Press Release

Utrecht, October 18, 2013
Ziggo N.V. Q3 2013 Results

Strong growth of internet and triple play

Broadband internet: 46,000 net adds in Q3

- **Successful innovations and increased efforts in sales and customer retention result in strong growth of net adds for internet, telephony and triple play**
- **Roll-out of popular WifiSpots and increased internet speeds support strong growth of internet subscribers**
- **Over 1 million WifiSpots activated since launch with number of users and data offloaded growing every day**
- **Ziggo Mobile launched successfully on September 16 with efficient MVNO and offload model**
- **Churn in customer base shows a decline compared to previous quarters**
- **Continued organic revenue growth for B2B of 7.5% y-o-y**

Operational highlights Q3 2013

- All-in-1 bundle subscribers up 37,000 in Q3, resulting in 2.5% q-o-q growth and 8.2% y-o-y growth; All-in-1 bundle penetration reaches 53.9% of our consumer customer base
- Strong growth in internet subscribers of 46,000 in Q3, representing 2.5% q-o-q growth and 6.3% y-o-y growth
- Telephony usage revenue stabilized at 0.3% y-o-y; up 1.8% excl. FTA rate reductions in 2012 and 2013
- Revenues for digital pay TV down 2.7% y-o-y with loss of pay-TV subscribers partially offset by high growth of VoD transactions, up 43% y-o-y
- B2B achieves continued growth with 4,000 net adds for its business bundles

Financial highlights Q3 2013

- Revenue up 2.9% y-o-y to €391.1 million; organic revenue excl. set-top box sales and 'revenue from other sources' up 0.9%
- Adjusted EBITDA €220.4 million, down 2.9% y-o-y from the record quarter Q3 2012. Excluding Esprit Telecom, EBITDA down 3.6%
- Free cash flow €136.3 million, down 25.7% y-o-y due to higher capital expenditure and increased spending on sales and retention
- Net profit up 19.4% to €86.5 million, from €72.4 million in Q3 2012
- Earnings per share increased by 19.4% y-o-y to €0.43
- Leverage ratio back up to 3.55x following payment of dividend, in line with our stated leverage target of around 3.50x

CEO Bernard Dijkhuizen:

"We recorded a very strong quarter with the highest sequential growth in net adds since 2010. The growth in customers subscribing to internet and All-in-1 bundles doubled compared to the previous quarter. Our investments in sales, focus on customer retention and the successful roll-out of the highly popular WifiSpots all contributed to this achievement in the third quarter, which normally is a somewhat softer quarter due to seasonality.

Customer retention in particular has been the center of our focus. We successfully developed and launched new campaigns and adopted a more targeted marketing approach, on the one hand, while on the other we increased the attractiveness of our products. The internet speed increase for our triple play bundles and broadband internet products (today as high as 150Mbps) and, more importantly, the successful roll-out of WifiSpots, have contributed to a strong increase in the number of subscribers. Since its launch we have activated over 1 million WifiSpots, which quickly gained popularity as is demonstrated by an increasing number of users and data offloaded every day. We will continue to expand the coverage by adding more Wifispots in our footprint.

Another important step in Q3 was the launch of Ziggo Mobile, a cornerstone for our converged strategy aimed at making content and information available anywhere at any time. Using our MVNO agreement, we launched a simple and straightforward Sim Only proposition, which is attractively positioned in terms of price and value for money and is currently exclusively available for existing Ziggo customers. It comprises a rich bundle of call minutes/SMS and mobile data, supplemented by additional and unlimited access to 1 million WifiSpots. By leveraging our existing assets, and based on our strong position and solid reputation in the Dutch market, we believe Ziggo is very well positioned to build a sound mobile franchise as a basis for offering fully converged services.

Even though this quarter was very successful in terms of growth of RGUs, we believe that for the foreseeable future the market will remain as competitive as we have seen in the last 6 quarters. At the same time, the high single digit All-in-1 bundle and broadband internet RGU growth in Q3, strong momentum for B2B in the SoHo- and SME-market and the successful launch of Ziggo Mobile will position us strongly for 2014".

Outlook

We reiterate our previous revenue and EBITDA guidance for the full year 2013. Organic revenue growth (excl. 'revenues from other sources') is expected to be around 1%, whilst adjusted EBITDA (excl. acquisitions) is expected to be in line with last year, including increased investment in sales and retention and additional campaigns supporting our mobile launch.

Following the success of our campaigns in Q3, capital expenditure for 2013 will be around €340 million, the high-end of the €330-€340 million range previously given. This includes increased supply of interactive set-top boxes on the back of success driven sales- and retention campaigns as well as higher demand for Wifi-enabled modems and investments related to the launch of Ziggo Mobile.

In January 2014, Ziggo intends to propose the final dividend for the 2013 financial year. This final dividend is subject to shareholder approval and refinancing of the existing senior unsecured notes that are callable as of May 2014.

Important dates

Ziggo expects to publish its coming quarterly results on the following dates:

FY and Q4 2013	January 23, 2014
Q1 2014	April 16, 2014
Q2 2014	July 17, 2014
Q3 2014	October 16, 2014

The 2014 AGM is scheduled for April 17, 2014.

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Financial highlights (unaudited)

€ million	Q3 2013	Q3 2012	Q3 Change	YTD September 2013	YTD September 2012	YTD September Change
Subscriptions + usage	345.6	344.3	0.4%	1,042.6	1,037.8	0.5%
Other revenues	7.4	9.0	(18.0%)	27.1	37.7	(28.0%)
Total consumer revenues	**353.0**	**353.3**	**(0.1%)**	**1,069.7**	**1,075.5**	**(0.5%)**
Business services revenues	38.1	26.8	42.4%	101.2	78.1	29.4%
Total revenues	**391.1**	**380.1**	**2.9%**	**1,170.9**	**1,153.6**	**1.5%**
Cost of goods sold	70.3	70.2	0.1%	217.6	225.9	(3.7%)
Gross margin	**320.8**	**309.9**	**3.5%**	**953.3**	**927.7**	**2.8%**
% of total revenues	*82.0%*	*81.5%*		*81.4%*	*80.4%*	
Operating expenses	75.3	72.1	4.4%	228.3	223.1	2.3%
Marketing & Sales	25.1	10.8	133.2%	61.0	42.3	44.0%
Total operating expenses	**100.4**	**82.9**	**21.1%**	**289.3**	**265.5**	**9.0%**
% of total revenues	*25.7%*	*21.8%*		*24.7%*	*23.0%*	
Adjusted EBITDA[1]	**220.4**	**227.0**	**(2.9%)**	**664.0**	**662.3**	**0.3%**
% of total revenues	*56.4%*	*59.7%*		*56.7%*	*57.4%*	
IPO related costs	0.0	0.0		0.0	39.7	
EBITDA[2]	**220.4**	**227.0**	**(2.9%)**	**664.0**	**622.6**	**6.7%**
Depreciation and amortization	68.9	68.1	1.1%	205.5	210.8	(2.5%)
Operating income	**151.5**	**158.9**	**(4.6%)**	**458.6**	**411.8**	**11.4%**
Share based payments	0.0	0.0		0.0	20.0	(100.0%)
Movement in provisions	0.3	0.3	(0.4%)	(4.3)	(1.0)	330.8%
Change in net working capital	18.0	18.2	(0.9%)	1.3	40.3	(96.7%)
Cash flow from operating activities	**238.8**	**245.6**	**(2.8%)**	**661.1**	**681.9**	**(3.1%)**
Capital expenditure (Capex)	100.3	61.6	62.9%	246.5	182.3	35.2%
% of total revenues	*25.7%*	*16.2%*		*21.0%*	*15.8%*	
Acquisition	0.0	0.0		15.2	0.0	
Interest received	0.0	0.0		0.0	(0.4)	
Change in financial assets	(0.1)	(0.1)		0.0	(0.2)	
Funding joint venture	2.3	0.7	225.4%	7.9	10.2	(22.0%)
Free cash flow	**136.3**	**183.4**	**(25.7%)**	**391.5**	**490.0**	**(20.1%)**
% of total revenues	*34.9%*	*48.3%*		*33.4%*	*42.5%*	
Adjusted EBITDA - Capex	120.1	165.4	(27.4%)	417.6	480.0	(13.0%)
% of total revenues	*30.7%*	*43.5%*		*35.7%*	*41.6%*	
Net result	**86.5**	**72.4**	**19.4%**	**268.0**	**122.3**	**119.1%**
Outstanding shares (# m)	200.0	200.0		200.0	200.0	
Earnings per share (€)	0.43	0.36	19.4%	1.34	0.61	119.1%

Operational highlights (unaudited)

Footprint[3] (thousands)	30 Sep 2013	30 Jun 2013	Change	30 Sep 2012	Change
Homes passed	4,237	4,234	3	4,218	0.4%
Analog TV only	532	553	(21)	679	(21.7%)
Analog and digital TV[4]	2,280	2,265	15	2,253	1.2%
Total TV customers	**2,811**	**2,818**	**(6)**	**2,932**	**(4.1%)**
Digital pay TV subscribers	863	862	2	956	(9.7%)
Internet subscribers	1,878	1,832	46	1,766	6.3%
Telephony subscribers	1,590	1,549	41	1,466	8.4%
Total RGUs[5]	**7,142**	**7,060**	**82**	**7,121**	**0.3%**
Total RGUs consumer	**6,914**	**6,845**	**69**	**6,941**	**(0.4%)**
of which bundle subscribers[6]	*1,483*	*1,446*	*37*	*1,371*	*8.2%*
RGUs per customer (#)[7]	2.53	2.50	0.04	2.42	4.7%
ARPU in Q (€ per month)[8]	42.09	41.98	0.11	39.75	5.9%
ARPU YTD (€ per month)[8]	41.88	41.78	0.10	39.50	6.0%
Total RGUs B2B	**228**	**214**	**14**	**180**	**26.6%**

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Note

Please note that the results published in this press release are the consolidated results of Ziggo N.V. ("Ziggo"), and not those of Ziggo Bond Company B.V., the entity that we reported on prior to Q1 2012. As a consequence of the initial public offering of 25% of its ordinary shares on March 21, 2012, Ziggo is now reporting quarterly results at the level of the entity that issued the ordinary shares at NYSE Euronext Amsterdam, referred to as "Ziggo". A reconciliation of the results for Ziggo N.V. to Ziggo Bond Company B.V. is attached as a separate schedule to this earnings release, and an explanation of the most important reconciling items is provided at the end of this release. Ziggo was incorporated on April 1, 2011 and indirectly acquired all of the issued and outstanding shares of Ziggo Bond Company B.V. on March 20, 2012.

