

# Press release

Ziggo second quarter and half year 2011 results

## Triple play bundles drive strong performance Growth of digital TV subscriptions continues

Utrecht, July 15, 2011

- **Cross selling to triple-play and strong growth of B2B sales drive 7.6% revenue growth in Q2**
- **Almost two thirds of Ziggo TV customers now on the digital platform**
- **Ziggo welcomes OPTA analysis and draft opinion: TV market does not require regulatory measures**

### Operational Highlights Q2 2011

- Continued increase in digital TV subscriptions (+56,000)
- All-in-1 Bundle remains driver for strong results in 2nd quarter adding 39,000 triple play customers, bringing the total number to 1,178 thousand
- Growth in All-in-1 bundles is driving increased subscriptions to Broadband Internet (+26,000) and Fixed Telephony (+40,000)
- B2B revenues growing strongly at 10% vs. Q2 last year with more than 3,000 new business bundles sold during the quarter
- Ziggo was awarded best overall Digital TV provider in the Netherlands by the independent Dutch consumer organization (Consumentenbond)

### Financial Highlights Q2 2011

- Revenue of €363.7 million, up 7.6% versus Q2 2010
- Adjusted EBITDA of €206.9 million, up 7.1% versus Q2 2010, whilst our push for digitization with HD and iTV set-top boxes has substantially increased
- Free operating cash flow of €161.3 million, up 4.1% versus Q2 2010
- Net Debt to adjusted EBITDA leverage ratio down to 4.2 at June 30, 2011 compared to 4.5 at December 31, 2010

### Ziggo CEO Bernard Dijkhuizen:

"We are pleased to see that we are continuing to attract many new customers for our triple play services, validating our decision to invest in growth through raising internet speeds and focusing on customer satisfaction and the quality of our products. With 56,000 new customers watching digital TV, already two thirds of our TV subscribers now have access to the quality and diversity of our Digital TV package which will be enriched even further in September when we implement our new TV proposition.



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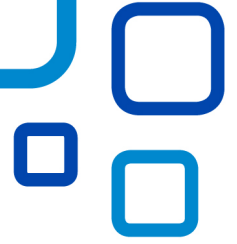
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Free video footage of Ziggo  
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At the end of June, the independent Dutch telecom regulator (OPTA) concluded after thorough analysis that the TV market is sufficiently dynamic and does not require regulation. Within this competitive environment, we believe Ziggo is very well placed to continue its strong financial performance."

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## Financial Highlights (€ million)

<i>(in € thousands)</i>	Q2 2011	Q2 2010	Change %	HY 2011	HY 2010	Change %
<b>Revenues</b>	<b>363.7</b>	<b>337.9</b>	<b>7.6%</b>	<b>724.6</b>	<b>676.7</b>	<b>7.1%</b>
Cost of goods sold	71.3	64.1	11.2%	142.9	127.6	12.0%
<b>Gross margin</b>	<b>292.4</b>	<b>273.8</b>	<b>6.8%</b>	<b>581.7</b>	<b>549.1</b>	<b>5.9%</b>
	80.4%	81.0%		80.3%	81.1%	
Operating expenses	85.5	80.6	6.1%	169.6	160.5	5.7%
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>206.9</b>	<b>193.2</b>	<b>7.1%</b>	<b>412.2</b>	<b>388.6</b>	<b>6.1%</b>
Adjusted EBITDA as a % of revenue	56.9%	57.2%		56.9%	57.4%	
Integration costs	0.0	1.5	-100.0%	0.0	1.8	-100.0%
<b>EBITDA<sup>(2, 9)</sup></b>	<b>206.9</b>	<b>191.7</b>	<b>7.9%</b>	<b>412.2</b>	<b>386.8</b>	<b>6.6%</b>
Depreciation and Amortization	75.1	124.1	-39.5%	193.8	246.7	-21.4%
<b>Operating income</b>	<b>131.9</b>	<b>67.7</b>	<b>94.9%</b>	<b>218.3</b>	<b>140.1</b>	<b>55.8%</b>
Movement in provisions	-1.4	-1.2	16.1%	-2.5	-5.4	-53.9%
Change in net working capital	16.5	8.1	104.8%	-0.4	-36.9	-99.0%
<b>Cash flow from operating activities</b>	<b>222.0</b>	<b>198.6</b>	<b>11.8%</b>	<b>409.3</b>	<b>344.5</b>	<b>18.8%</b>
Capital expenditure	60.6	35.6	70.1%	101.9	72.1	41.4%
As a % of revenue	16.7%	10.5%		14.1%	10.6%	
Capital expenditure spend on integration	0.0	8.6	-100.0%	0.0	12.9	-100.0%
<b>Total capital expenditure (Capex)</b>	<b>60.6</b>	<b>44.2</b>	<b>37.0%</b>	<b>101.9</b>	<b>84.9</b>	<b>19.9%</b>
Other cash used in investing activities	0.1	-0.5	-115.8%	0.1	0.1	13.0%
<b>Free cash flow</b>	<b>161.3</b>	<b>154.9</b>	<b>4.1%</b>	<b>307.3</b>	<b>259.5</b>	<b>18.4%</b>
As a % of revenue	44.4%	45.9%		42.4%	38.3%	
<b>EBITDA-Capex</b>	<b>146.3</b>	<b>147.5</b>	<b>-0.8%</b>	<b>310.3</b>	<b>301.9</b>	<b>2.8%</b>
As a % of revenue	40.2%	43.7%		42.8%	44.6%	

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## Operational Highlights (in thousands)

Footprint <sup>(3)</sup> as per June 30,	HY 2011	HY 2010	Change %
Homes passed	4,181	4,107	1.8%
Analog TV only	1,076	1,443	-25.4%
Analog and Digital TV <sup>(4)</sup>	1,971	1,677	17.5%
<b>Total TV customers</b>	<b>3,047</b>	<b>3,120</b>	<b>-2.3%</b>
Digital pay TV subscribers	896	808	10.9%
Internet subscribers	1,604	1,492	7.5%
Telephony subscribers	1,252	1,073	16.7%
<b>Total RGUs<sup>(6)</sup></b>	<b>6,799</b>	<b>6,494</b>	<b>4.7%</b>
<i>Of which bundle subscribers<sup>(5)</sup></i>	<i>1,159</i>	<i>797</i>	<i>45.4%</i>
<i>Total triple play</i>	<i>1,178</i>	<i>999</i>	<i>17.9%</i>
RGUs per customer <sup>(7)</sup>	2.23	2.08	7.2%
ARPU Q2 (€ per month) <sup>(8)</sup>	35.94	32.80	9.6%
ARPU YTD (€ per month) <sup>(8)</sup>	35.57	32.67	8.9%

