Press Release

Utrecht, April 17, 2013
Ziggo N.V. Q1 Results

Solid performance in unchanged market conditions

- **New marketing campaigns launched in February; increased new All-in-1 sales**
- **Successful launch of our cloud-based video user interface; higher number of interactive set top boxes**
- **B2B continues to record double-digit organic revenue growth**
- **Completion of €1.1 billion debt refinancing; extending the maturity profile, reducing interest costs and increasing flexibility**

Operational highlights Q1 2013

- All-in-1 bundle subscribers up 31,000 in Q1, resulting in 2.2% q-o-q growth and 8.3% y-o-y growth; All-in-1 bundle penetration reaches 52.2% of our consumer customer base
- Internet subscribers up 24,000 in Q1, representing 1.3% q-o-q growth and 5.0% y-o-y growth
- Telephony usage revenue up 3.1% q-o-q and down 5.8% y-o-y (down 1.1% excluding FTA rate reduction)
- Higher Digital Pay TV revenue, including Video on Demand, resulting in 0.4% q-o-q growth and 5.0% y-o-y growth
- B2B expands services through acquisition of Esprit Telecom, subject to approval by the Dutch Competition Authority (ACM)

Financial highlights Q1 2013

- Revenues up 0.2% y-o-y to €387.8 million; up 1.8% excluding 'Other Revenues', despite a 5.8% decline in telephony usage revenues
- Adjusted EBITDA €222.6 million, up 3.0% y-o-y
- Free cash flow €160.1 million, up 8.3% y-o-y
- Special tax treatment for innovation lowers effective tax rate
- Net profit increased to €92.6 million from a loss of €14.5 million in Q1 2012
- Earnings per share €0.46
- Leverage ratio down to 3.15x compared to 3.33x at year-end 2012

CEO Bernard Dijkhuizen:

"The first quarter of 2013 showed solid results with strong EBITDA margins in a continuing competitive environment. We have successfully stepped up our marketing activities in the consumer market with the launch of new sales campaigns in February. However churn remains high, so we will initiate new loyalty campaigns in the second quarter with a strong focus on customer retention. These should give support to our overall objective to reduce churn and create revenue momentum in the course of 2013. Meanwhile, we will focus on enhancing customer experience through new innovations and product enhancements. The recent launch of our cloud based user interface for set top boxes has resulted in a strong increase in the number of interactive receivers since its launch. With the roll-out of Ziggo WiFi Hotspots this year we will prepare and position ourselves for converged services by adding mobility for our customers.

Our B2B operations again showed double digit organic growth, driven by the sale of business bundles focusing on home offices and small businesses. With the acquisition of Esprit Telecom we will strengthen our propositions and services for the mid-market and benefit from operating leverage through a substantial increase in our customer base and reseller channel. Together with our state-of-the-art infrastructure, the acquisition of Esprit will bring new growth opportunities for our B2B operations in this segment."

Outlook

We reiterate our guidance for 2013 EBITDA which we expect to increase between 2.5% and 3.5%. Based on the first quarter operational results, including elevated churn, we anticipate 2013 revenue growth (excluding 'Other Revenues') to be around the low end of the EBITDA growth. We anticipate improved revenue momentum over the course of 2013 as our marketing and retention initiatives take effect. Our capital expenditure for 2013 is expected to be in the range of €320-€330 million.

In line with the dividend policy, Ziggo will pay a final dividend over 2012 of €180 million, or €0.90 per share, to its shareholders on April 29. On September 6, Ziggo expects to make a 2013 interim dividend payment of €190m.

CEO succession

On March 6, the Supervisory Board of Ziggo announced its intention to appoint René Obermann as the new CEO of Ziggo, effective January 1, 2014. René Obermann is currently CEO of Deutsche Telekom AG. This planned transition coincides with the previously disclosed retirement of the current CEO, Bernard Dijkhuizen, in January 2014, ensuring continued strong leadership of Ziggo in the future.

Acquisition Esprit Telecom

On March 14th, Ziggo announced it is further expanding its services for the business market through the acquisition of Esprit Telecom, a leading provider of voice and data services for the SME market in the Netherlands. The company has an active sales channel of dealers across the country. The acquisition includes Zoranet, an ICT service provider that focuses on the retail sector. The acquisition is subject to approval by the Dutch Competition Authority (ACM). In 2012, Esprit Telecom generated revenues of €37 million. The acquisition is valued at €18 million.