Definitions/Footnotes

(1) Adjusted EBITDA refers to EBITDA, adjusted to eliminate the effects of operating expenses incurred in connection with the initial public offering of ordinary shares of the company on March 21, 2012, which were €0.0 million respectively €0.0 million for the quarter and nine months ended September 30, 2013 and €0.0 million respectively €39.7 million for the quarter and nine months ended September 30, 2012.

(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 relating to our footprint and RGUs are presented as at the end of the period indicated.

(4) Digital television RGUs equals the total number of standard TV subscribers who have activated a smart card as at the end of the periods indicated. As a result, digital TV RGUs represents the number of subscribers who have access to our digital TV services. In any given period, not all of these digital TV RGUs will have subscribed to additional digital pay TV services. As at September 30, 2013, 863,000 of our total digital TV RGUs subscribed to one or more of our digital pay TV services.

(5) Total RGUs are calculated as the sum of total standard TV subscribers, digital pay TV subscribers, internet subscribers and telephony subscribers which are serviced by our coaxial products for both the consumer and the business markets. Total consumer RGUs excludes the subscriptions for our products Office Basis (35,031), Office Plus (1,520) and Internet Plus (10,760) targeted at SOHO and small businesses and our collective TV contracts TOM and TOMi (representing 81,000 RGUs), as these coaxial products are serviced by our business division and revenues generated through these products are recognized as business service revenues. These products represent 128,000 TV RGUs, 16,000 digital pay TV RGUs, 47,000 internet RGUs and 37,000 telephony RGUs.

(6) Besides 1,483,000 subscribers who subscribed to the All-in 1 bundle, 12,000 customers subscribed to standard TV, internet and telephony on an individual product basis instead of an All-in-1 bundle. The reported number for All-in-1 bundle customers does include 35,000 customers who are serviced over cable networks owned by third parties. The calculation of the penetration of All-in-1 in our consumer customer base excludes the All-in-1 bundle customers serviced over cable networks owned by third parties.

(7) RGUs per customer is the total number of consumer RGUs excluding RGUs in cable networks owned by third parties (6,800,000 as at September 30, 2013) divided by the total number of consumer standard TV subscribers (2,683,000 as at September 30, 2013).

(8) Average Revenue per User (ARPU) for the consumer market is calculated as the sum of total standard TV, digital pay television, internet, telephony (including call charges and interconnection revenue) and All-in-1 bundle subscription revenues generated in the consumer market for the period divided by the number of months used and divided by the period's average monthly total standard TV RGUs. It excludes revenue from other sources, including installation fees and set-top box sales. The calculated ARPU excludes revenue generated from RGUs in cable networks owned by third parties.

(9) Total RGUs includes 27,000 digital pay TV RGUs, 50,000 internet RGUs and 38,000 telephony RGUs which are serviced by Ziggo over certain cable networks owned by third parties. The customer to whom we provide internet, telephony services and digital pay TV services over cable networks owned by third parties are not reported as a standard TV subscriber as standard TV service is provided by the third party. Therefore these internet, digital pay TV and telephony RGUs are excluded in the calculation of the RGUs per customer.

(10) As of Q2 2013 we have changed the definition of net debt for the calculation of the leverage. Net debt is defined as the outstanding balance of the principal amount of our borrowings plus the accrued interest on these borrowings and the market-to-market value of the derivative financial instruments, reduced by the balance for cash and cash equivalents. Before Q2 2013 the balance of accrued interest and the market-to-market value of the derivative financial instruments was not included in the calculation of net debt.

About Ziggo

Ziggo is a Dutch provider of entertainment, information and communication through television, internet and telephony services. The company serves around 2.8 million households, with almost 1.9 million internet subscribers, almost 2.3 million subscribers for digital television and 1.6 million telephony subscribers. Business-to-business subscribers 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.

Not for publication

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Consumer products & services

Detail consumer

thousands	30 Sep 2013	30 Jun 2013	Change	30 Sep 2012	Change
Analog TV only	436	458	(22)	591	(26.2%)
Analog and digital TV	2,247	2,236	11	2,231	0.7%
Total TV customers	**2,683**	**2,694**	**(11)**	**2,822**	**(4.9%)**
Digital pay TV subscribers	848	848	0	945	(10.3%)
Internet subscribers	1,831	1,788	42	1,733	5.6%
Telephony subscribers	1,553	1,516	37	1,441	7.8%
Total RGUs	**6,914**	**6,845**	**69**	**6,941**	**(0.4%)**
of which bundle subscribers	*1,483*	*1,446*	*37*	*1,371*	*8.2%*
RGUs per customer (#)	2.53	2.50	0.04	2.42	4.7%
ARPU for the quarter (€ per month)	42.09	41.98	0.11	39.75	5.9%
ARPU YtD (€ per month)	41.88	41.78	0.10	39.50	6.0%

The third quarter of 2013 showed a strong improvement in RGU growth compared to previous quarters. The main reasons for this improvement are higher investments in sales and customer retention and increased attractiveness of our bundle through the addition of WifiSpots and increased internet speeds. In the first half of 2013, we developed and launched a number of new sales and particularly customer retention campaigns, most of which were up and running during Q3. The combination of these campaigns, together with higher marketing spend and the increased attractiveness of our services, clearly paid off in Q3 through both higher sales and reduced churn. Customer churn in Q3 2013 was 8.4%, down from 9.5% in the previous quarter and down from 8.7% in Q3 2012.

At the end of September 2013, total RGUs in the consumer market reached 6.91 million, up 69,000 during Q3 versus a loss of 46,000 in Q2. Internet subscribers in particular recorded strong growth, even above the subscriber growth of our All-in-1 bundle. The difference in absolute growth is explained by the increasing popularity of WifiSpots combined with increased internet speeds. Furthermore, over the past few months we have increased our focus on our dual–play bundle (TV + internet) which addresses a specific group of mobile only households. Subscribers to digital pay TV were flat sequentially, benefitting from the start of the football season in August, but still negatively impacted by the macro environment and the switch from subscription based to on demand based.

In Q3, the number of subscribers to the All-in-1 bundle grew by 37,000 (or 2.5%) to 1.48 million and by 8.2% compared to the prior-year quarter. All-in-1 bundle churn in Q3 was 4.7%, down from 4.8% in the previous quarter and flat compared to the same quarter last year. These percentages are based on annual churn rates. The number of internet subscribers grew by 42,000 or 2.4% to 1.83 million during the quarter and by 5.6% compared to the prior-year quarter.

The number of digital TV subscribers increased by 11,000 to 2.25 million, representing a penetration of 83.8% of our consumer customer base. The number of TV-only subscribers decreased by 23.3% compared to the same quarter last year, to a total of 794,000 as at September 30, 2013. The decrease was mainly due to the upsell of the dual play and triple play bundle services to our TV-only subscribers as well as churn. Among TV-only subscribers, churn came down compared to the previous quarters following our successful campaigns in Q3. However, we expect to continue to experience churn among our TV-only customers as a result of a market moving towards triple-play and increased competition. Churn on all other product lines, and for the All-in-1 bundle in particular, is significantly lower than churn among TV-only subscribers.

Therefore, we will continue to focus on upgrading customers to our All-in-1 bundle from a penetration of 53.9% today.

The total number of telephony subscribers rose to 1.55 million at the end of Q3, an increase of 7.8% compared to the same period in 2012. This increase is mainly the result of the increase in All-in-1 subscriptions.

RGUs per customer grew to 2.53, up 4.7% compared to last year, following a 0.4% decline in RGUs combined with a lower number of TV-only subscribers. Excluding digital pay TV as a separate RGU, Ziggo recorded an average of 2.23 RGUs per customer or a 6.4% growth compared to the previous year. Blended ARPU rose by 5.9% y-o-y, benefiting from a further penetration of dual and triple play bundles in our customer base, churn among lower ARPU TV-only customers and ARPU growth for digital pay TV, partly offset by a decline in the ARPU for telephony usage.

Marketing and sales

In addition to the sales and retention campaigns that have continued from Q2, several new campaigns were initiated during the quarter. The successful sales campaign *'Overstapweken' (switching weeks)* ran throughout the summer period and offered new All-in-1 customers to choose their own promotional offer, varying from a discount on the subscription for the first six months, a free Android tablet, a free interactive HD receiver to a one-off discount for an interactive HD recorder.

In August, our new branding campaign was introduced, emphasizing the new Ziggo pay-off: 'connected for ever'. Maintaining close contact plays an important role with the five characters in the campaign. In different settings, this new line of TV commercials focuses on the emotional connection people have. For the introduction of this new branding campaign, a specially made second screen commercial ran together with the TV commercial.

In September the HBO '*Series Nights and sales campaign'* started. The campaign had a two-phased approach. The first phase kicked off with a loyalty campaign for the existing Ziggo customers. On the free accessible Ziggo TV channel, several high-quality HBO series were broadcasted for a full week. In the second phase of the campaign, a discount of 50% for four months was offered to new HBO subscribers.

Throughout Q3, our local FttH counter campaigns were implemented in the areas where Fiber to the Home initiatives were announced. On several occasions, our Ziggo promotional bus, supported by a promotional team, visited these cities. The retention campaigns in these FttH areas were supported by an attractive offer for a high-quality product and service compared to the FttH experience; in addition, a special retention was offered granting a free interactive receiver or recorder, in combination with a one- or two year contract extension.

On September 16, the introduction of Ziggo Mobile was supported by a brand and promotional campaign through TV commercials, advertisements in daily newspapers and several direct mail campaigns, emphasizing the special offer for existing Ziggo customers and the additional access to WifiSpots for subscribers to Ziggo Mobile.

Products and services

By the end of July, we finalized the internet speed increase for approximately 800,000 internet subscribers. The internet speed for basic internet subscriptions was raised from 8/1 MBit/s to 20/2 MBit/s and for All-in-1 Basis from 10/1 MBit/s to 20/2 MBit/s. This increase further widens the gap with DSL-based offerings, particularly when the actual speed delivered is considered. In addition, the highest internet speed for internet Z3 and All-in-1 Extra increased to 150/15 MBit/s and are on par with FttH offered internet speeds.

On September 15, Ziggo received an award from the International Broadcast Convention (IBC) in the Content Delivery category with the first fully cloud-based interactive DVB-C TV service in the world.

By combining the IP protocol with the DVB-C television standard, even set-top boxes without built-in hardware functionality for interactivity are able to provide interactive services via a cable.

