

INVESTOR RELATIONS RELEASE

Publication of preliminary full year results 2017

Tele Columbus remains on growth path during integration

- **Increase of revenues to EUR 496.9 million (+4.2% yoy)**
- **Normalised EBITDA grows to EUR 264.7 million (+6.2% yoy)**
- **Normalised EBITDA margin up by +1.0ppt yoy to 53.3%**
- **Capex reached EUR 155.9 million (31.4% of revenues)**
- **+58k Internet and +60k Telephony RGUs yoy**
- **Blended ARPU up by 6.1% yoy to EUR 17.4pm**
- **1.66x RGUs/subscriber, up 0.5x yoy**
- **Management expects continued revenue and EBITDA growth in FY2018**

Berlin, 29/03/2018. Tele Columbus AG (“Tele Columbus”, “Company” or “the Group”), Germany’s third largest cable operator, published its preliminary results for the fourth quarter of fiscal year 2017. The Group again reported growth amongst its Internet RGUs which increased by 14k quarter on quarter to a total of 578k per 31 December 2017. At the same time, the Company’s total blended ARPU grew by 7.7% year on year to EUR 18.1pm in Q4. This development, in addition to revenues deriving from infrastructure projects, resulted in the Group’s revenues increasing to EUR 128.2 million which equals growth of 4.6% year on year in Q4. Normalised EBITDA for the fourth quarter amounted to EUR 72.9 million, equalling an increase of 3.9% year on year (Q4 FY2016: EUR 70.1 million). The Normalised EBITDA margin remained largely stable on a very high level of 56.9% (Q4 FY2016: 57.2%). In the reported period, Tele Columbus spent EUR 87.1 million on capital expenditures which represents 67.9% of revenues (Q4 FY2016: 62.9%).

Tele Columbus made significant progress on the integration of primacom and pepcom during fiscal year 2017 including the migration of Tele Columbus customer data onto the target IT

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architecture, the launch of the new brand PŸUR and the go-live of the new product portfolio.

However, given the complexity of the various integration and migration projects, the Company did not meet all of its ambitious targets. Especially the preparation and execution of the customer data migration turned out to be more time consuming and costlier than originally planned. This also resulted in some of the synergies being partially delayed. In addition, expenditure on non-recurring items was higher than anticipated.

“Overall we are very proud of what we have achieved so far. Our improved customer-related performance underlines the Company’s progress. However work still remains to be done”, comments Timm Degenhardt, CEO of Tele Columbus. “Given the complex nature of integrating three companies of similar size into one, 2018 will be still characterised by the company’s ongoing transformation and consolidation”, he adds

The year 2018 will see the finalisation of integration-related projects such as customer data migration as well as network and IT optimisation. In addition, following the entire takeover of KMS (ie legal entity behind pepcom), the PŸUR brand and product portfolio will now be rolled out in its footprint. The Management Board of Tele Columbus expects to drive the business in fiscal year 2018 to:

- Stable homes connected of around 3.6m vs FY 2017
- Mid-single digit percentage revenue growth year on year
- Normalised EBITDA of EUR 280 – 290 million
- Between 27 and 30% capex over revenues

As of 31 December 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 2.0% year on year to 2.327 million which represents a ratio of 64.8%. Moreover, the Company served 2.373 million subscribers which translates into 2.367 million Cable TV RGUs (Revenue Generating Units), 430k Premium TV RGUs, 578k Internet RGUs (24.4% penetration) and 555k Telephony RGUs. This represents an increase of 14k Internet and 10k Telephony RGUs versus the end of the previous quarter. Therefore, the number of RGUs per subscriber increased again successfully to 1.66x, up from 1.65x at the end of the third quarter. Moreover the total blended average revenues per user (ARPU) increased by 7.7% from EUR 16.8 per month in the fourth quarter 2016 to EUR 18.1 in the fourth quarter of 2017.

Upcoming events

15 May 2018: Release of Q1 results FY2018

25 June 2018: Annual General Meeting

14 August 2018: Release of Q2 and H1 results FY2018

14 November 2018: Release of Q3 results FY2018

Summary table for Q4 and full year FY2016 and preliminary Q4 and full year FY2017 results

€m	Q4 2016	Prelim Q4 2017	yoy %	FY2016	Prelim FY2017	yoy %
Revenues	122.6	128.2	4.6	476.8	496.9	4.2
Normalised EBITDA	70.1	72.9	3.9	249.3	264.7	6.2
Norm. EBITDA margin, %	57.2	56.9	(0.3ppt)	52.3	53.3	1.0ppt
Capex	77.2	87.1	12.8	156.0	155.9	-
Capex / Revenues, %	62.9	67.9	5.0ppt	32.7	31.4	(1.3ppt)
RGU as per end of period ('000)						
Homes Connected	3,608	3,592	(0.4)	3,608	3,592	(0.4)
CATV	2,434	2,367	(2.8)	2,434	2,367	(2.8)
Internet	520	578	11.2	520	578	11.2
Telephony	495	555	12.1	495	555	12.1
Premium TV	429	430	0.2	429	430	0.2

About us

The SDAX-listed Tele Columbus AG serves around 3.6 million homes connected thereby being Germany's third-largest cable network operator. Its brand PÿUR stands for simplicity, performance and fairness in relation to TV and telecommunication products. Via its state-of-the-art fibre network PÿUR offers high-speed broadband internet including fixed-line telephony as well as more than 250 TV channels on a digital entertainment platform which combines linear TV with streaming services. To its housing association partners PÿUR offers flexible models of cooperation and state-of-the-art services such as telemetric and tenant portals. As a full-service partner for municipalities and regional utilities Tele Columbus Group is actively supporting the fibre-based broadband internet expansion in Germany. For its business customers the Group offers carrier services and corporate solutions via its fibre network. Besides its headquarter in Berlin the Company has locations in Hamburg, Leipzig, Ratingen and Unterföhring/Munich. Since January 2015 Tele Columbus AG is traded on the regulated market (Prime Standard) of the Frankfurt Stock exchange and since June 2015 listed in the SDAX.

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 subscriber 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.