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Please note that the results published are the consolidated results of Ziggo Bond Company B.V., hereafter 'Ziggo'. As a consequence of the issue of the Senior Notes in 2010, Ziggo is now reporting quarterly results and on the level of the entity which has issued the Senior Notes, being Ziggo. The main differences are caused by the fact that the reports of Zesko Holding B.V. include shareholder loans outstanding, which amounted to €2,173 million as per June 30, 2011. The proceeds of these shareholder loans have been invested in 2005-2007 as equity in the Amsterdamse Beheer and Consultingmaatschappij B.V., hereafter 'ABC', which is now a direct subsidiary of Ziggo. As a result thereof, Zesko Holding B.V. recognizes interest costs on the shareholder loans whilst Ziggo does not recognize these interest costs. Zesko Holding B.V. recognized interest costs on the shareholders loans for an amount of €54 million in the second quarter 2011 and €107 million year to date. Please also note that Ziggo was incorporated on March 30, 2010. Ziggo acquired all of the issued and outstanding shares of ABC on March 30, 2010.

We have adjusted the definition for RGUs in such a way that digital pay TV subscribers are included in total RGUs as a digital pay TV subscriber is adding extra revenue based on its subscription to our digital pay services on top of standard TV. All comparable numbers have been adjusted in line with this adjusted definition for RGUs.

We have adjusted the way we report the breakdown of our revenues in such a way that we report revenues from our All-in-1 bundle within each of standard TV, broadband internet and telephony revenues on a pro rata basis and in proportion to the subscription fees of each product charged on a standalone basis.

## Definitions/Footnotes

- (1) Adjusted EBITDA refers to EBITDA, as adjusted to remove the effects of operating expenses incurred in connection with the integration of our predecessor businesses, which were €0.0 million and €1.5 million for the quarter ended on June 30, 2011 and June 30, 2010 respectively;
- (2) EBITDA represents operating income plus depreciation and amortization. Although EBITDA should not be considered a substitute for operating income and net cash flow from operating activities, we believe that it provides useful information regarding our ability to meet future debt service requirements;
- (3) Operating data related to our footprint and RGUs are presented as of the end of the period indicated;
- (4) Digital television RGUs equals the total number of standard cable subscribers who have activated a smart card as of the periods indicated. As a result, digital television RGUs represents the number of subscribers who have access to our digital television services. In any given period, not all of these digital television RGUs will have subscribed to additional pay television services. As per June 30, 2011 896,000 of our total digital television RGUs subscribed to one or more of our digital pay television services;
- (5) Besides the 1,159,000 customers who have taken up the All-in 1 Bundle, we have approximately another 19,000 customers who have subscribed to Analog TV and/or Digital TV, Broadband Internet and Telephony on an individual product basis instead of an All-in-1 Bundle;
- (6) Total RGUs are calculated as the sum of total standard TV subscribers, digital pay TV subscribers, broadband internet subscribers and telephony subscribers;
- (7) RGUs per customer is the total number of RGUs divided by the total number of TV subscribers;
- (8) Average Revenue per User (ARPU) is calculated as the sum of total standard TV, digital pay television, broadband Internet, telephony (including call charges) and All-in-1 subscription revenues for the period divided by the number of months used and divided by the period's average monthly total standard TV RGUs. It excludes installation fees and set-top box sales;
- (9) Ziggo acquired @Home in February 2007. Employees of @Home were entitled to a long-term employee benefit plan called PRES-arrangement. Upon acquisition, this specific employee benefit was continued by Ziggo and made available – under the same conditions – to former Multikabel and Casema employees born before 1957 or born before 1959 with 25 years of service at the Company, to prevent discrepancies. In accordance with IFRS (IAS 19 – IFRS treatment for long term employee benefits) Ziggo recognizes this liability in the balance sheet. As a result thereof Ziggo has restated in its financial statements for 2010 the balance sheet as per January 1st, 2009 and as per December 31st, 2009 Provisions increased by €14.4 million and retained earnings decreased by an amount of €10.7 million. In order to reflect the quarterly changes in this liability, the Income statement for 2010 has been adjusted on a quarterly basis. The impact of this recognition on EBITDA for the 2nd quarter of 2010 compared to previously disclosed results amounts to +€0.3 million and year-to-date +€0.6 million.

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## **About Ziggo**

Ziggo is a Dutch provider of entertainment, information and communication through television, broadband internet and telephony services. The company serves around 3.0 million households, with 1.6 million broadband internet customers, more than 2.0 million customers for digital television and 1.3 million telephony subscribers. Business to business customers use services such as data communication, telephony, television and internet. The company owns a next-generation network capable of providing the bandwidth required for all future services currently foreseen. More information on Ziggo can be found on: [www.ziggo.com](http://www.ziggo.com)

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## **Not for publication**

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## Operations

In the second quarter of 2011 Ziggo added 25,000 net new subscriptions in the consumer market. Growth was driven by the continued upsell of our All-in-1 Bundle, partly offset by the seasonal decrease in subscriptions to Digital Pay TV following the end of the football season. At the end of June 2011 total RGUs reached 6.8 million, an increase of 4.7% compared to the prior year. Additionally, in the second quarter 56,000 subscribers activated their digital smartcard bringing the total number of subscribers for Digital TV to 1.97 million, which is approximately two thirds of total TV subscriptions.

## Products & Services

In June, Ziggo informed its customers about the new television offering to be launched in September, which will better reflect their preferences. Our new TV proposition consists of a number of changes. As of September, the structure of our digital television offering will be simplified and, similar to our bundled product, it will be centered around three main packages: Standard, Plus and Extra. The standard TV package will be enriched by adding more HD channels and interactive television yet without a change in price. The Plus and Extra packages will provide a broader range of content: more channels (our current theme packages), more HD channels, more interactive functionality, like catch-up TV, and a larger VoD library. On top of these three main packages, Ziggo will continue to provide additional premium TV packages like Eredivisie live (live Dutch Premier League football), Sports1, Film1 and Turksisch, Hindu and Chinese packages. In order to free up capacity for adding this substantially higher number of channels available in HD, the number of analog channels will be reduced from 30 to 25.

Earlier this year, Ziggo announced its plans to increase internet speeds for many customers, thereby further widening the gap with DSL providers. As per 1<sup>st</sup> of April the download speed for the basic bundle went up from 2Mbps to 10Mbps, for the plus product the download speed increased from 22Mbps to 40Mbps and for the extra product from 50Mbps to 120Mbps. The speed increases, which have not affected pricing, led to an increase in customers switching to Ziggo.