By September 30, the number of activated decoders with this new streaming graphical user interface (SGUI) had grown to over 229,000 decoders, from 60,000 in Q1 and 150,000 at the end of Q2. Today, the SGUI account already for over 50% of the VOD activity. On September 30, we had over 542,000 customers with an interactive receiver or recorder, up from 480,000 as at the end of Q2 2013.

Building on this success, we started a field test with the first CI+ 1.3 modules in the second week of July. The new CI+ 1.3 standard provides optional access to interactive services. We are pleased to announce that this new service will be available at the beginning of November, making us the first operator worldwide able to offer this interactive service over a common interface. This introduction will further increase the number of interactive receivers in our customer base and thus stimulate growth of our video-on-demand services and revenues. Currently, over 900,000 of our customers watch digital TV using a legacy version (1.2) of the common interface. Only those customers who have purchased a certified CI+ 1.3 TV will be able to use the interactive services associated with the new CI+ 1.3 module. Today approximately 250 different TV-models from Philips, LG and Samsung have been certified for interactive TV with the new CI+ 1.3 module and we are in the process of certifying more brands.

On September 16, Ziggo launched its mobile voice and data service: Ziggo Mobile. Ziggo Mobile has been specially created for existing Ziggo customers. Ziggo strives to offer the best possible access to its services everywhere, connecting customers wherever they are, at attractive rates. Ziggo Mobile plays an essential role in this respect. Ziggo Mobile has two Sim Only subscription options for consumers and two for business clients. The basic consumer subscription is available for €15 per month (incl. VAT). This subscription offers 300 minutes call time/text messages, 1,000 MB data and unlimited access to more than 1 million Ziggo WifiSpots, a number that will continue to grow. There is an introductory subscription for business clients of €20 (excl. VAT) with 400 minutes call time/text messages, 1,000 MB data and unlimited access to the Ziggo WifiSpots. Both Ziggo Mobile propositions come with one-month notice periods, rather than 1 or 2 years which is currently common in the market. The introduction of Ziggo Mobile was very well received by the media and customers.

Since its launch in April, 2013, Ziggo has activated over 1 million WifiSpots and approximately 810,000 'account only' customers (Ziggo internet customers without a Ziggo Wifi modem). During the quarter, we saw an anticipated strong increase in the number of active users of WifiSpots as well as in the amount of data offloaded every day. In the municipality of The Hague we started with a pilot of adding 120 public, high-quality WifiSpots in the public domain as part of a project between the city council of The Hague and Ziggo. On top of this public Wifi initiative, we expect to expand the number of Ziggo WifiSpots on streets (non-public) to 450 by the end of December, enabling Ziggo customers to access the internet in the streets and center of The Hague. The implementation of WifiSpots, together with the internet speed increase, led to a significant increase in our Net Promotor Score for Q3.

Press Release

B2B products & services

Detail B2B
thousands

	30 Sep 2013	30 Jun 2013	Change	30 Sep 2012	Change
Analog TV only	96	95	1	89	8.1%
Analog and digital TV	33	29	4	22	50.8%
Total TV customers	**128**	**124**	**5**	**110**	**16.5%**
Digital pay TV subscribers	16	14	2	11	38.8%
Internet subscribers	47	43	4	33	42.8%
Telephony subscribers	37	33	3	25	44.0%
Total RGUs	**228**	**214**	**14**	**180**	**26.6%**
Of which:					
- Office Basis	*35.0*	*31.9*	*3.1*	*24.9*	*40.8%*
- Office Plus	*1.5*	*1.3*	*0.2*	*0.5*	*201.6%*
- Internet Plus	*10.8*	*10.1*	*0.6*	*7.8*	*38.8%*

During Q3, over 4,000 new subscribers were added to our 'Office Basis', 'Office Plus' and 'Internet Plus' business bundles, bringing the total B2B bundle subscribers to more than 47,000. Our focus on small and home offices with business bundles continues to drive growth for B2B, while overall B2B revenue is effected by declining revenue from some large legacy contracts.

Other

On July 27, the Supervisory Board and the Management Board of Ziggo noted that following an 8-K SEC filing made by Liberty Global, the stake of Liberty Global in Ziggo N.V. was increased to 28.5%. As a result of this increase, the Supervisory Board and Management Board announced that they would continue to act in the best interests of our customers, employees, shareholders and other stakeholders in assessing steps made by Liberty Global while continuing to focus on executing Ziggo's strategy.

On October 16, Ziggo announced it has received a preliminary proposal regarding a potential offer for the Company by Liberty Global. The potential offer was considered inadequate and there is no certainty that Ziggo will receive any revised offer.

On September 5, NYSE Euronext Amsterdam announced Ziggo would be included in the Dutch AEX index of NYSE Euronext Amsterdam as of September 23, 2013.

Triggered by a parliamentary debate over budget cuts at the Dutch Public Broadcaster NPO, the secretary of state recently suggested that the distribution fees paid by the TV distributors are not in line with market practice. The NPO should reopen the negotiations to receive a market conform rate from the TV distributors. The cable sector represented by NLKabel stated that the Dutch cable operators are open to a discussion over the compensation paid to the public broadcaster for carrying its programming.

Financial performance

Revenue

In Q3 2013 Ziggo generated revenues of €391.1 million, an increase of 2.9% compared to the same quarter of 2012 (€380.1 million) and up 0.4% excluding the revenue contribution from Esprit Telecom. Esprit Telecom was consolidated as of May 1, 2013 and contributed €9.3 million in revenues during the third quarter. Excluding Esprit Telecom and 'revenue from other sources', revenues increased by 0.9%. The most important drivers for revenue growth were:

1. continued growth in RGUs for internet and telephony, partly driven by a further uptake of the All-in-1 bundle;
2. revenue growth from video-on-demand;
3. a price increase for the consumer market effective February 1; and
4. continued growth in subscriptions to business bundles.

Revenue growth was partly offset by lower RGUs for standard TV and a revenue decline from subscriptions to digital pay TV. Business services again reported strong organic growth of 7.5% in the business market, fully driven by the sale of business bundles to the SME and SoHo markets.

Consumer revenues for Q3 2013 amounted to €353.0 million, down 0.1% on Q3 2012. Excluding 'revenue from other sources', consumer revenues were up by 0.4%. This was mainly driven by the February price increase and a further uptake of our All-in-1 bundle and broadband internet subscriptions during the year, offset by a decline in revenues from subscriptions to digital pay TV and churn among TV-only customers in particular. In addition, as part of our promotional offers, new subscribers can opt for an introduction discount for a six-month period which is recognized net of revenues in each of the first six months of the contract period. This discount represents a value of approximately €1.6 million and resulted in 0.5% lower growth of consumer revenues from subscription and usage.

Subscriptions to All-in-1 grew by 37,000 during the quarter, or 8.2% y-o-y. In addition, subscriptions to broadband internet grew even faster with 42,000 additions, partly driven by the growth in All-in-1, but also supported by an increased focus on our dual-play proposition TV plus internet and an enrichment of our bundle through the addition of WifiSpots and higher internet speeds. Telephony RGUs grew by 37,000 or 7.8% y-o-y. RGUs for standard TV reported a net decline of 11,000 RGUs during the quarter and 4.9% y-o-y. The sequential decline of 11,000 in Q3 was a considerable improvement compared to previous quarters with average sequential declines of approximately 40,000 RGUs in each of the last four quarters. Churn came down compared to previous quarters as a result our increased focus on retention, our successful sales campaigns and product innovations. Revenue from subscriptions to standard TV, internet and telephony increased by 0.9%. The February 1 price increase and positive revenue effect from the increase in All-in-1 subscriptions and broadband internet subscriptions in particular were partly offset by the 4.4% decline in revenue for standard TV subscriptions. Taking into account the promotional discount with a net value of €1.6 million, revenue from subscriptions grew by 1.5%.

Driven by a decline in the number of subscribers to digital pay TV from 945,000 in the prior-year third quarter to 848,000 by the end of Q3 2013, revenue from digital pay TV (including VOD) declined by 2.7% y-o-y, despite a strong increase in the number of VOD transactions by 43.1% in that same period. The decline in RGUs for digital pay TV was driven by (a) the depressed consumer confidence given the macro environment, (b) the growing popularity of VOD, and (c) by our marketing focus on customer retention and All-in-1 instead of premium pay TV.

Digital pay TV ARPU increased by 6.8% from €15.07 in Q3 2012 to €16.10 in Q3 2013, driven predominantly by an increase in the number of premium TV packages per subscriber and growth in VOD (which adds revenue but not subscriptions).

In addition to the growing popularity of VOD, growth was also supported by the rise in the number of customers with an interactive set-top box to 542,000 at the end of Q3 2013, compared to 325,000 at the end of Q3 2012.

As a result of the program to upgrade part of the existing set-top boxes in our customer base to enable interactive functionality through a cloud-based streaming graphic user interface (SGUI), we added another 60,000 boxes during the quarter, which means there are now more than 229,000 set-top boxes that use the SGUI.

With the launch of interactive services for the CI+ 1.3 in November 2014, we expect to further increase the penetration of interactive set-top boxes in our customer base, which will support the growth of VOD and enhance customer experiences.

Revenues from telephony usage stabilized with 0.3% growth compared to Q3 last year. Excluding revenues from interconnection, telephony usage revenues were up by approximately 2.4%. The February price increase for telephony usage contributed approximately 1.5% to revenue growth.

Growth in the number of telephony subscribers of 7.8% was largely offset by a lower ARPU for telephony usage, due to (1) an FTA rate reduction as at August 1, 2012 from €0.0072 to €0.0037 per minute and another reduction as at September 1, 2013 from €0.0037 to €0.00302, (2) more subscribers selecting a flat-fee subscription, and (3) a higher share of free on-net calls following growth in the number of All-in-1 subscribers. When a Ziggo telephony customer makes a fixed line call to another Ziggo telephony customer, the call qualifies as on-net and no costs are charged. Both trends result in a higher percentage of non-billable call minutes compared to the previous year, in addition to an overall decline in average call minutes per telephony subscriber.
In the third quarter, call minutes declined by almost 5% compared to the same quarter last year, whereas on-net calling declined by only 2%. However, average call minutes per user (AMPU) decreased by 11.2%. The reduction in FTA rates at August 1, 2012 and September 1, 2013 negatively affected ARPU and revenues compared to Q3 2012 by €0.41 and €1.9 million respectively.

Despite the flat revenues from telephony usage, the gross margin on total telephony improved slightly, both in absolute terms and as a percentage of revenue, due to growth in the number of subscribers and reduced FTA and MTA rates.

Revenues generated through our All-in-1 bundle increased by 7.6%, from €170.4 million in Q3 2012 to €183.4 million in Q3 2013, now representing 52.0% of total consumer revenues, versus 48.2% in Q3 2012.