Important dates

This year, Ziggo expects to publish its quarterly results on the following dates:

Q2 2013	July 18, 2013
Q3 2013	October 18, 2013

The 2012 Annual General Meeting of Shareholders will be held on April 18, 2013.

April 18, 2013	AGM and final declaration of dividend
April 22, 2013	Ex-dividend (at opening)
April 24, 2013	Record date (after close)
April 29, 2013	Payment date

Interim dividend 2013:

September 3, 2013	Ex-dividend (at opening)
September 5, 2013	Record date (after close)
September 10, 2013	Payment date

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Financial highlights (unaudited)

in € millions (except per share data)	Q1 2013	Q1 2012	Change %
Subscriptions + usage	349.4	345.8	1.1%
Other revenues	10.1	15.9	-36.8%
Total consumer revenues	**359.5**	**361.7**	**-0.6%**
Business services revenues	**28.3**	**25.3**	**11.7%**
Total revenues	**387.8**	**387.1**	**0.2%**
Cost of goods sold	71.3	78.4	-9.2%
Gross margin	**316.6**	**308.6**	**2.6%**
	81.6%	79.7%	
Operating expenses	76.5	75.6	1.2%
Marketing & Sales	17.5	17.0	3.1%
Total Operating Expenses	**94.0**	**92.5**	**1.5%**
As a % of revenue	24.2%	23.9%	
Adjusted EBITDA(1)	**222.6**	**216.1**	**3.0%**
Adjusted EBITDA as a % of revenue	57.4%	55.8%	
IPO related costs		39.7	-100.0%
EBITDA(2)	**222.6**	**176.4**	**26.2%**
Depreciation and amortization	67.8	71.4	-5.1%
Operating income	**154.8**	**105.0**	**47.5%**
Share based payments		20.0	-100.0%
Movement in provisions	-1.2	-0.4	235.6%
Change in net working capital	8.5	28.8	-70.3%
Cash flow from operating activities	**229.9**	**224.8**	**2.3%**
Capital expenditure	66.6	70.2	-5.1%
As a % of revenue	17.2%	18.1%	
Total capital expenditure (Capex)	**66.6**	**70.2**	**-5.1%**
Interest received	0.0	0.2	-96.6%
Change in financial assets	0.1	-0.1	-260.6%
Funding joint venture	3.1	7.0	-55.7%
Free cash flow	**160.1**	**147.9**	**8.3%**
As a % of revenue	41.3%	38.2%	
Adjusted EBITDA-Capex	**156.0**	**145.9**	**6.9%**
As a % of revenue	40.2%	37.7%	
Net result	**92.7**	**-14.5**	**-740.0%**
Number of outstanding shares (in thousands)	200,000	200,000	
Earnings per share (in €)	**0.46**	**-0.07**	**-740.0%**

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Operational highlights (in thousands) (unaudited)

Footprint[3]	31 Mar 2013	31 Dec 2012	Change in Q1 2013	31 Mar 2012	Change % y-o-y
Homes passed	4,211	4,213	-2	4,212	0.0%
Analog TV only	591	637	-45	761	-22.3%
Analog and digital TV[4]	2,260	2,256	4	2,220	1.8%
Total TV customers	**2,851**	**2,892**	**-41**	**2,981**	**-4.3%**
Digital pay TV subscribers	909	929	-20	957	-5.0%
Internet subscribers	1,812	1,788	24	1,726	5.0%
Telephony subscribers	1,525	1,493	33	1,407	8.4%
Total RGUs[5]	**7,097**	**7,102**	**-5**	**7,071**	**0.4%**
Total RGUs consumer	**6,891**	**6,908**	**-17**	**6,919**	**-0.4%**
Of which bundle subscribers[6]	*1,426*	*1,395*	*31*	*1,317*	*8.3%*
RGUs per customer[7]	2.52	2.49	0.03	2.40	5.1%
ARPU in Q (€ per month)[8]	42.34	41.21	1.13	39.70	6.6%
ARPU YTD (€ per month)[8]	42.34	40.44	1.90	39.70	6.6%
Total RGUs B2B	**205**	**194**	**11**	**151**	**35.5%**

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 for the quarter ended on March 31, 2013 and €39.7 million for the quarter ended on March 31, 2012 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 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 March 31, 2013, 909,000 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 (29,388), Office Plus (1,075) and Internet Plus (9,311) targeted at SOHO and small businesses and our collective TV contracts TOM and TOMi (representing 82,000 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 122,000 TV RGUs, 13,000 digital pay TV RGUs, 40,000 internet RGUs and 30,000 telephony RGUs.