Following the successful campaign last year, Ziggo has again launched the "overstapweken" –campaign (switching weeks) in June, which ran into the first week of July. This extensive campaign, supported by a broad advertising programme, has again been very successful with Ziggo gaining many new triple play subscribers.

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The Pay-per-Event option for live football, giving customers the opportunity to order their favorite football match online without the obligation of a monthly subscription fee, increased in popularity towards the end of the football season after the launch of this option early May, with a peak in interest on the last day of the Dutch football season. More than 50,000 subscribers ordered the champions-match Ajax-FC Twente on the Pay-per-Event basis.

During the first half of 2011 Ziggo received two different awards from the independent Dutch consumer organization (Consumentenbond) with regard to the quality of its services. Firstly, Ziggo was awarded best overall Digital TV provider in the Netherlands, the result of a consumer survey amongst a large group of digital TV customers. Secondly, Ziggo ranked third as best internet provider on the Dutch market and was specifically awarded for having made the most progress.

## **Opta**

On June 23, the Opta presented its draft opinion with regards to the regulation of fixed telephony, television, internet access and business network services in the period from 2012 up to and including 2014. In this triennial review Opta announced that due to, among others, the progression of digitization and its positive effect on market dynamics and new product development, Opta will not impose regulation on the television market.

Additionally, the Opta concluded that KPN has retained a dominant position in the business market, partly because of the relatively limited position of the cable operators in this segment. Therefore it will continue to regulate that market.

## **Financial performance**

### **Revenues**

In the second quarter of 2011 we generated revenues of €363.7 million, an increase of 7.6% compared to the same quarter last year (€337.9 million). Revenue growth was mainly driven by continued growth in RGUs, blended ARPU per subscriber and growth in the business market. In the first half of 2011 we generated revenues of €724.6 million, an increase of 7.1% compared to the first half of 2010 (€676.7 million).

In the consumer market revenues for the second quarter of 2011 amounted to €342.6 million, an increase of 7.5% compared to the second quarter of 2010. This was mainly driven by a further uptake of our All-in-1 Bundle which increased the number of triple-

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play customers by 17.9% compared to the second quarter of 2010, driving growth in both Internet- and Telephony subscriptions by 7.5% and 16.7% respectively. In addition, the company recorded strong growth in revenue from Digital Pay TV (20.2% y-o-y) and telephony usage (8.8% y-o-y). Revenue generated through subscriptions on our All-in-1 Bundle increased by 51.2% from €94.9 million in Q2 2010 to €143.4 million in Q2 2011, now representing 42% from total consumer revenues.

Blended ARPU in the second quarter of 2011 was €35.94, an increase of €3.14 or 9.6% compared to the prior year. The increase in blended ARPU is driven by the growth in the number of subscribers for our All-in-1 Bundle, leading to an increase in RGUs per customer, Digital Pay TV services as well as by higher telephony usage compared to the prior year period. Additionally, ARPU also increased following the annual general price increases of €0.50 including VAT (€0.42 excluding VAT) for our standard TV subscription as per February 1, 2011 and for our All-in-1 Bundle as per March 1, 2011.

Following the end of the football season, the number of Digital Pay TV subscriptions declined in the second quarter by 25,000 subscribers to 896,000. This is comparable to last year but the impact is more visible as the number of subscribers to Eredivisie Live has grown considerably compared to last year.

Our business services activities realised a revenue of €21.1 million in Q2 2011, an increase of 10.2% compared to €19.1 million for the same period last year and a growth of 3.5% compared to the first quarter of this year. This increase further validates our decision in 2010 to refocus our business services strategy around a product portfolio aimed at the small and mid-sized companies segment, leveraging the strength of our infrastructure. The roll-out of EuroDocsis 3.0 across our entire network enables us to offer very attractive high speed internet and high quality telephony services to this market. Since June 2010, when we launched an extensive campaign around our two new B2B products 'Internet Plus' and 'Office Basis' we have seen a substantial increase in demand from this segment in our service area with an increase of 11,812 subscribers, of which 3,112 subscribers were added during the second quarter of this year. Total subscribers for 'Office Basis' and 'Internet Plus' stood at 16,912 by 30 June 2011.

## **Cost of goods sold and gross margin**

Cost of goods sold includes the costs for materials and services directly related to revenues and consists of author rights, signal costs and royalties that we pay to procure our content, interconnection fees that we pay to other network operators, materials and logistics costs relating to the sale of set-top boxes and other products and materials used to connect customers to our network.

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In Q2 2011 the cost of goods sold increased by 11.2% compared to Q2 2010 to €71.3 million. The gross margin for Q2 was 80.4% versus 81.0% in the prior year quarter. The lower gross margin percentage was largely the result of the high volume of set-top boxes shipped during the quarter. These are sold against a negative gross margin to support our marketing campaigns to migrate our subscribers to digital TV and our triple-play bundle product All-in-one. During the second quarter we shipped 70,000 set-top boxes and CI+ modules (2010: 67,000) with a relative larger number of more expensive HD and iTV boxes compared to prior year period. Furthermore, our gross margin is impacted by higher content costs for standard TV and a mix effect due to relatively higher growth in our Digital Pay TV services, which has a lower gross margin than our other services.

## **Operating expenses**

Operating expenses increased by €4.9 million or 6.1% to €85.5 million in the second quarter of 2011 compared to €80.6 million in Q2 2010. As a percentage of revenue, operating expenses decreased from 23.8% to 23.5%, reflecting the operating leverage in our business. Personnel costs increased by 5.8% as a result of a slight increase in headcount and an increase in the average salary costs by approximately 4%. The costs for contracted work have increased by 12.1% compared to the same quarter in 2010, mainly as a result of increased activities in customer services, technical maintenance and outsourced IT costs as well as increased spending on consultancy costs.

## **Adjusted EBITDA and operating profit**

In Q2 2011 we realized an adjusted EBITDA of €206.9 million, an increase of 7.1% compared to the adjusted EBITDA for the second quarter last year. The EBITDA margin was 56.9% compared to 57.2% for Q2 last year. The decrease in EBITDA margin is primarily the result of the push for digitization with set-top boxes which resulted in a lower gross margin. Adjusted EBITDA excludes integration expenses. As per the end of 2010, the three predecessor companies of Ziggo are fully integrated. Therefore we did not incur any integration expenses in the second quarter of 2011 versus €1.5 million in Q2 2010.