Revenue from other sources, predominantly consisting of set-top box sales, collection fees and revenues from service numbers, declined by 18.0% y-o-y to €7.4 million in Q3 2013. Although we shipped a higher number of set-top boxes, a lower average sales price per set-top box and the capitalization of set-top boxes covered by a subscription, resulted in a decline of other revenues. During Q3 2013 we supplied and recognized as cost of goods sold 20,000 iTV recorders, 14,000 iTV receivers and 4,000 CI+ modules, versus 35,000 iTV, 11,000 HD and 6,000 CI+ modules in the same quarter in 2012. In addition, as part of our retention and sales campaigns, we provided customers with an interactive recorder or receiver for a one- or two-year contract; as a result, 29,000 interactive recorders and 15,000 interactive receivers were capitalized in Q3.

Blended ARPU for consumers in Q3 2013 was €42.09, up €2.34 (5.9%) from Q3 2012. This increase was driven by growth in the number of subscribers to the All-in-1 bundle and broadband internet which, combined with churn in TV-only subscribers, resulted in a 4.7% increase in RGUs per customer to 2.53 (based on a maximum of 4 RGUs per customer). Excluding digital pay TV as a separate RGU, Ziggo recorded an average of 2.23 RGUs per customer or an increase of 6.4% y-o-y.

Additionally, blended ARPU was positively affected by (1) the price increase which became effective on February 1, and (2) an increase in ARPU for digital pay TV by 6.8%, partly offset by (3) a decline in ARPU for telephony usage by 6.4%. Blended ARPU in Q3 showed an increase of 0.3% compared to Q2 2013, due to 1.6% growth in RGUs per customer.

Our business market activities generated revenues of €38.1 million in Q3 2013, up 42.4% compared to €26.8 million in the same period last year. Esprit Telecom contributed €9.3 million in revenue. Excluding revenues from Esprit Telecom, the acquisition which has been consolidated since May 1, revenues grew by 7.5%. Growth was fully the result of the increase in the number of subscriptions to our business bundles for home offices and small businesses. In Q3, Ziggo B2B added almost 4,000 new subscribers to its main B2B bundles products, 'Internet Plus', 'Office Basis' and 'Office Plus' bundle, reaching a total of 47,300 subscribers by September 30, 2013. Total revenues from the coaxial products TOM and TOMi, our collective TV contracts, and business bundles grew by €2.9 million or 31.4% in Q3 2013 compared to the previous year, landing at €12.3 million, now representing 42.9% of total B2B revenues (35.0% in Q3 2012). The revenue growth for B2B was negatively affected by declining revenue from some sizeable legacy contracts as well as the reduction in FTA rates. The reduction in FTA rates as at August 1, 2012 and September 1, 2013 negatively affected revenues by almost €0.1 million per quarter.

Cost of goods sold and gross margin

Cost of goods sold includes the costs of materials and services directly related to revenues and consists of copyrights, signal costs and royalties paid to procure our content, interconnection fees that we pay to other network operators, materials and logistics costs and costs of guarantee relating to the sale of set-top boxes and other products and materials used to connect customers to our network. The set-top boxes are typically sold at a negative gross margin as part of our promotional campaigns to support further penetration of digital TV and triple play and are therefore considered an investment in our customer base.

In Q3 2013 cost of goods sold stabilized at €70.3 million, up 0.1% from Q3 2012. The gross margin in Q3 was 82.0% of revenues versus 81.5% in the prior-year quarter. Excluding the acquisition of Esprit Telecom (€5.8 million), consolidated since May 1, cost of goods sold would have declined by 8.8% and the gross margin would have been 83.1%.

Margin improvement was mainly the result of higher gross margins on internet, telephony and business services (excluding Esprit Telecom) and a lower negative margin contribution realized on the sale of set-top boxes. The lower negative margin contribution from the sales of set-top boxes is the result of a lower volume of set-top boxes recognized as sales (38,000 in Q3 2013 versus 52,000 in Q3 2012) at a lower negative margin contribution per set-top box. A lower average sales price during the quarter compared to Q3 2012 was more than offset by a lower average purchase price. In addition, 44,000 set-top boxes were capitalized, as these boxes were provided to customers as part of our retention campaign covered by a one or two-year contract extension and sales promotions covered by a one-year subscription. These capitalized set-top boxes represent a total value of €5.5 million

Operating expenses (Opex)

Operating expenses increased by €17.5 million, or 21.1%, to €100.4 million in Q3 2013 compared to €82.9 million in Q3 2012. As a percentage of revenue, operating expenses increased from 21.8% to 25.7%, mainly as a result of an increase in marketing & sales expenses by 133.2% from €10.8 million in Q3 2012 to €25.1 million in Q3 2013. The majority of marketing & sales expenses were spent on sales and customer retention campaigns and on a new Ziggo branding campaign with the theme "connected forever", which was launched in Q3.

Excluding marketing & sales, operating expenses increased by 4.4% compared to Q3 2012. Excluding the acquisition of Esprit Telecom (€1.9 million), operating expenses were €73.4 million, up 1.7% compared to Q3 2012 and down €1.9 million or 2.7% compared to Q2 2013 (€75.4 million).

Personnel costs increased by 2.8% compared to Q3 2012. Excluding Esprit Telecom (€1.5 million), personnel costs decreased by 0.6% or €0.3 million.

Total headcount increased by 6% and average personnel costs increased by approximately 3%, which is offset by lower accrued bonuses by approximately €1.5 million and a higher release of the provision for holidays taken during the quarter by €0.5 million compared to prior year quarter. The increase in average personnel costs was driven by both discretionary individual salary increases and a general salary increase in line with the collective labor agreement and an increased employer contribution to the pension premium. The increase in headcount was more than offset by an increase in capitalized personnel costs of approximately €9.4 million or 72%. The increased headcount is the result of the increased hours spent on projects relating to investments in innovation and our core infrastructure and service platforms, facilitating the addition of new services such as mobility and converged services and TV Everywhere.

At the end of Q3 we recorded 3,233 FTEs. Excluding Esprit Telecom, we recorded 3,126 FTEs compared to 2,945 FTEs at the end of Q3 2012 and 3,105 at the end of Q2 2013. Excluding external and temporary employees, the company had 2,500 employees versus 2,482 in the previous year. The number of external resources increased from 272 FTEs at the end of Q3 2012 to 432 at the end of Q3 2013. The number of temporary call center agents increased from 191 FTEs at the end of Q3 2012 to 195 at the end of Q3 2013, mainly due to insourcing of certain sales-related activities since the last quarter of 2012.

Costs of contracted work, excluding Esprit Telecom, increased by 15.1% compared to Q3 2012 (15.3% including Esprit Telecom). This increase was entirely driven by higher costs for our external call centers and costs for customer maintenance & visits. As a result of strong growth in RGUs this quarter and the roll-out of Ziggo WifiSpots, call volumes rose sharply by over 30% compared to a quiet Q3 in 2012. In combination with an increase in the average handling time and a relative higher percentage of the call volume being outsourced, external call center costs and costs for customer maintenance & visit rose by almost 50%. This increase was partly offset by lower consultancy costs while costs for maintenance of network and technology were stable.

Office expenses in Q3 were stable at €13.1 million compared to Q2 2012. Excluding Esprit Telecom, office expenses decreased slightly by 1.6%. Costs of licenses and maintenance for applications increased by almost 6% following an increase in the number of users, as well as in the size of various databases. In addition, investments in innovations for our converged platform and business applications resulted in additional license and maintenance costs on top of recurring costs for existing IT business applications. In addition, due to the increase in the number of employees compared to previous year, costs of housing and associated cost rose. The increased costs relating to our IT environment and housing were more than offset by an increase in the coverage for office expenses as a result of the increase in the headcount and hours capitalized. If the coverage for office expenses is excluded, office expenses increased by almost 6%.

Other expenses increased by 2.0% compared to Q3 2012. Excluding Esprit Telecom, other expenses decreased by 2.2%. An increase in costs related to the provision for bad debts and debt collection was offset by lower costs related to repairs of customer equipment, such as set-top boxes.

Adjusted EBITDA and operating profit

In Q3 2013, we achieved adjusted EBITDA of €220.4 million, down 2.9% compared to Q3 2012. The EBITDA margin was 56.4% compared to 59.7% for Q3 last year. Excluding the EBITDA contribution of €1.7 million from Esprit Telecom, EBITDA decreased by 3.6%, resulting in an EBITDA margin of 57.3% compared to an EBITDA margin of 59.7% in the prior-year quarter. Although the gross margin excluding Esprit Telecom improved as a percentage of revenues from 81.5% in Q3 2012 to 83.1% this quarter, the rise in marketing & sales by €14.3 million was the reason for the decline in EBITDA.

Depreciation expenses and amortization of software and intangibles in Q3 2013 increased by €0.8 million to €68.9 million from €68.1 million in Q3 2012.

Excluding the acquisition of Esprit Telecom and excluding the amortization of other intangible fixed assets, depreciation and amortization of software increased by €0.2 million. This increase is the result of the current investment program in our core infrastructure and systems facilitating the addition of new services such as mobility and TV Everywhere. Based on this investment program, depreciation and amortization will grow in the future. During the quarter, we recognized €0.3 million in amortization of other intangible assets, which is the result of the recognition of the amortization of the Esprit customer list. The Esprit customer list has been valued as the result of the allocation of the purchase price paid for the acquisition to the individual assets.

Operating income (EBIT) for the third quarter decreased by 4.6% to €151.5 million compared to €158.9 million for the prior-year quarter. Excluding the acquisition of Esprit Telecom, operating income decreased by 5.5% to €150.1 million due to the decrease in EBITDA by 3.6% in combination with an increase in depreciation and amortization expenses.

Net income

Interest expense excluding interest on shareholder loans decreased by €1.4 million, or 2.8%, to €49.9 million in Q3 2013, compared to €51.3 million last year. In Q3 2013, €3.5 million was allocated as borrowing costs on work in progress, resulting in an interest credit, compared to €2.7 million in Q3 2012. Excluding borrowing costs, interest expense decreased by 1.1%, or €0.6 million. The average debt during the quarter (approximately €3,033 million) was slightly below the average debt in Q3 2012 (€3,190 million), resulting in a small decrease in interest expense. This decrease was partly offset by a slightly higher blended interest rate. The blended interest rate for the third quarter was 7.0% versus approximately 6.7% for Q3 2012.

Banking and financing fees increased by €0.2 million to €0.5 million in Q3 2013 from €0.3 million in the prior-year quarter. This increase is mainly attributable to the new revolving credit facility of €400 million, which was put in place in March of this year and which replaced a revolving credit facility of €50 million.

