group added 14k Internet RGUs and 15k Telephony RGUs in the second quarter
- + RGUs per subscriber reached 1.63x (31 March 2017: 1.62x) as of Q2
- + Total blended ARPU significantly increased to EUR 17.8 in Q2 FY2017 (Q1 FY2017: EUR 17.0)
- + All FY2017 targets with stable homes connected, mid-single digit percentage revenue growth year on year, around 10 percent Normalised EBITDA growth year on year and Capex of 33% to 35% of revenues are confirmed

Berlin, 24 August 2016. Tele Columbus AG ("Tele Columbus", "Company" or "the Group"), the third largest German cable operator, published its financials for the first half of fiscal year 2017. The Group again reported solid growth with revenues of EUR 245.4 million – an increase of 4.0% year on year. The company also successfully increased the Normalised Total Operating Performance which includes own work capitalized amongst others to EUR 259.3 million, up EUR 9.6 million or 3.9% from year on year. Normalised EBITDA for H1 amounted to EUR 123.5 million, equalling in an increase of 7.0% year on year (H1 FY2016: EUR 115.4 million). This led to a Normalised EBITDA margin of 50.3%, up 1.4ppt from the first half of FY2016. In the reported period, Tele Columbus Group spent EUR 46.6 million on capital expenditures which represents 18.9% of revenues.

After a strong start into the year, Tele Columbus' management board is confident to reach all of its targets for FY2017. This should be further supported by the upcoming rebranding and new tariff portfolio which will be launched in the course of Q3. The Company's new and attractive propositions as well as its disruptive tariff features should continue to drive revenue growth in H2 and further scale the business. The operational programme of integrating Tele Columbus, primacom and pepcom is well under execution, with recent milestones being a single Network Operations Centre for instance. Moreover, the consolidation of IT estates has started.

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Noteworthy, all of Tele Columbus' customers were successfully migrated by mid-year. As a result, the lifting of synergies in H2 is seen to accelerate the Company's bottom-line thanks to cost consciousness and the savings from site closures. Conclusively, management's targeted EBITDA synergies are materializing as planned and the EUR 34 million run-rate per annum is confirmed.

Therefore management reiterates all of its FY2017 targets of:

- stable homes connected of approximately 3.6m
- mid-single digit percentage revenue growth versus FY2016
- around 10% Normalised EBITDA growth year on year and
- Capex of 33% to 35% of revenues.

As of 30 June 2017, the Group reported approximately 3.6 million homes connected in-line with management's FY2017 and mid-term outlook. The number of homes connected and upgraded for two-way communication on own network increased by 4.1% year on year to 2.31 million which represents a ratio of 64%. Moreover, the Company served 2.39 million subscribers which translates into 2.39 million Cable TV RGUs (Revenue Generating Units), 430k Premium TV RGUs, 549k Internet RGUs and 528k Telephony RGUs. This represents an increase of 14k Internet and 15k Telephony RGUs versus the end of the previous quarter. Therefore, the number of RGUs per subscriber again increased successfully to 1.63x, up from 1.62x at the end of the first quarter while the total blended average revenues per user (ARPU) rose significantly from EUR 17.0 per month in the first quarter 2017 to EUR 17.8 as of 30 June.

On 28 June 2017, pepcom held a ground-breaking ceremony in Plön (in the northern German province of Schleswig-Holstein) to mark the initial phase for constructing a high-speed fibre network which will connect more than 15.000 households with up to 1 Gbit/s upon completion. After reaching the minimum acceptance rate in all of the 46 sub-municipalities a detailed network planning will guide the further construction phase.

On 21 June 2017, Tele Columbus AG, successfully held its third annual general meeting in Berlin. Mr Frank Krause and Dr Volker Ruloff, were elected into Tele Columbus' extended supervisory board. Both are new to the company. Dr Susan Hennesdorf was confirmed as a member of the supervisory board by the annual general meeting. She was already appointed on 22 February 2017 by the local court and succeeded Ms Robin Bienenstock who had left the supervisory board at the end of 2016 for personal reasons. The other supervisory board members continue to be Mr Frank Donck as chairman, Mr André Krause as vice chairman as well as Christian Boekhorst, Yves Leterme and Catherine Mühlemann. The extension of the supervisory board was already approved by the annual general meeting in 2016. All three new members of the supervisory board of Tele Columbus AG are true telecommunication and multimedia experts.