(6) Besides 1,426,000 subscribers who subscribed to the All-in 1 bundle, 13,000 customers subscribed to standard TV, internet and telephony on an individual product basis instead of an All-in-1 bundle.

(7) RGUs per customer is the total number of consumer RGUs (6,891,000 as at March 31, 2013) divided by the total number of consumer standard TV subscribers (2,729,000 as at March 31, 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.

About Ziggo
Ziggo is a Dutch provider of entertainment, information and communication through television, internet and telephony services. The company serves around 2.9 million households, with over 1.8 million internet subscribers, almost 2.3 million subscribers for digital television and 1.5 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

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Consumer products & services

Details consumer (in thousands unless mentioned otherwise)	**31 Mar 2013**	**31 Dec 2012**	**Change in Q1 2013**	**31 Mar 2012**	**Change % y-o-y**
Analog TV only	496	545	*-49*	683	-27.4%
Analog and digital TV	2,233	2,231	*2*	2,203	1.4%
Total TV customers	**2,729**	**2,776**	**-47**	**2,886**	**-5.4%**
Digital pay TV subscribers	895	917	*-21*	947	-5.5%
Internet subscribers	1,772	1,751	*21*	1,699	4.3%
Telephony subscribers	1,495	1,464	*30*	1,387	7.8%
Total RGUs	**6,891**	**6,908**	**-17**	**6,919**	**-0.4%**
Of which bundle subscribers	*1,426*	*1,395*	*31*	*1,317*	*8.3%*
RGUs per customer	2.52	2.49	0.03	2.40	*5.1%*
ARPU for the quarter (€ per month)	42.34	41.21	1.13	39.70	6.6%
ARPU YtD (€ per month)	42.34	40.44	1.90	39.70	6.6%

The first quarter of 2013 showed similar trends for RGUs as the fourth quarter of 2012. Sales and marketing efforts were successful, resulting in an increase in sales and gross adds, in particular for the All-in-1 bundle. However, continued strong competition in the consumer market kept churn at about the same elevated level as we experienced in the fourth quarter of 2012. Churn is relatively higher among subscriptions to TV only and the low-tier internet and All-in-1 bundle subscriptions. We will implement certain improvements in our propositions, including an increase in internet speeds and attractively priced dual-play propositions, in order to strengthen our proposition for the entry level. Churn levels among our premium versions of subscriptions to internet and All-in-1 bundles are relatively low. During Q1, churn for the All-in-1 bundles was 6.2% in total, compared to 5.7% for the previous quarter.

At the end of March 2013, total RGUs in the consumer market reached 6.9 million. In Q1 2013, Ziggo lost 17,000 RGUs as a result of a net churn of 47,000 subscribers and a decline in RGUs for digital pay TV of 21,000, which was partly offset by an increase in RGUs for internet and telephony driven by the growth in subscriptions to the All-in-1 bundle.

The number of subscribers to the All-in-1 bundle grew by 31,000, or 2.2%, to 1.43 million and by 8.3% compared to the prior-year quarter. The number of internet subscribers grew by 21,000 to 1.77 million during the quarter and by 4.3% compared to the prior-year quarter, again increasing our market share for broadband internet.

The number of digital TV subscribers increased slightly by 2,000 to 2.23 million, representing a penetration of 81.8% of our consumer customer base. The number of TV-only subscribers decreased by 20.6%, compared with the same quarter last year, to a total of 902,000 as at March 31, 2013. The decrease was mainly caused by the upsell of the All-in-1 bundle to our single and dual play subscribers, and by churn. Churn among TV-only subscribers was higher compared to last year as a result of the market in general moving toward triple-play and increased competition, while churn on all other product lines, for All-in-1 in particular, was significantly lower. We will continue to focus on upgrading customers to our All-in-1 bundle from a penetration of 52.2% today.

The total number of telephony subscribers rose to 1.50 million at the end of the first quarter, 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 bundle subscriptions.