The amortization of funding costs decreased by €1.5 million to €1.6 million in Q3 2013 compared to Q3 last year. As a result of the refinancing of the €1.1 billion senior credit facility by the new €750 million 3.625% senior secured notes issue and the new €550 million senior credit facility in March of this year, capitalized financing fees have come down by approximately €31 million, reducing the quarterly amortization charge to €1.6 million instead of €3.1 million.

As Ziggo does not comply with hedge accounting rules for interest rate swaps under IFRS, any change in fair value is recognized as financial income and expense. In Q3 2013, Ziggo recorded a €6.7 million gain on other income, due to (1) the periodic amortization of its negative hedge reserve of €1.2 million, (2) a fair value gain on IRS contracts of €7.6 million as a result of shortened expiration periods of underlying hedges and an increase in the underlying interest rates during the quarter, and (3) a foreign exchange gain on USD denominated purchases of €0.3 million. For the same quarter of 2012 Ziggo had reported a fair value loss of €4.7 million and a foreign exchange loss of €0.2 million.

During the second quarter we recorded a net loss from joint ventures of €1.5 million compared to a net loss of €2.0 million in the prior-year quarter. The €1.5 million net loss from joint ventures predominantly related to our 50% share in the results of HBO NL, our joint venture with HBO. Investments in and results from the joint venture are accounted for using the equity method. Our share in the funding of this joint venture during the third quarter amounted to €2.3 million.

For Q3 2013 Ziggo reported an income tax expense of €18.3 million, compared to €24.8 million in the same quarter last year. A lower operating income by 4.6% is more than offset by lower interest expense, lower amortization of funding costs and a fair value gain, resulting in an increase in the result before income taxes by 7.0% to €106.2 million, compared to €99.3 million for the prior-year quarter. The result before income taxes of €106.2 million would have led to a corporate income tax charge of €26.7 million at an effective tax rate of 25% versus €24.8 million in prior year quarter. However, as a result of the innovation box tax facility which we agreed with the Dutch tax authorities in the first quarter, the effective tax rate is approximately 17.2%, resulting in an income tax expense of €18.3 million.

The innovation box is a tax facility under Dutch corporate income tax law, which taxes profits attributable to innovation at an effective tax rate of 5% instead of the statutory rate of 25%.

In Q3 2013, Ziggo posted a net profit of €86.5 million, versus €72.4 million in Q3 2012. Adjusted for (1) amortization of financing fees, and (2) changes in fair value on our interest rate hedges (all adjustments net of income taxes taking into consideration a tax rate for these items of 25%), net profit would have increased from approximately €78.2 million in Q3 2012 to €82.9 million in Q3 2013, representing an increase of 6%.

Working capital, cash flow and liquidity

Working capital

Net working capital excluding accrued interest and corporate income tax due decreased by €16.8 million from €253.7 million negative at the end of Q2 2013 to €270.5 million negative at the end of September 2013. The decrease in working capital in Q3 2013 is mainly due to an increase in taxes and social security related to dividend tax of €20.8 million payable as at September 30 following a dividend payment of €190.0 million made on September 10.

Working capital excludes corporate income tax due of €4.1 million as at September 30, 2013. This is the result of an intragroup transaction as part of which we transferred certain assets in 2012 in order to renew part of our tax loss carry-forward position so as to avoid expiry of these losses. One of our subsidiaries is required to report profit for tax purposes based on a percentage of the value of transferred assets, which cannot be offset against the remaining losses of the fiscal unity according to Dutch carry-forward rules.

Cash flow from operating activities

Cash flow from operating activities decreased by €6.8 million or 2.8% to €238.8 million compared to €245.6 million in Q3 2012. A decrease in EBITDA of €6.6 million to €220.4 million in Q3 2013 and a lower cash inflow of €0.2 million arising from a change in working capital resulted in this lower cash flow from operating activities.

Press Release

Capital expenditure (Capex)

Our capital expenditure and investments relate primarily to extending, upgrading and maintaining our network, installation of new service equipment at customer premises, cost of modems and investments in our core infrastructure, service platforms and systems facilitating the addition of new services such as mobility and TV Everywhere. They also include increases in intangible assets, primarily expenditures on software, which we capitalize. Set-top boxes are being capitalized if these boxes are provided to customers covered by an one or two year subscription.

In Q3 2013, Ziggo recorded capital expenditure of €100.3 million, an increase of 62.9% compared to Q3 2012 (€61.6 million). The strong growth in capital expenditure was driven by increased activities in each category.

	Q3				YTD September			
€ million	2013	% of total	2012	% of total	2013	% of total	2012	% of total
Customer installation	21.8	22%	12.4	20%	52.8	21%	48.0	26%
Network growth	46.0	46%	29.3	48%	106.3	43%	66.9	37%
Maintenance and other	32.5	32%	19.8	32%	87.3	35%	67.3	37%
Total Capex	**100.3**	**100%**	**61.6**	**100%**	**246.5**	**100%**	**182.3**	**100%**

In Q3 2013, capital expenditure of €21.8 million (22%) related to installations at customer premises, modem installations and set-top boxes covered by a one- or two year subscription (€12.4 million, or 20%, in Q3 2012), whereas 46% related to newly build network and homes connected as well as growth of our network capacity and service platforms in order to accommodate our increased internet subscriber base and continuously increasing internet speed and bandwidth requirements (€29.3 million, or approximately 48% in Q3 2012).

Capital expenditure on customer installations of €21.8 million represents an increase of €9.4 million or 75.8%. The main reasons for the increase compared to the prior year quarter are the capitalization of set-top boxes (which were not capitalized in prior-year quarter) and the number of modems installed at customer premises as a result of strong sales of All-in-1 and broadband internet subscriptions. During Q3 we capitalized 29,000 interactive recorders and 15,000 interactive receivers, representing a total value of €5.5 million. In addition, we shipped almost 125,000 modems versus 105,000 in the same quarter last year, realizing a higher number of installations at customer premises. At the end of Q3 we had activated 1,505,000 EuroDocsis 3.0 modems at customer premises, of which 1,071,000 were Wifi enabled, which represents a growth of 117,000 Wifi enabled modems compared to the second quarter.

The increase in capital expenditure for network growth of €16.7 million compared to Q3 2012 was mainly driven by projects launched to increase the capacity of our infrastructure and service platforms and resulted partly from the implementation of higher internet speeds provided to our customers as from July 2013 as well as from the roll-out of Ziggo WifiSpots.

The remainder of capital expenditure represented maintenance and replacement of network equipment and recurring investments in our IT platform and systems, as well as other investments in core infrastructure, service platforms and systems facilitating the addition of new services such as mobility and TV Everywhere. In Q3 2013, investments in this category grew by €12.7 million, or 64.1%, to €32.5 million (or 32% of total capital expenditure for the quarter) compared to €19.8 million for the prior-year quarter. The amount spent on capitalized hours and contracted work increased by over €10 million compared to Q3 2012 reflecting our investment in the replacement of our business support systems to facilitate new services and the investment in our new video platform. In addition, the increase in this category is partly driven by the start of our program to upgrade our office automation and equipment and datacenters using the latest technology in order to prepare the organization for the new services we are rolling out.

Capital expenditure for 2013 is expected to be around €340 million, the high-end of the €330-340 million range previously given. The increase in the forecast is due to the increased investment in customer premises and equipment to support customer retention and investments for the launch of Ziggo Mobile and WifiSpots.

Operational free cash flow

Operational free cash flow (OpFCF, or adjusted EBITDA minus Capex) decreased by €45.3 million or 27.4% to €120.1 million in Q3 2013, compared to €165.4 million for the prior-year quarter. This was driven by a €38.7 million increase in capital expenditure in combination with a reduced EBITDA of €6.6 million as a result of an increase in marketing & sales by €14.3 million.

Free cash flow and net cash used in financing activities

During Q3, free cash flow (cash flow before financing activities) decreased to €136.3 million, down €47.1 million, or 25.7%, compared to Q3 2012. The reduction in free cash flow follows from the decrease in cash flow from operating activities of €6.8 million, combined with a higher spend on capital expenditure of €38.7 million and an increase in the funding of joint ventures by €1.6 million.

Net cash used in financing activities for the quarter comprises interest expense, banking and financing fees related to our loan facilities, dividend payments and prepayments and drawings on the senior credit facilities.

During Q3 2013, the interim dividend for 2013 of €190 million was distributed to our shareholders on September 10, while €120.0 million was drawn under our revolving credit facility. Cash interest paid in Q3 2013 amounted to €10.5 million, representing a €7.6 million drop from the prior-year period. The difference is due to lower average debt and a different timing of interest payments following the refinancing in March. Our senior credit facility with interest payable monthly was partly replaced by a new senior secured note of €750 million with an annual interest payment. Interest on both the 6.125% senior secured and 8.0% senior unsecured notes is payable semi-annually, in May and November, and interest on the 3.625% senior secured note is payable annually in March.

At the end of Q3 2013, accrued interest on the senior secured and senior unsecured notes was €67.7 million, compared to €53.9 million at the end of Q3 2012.

At the end of Q3 2013, Ziggo held €105.4 million in cash and cash equivalents, compared to €210.8 million at the end of Q3 2012.

Ziggo has a revolving credit facility of €400.0 million in place, expiring in March 2018. As at September 30, 2013, €280.0 million had been drawn under this facility.

Net debt and financing structure

As at September 30, 2013, we carried a total debt balance of €3,096.5 million, including principal amount, capitalized funding costs and discount on the issuance date. An amount of €430.0 million is owed under our senior credit facility (term loan A and revolving credit facility), €750.0 million was granted by Ziggo Finance B.V. (term loan E), which had issued senior secured notes for a similar amount in 2010, €750.0 million related to senior secured notes issued in March 2013 and €1,208.9 million related to senior unsecured notes issued in 2010. A summary of the capital structure with notional amounts outstanding as at September 30, 2013 is provided below.