On 30 May 2017, Tele Columbus Group and M7 Group, one of the leading platform operators for satellite and IP based TV in Europe, extended their longstanding cooperation for the contribution of German and international Pay-TV channels. The two companies have announced this at ANGA COM 2017. As part of this cooperation Tele Columbus Group and M7 also consolidated the existing contracts with the Tele Columbus subsidiaries primacom and pepcom.

On 18 May 2017, primacom, a subsidiary of Tele Columbus Group, went live with its network upgrade in Luckenwalde. Thereby delivering the local homes connected an abundance of TV channels as well as high-speed broadband internet and telephony services with up to 400 Mbit/s thanks to the significant fibre build-out.

The newly installed satellite head-end establishes the connection between the approximately 2.000 homes connected and the backbone. This finalizes the extensive construction work that happened before by installing a fibre ring of 10 kilometres all over Luckenwalde which now reaches directly onto the housing association's premises. This hybrid-fibre-coax network will ensure that Luckenwalde will continue to benefit from primacom's digital TV- and video entertainment platform as well as delivering future-proof bandwidths comparable to larger metro areas.

On 12 May 2017, the municipalities of Rosenfeld and Haigerloch, in the southern German province of Baden-Württemberg, brought their first business customers online on their high-speed fibre network which was built and will be operated by pepcom, a Tele Columbus Group subsidiary. Under the municipal leadership the fibre network will allow high-speed broadband internet for around 3.800 households. This will ensure minimum bandwidths of 50 Mbit/s for private customers and individual high-speed solutions for business customers.

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 04 April, HL komm, a subsidiary of Tele Columbus Group, announced to now offer business customers in Saxony, Saxony-Anhalt, Thuringia and Lower Saxony access to its high-performance fibre network which allows for speeds of up to 1 GBit/s. Business customers and companies alike will hence be equipped for future bandwidth demands.

## Recent developments

On 24 July 2017, Tele Columbus AG announced a change in its management board: Ronny Verhelst (54) who led the company as CEO for nearly seven years since 2011 will leave for personal reasons as of 1 February 2018. He will be succeeded as CEO as of the same date by Timm Degenhardt (48), who is joining from the Swiss telecommunications provider Sunrise Communications AG. Timm Degenhardt started at Tele Columbus as of 14 August 2017 and will become member of the Group's management board as from 1 September 2017 for an initial term of three years until 31 August 2020. The five months transition period will ensure a smooth handover of responsibilities as well as a continuation in the management of the company. Frank Posnanski (50) will continue in his role as CFO and member of the management board.

## Additional information

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

## Summary table for H1 FY2016 / H1 FY2017:

€m	H1 FY2016	H1 FY2017	yoy %
Revenues	235.9	245.4	4.0
Normalised EBITDA	115.4	123.5	7.0
<i>Norm. EBITDA margin, %</i>	48.9	50.3	1.4.ppt
Capex	47.8	46.6	(2.5)
<i>Capex / Revenues, %</i>	20.3	18.9	(1.4ppt)

**Summary table for Q2 FY2016 / Q2 FY2017:**

€m	Q2 FY2016	Q2 FY2017	yoy %
Revenues	119.9	124.4	3.7
Normalised EBITDA	59.0	62.4	5.8
<i>Norm. EBITDA margin, %</i>	<i>49.2</i>	<i>50.2</i>	<i>1.0ppt</i>
Capex	28.3	24.7	(12.7)
<i>Capex / Revenues, %</i>	<i>23.6</i>	<i>19.8</i>	<i>(3.8ppt)</i>
€ per month			
Total blended ARPU	16.5	17.8	7.8
RGU as per end of period (‘000)			
CATV	2,443	2,392	(2.0)
Internet	485	549	13.2
Telephony	452	528	16.8
Premium TV	424	430	1.4

**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 analogue, 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. For further information please see in particular the Footnotes in this Investor Relations release and the financial statements.

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.