Depreciation expenses and amortization on software in the second quarter of 2011 decreased by €4.5 million to €75.1 million from €79.6 million in the comparable period last year. This decrease is the result of high historical network and infrastructure investments and investments related to the merger which led to relative high depreciation expenses in recent years.

As of the second quarter in 2011 we will no longer amortize our customer list. The capitalized customer list resulted from the acquisition of the three predecessor businesses. Based on a renewed analysis we updated the assessment of the attrition

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of customer relationships connected to our network. It was concluded that the useful life of customer relationships connected to our network is indefinite as the attrition is marginal. As a consequence, we will no longer incur amortization expenses related to our customer relationships which are now subject to annual impairment testing. Hence, during the second quarter the amortization on other intangibles amounted to nil (compared to an amount of €44.1 million in the first quarter of 2011) whilst in Q2 2010 this was €44.5 million.

As a result of the improved EBITDA, lower depreciation expenses, lower amortization on software and the elimination of the amortization on our customer list, operating income (EBIT) improved to €131.9 million, an increase of 94.9% compared to €67.7 million in Q2 2010.

## **Net Income**

Interest costs increased by 8.5% to €68.1 million in the second quarter of 2011 compared to €62.7 million in Q2 last year. An amount of €2.1 million was allocated in Q2 2011 as borrowing costs on Work-in-Process during the quarter, resulting in an interest credit while in Q2 2010 an amount of €8.7 million was recognized as borrowing costs on Work-in-Process, representing the borrowing costs for the first 6 months in 2010. Excluding borrowing costs, interest expenses decreased by €1.2 million.

A reduction of our average debt level by €331 million and the refinancing of the mezzanine facility with senior unsecured notes against a lower interest rate in May 2010 reduced our interest expenses compared to Q2 2010. This reduction was partly mitigated by a higher EURIBOR and a larger portion of our debt being hedged against an average interest of approximately 3.7%, which is higher than the Euribor spot rate. Additionally, last year we entered into offsetting swaps in order to eliminate the overhedged position. These offsetting swaps result in additional interest costs until these swaps expire in September 2011.

Banking and financing fees decreased to €0.8 million in Q2 2011 from €16.0 million in the prior year quarter. In Q2 2010 we paid €15.1 million consent fees to the lenders of the senior debt in order to obtain consent for the issuance of the senior unsecured notes to refinance the mezzanine facility.

The amortization of funding cost has decreased to €3.6 million in Q2 2011 from €16.1 million in the prior year quarter. In Q2 2010 we fully amortized the remaining balance of the capitalized funding costs for the mezzanine facility of €11.4 million as this facility was refinanced by the issuance of the senior unsecured notes.

As a result of the issuance of the senior unsecured notes in May 2010, the floating interest position has decreased by €1.2 billion. Consequently, we have

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adjusted our hedge position by partly offsetting our existing Interest Rate Swap (IRS) position in order to offset the over-hedged position and continue to comply with hedge accounting for IRS under IFRS.

With the issuance of the €750 million senior secured notes in October 2010, Ziggo has decided to maintain 94% of its debt at a fixed rate. Taking into consideration the prepayments on our floating interest borrowings since then, 99% of our debt is at fixed rate as per June 30, 2011. As Ziggo no longer complies with hedge accounting for interest rate swaps under IFRS since the issuance of the senior secured notes, any future change in fair value must be recognized as financial income and expense. In the second quarter of 2011 Ziggo recorded a gain of €3.2 million on fair value gains and losses on our IRS in fair value of financial derivatives as a result of an increase in the market-to-market value for the IRS following an increase of EURIBOR during the second quarter and a shorter period to the expiration date of the IRS.

For the second quarter of 2011 Ziggo reported an income tax expense of €15.9 million, whereas in the same quarter last year Ziggo recognized an income tax benefit of €9.9 million.

In Q2 2011 Ziggo posted a net profit of €47.8 million, a strong improvement from a net loss of €29.1 million in Q2 2010.

## Cash flow and liquidity

### Cash flow from operating activities

EBITDA including integration costs in Q2 2011 increased by 7.9% to €206.9 million, whereas net cash flow from operating activities increased by 11.8% to €222.0 million compared to €198.6 million in the comparable period last year. This difference between the increase in net cash flow from operating activities and increase in EBITDA is mainly due to the decrease in net working capital during Q2 by €16.5 million compared to a decrease of €8.1 million in the second quarter of 2010.

### Capital expenditure (Capex)

Our capital expenditure and investments relate primarily to extending, upgrading and maintaining our network, installation of new customers and the cost of modems. Capital expenditure also includes increases in intangible assets, primarily expenditures on software, which we capitalize. Decoders and set-top boxes are sold to customers and therefore recognized as cost of goods sold and not capitalized.

During the second quarter of 2011 Ziggo has made investments of €60.6 million, an increase of 37.0% compared to Capex for Q2 2010 of €44.2 million. The increase in Capex is primarily due to the continuing roll-out of new EuroDocsis 3.0 modems and

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investments in backbone capacity to accommodate increasing demand for bandwidth capacity. During the second quarter we swapped approximately 109,000 Eurodocis 2.0 modems for dual band Eurodocsis 3.0 modems, that enable the highest internet speeds for all our customers with integrated WiFi. By the end of June we have 723,000 Eurodocsis 3.0 modems at the customer premises of which 133,000 enable WiFi. During the remainder of the year we anticipate to swap an additional 250,000 modems and this program will continue in 2012 and be completed in 2013. Total estimated spending on Capex for the full year is approximately €240 million.

In Q2 2011, 27% of the capital expenditure was related to customer installations and modem installations at customer premises (approximately 28% in Q2 2010), whereas 59% was related to new build and growth of our network capacity to accommodate our increased subscriber base for broadband Internet and broadband speed requirements and new build (approximately 51% in 2010). This implies that approximately 86% of our capital expenditures in the second quarter of 2011 were scalable and directly growth or subscriber related versus approximately 79% in the second quarter of 2010. The remainder represents maintenance and replacements of network equipment and recurring investments in our IT platform and systems and other investments.

## **Free cash flow and net cash used in financing activities**

Operational free cash flow (OpFCF, or EBITDA minus Capex) decreased slightly by 0.8% to €146.3 million in the 2<sup>nd</sup> quarter of 2011 compared to €147.5 million for the prior year quarter. Although EBITDA improved by 7.9%, the investments in the modem swap and the network capacity to accommodate increasing demand for bandwidth capacity, resulted in stronger increase in absolute amount in total capital expenditure. For the first half year OpFCF has increased by 2.8%.