€ million	30 Sep 2013	x LTM EBITDA	Margin/Coupon	Maturity
Senior Credit Facility	430.0	0.49	E + 1.75%	Mar 2018
6.125 % Senior Secured Notes	750.0	0.85	6.125%	Nov 2017
3.625 % Senior Secured Notes	750.0	0.85	3.625%	Mar 2020
Total Senior Secured Debt	**1,930.0**	**2.19**		
8.000% Senior Unsecured Notes	1,208.9	1.37	8.000%	May 2018
Total Debt	**3,138.9**	**3.56**		
Accrued interest	67.7	0.08		
MtM SWAPS	33.9	0.04		
Cash and cash equivalents	(105.4)	(0.12)		
Total Net Debt	**3,135.1**	**3.55**		

On September 30, 2013 the outstanding balance of the senior credit facility and revolving credit facility amounted to €424.3 million, including principal amount (€150.0 million plus €280.0 million drawn under the revolving credit facility of €400.0 million) and capitalized financing fees. Financing fees for the senior credit facility and revolving credit facility amounted to €6.4 million, to be amortized over a period of five years. As at September 30, 2013 an amount of €0.7 million was amortized, resulting in capitalized financing fees as at the end of Q3 2013 of €5.7 million.

As at September 30, 2013, senior unsecured notes (8.0%, May 2018) amounted to €1,186.3 million. This item is carried at amortized cost, including principal amount (€1,208.9 million), capitalized funding costs and discount on the issuance date. Financing fees for the notes issuance amounted to €25.8 million, to be amortized over a period of eight years.

The capitalized discount upon issuance amounted to €8.8 million, to be amortized as interest expense over a period of eight years. As at September 30, 2013 an amount of €12.1 million was amortized, resulting in capitalized financing fees as at the end of Q3 2013 of €16.8 million and a capitalized discount of €5.7 million. The unsecured notes become callable on May 15, 2014 at a premium of 4.0% of the principal value.

As at September 30, 2013 the balance of senior secured notes (6.125%, March 2017) amounted to €743.3 million, stated at amortized cost, including principal amount (€750.0 million) and capitalized funding cost. Financing fees for the senior secured notes issuance amounted to €10.6 million, to be amortized over a period of seven years. As at September 30, 2013 a total amount of €3.9 million had been amortized since issuance, resulting in capitalized financing fees of €6.7 million as at the end of Q3 2013. The secured notes become callable on November 15, 2013 at a premium of 3.063% of the principal value.

As at September 30, 2013 the balance of senior secured notes (3.625%, March 2020) amounted to €742.7 million, stated at amortized cost, including principal amount (€750.0 million), capitalized funding costs and capitalized discount. Financing fees for the notes issuance amounted to €6.3 million, to be amortized over a period of seven years. The capitalized discount upon issuance amounted to €1.5 million, to be amortized as interest expense over a period of seven years.

As at September 30, 2013 an amount of €0.5 million was amortized, resulting in capitalized financing fees as at the end of Q3 2013 of €5.9 million and a capitalized discount of €1.4 million. These secured notes are non-callable during the term of the notes.

Interest on the 6.125% senior secured notes and 8.0% senior unsecured notes is due semi-annually. The coupon for the new 3.625% is due annually in March. As at September 30, 2013 an amount of €67.7 million was accrued under current liabilities.

As at September 30, 2013, the fair value of the interest rate swaps (IRS) amounted to €33.9 million negative, compared to €41.5 million negative as at June 30, 2013. Since the issuance of the senior secured notes on October 28, 2010, any change in fair value has been recognized as financial income and expense, as Ziggo does not satisfy the IFRS requirements for hedge accounting. Before the issuance of the senior secured notes, any changes in fair value were recorded in the hedge reserve as part of equity. As at September 30, 2013, the hedge reserve amounted to €1.7 million negative, which will be charged to profit or loss during the remaining term of the outstanding IRS.

During the quarter we increased the forward starting interest rate swaps for the period May 2014 to May 2024 by an amount of €100 million to €600 million. With this instrument we have hedged the base interest rate and consequently reduced our interest rate exposure for the period 2014-2024, assuming we will call our unsecured notes ultimately at the first call date in May 2014.

As at September 30, 2013, our Net Debt to Adjusted LTM EBITDA leverage ratio was 3.55, up from 3.42x as at year-end 2012 and up from 3.41x as at June 30, 2013 following payment of the interim dividend for 2013 of €190.0 million. The leverage of 3.55x is in line with our stated leverage target of around 3.5x. With the publication of the Q2 results, we changed the definition of net debt for the calculation of the leverage ratio. Net debt is now defined as the outstanding balance of the principal amount of our borrowings, plus interest accrued on those borrowings (€67.7 million as at September 30, 2013) and the market-to-market value of the interest rate swaps (€33.9 million negative as at September 30, 2013), reduced by the balance of cash and cash equivalents. The balance of accrued interest and the market-to-market value of the interest rate swaps were not previously included when calculating net debt. The leverage as at year-end 2012 has been restated to reflect this change.

The average debt maturity was 5.0 years as at September 30, 2013, up from 4.9 years as at the end of December 31, 2012, as a result of the refinancing which extended the average debt maturity.

Reconciliation of results of Ziggo N.V. with those of Ziggo Bond Company B.V.

As a result of the restructuring which took place ahead of the IPO of Ziggo N.V. ("Ziggo"), Ziggo indirectly acquired all issued and outstanding shares of Ziggo Bond Company B.V. ("Ziggo BondCo"). A reconciliation of the results of Ziggo with those of Ziggo BondCo is attached as a separate schedule to this press release.

The main differences with Ziggo BondCo related to the outstanding loans to shareholders until Ziggo went public on March 21, 2012, at which moment the shareholder loans were fully converted into equity. The shareholder loans amounted to €2,334 million at the time Ziggo went public. The proceeds of these shareholder loans were invested, in 2005-2007, as equity in Amsterdamse Beheer and Consultingmaatschappij B.V. (ABC), a direct subsidiary of Ziggo BondCo. As a result, Ziggo recognized interest expenses on the shareholder loans until Q1 2012, whereas Ziggo BondCo had not done so. Ziggo recognized interest expense on the shareholder loans to an amount of €52.2 million in Q1 2012.

Other reconciliations between the results of Ziggo and Ziggo BondCo are as follows.

- Until September 30, 2013, Ziggo recognized €2.6 million in personnel costs for the Management Board and Supervisory Board. As a result of the allocation of costs of the Management Board, Ziggo charged €2.4 million as management fees to Ziggo BondCo. As a result, operating income for the first nine months of 2013 reported for Ziggo was €0.3 million lower than that reported for Ziggo BondCo.
- The term facility of €150.0 million for Ziggo N.V., which had been put into place in January 2013, was cancelled in Q2 2013 as we agreed on a new revolving credit facility of €400.0 million with the refinancing of the €1.1 billion credit facility in March. The remaining balance of the capitalized financing fees was fully amortized in Q2 2013 to an amount of €0.8 million. The banking and financing fees of €0.6 million relate to the commitment fees paid for the term facility. The costs associated with the €150.0 million term facility are recognized in the results of Ziggo but not in those of Ziggo BondCo.
- As a result of the allocation of costs of the Management Board of €0.3 million to Ziggo, the commitment fees of €0.6 million and the amortization of financing fees of €0.8 million, the result before income tax realized by Ziggo BondCo was €1.7 million higher than the result realized by Ziggo. The corporate income tax charge recognized by Ziggo BondCo was €0.4 million lower than the amount recognized by Ziggo.
- Mainly as a result of the accrued interest costs of €969.5 million recognized on shareholder loans since 2006, the tax loss carry-forward at the time of the conversion of the shareholder loans into equity on March 21, 2012 was €1,015.5 million higher than the amount realized by Ziggo BondCo. The resulting deferred tax asset for Ziggo as at the end of Q3 2013 amounted to €219.0 million, while the deferred tax asset recognized by Ziggo BondCo relates to (1) the fair value of the interest rate swaps as at September 30, 2013 for an amount of €8.5 million, (2) the deferred tax asset recognized as a result of the tax renewal transaction for an amount of €71.1 million and (3) the deferred tax assets of €0.5 million as a result of the acquisition of Esprit Telecom.
- During the first quarter of 2012 ABC distributed €53.0 million in dividend to Ziggo Bond Company Holding B.V. (through Ziggo Bondco). Certain IPO-related costs were paid by Ziggo BondCo on behalf of Ziggo. In addition, Ziggo BondCo had an intercompany income tax liability to Ziggo, as the tax to be paid by Ziggo BondCo was netted against the deferred tax assets of the Ziggo fiscal unit. In Q3 2013 Ziggo BondCo paid €22.7 million on the intercompany income tax liability to Ziggo and €53.0 million on the intercompany current account to Ziggo. As a result, the balance of other current assets reported by Ziggo BondCo amounted to €53.2 million while the balance reported by Ziggo amounted to €33.5 million. The difference of €19.6 million is predominantly the result of IPO-related costs paid by Ziggo BondCo on behalf of Ziggo and costs for the Management Board and Supervisory Board allocated to Ziggo and paid by Ziggo BondCo.

- The equity attributable to equity holders reported by Ziggo was €118.5 million higher than the equity reported by Ziggo BondCo. This difference is mainly the result of the tax benefit realized on the total accrued interest on shareholder loans since 2006, which amounted to €969.5 million, the difference being recognized in the net result for the year.

Press Release

Consolidated income statement for Ziggo N.V. (unaudited)

€ million	Q3 2013	Q3 2012	Q3 Change	YTD September 2013	YTD September 2012	YTD September Change
Total Revenues	**391.1**	**380.1**	**2.9%**	**1,170.9**	**1,153.6**	**1.5%**
Cost of goods sold	70.3	70.2	0.1%	217.6	225.9	(3.7%)
Personnel	46.1	44.9	2.8%	141.9	175.4	(19.1%)
Contracted work	14.1	12.2	15.3%	40.4	39.1	3.4%
Marketing & Sales	25.1	10.8	133.2%	61.0	43.3	40.8%
Office expense	13.1	13.1	0.0%	39.6	41.0	(3.5%)
Other operating expenses	1.9	1.9	2.0%	6.4	6.3	0.3%
Depreciation	63.0	61.2	2.9%	187.2	189.2	(1.1%)
Amortization of software	5.6	6.9	(19.2%)	17.8	21.6	(17.5%)
Amortization of other intangible assets	0.3			0.5		
Total	**239.6**	**221.3**	**8.3%**	**712.3**	**741.8**	**(4.0%)**
Operating income	**151.5**	**158.9**	**(4.6%)**	**458.6**	**411.8**	**11.4%**
Net financial income (expense)						
- Interest	(49.9)	(51.3)	(2.8%)	(148.9)	(208.1)	(28.4%)
- Banking and financing fees	(0.5)	(0.3)	54.2%	(1.7)	(0.8)	114.5%
- Amortization of funding costs	(1.6)	(3.1)	(46.8%)	(50.2)	(9.1)	450.2%
- Other income	6.7	(4.9)	(235.5%)	26.2	(13.9)	(287.5%)
Result from normal business before income taxes	**106.2**	**99.3**	**7.0%**	**283.9**	**179.8**	**57.9%**
Net result of joint ventures and associates	(1.5)	(2.0)	(27.3%)	(4.9)	(7.1)	(31.8%)
Income tax benefit (expense)	(18.3)	(24.8)	(26.3%)	(11.0)	(50.3)	(78.1%)
Net result	**86.5**	**72.4**	**19.4%**	**268.0**	**122.3**	**119.1%**

