

PRESS RELEASE

Tele Columbus AG publishes its first quarter results for 2018

Slow start into the year requires partial revision of management's full year targets

- **Q1 Revenues increase 2.0% year on year to EUR 123.4 million (Q1 pro-forma under IFRS 15: EUR 123.7 million)**
- **Q1 normalised EBITDA including positive one-offs and phasing effects up by 7.0% year on year to EUR 65.4 million (Q1 pro-forma under IFRS 15: EUR 65.6 million)**
- **Q1 capex increases by EUR 10.0 million year on year to EUR 30.9 million (capex/revenue: 25.0%)**
- **Management partially revises its full year targets for 2018**
- **Management re-iterates mid-term guidance and updates for CAPEX peak in 2019**

Berlin, 15 May 2018. Tele Columbus AG ("Tele Columbus", "Company" or "the Group"), Germany's third largest cable operator, published its results for the first quarter of fiscal year 2018 (quarterly statement). In light of the ongoing integration efforts, which negatively affected customer service, the Company decided to delay the ramp-up of marketing activities. This, combined with an integration related churn peak resulted in a flat development of internet RGUs.

The CATV RGU development is – also due to seasonality and due to the shift from bulk contracts to individual contracts in the housing industry – down quarter on quarter as contracts are typically cancelled effective 31 December. These losses are planned to be partially compensated over the course of the year.

While the ongoing Pepcom customer migration is on track and scheduled to be finalized by end of Q2 2018, the project revealed the necessity for additional fine tuning and follow-up tasks in the second half of 2018. These relate amongst others to Pepcom's complex product- and technology portfolio

Following the introduction of new internet-only tariffs in the fourth quarter of 2017, which has resulted in a marked increase of higher bandwidth products sold, as well as the general

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increase in demand for bandwidth, Tele Columbus is working to deliver ever-increasing speeds for its customers. The Company is also reviewing its product strategy encompassing its premium TV and mobile portfolios in order to deliver an improved customer experience...

Hence, based on the final numbers for Q1 2018, better visibility on business trends, temporary higher cost base driven by investments in the delivery capabilities of the company, and the expectation that in the short term these effects cannot be off-set by stronger growth, the management board of Tele Columbus reviewed its forecast and decided today to partially revise its full year targets for 2018.

Management expects for FY 2018 on this basis:

- Stable homes connected of around 3.6 million vs FY 2017
- Low to mid-single digit percentage revenue growth year on year
- Normalised EBITDA of EUR 265 - 280 million
- Between 27 and 30% capex over revenues

The management has reviewed the longer term strategic positioning of the Company, and confirms its emphasis on the housing industry market and the build-out of high-speed HFC and FTTB/H infrastructure in Germany. In addition, an even stronger focus on customer centricity will build the basis for long term sustainable growth in the consumer business. A focus on digitalizing processes for quality improvement and cost reduction as well as continued focus on B2B solutions complete the picture. As a consequence, the management confirms its mid-term outlook and guides on CAPEX peaking in 2019.

As of 31 March 2018, the Group reported approximately 3.6 million homes connected in-line with management's FY2018 and mid-term outlook. The number of homes connected and upgraded for two-way communication on own network increased by 0.9% year on year to 2.314 million which represents a ratio of 65.2%. Moreover, the Company served 2.325 million subscribers which translates into 2.309 million CATV RGUs, 424 thousand Premium TV RGUs, 575 thousand Internet RGUs (24.4% penetration) and 547 thousand Telephony RGUs. This represents a decrease of 3 thousand Internet and 8 thousand Telephony RGUs versus the end of the previous quarter. The number of RGUs per subscriber remained stable at 1.66x, vs the end of the fourth quarter 2017. The total blended average revenues per user (ARPU) increased by EUR 0.5 from EUR 17.0 per month in the first quarter 2017 to EUR 17.5 in the first quarter of 2018. This translated into revenue growth according to IFRS 15 of 2.0% year on year in Q1 2018 to EUR 123.4 million (excl. IFRS 15: EUR 123.7 million or 2.2% year on year growth). Normalised EBITDA in the first quarter of 2018 increased by 7.0% year on year under the application of IFRS 15 to EUR 65.4 million (excl. IFRS 15: +7.4% year on year to EUR 65.6 million).

Upcoming events

25 June 2018: Annual General Meeting, Berlin

14 August 2018: Release of Q2 and H1 results FY2018

14 November 2018: Release of Q3 results FY2018

Summary table for Q1 2017 and Q1 2018

€m	Q1 2017	Q1 2018	yoy %
Revenues	121.0	123.4	2.0
Normalised EBITDA	61.1	65.4	7.0
<i>Normalised EBITDA margin, %</i>	<i>50.5</i>	<i>53.0</i>	<i>2.5ppt</i>
Capex	21.9	30.9	41.1
<i>Capex / Revenues, %</i>	<i>18.1</i>	<i>25.0</i>	<i>6.9ppt</i>
€ per month			
Total blended ARPU RGU as per end of period (in '000)	17.0	17.5	2.7
CATV	2,398	2,309	(3.7)
Internet	535	575	7.5
Telephony	513	547	6.7
PremiumTV	430	424	(1.4)

About us

The SDAX-listed Tele Columbus AG serves 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.

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