Free cash flow showed an increase of 4.1% to €161.3 million, which includes a cash inflow due to a decrease in working capital of €16.5 million versus a cash inflow from a decrease in working capital of €8.1 million in Q2 2010. For the first half year free cash flow increased by 18.4%.

Net cash used in financing activities for the year comprises interest costs, banking and financing fees related to our loan facilities, repayments on the senior credit facilities and the refinancing of the mezzanine facility and part of the senior debt by the issuance of senior unsecured and secured notes. During the 2<sup>nd</sup> quarter of 2011 we have made voluntary prepayments of €97.8 million on our senior credit facilities.

Cash interest paid in the second quarter 2011 amounted to €106.8 million and increased by €55.6 million versus €51.2 million for the prior year period. The difference comes from the €73.4 million coupon payment on our senior secured and unsecured notes in the second quarter. Interest on the senior secured and unsecured notes is payable semi-annually, in May and November.

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By the end of June 30, 2011 we report an amount of accrued interest for senior secured and unsecured notes of €17.8 million. During the comparable period in 2010 we accrued interest of €14.5 million on our unsecured notes and €5.6 million on our mezzanine loan which was added to the principal amount of the mezzanine loan.

At the end of Q2 2011, Ziggo held €50.1 million in cash and cash equivalents, compared to €67.0 million at the end of 2010.

## **Working Capital**

The net working capital excluding accrued interest decreased from -€187.0 million as per end of the first quarter to -€203.6 million as per the end of the second quarter of 2011. This decrease is mainly the result of an increase in trade accounts payable and other current liabilities, mainly due to increased spending on marketing & sales and capital expenditure in particular in the months of May and June. Current liabilities excluding accrued interest increased by €21.2 million during the 2<sup>nd</sup> quarter of 2011 while current assets increased by €4.7 million, resulting in a positive cash effect from the decrease in net working capital of €16.5 million.

We have a revolving credit facility of €144 million, which expires in September 2013. As per June 30, 2011 we didn't draw under this facility and we haven't drawn any amounts under this facility during the quarter.

## **Net debt and financing structure**

On June 30, 2011 the outstanding balance of our Senior Credit Facilities amounted to €1,455 million, a reduction compared to €1,552 million as of March 31, 2011 due to voluntary prepayments on our Senior Credit Facility of €97.8 million during the second quarter.

Following the positive outcome of the consent request to amend certain terms of our existing senior credit facilities, the amend and extend was effectuated in May. This impacted the margins and maturities in the following way:

- 89% of term loan B lenders extended the maturity of their commitments by 2.5 years at a margin increase of 0.50% which originally was contingent on an IPO;
- A new €460 million term loan F ("TLF") tranche was successfully placed, which fully refinances both the term loan C tranche (Euribor+3.50%) and the existing second lien term loan D tranche (Euribor+4.75%). The new TLF tranche has been priced at Euribor+3.25% with maturity in September 2017.

As a result of the amendments to our senior credit facility, the maturity of our total debt has been extended by 0.8 years to an average of 6.3 years.

# Press release

An amount of €6.6 million for financing fees related to the amend and extend of our senior credit facilities has been capitalized and will be amortized over the extended term of the senior credit facility.

The balance for senior credit facilities (loans from financial institutions) amount to €1,403.8 million as at June 30, 2011. This includes €50.7 million of capitalized financing fees.

As per June 30, 2011, the unsecured notes amount to €1,178.0 million and is stated at amortized costs, including principal amount, capitalized funding costs and discount on issuance date. The financing fees for the notes issuance amount to €25.8 million and are amortized over 8 years. The capitalized discount at issuance amount to €8.8 million and is amortized as interest costs over 8 years. As per June 30, 2011 an amount of €3.7 million has been amortized resulting in capitalized financing fees per end of Q2 2011 of €23.0 million and a capitalized discount of €7.9 million.

As per June 30, 2011 the balance for the senior secured notes amount to €740.2 million and is stated at amortized costs, including principal amount and capitalized funding cost. The financing fees for the senior secured notes issuance amount to €10.6 million and are amortized over 7 years. As per June 30, 2011 a total amount of €0.8 million has been amortized since issuance resulting in capitalized financing fees per June 30, 2011 of €9.8 million.

Interest on the senior secured notes and senior unsecured notes is due semi-annually and as per June 30, 2011 an amount of €17.8 million has been accrued under current liabilities.

Exposure to the risk of changes in market interest rates relates primarily to Ziggo's long-term debt obligation with a floating interest rate. Ziggo manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap (IRS) agreements. These are used to (partly) hedge the interest exposure on the senior credit facility loans. As a result of the repayment of our Mezzanine Loan and part of loans from financial institutions by the issuance of our unsecured bond and secured notes, the floating interest position has decreased by €1.95 billion.

At June 30, 2011 approximately 99% of Ziggo's floating interest borrowings had been swapped. The fair value of the IRS amounts to -€49.1 million, compared to -€54.7 million as per March 31, 2011. Since the issuance of the senior secured notes on October 28, 2010 any change in fair value must be recognized as financial income and expense as Ziggo does not comply to the requirements for hedge-accounting according to IFRS. Until the issuance of the senior secured notes changes in fair value were recorded in the hedge reserve (equity). The hedge reserve per June

# Press release

30, 2011 amounts to -€11.4 million and is charged to the profit and loss during the remaining term of the outstanding IRS.

In the second quarter of 2011, financial income and expenses include a gain of €3.2 million for value gains and losses on IRS in fair value changes of financial derivatives. As per June 30, 2011, our Net Debt to Adjusted EBITDA leverage ratio (as defined under our Senior Credit Facilities) was 4.2x, down from 4.5x as at year-end 2010 due to our strong EBITDA performance and strong cash generation. The average debt maturity is 6.3 years as of June 30, 2011.

The summary of the capital structure at June 30, 2011 is:

As per June 30, 2011	in €m	x LTM EBITDA	Margin/ Coupon	Maturity
Term loan B (old)	21	0.03	E + 2.75%	Sep-14
Term loan B (extended)	973	1.20	E + 3.25%	Mar-17
Term loan E (Senior Secured Notes)	750	0.93	6.125%	Nov-17
Term loan F	460	0.57	E + 3.25%	Sep-17
<b>Total Senior Debt</b>	<b>2,205</b>	<b>2.73</b>		
Senior Unsecured Notes	1,209	1.50	8.000%	May-18
<b>Total Debt</b>	<b>3,413</b>	<b>4.22</b>		
Cash and cash equivalents	50	0.06		
<b>Total Net Debt</b>	<b>3,363</b>	<b>4.16</b>		

## Outlook

Building on our achievements in the first six months of 2011, we expect further revenue growth during the rest of the year. Given the momentum we currently have in the market we will continue to invest in our marketing & sales and we expect to show a modest increase in operating costs driven by the growth of our customer base. As data traffic is expected to increase we expect Capex to increase as we further expand the capacity of our network to accommodate increasing demand for bandwidth capacity and as we continue to swap existing modems at customer premises for modems enabling our highest internet speeds in order to stay ahead of our customers' needs.