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

Consolidated balance sheet for Ziggo N.V. (unaudited)

€ million	30 Sep 2013	31 Dec 2012	30 Sep 2012
ASSETS			
Intangible assets	3,337.1	3,321.2	3,321.2
Capitalized software	35.2	37.2	35.5
Property and equipment	1,489.4	1,434.1	1,403.8
Other financial assets	0.7	0.7	0.3
Investments in joint ventures	7.6	3.6	3.0
Deferred income tax asset	219.0	223.7	225.2
Total non-current assets	**5,089.1**	**5,020.5**	**4,989.0**
Inventories	38.0	27.9	37.5
Trade accounts receivable	27.2	18.2	25.3
Other current assets	33.5	24.9	26.3
Cash and cash equivalents	105.4	92.4	210.8
Total current assets	**204.1**	**163.5**	**299.8**
TOTAL ASSETS	**5,293.2**	**5,183.9**	**5,288.8**
EQUITY AND LIABILITIES			
Issued share capital	200.0	200.0	200.0
Share premium	3,204.5	3,500.0	3,500.0
Treasury stock	0.0	0.0	0.0
Retained earnings	(2,392.9)	(2,513.8)	(2,514.9)
Net income (loss) for the period	268.0	192.8	122.3
Equity attributable to equity holders	**1,279.5**	**1,378.9**	**1,307.4**
Loans from financial institutions	144.3	1,018.2	1,190.0
Revolver facility	280.0	0.0	0.0
Unsecured Bond	1,186.3	1,183.4	1,182.4
Facility E (Secured Bond)	1,485.9	742.2	741.9
Derivative financial instruments	16.9	63.2	63.9
Provisions	20.8	23.1	24.7
Deferred income tax liability	413.4	407.8	386.5
Other non current liabilities	2.0	0.2	0.2
Total non-current liabilities	**3,549.7**	**3,438.1**	**3,589.5**
Trade accounts payable	89.9	85.6	59.6
Deferred revenue	120.5	109.7	118.1
Derivative financial instruments	17.0	0.0	3.1
Provisions	5.9	7.5	6.1
Corporate income tax	4.1	2.3	0.0
Taxes and social security	70.2	52.8	65.7
Personnel related liabilities	12.1	17.5	19.4
Accrued interest	67.7	18.0	53.9
Other current liabilities	76.6	73.6	66.0
Total current liabilities	**463.9**	**366.9**	**391.9**
TOTAL EQUITY AND LIABILITIES	**5,293.2**	**5,183.9**	**5,288.8**

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

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Consolidated cash flow statement for Ziggo N.V. (unaudited)

€ million	Q3 2013	Q3 2012	Q3 Change	YTD September 2013	YTD September 2012	YTD September Change
Operating activities:						
Operating income	**151.5**	**158.9**	**(4.6%)**	**458.6**	**411.8**	**11.4%**
Adjustments for:						
Share-based payments					20.0	(100.0%)
Depreciation	63.0	61.2	2.9%	187.2	189.2	(1.1%)
Amortization	5.9	6.9	(15.1%)	18.3	21.6	(15.3%)
Movement in provisions	0.3	0.3	(0.4%)	(4.3)	(1.0)	330.8%
Working capital adjustments for:						
(Increase)/Decrease in current assets	(1.4)	10.8	(113.5%)	(22.2)	(3.9)	474.0%
Increase/(Decrease) in current liabilities	19.5	7.4	162.0%	23.5	44.2	(46.7%)
Change in working capital (excl. accrued interest)	18.0	18.2	(0.9%)	1.3	40.3	(96.7%)
Net cash flow from operating activities	**238.8**	**245.6**	**(2.8%)**	**661.1**	**681.9**	**(3.1%)**
Investing activities:						
Capital expenditures	(100.3)	(61.6)	62.9%	(246.5)	(182.3)	35.2%
Acquisition				(15.2)		
Funding of joint venture	(2.3)	(0.7)	225.4%	(7.9)	(10.2)	(22.0%)
Interest received		0.0		0.0	0.4	(98.3%)
Change in financial assets	0.1	0.1	47.6%	0.0	0.2	(87.4%)
Net cash flow from (used in) investing activities	**(102.5)**	**(62.1)**	**64.9%**	**(269.6)**	**(191.9)**	**40.5%**
Financing activities:						
3.625% Senior Secured Notes				748.5		
Term Loan A (new)				150.0		
Revolver facility	120.0			280.0		
Financing Fees	(1.1)			(13.4)		
Dividend	(190.0)	(110.0)	72.7%	(370.0)	(110.0)	236.4%
Repayment of loans				(1,063.3)	(152.8)	596.0%
Interest	(10.5)	(18.1)	(42.4%)	(108.5)	(128.0)	(15.2%)
Other financing activities	(0.4)	(0.4)	4.2%	(1.8)	(1.2)	52.9%
Net cash flow from (used in) financing activities	**(82.0)**	**(128.6)**	**(36.2%)**	**(378.6)**	**(391.9)**	**(3.4%)**
NET INCREASE (DECREASE) IN CASH (EQUIVALENTS)	**54.4**	**54.8**	**(0.9%)**	**12.9**	**98.1**	**(86.8%)**

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

Free cash flow = Net cash flow from operating activities + net cash flow from (used in) investing activities. For the Q3 ending September 30, 2013 the free cash flow amounts to €391.5M (September 30 2012: €490,0M)

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Details on consolidated income statement (unaudited)

€ million	Q3 2013	Q3 2012	Q3 Change	YTD September 2013	YTD September 2012	YTD September Change
Revenue by segment[1]						
Standard cable subscription revenue	110.9	116.0	(4.4%)	337.0	350.3	(3.8%)
Digital pay television services revenue	40.9	42.0	(2.7%)	126.5	125.2	1.1%
Total video revenues	**151.8**	**158.0**	**(3.9%)**	**463.5**	**475.5**	**(2.5%)**
Broadband Internet subscription revenue	116.8	111.3	5.0%	346.1	330.4	4.7%
Telephony subscription revenue	34.6	32.7	5.8%	102.0	95.9	6.3%
Telephony usage revenue	42.4	42.3	0.3%	131.0	136.0	(3.7%)
Total telephony revenues	**77.0**	**75.0**	**2.7%**	**233.0**	**231.9**	**0.5%**
Revenue from other sources	7.4	9.0	(18.0%)	27.1	37.7	(28.0%)
Total consumer market	**353.0**	**353.3**	**(0.1%)**	**1,069.7**	**1,075.5**	**(0.5%)**
Of which All-in-1 bundle revenues	*183.4*	*170.4*	7.6%	*541.7*	*499.3*	8.5%
Business services revenues	38.1	26.8	42.4%	101.2	78.1	29.4%
Total revenues	**391.1**	**380.1**	**2.9%**	**1,170.9**	**1,153.6**	**1.5%**
Cost of goods sold	70.3	70.2	0.1%	217.6	225.9	(3.7%)
Personnel	46.1	44.9	2.8%	141.9	139.7	1.6%
Contracted work	14.1	12.2	15.3%	40.4	38.5	5.2%
Marketing & Sales	25.1	10.8	133.2%	61.0	42.3	44.0%
Office expense	13.1	13.1	0.0%	39.6	39.6	0.0%
Other expenses	1.9	1.9	2.0%	6.4	5.4	18.7%
Total operating expenses	**170.7**	**153.1**	**11.5%**	**506.9**	**491.4**	**3.2%**
Adjusted EBITDA[2]	**220.4**	**227.0**	**(2.9%)**	**664.0**	**662.3**	**0.3%**
IPO related costs[3]	0.0	0.0		0.0	39.7	(100.0%)
EBITDA	**220.4**	**227.0**	**(2.9%)**	**664.0**	**622.6**	**6.7%**
Depreciation and amortization	68.9	68.1	1.1%	205.5	210.8	(2.5%)
Operating income	**151.5**	**158.9**	**(4.6%)**	**458.6**	**411.8**	**11.4%**
Net financial income (expense)	45.3	59.6	(24.0%)	174.6	232.0	(24.7%)
Result from normal business before income taxes	**106.2**	**99.3**	**7.0%**	**283.9**	**179.8**	**57.9%**
Net result of joint ventures and associates	(1.5)	(2.0)	(27.3%)	(4.9)	(7.1)	(31.8%)
Income tax benefit (expense)	(18.3)	(24.8)	(26.3%)	(11.0)	(50.3)	(78.1%)
Result after income taxes	**86.5**	**72.4**	**19.4%**	**268.0**	**122.3**	**119.1%**

Financial Information - The condensed consolidated income statement has been prepared in accordance with the International Financial Reporting Standards, (IFRS), as adopted by the European Union.
(1) Revenue for each of our segments is derived from our internal accounts and is not presented in audited financial statements.
(2) EBITDA is defined as profit before net finance expense, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is defined as EBITDA before extraordinary costs.
(3) Operating expenses incurred in connection with the IPO of Ziggo in Q1 2012.