Total Capex for 2011 is expected to be approximately €240 million. Longer term we expect Capex between 14% and 15% of revenue per annum, with 2012 and 2013 Capex approximately one percentage point higher (15-16%) due to the modem swap programme.

# Press release

## Consolidated income statement for Ziggo Bond Company B.V. (unaudited)

(in € thousands)	Q2 2011	Q2 2010	Change %	HY 2011	HY 2010	Change %
<b>Total Revenues</b>	<b>363,686</b>	<b>337,886</b>	<b>7.6%</b>	<b>724,579</b>	<b>676,674</b>	<b>7.1%</b>
Cost of goods sold	71,289	64,112	11.2%	142,858	127,597	12.0%
Personnel	43,464	41,065	5.8%	87,092	83,227	4.6%
Contracted work	11,313	10,092	12.1%	22,720	20,633	10.1%
Marketing & Sales	17,296	17,194	0.6%	31,598	29,393	7.5%
Office expense	12,535	11,939	5.0%	25,469	25,328	0.6%
Other operating expenses	852	1,739	-51.0%	2,692	3,694	-27.1%
Depreciation	66,425	70,577	-5.9%	133,150	137,589	-3.2%
Amortisation Software	8,639	9,043	-4.5%	16,572	15,631	6.0%
Amortisation Other Intangible Assets <sup>(2)</sup>	0	44,474	-100.0%	44,124	93,435	-52.8%
<b>Total operating expenses</b>	<b>231,813</b>	<b>270,235</b>	<b>-14.2%</b>	<b>506,275</b>	<b>536,527</b>	<b>-5.6%</b>
<b>Operating income</b>	<b>131,873</b>	<b>67,651</b>	<b>94.9%</b>	<b>218,304</b>	<b>140,147</b>	<b>55.8%</b>
Net financial income (expense)						
- Interest	-68,093	-62,731	8.5%	-136,023	-135,357	0.5%
- Banking and financing fees	-825	-15,992	-94.8%	-1,537	-16,800	-90.9%
- Amortization funding costs	-3,592	-16,087	-77.7%	-8,383	-20,424	-59.0%
- Other income (i.e. fair value gains / (losses) on derivative fin. Instruments)	4,391	-11,823	-137.1%	41,347	-11,823	-449.7%
<b>Result before income taxes</b>	<b>63,754</b>	<b>-38,982</b>	<b>-263.5%</b>	<b>113,708</b>	<b>-44,257</b>	<b>-356.9%</b>
Income tax benefit (expense)	-15,939	9,883	-261.3%	-28,427	11,297	-351.6%
<b>Net result</b>	<b>47,815</b>	<b>-29,099</b>	<b>-264.3%</b>	<b>85,281</b>	<b>-32,960</b>	<b>-358.7%</b>

(1) Financial Information - The condensed consolidated income statement has been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union

(2) Amortisation Other Intangible Assets includes amortisation on customer lists. Please note that goodwill and customer list have been capitalized as a result of applying purchase accounting (IFRS 3).

# Press release

## Consolidated balance sheet for Ziggo Bond Company B.V. (unaudited)

<i>(in € thousands)</i>	30 June 2011	31 Dec 2010	30 June 2010
<b>ASSETS</b>			
Intangible assets	3,311,823	3,355,947	3,444,384
Capitalized software	43,005	50,454	46,450
Property and equipment	1,423,356	1,459,944	1,505,048
Other financial assets	495	396	455
Deferred income tax asset	89,120	123,819	135,194
<b>Total non-current assets</b>	<b>4,867,799</b>	<b>4,990,560</b>	<b>5,131,531</b>
Inventories	27,325	18,546	27,022
Trade accounts receivable	26,126	20,086	37,259
Other current assets	29,626	32,331	25,400
Cash and cash equivalents	50,116	66,994	71,087
<b>Total current assets</b>	<b>133,193</b>	<b>137,957</b>	<b>160,768</b>
<b>TOTAL ASSETS</b>	<b>5,000,992</b>	<b>5,128,517</b>	<b>5,292,299</b>
<b>EQUITY AND LIABILITIES</b>			
Issued share capital	18	18	18
Share premium	840,982	840,982	840,982
Retained earnings	-39,549	7,924	-2,377
Net Income (loss) for the period	85,281	-51,189	-32,960
<b>Equity attributable to equity holders</b>	<b>886,732</b>	<b>797,735</b>	<b>805,663</b>
Loans from financial institutions	1,403,815	1,581,127	2,452,619
Unsecured Bond	1,177,975	1,176,530	1,174,919
Facility E (Secured Bond)	740,228	739,604	-
Derivative financial instruments	49,070	92,986	111,465
Deferred income tax liability	403,095	408,127	429,836
<b>Total non-current liabilities</b>	<b>3,774,183</b>	<b>3,998,374</b>	<b>4,168,839</b>
Trade accounts payable	69,780	80,165	71,085
Deferred revenue	112,606	97,751	106,387
Current liabilities related parties	365	338	948
Provisions	34,819	37,307	32,721
Taxes and social securities	20,110	15,129	17,962
Personnel related liabilities	13,079	12,975	10,912
Accrued interest	18,595	20,179	14,138
Other current liabilities	70,721	68,564	63,644
<b>Total current liabilities</b>	<b>340,076</b>	<b>332,408</b>	<b>317,797</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>5,000,992</b>	<b>5,128,517</b>	<b>5,292,299</b>
(1) Financial Information - The condensed consolidated balance sheet has been prepared in accordance with International Financial Reporting Standards, (IFRS), as adopted by the European Union.			

# Press release

## Consolidated cash flow statement for Ziggo Bond Company B.V. (unaudited)

<i>(in € thousands)</i>	Q2 2011	Q2 2010	Change %	HY 2011	HY 2010	Change %
<b>Operating Activities</b>						
Operating Income	131,873	67,651	94.9%	218,304	140,147	55.8%
<b>Adjustments to reconcile operating profit to net cash flow</b>						
Depreciation	66,425	70,577	-5.9%	133,150	137,589	-3.2%
Amortisation	8,639	53,517	-83.9%	60,696	109,066	-44.3%
Movement in provisions	-1,433	-1,233	16.1%	-2,488	-5,393	-53.9%
<b>Working Capital adjustments</b>						
(Increase)/Decrease in Current assets	-4,681	7,775	-160.2%	-12,114	6,637	-282.5%
Increase/(Decrease) in Current liabilities	21,224	304	6881.6%	11,739	-43,553	-127.0%
Change in Working Capital (excl. Accrued Interest)	16,543	8,079	104.8%	-375	-36,916	-99.0%
<b>Net cash flow from operating activities</b>	<b>222,047</b>	<b>198,590</b>	<b>11.8%</b>	<b>409,287</b>	<b>344,493</b>	<b>18.8%</b>
<b>Investing activities:</b>						
Capital expenditures	-60,631	-44,242	37.0%	-101,870	-84,948	19.9%
Change in financial assets	-87	548	-115.8%	-99	-87	13.0%
<b>Net cash flow from (used in) investing activities</b>	<b>-60,718</b>	<b>-43,694</b>	<b>39.0%</b>	<b>-101,969</b>	<b>-85,035</b>	<b>19.9%</b>
<b>Financing activities:</b>						
Financing activities:	-6,631	0		-6,631	0	
Unsecured Bond	0	1,200,037		0	1,200,037	
Repayment Mezzanine	0	-1,181,143		0	-1,181,143	
Term Loan F	460,431	0		460,431	0	
Repayment on Senior Credit Facility loans	-558,228	-119,949	365.4%	-637,651	-119,949	431.6%
Interest	-106,840	-51,173	108.8%	-141,207	-109,715	28.7%
Other financing activities	383	-42,065	-100.9%	858	-42,873	-102.0%
<b>Net cash flow from (used in) financing activities</b>	<b>-210,885</b>	<b>-194,293</b>	<b>8.5%</b>	<b>-324,200</b>	<b>-253,643</b>	<b>27.8%</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-49,555</b>	<b>-39,397</b>	<b>25.8%</b>	<b>-16,881</b>	<b>5,815</b>	<b>-390.3%</b>
<p>(1) Financial Information - The condensed consolidated cash flow statement has been prepared in accordance with International Financial Reporting Standards, (IFRS), as adopted by the European Union.</p> <p>(2) Free Cash flow = Net Cash flow from operating activities + net cash flow from (used in) investing activities. For the HY ending June 30, 2011 the free cash flow amounts to € 307,319 (June 30, 2010: € 259,458)</p>						

# Press release

## Details consolidated Income Statement

(in € thousands)	Q2 2011	Q2 2010	Change %	HY 2011	HY 2010	Change %
<b>(A) Income Statement</b>						
<b>Revenue by segment<sup>(2)</sup></b>						
Standard cable subscription revenue	121,586	122,665	-0.9%	242,517	246,810	-1.7%
Digital pay television services revenue	36,829	30,644	20.2%	72,334	60,203	20.2%
<b>Total video revenues</b>	<b>158,415</b>	<b>153,309</b>	<b>3.3%</b>	<b>314,851</b>	<b>307,013</b>	<b>2.6%</b>
<b>Broadband Internet subscription revenue</b>	<b>102,895</b>	<b>94,127</b>	<b>9.3%</b>	<b>203,643</b>	<b>186,564</b>	<b>9.2%</b>
Telephony subscription revenue	27,743	23,406	18.5%	54,410	45,879	18.6%
Telephony usage revenue	40,378	37,106	8.8%	81,096	76,080	6.6%
<b>Total telephony revenues</b>	<b>68,121</b>	<b>60,512</b>	<b>12.6%</b>	<b>135,506</b>	<b>121,959</b>	<b>11.1%</b>
<b>Revenue from other sources</b>	<b>13,176</b>	<b>10,811</b>	<b>21.9%</b>	<b>29,127</b>	<b>23,450</b>	<b>24.2%</b>
<b>Total Residential Market</b>	<b>342,607</b>	<b>318,759</b>	<b>7.5%</b>	<b>683,127</b>	<b>638,986</b>	<b>6.9%</b>
<i>Of which All-in-1 Bundle revenues</i>	<i>143,429</i>	<i>94,885</i>	<i>51.2%</i>	<i>280,729</i>	<i>182,803</i>	<i>53.6%</i>
<b>Business services revenues</b>	<b>21,079</b>	<b>19,127</b>	<b>10.2%</b>	<b>41,452</b>	<b>37,688</b>	<b>10.0%</b>
<b>Total revenues</b>	<b>363,686</b>	<b>337,886</b>	<b>7.6%</b>	<b>724,579</b>	<b>676,674</b>	<b>7.1%</b>
Cost of goods sold	71,289	64,112	11.2%	142,858	127,597	12.0%
Personnel	43,464	41,065	5.8%	87,092	83,227	4.6%
Contracted work	11,313	10,092	12.1%	22,720	20,633	10.1%
Marketing & Sales	17,296	17,194	0.6%	31,598	29,393	7.5%
Office expense	12,535	11,939	5.0%	25,469	25,328	0.6%
Other expenses	852	1,739	-51.0%	2,692	3,694	-27.1%
<b>Total operating expenses</b>	<b>156,749</b>	<b>146,141</b>	<b>7.3%</b>	<b>312,429</b>	<b>289,872</b>	<b>7.8%</b>
<b>EBITDA</b>	<b>206,937</b>	<b>191,745</b>	<b>7.9%</b>	<b>412,150</b>	<b>386,802</b>	<b>6.6%</b>
Integration operating expenses <sup>(4)</sup>	0	1,471	-100.0%	0	1,816	-100.0%
<b>Adjusted EBITDA<sup>(3)</sup></b>	<b>206,937</b>	<b>193,216</b>	<b>7.1%</b>	<b>412,150</b>	<b>388,618</b>	<b>6.1%</b>
Depreciation and amortisation	75,064	124,094	-39.5%	193,846	246,655	-21.4%
<b>Operating income</b>	<b>131,873</b>	<b>67,651</b>	<b>94.9%</b>	<b>218,304</b>	<b>140,147</b>	<b>55.8%</b>
Net financial income (expense)	68,119	106,633	-36.1%	104,596	184,404	-43.3%
<b>Result before income taxes</b>	<b>63,754</b>	<b>-38,982</b>	<b>-263.5%</b>	<b>113,708</b>	<b>-44,257</b>	<b>-356.9%</b>
Income tax benefit (expense)	-15,939	9,883	-261.3%	-28,427	11,297	-351.6%
<b>Net result</b>	<b>47,815</b>	<b>-29,099</b>	<b>-264.3%</b>	<b>85,281</b>	<b>-32,960</b>	<b>-358.7%</b>

(1) Financial Information - The condensed consolidated income statement has been prepared in accordance with International Financial Reporting Standards, (IFRS), as adopted by the European Union.