Details on working capital YTD 2013*

€ million	30 Sep 2013	31 Dec 2012	30 Sep 2012	31 Dec 2011
Inventories	38.0	28.0	37.5	32.2
Trade accounts receivable	27.2	20.0	25.3	25.8
Other current assets	33.5	27.6	26.3	26.8
	98.7	**75.6**	**89.0**	**84.7**
Trade accounts payable	89.9	88.5	59.6	74.4
Deferred revenue	120.5	111.0	118.1	115.9
Corporate income tax	4.1	2.3	0.0	0.0
Taxes and social securities	70.2	53.2	65.7	19.9
Personnel related liabilities	12.1	17.8	19.4	15.2
Accrued interest	67.7	18.0	53.9	18.6
Other current liabilities	76.6	75.5	66.0	58.5
	441.0	**366.3**	**382.7**	**302.5**
Net working capital	**(342.3)**	**(290.7)**	**(293.6)**	**(217.8)**
Change in net working capital	51.6		75.9	
Net working capital excl. Accrued interest and corp. inc. tax	**(270.5)**	**(270.4)**	**(239.7)**	**(199.2)**
Change in net working capital excl. accrued interest and corp. inc. tax	0.1		40.5	

Details on working capital for the 3rd quarter 2013

€ million	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 Jun 2012
Inventories	38.0	31.8	37.5	36.5
Trade accounts receivable	27.2	26.8	25.3	25.9
Other current assets	33.5	38.6	26.3	37.3
	98.7	**97.3**	**89.0**	**99.8**
Trade accounts payable	89.9	79.2	59.6	55.6
Deferred revenue	120.5	119.1	118.1	118.9
Corporate income tax	4.1	3.5	0.0	0.0
Taxes and social securities	70.2	56.6	65.7	54.3
Personnel related liabilities	12.1	13.5	19.4	19.0
Accrued interest	67.7	25.1	53.9	18.3
Other current liabilities	76.6	82.7	66.0	73.4
	441.0	**379.5**	**382.7**	**339.5**
Net working capital	**(342.3)**	**(282.3)**	**(293.6)**	**(239.7)**
Change in net working capital	60.0		54.0	
Net working capital excl. Accrued interest and corp. inc. tax	**(270.5)**	**(253.7)**	**(239.7)**	**(221.4)**
Change in net working capital excl. accrued interest and corp. inc. tax	16.8		18.3	

* The closing balances as per December 31 2012 and 31 March 2013 have been adjusted for the opening balance for the working capital of the acquisition of Esprit

Press Release

Details Loans

€ million	30 Sep 2013	30 Jun 2013	30 Sep 2012	30 June 2012
Senior Credit Facility	430.0	310.0	1,230.6	1,230.6
Capitalized financing fees	(5.7)	(6.0)	(40.6)	(42.6)
Loans from financial institutions	**424.3**	**304.0**	**1,190.0**	**1,188.0**
8.000% Senior unsecured Notes (principal amount)	1,208.9	1,208.9	1,208.9	1,208.9
Capitalized discount at issuance (price 99.271)	(5.7)	(6.0)	(6.7)	(7.0)
Capitalized financing fees	(16.8)	(17.6)	(19.7)	(20.4)
Senior Notes	**1,186.3**	**1,185.3**	**1,182.4**	**1,181.5**
3.625% Senior Secured Notes (principal amount)	750.0	750.0	0.0	0.0
Capitalized discount at issuance (price 99.800)	(1.4)	(1.5)	0.0	0.0
Capitalized financing fees	(5.9)	(6.1)	0.0	0.0
Senior Notes	**742.7**	**742.4**	**0.0**	**0.0**
Facility E (6.125% Secured Bond; principal amount)	750.0	750.0	750.0	750.0
Capitalized financing fees	(6.7)	(7.1)	(8.1)	(8.5)
Senior Notes	**743.3**	**742.9**	**741.9**	**741.5**
Total Loans	**3,096.5**	**2,974.6**	**3,114.280**	**3,111.0**

Press Release

Consolidated income statement for Ziggo N.V compared with Ziggo Bondco BV (unaudited)

€ million	YTD September 2013			YTD September 2012		
	Ziggo	Delta	Bondco	Ziggo	Delta	Bondco
Total revenue	**1,170.9**		**1,170.9**	**1,153.6**		**1,153.6**
Cost of goods sold	217.6		217.6	225.9		225.9
Personnel	141.9	2.6	139.3	175.4	35.6	139.7
Contracted work	40.4		40.4	39.1	0.6	38.5
Marketing & Sales	61.0		61.0	43.3	1.0	42.3
Office expense	39.6	0.0	39.6	41.0	1.5	39.6
Other operating expenses	6.4	(2.4)	8.7	6.3	1.0	5.4
Depreciation	187.2		187.2	189.2		189.2
Amortization of software	17.8		17.8	21.6		21.6
Amortization of other intangible assets	0.5		0.5			
Total operating expenses	**712.3**	**0.3**	**712.0**	**741.8**	**39.7**	**702.2**
Operating income	**458.6**	**(0.3)**	**458.9**	**411.8**	**(39.7)**	**451.5**
Net financial income (expense)						
- Interest	(148.9)	0.0	(148.9)	(208.1)	(52.2)	(155.9)
- Banking and financing fees	(1.7)	(0.6)	(1.1)	(0.8)		(0.8)
- Amortization of funding costs	(50.2)	(0.8)	(49.4)	(9.1)		(9.1)
- Other income (i.e. fair value gains / (losses) on derivative fin. instruments)	26.2		26.2	(13.9)		(13.9)
Result from norm. business before income taxes	**283.9**	**(1.7)**	**285.6**	**179.8**	**(91.9)**	**271.7**
Net result of joint ventures and associates	(4.9)		(4.9)	(7.1)		(7.1)
Income tax benefit (expense)	(11.0)	0.4	(11.4)	(50.3)	17.6	(67.9)
Net result	**268.0**	**(1.3)**	**269.3**	**122.3**	**(74.3)**	**196.6**

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

Press Release

Consolidated balance sheet for Ziggo N.V. compared with Ziggo Bondco BV (unaudited)

	30 September 2013			30 September 2012		
€ million	Ziggo	Delta	Bondco	Ziggo	Delta	Bondco
ASSETS						
Intangible assets	3,337.1		3,337.1	3,321.2		3,321.2
Capitalized software	35.2		35.2	35.5		35.5
Property and equipment	1,489.4		1,489.4	1,403.8		1,403.8
Other financial assets	0.7		0.7	0.3		0.3
Investments in joint ventures	7.6		7.6	3.0		3.0
Deferred income tax asset	219.0	138.9	80.1	225.2	208.4	16.8
Total non-current assets	**5,089.1**	**138.9**	**4,950.2**	**4,989.0**	**208.4**	**4,780.6**
Inventories	38.0		38.0	37.5		37.5
Trade accounts receivable	27.2		27.2	25.3		25.3
Other current assets	33.5	(19.6)	53.2	26.3		26.3
Cash and cash equivalents	105.4	0.2	105.1	210.8	0.1	210.7
Total current assets	**204.1**	**(19.4)**	**223.5**	**299.8**	**0.1**	**299.8**
TOTAL ASSETS	**5,293.2**	**119.5**	**5,173.7**	**5,288.8**	**208.5**	**5,080.3**
EQUITY AND LIABILITIES						
Issued share capital	200.0	200.0	0.0	200.0	200.0	0.0
Share premium	3,204.5	2,363.5	841.0	3,500.0	2,659.0	841.0
Treasury stock	0.0	0.0				
Retained earnings	(2,392.9)	(2,443.6)	50.7	(2,514.9)	(2,496.8)	(18.1)
Net income (loss) for the period	268.0	(1.3)	269.3	122.3	(74.3)	196.6
Equity attr. to equity holders	**1,279.5**	**118.5**	**1,161.0**	**1,307.4**	**287.9**	**1,019.6**
Loans from financial institutions	144.3		144.3	1,190.0		1,190.0
Revolver facility	280.0		280.0			
Unsecured Bond	1,186.3		1,186.3	1,182.4		1,182.4
Secured Bonds	1,485.9		1,485.9	741.9		741.9
Derivative financial instruments	16.9		16.9	63.9		63.9
Provisions	20.8		20.8	24.7		24.7
Deferred income tax liability	413.4		413.4	386.5	(45.2)	431.7
Other non current liabilities	2.0		2.0	0.2		0.2
Total non-current liabilities	**3,549.7**		**3,549.7**	**3,589.5**	**(45.2)**	**3,634.7**
Trade accounts payable	89.9		89.9	59.6		59.6
Deferred revenue	120.5		120.5	118.1		118.1
Current liabilities related parties					(39.3)	39.3
Derivative financial instruments	17.0		17.0	3.1		3.1
Provisions	5.9		5.9	6.1		6.1
Current taxes	4.1		4.1			
Taxes and social securities	70.2	0.1	70.1	65.7	0.4	65.3
Personnel related liabilities	12.1	0.7	11.4	19.4	4.5	14.9
Accrued interest	67.7		67.7	53.9		53.9
Other current liabilities	76.6	0.2	76.4	66.0	0.2	65.8
Total current liabilities	**463.9**	**0.9**	**463.0**	**391.9**	**(34.2)**	**426.0**
TOTAL EQUITY AND LIABILITIES	**5,293.2**	**119.5**	**5,173.7**	**5,288.8**	**208.5**	**5,080.3**

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

Press Release

Consolidated cash flow statement for Ziggo N.V. compared with Ziggo Bondco BV (unaudited)

€ million	YTD september 2013			YTD September 2012		
	Ziggo	Delta	Bondco	Ziggo	Delta	Bondco
Operating income	**458.6**	**(0.3)**	**458.9**	**411.8**	**(39.7)**	**451.5**
Adjustments for:						
Share based payments				20.0	20.0	
Depreciation	187.2		187.2	189.2		189.2
Amortization	18.3		18.3	21.6		21.6
Movement in provisions	(4.3)		(4.3)	(1.0)		(1.0)
Working capital adjustments for:						
(Increase)/Decrease in current assets	(22.2)	20.5	(42.7)	(3.9)	0.4	(4.3)
Increase/(Decrease) in current liabilities	23.5	149.2	(125.7)	44.2	(33.7)	77.8
Change in working capital (excl. accrued interest)	1.3	169.7	(168.4)	40.3	(33.2)	73.6
Net cash flow from operating activities	**661.1**	**169.4**	**491.6**	**681.9**	**(52.9)**	**734.8**
Investing activities:						
Capital expenditures	(246.5)		(246.5)	(182.3)		(182.3)
Acquisition	(15.2)		(15.2)			
Funding of joint venture	(7.9)		(7.9)	(10.2)		(10.2)
Interest received	0.0		0.0	0.4	0.0	0.4
Change in financial assets	0.0		0.0	0.2	0.0	0.2
Net cash flow from (used in) investing activities	**(269.6)**	**0.0**	**(269.6)**	**(191.9)**	**0.0**	**(191.8)**
Financing activities:						
3.625% Senior Secured Notes	748.5		748.5			
Term Loan A	150.0		150.0			
Revolver facility	280.0		280.0			
Financing Fees	(13.4)	(0.8)	(12.7)			
Dividend	(370.0)	(167.9)	(202.1)	(110.0)	53.0	(163.0)
Repayment of loans	(1,063)		(1,063)	(152.8)		(152.8)
Interest	(108.5)		(108.5)	(128.0)		(128.0)
Other financing activities	(1.8)	(0.6)	(1.2)	(1.2)		(1.2)
Net cash flow from (used in) financing activities	**(378.6)**	**(169.2)**	**(209.3)**	**(391.9)**	**53.0**	**(444.9)**
Net increase (decrease) in cash (equivalents)	**12.9**	**0.2**	**12.8**	**98.1**	**0.0**	**98.1**

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