(2) Revenue for each of our segments is derived from our internal accounts and is not presented in audited financial statements.

(3) Under IFRS, EBITDA is defined as profit before net finance expense, income taxes, depreciation, amortisation and impairment. Adjusted EBITDA is defined as EBITDA before Integration operating expenses.

(4) Integration operating expenses are operating expenses incurred in connection with the integration of our predecessor businesses.

# Press release



## Details on Working Capital for the first half year 2011

<i>(in € thousands)</i>	As of June 30, 2011	As of Dec. 31, 2010	As of June 30, 2010	As of Dec. 31 2009
<b>(C) Change in net working capital in 1st HY</b>				
Inventories	27,325	18,546	27,022	25,542
Trade accounts receivable	26,126	20,086	37,259	43,592
Other current assets	29,626	32,331	25,400	27,184
	<b>83,077</b>	<b>70,963</b>	<b>89,681</b>	<b>96,318</b>
Trade accounts payable	69,780	80,165	71,085	102,951
Deferred revenue	112,606	97,751	106,387	106,247
Current liabilities related parties	365	338	948	948
Taxes and social securities	20,110	15,129	17,962	19,613
Personnel related liabilities	13,079	12,975	10,912	12,003
Accrued interest	18,595	20,179	14,138	1,563
Other current liabilities	70,721	68,564	63,644	72,729
	<b>305,256</b>	<b>295,101</b>	<b>285,076</b>	<b>316,054</b>
<b>Net working capital</b>	<b>-222,179</b>	<b>-224,138</b>	<b>-195,395</b>	<b>-219,736</b>
<b>Change in net working capital HY 1</b>	<b>-1,959</b>		<b>-24,341</b>	
<b>Net working capital excluding accrued interest</b>	<b>-203,584</b>	<b>-203,959</b>	<b>-181,257</b>	<b>-218,173</b>
<b>Change in net working capital excl. accrued interest HY 1</b>	<b>-375</b>		<b>-36,916</b>	

# Press release

## Details on Working Capital for the 2<sup>nd</sup> quarter

<i>(in € thousands)</i>	As of June 30, 2011	As of March 31, 2011	As of June 30, 2010	As of March 31, 2010
<b>(C) Change in net working capital in Q2</b>				
Inventories	27,325	18,339	27,022	25,622
Trade accounts receivable	26,126	26,689	37,259	39,847
Other current assets	29,626	33,368	25,400	31,987
	<b>83,077</b>	<b>78,396</b>	<b>89,681</b>	<b>97,456</b>
Trade accounts payable	69,780	60,988	71,085	67,169
Deferred revenue	112,606	111,483	106,387	106,620
Current liabilities related parties	365	352	948	948
Taxes and social securities	20,110	15,880	17,962	16,948
Personnel related liabilities	13,079	16,699	10,912	14,347
Accrued interest	18,595	55,839	14,138	1,944
Other current liabilities	70,721	60,035	63,644	64,602
	<b>305,256</b>	<b>321,276</b>	<b>285,076</b>	<b>272,578</b>
<b>Net working capital</b>	<b>-222,179</b>	<b>-242,880</b>	<b>-195,395</b>	<b>-175,122</b>
<b>Change in net working capital Q2</b>	<b>-20,701</b>		<b>20,273</b>	
<b>Net working capital excluding accrued interest</b>	<b>-203,584</b>	<b>-187,041</b>	<b>-181,257</b>	<b>-173,178</b>
<b>Change in net working capital Q2 excl. accrued interest</b>	<b>16,543</b>		<b>8,079</b>	

# Press release

## Details Loans

(in € thousands)	30-Jun-11	31-Mar-11	31-Dec-10	30-Jun-10
Senior Debt	1,454,544	1,552,341	1,631,764	2,535,302
Capitalized financing fees	-50,729	-46,747	-50,637	-82,683
<b>Loans from financial institutions</b>	<b>1,403,815</b>	<b>1,505,594</b>	<b>1,581,127</b>	<b>2,452,619</b>
Senior Notes (principal amount)	1,208,850	1,208,850	1,208,850	1,208,850
Capitalized discount at issuance (price 99.271)	-7,852	-8,067	-8,078	-8,630
Capitalized financing fees	-23,023	-23,653	-24,242	-25,301
<b>Senior Notes</b>	<b>1,177,975</b>	<b>1,177,130</b>	<b>1,176,530</b>	<b>1,174,919</b>
Facility E (Secured Bond; principal amount)	750,000	750,000	750,000	
Capitalized financing fees	-9,772	-10,084	-10,396	
<b>Senior Notes</b>	<b>740,228</b>	<b>739,916</b>	<b>739,604</b>	
<b>Total Loans</b>	<b>3,322,018</b>	<b>3,422,640</b>	<b>3,497,261</b>	<b>3,627,538</b>

### Disclaimer

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction. Various statements contained in this document constitute "forward-looking statements" as that term is defined by U.S. federal securities laws. Words like "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "should", and "will" and similar words identify these forward-looking statements. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events: general economic trends and trends in the cable television and telecommunications industries; the competitive environment in which we operate; fluctuations in interest rates; consumer disposable income and spending levels, including the availability and amount of individual consumer credit; changes in consumer television viewing preferences and habits; consumer acceptance of existing service offerings, including our standard cable, digital pay television, broadband Internet and telephony services; consumer acceptance of new technology, programming alternatives and broadband services that we may offer; our ability to manage rapid technological changes; our ability to maintain or increase the number of subscriptions to our standard cable, digital pay television, broadband Internet and telephony services and our average monthly revenue per user; our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers; the outcome of any pending or threatened litigation; changes in, or failure or inability to comply with, government regulations in the countries in which we, and the entities in which we have interests, operate and adverse outcomes from regulatory proceedings; government intervention that opens our distribution network to competitors; uncertainties inherent in the development and integration of new business lines and business strategies; capital spending for the acquisition and/or development of telecommunications networks and services; the availability of attractive programming for our digital video services at reasonable costs; the loss of key employees and the availability of qualified personnel; and events that are outside of our control, such as terrorist attacks, natural disasters or other events that may damage our network. We caution readers not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this document, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.