RGUs per customer grew to 2.52, up 5.1% compared to last year, following a 0.4% decline in RGUs combined with a lower number of TV subscribers. Excluding digital pay TV as a separate RGU, Ziggo recorded an average of 2.20 RGUs per customer or a 6.2% growth compared to the previous year. Blended ARPU rose by 6.6% y-o-y, benefiting from revenue growth for digital pay TV and a further penetration of our All-in-1 bundle in our customer base, which was partly offset by a decline in the ARPU for telephony usage.

Marketing and sales
At the start of January, a campaign was launched to counter local FttH (Fiber to the Home) activities. The initiative is geared to emphasize the future proof network of Ziggo, delivering high speed internet (up to 120Mbps today), superb High Definition television channels and the best quality telephony, combined with a special offer. The campaign was launched in areas where FttH initiatives are about to set off, and will continue to run throughout 2013.

On January 30 we announced that Ziggo will be the founding partner of 'DE TV-BEELDEN'. The Netherlands plays an important role in the international TV industry. After the United Kingdom and the United States, the Netherlands holds third place on the list of countries successfully introducing new TV formats. Together with the TV BEELDEN foundation, Ziggo introduced this new Dutch television trade, supporting content creators and inventors from the industry.

In February we started several new sales and promotional campaigns focusing on triple play, dual play and up-sell to interactive TV services. New subscribers to our All-in-1 bundle with a minimum twelve months' contract period have the option to choose their own 'special offer': either an introduction discount on their monthly subscription fee or a free set top box. A third option will be added in the second quarter: a discount on an Android tablet. In the second quarter new campaigns will be launched focusing on customer loyalty and customer retention.

On March 2, the dance event 'Energy' was held in the Ziggo Dome. A live broadcast was made available to all Ziggo customers via the Ziggo event channel, enabling them to experience the dance event live at home through our digital TV service.

Products and services
On February 12, Ziggo launched the Visual Voicemail app for Ziggo telephony subscribers, enabling customers to automatically receive their home phone voicemail messages on their smart phone. The app works with any WiFi connection. Ziggo strives to offer Ziggo customers the ability to access their services from anywhere in the world; the Ziggo Voicemail app provides a service that was initially only available on the fixed telephony line through the home phone, but can now be delivered from any location using Android devices. The app for iOS devices will follow soon.

On March 15, Ziggo officially introduced the first fully cloud-based interactive DVB-C TV service in the world, as announced in the fourth quarter. By combining the IP protocol with the DVB-C television standard, even set top boxes without inbuilt hardware functionality for interactivity are now able to utilize interactive services via cable. Part of this innovation is the migration of the new streaming graphical user interface (SGUI). The user friendly GUI, which is based on HTML5, is streamed to the user over the DVB-C network using a temporary personal connection. This enables customers to access interactive services like Video on Demand or 'TV Gemist' via a simple and basic digital receiver. The first set top boxes which can be made interactive through this cloud based streaming GUI are a number of Humax and Samsung digital receivers. Ziggo will extend this to include other set top boxes in due course, which will result in an increase in interactive receivers in the installed customer base. Since the launch of the GUI on March 15, almost 60,000 decoders were activated via this cloud-based solution. As per March 31, we have over 410,000 customers with an interactive receiver, up from 360,000 at the end of 2012. The growing number of interactive receivers in our installed customer base boosts the growth of Video-On-Demand services and revenues. During the first quarter we again experienced a strong increase in the number of transactions of over 80% y-o-y, with the penetration of interactive receivers also growing rapidly, but still relatively small compared to the total number of customers.

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Following the successful pilot of our WiFi Hotspot concept in the city of Groningen we announced that we would roll out this concept across our total service area. The WiFi Hotspot concept utilizes the public channel of our WiFi EuroDocsis 3.0 modems at the customer's premises, enabling all Ziggo internet customers to access high speed internet anywhere, provided they are in the vicinity of a Ziggo modem. We are pleased to announce that we have made good progress and will roll out the WiFi Hotspots across our total footprint in 2013.

In order to keep a quality and broadband speed distance we will increase our internet speeds again at the start of the third quarter, widening the gap with DSL providers. We will set the entry guaranteed internet speed for our basic triple play and dual play (TV + Internet) products at a level equaling the final offer provided by DSL competitors.

B2B products & services

Details B2B (in thousands)	**31 Mar 2013**	**31 Dec 2012**	**Change in Q1 2013**	**31 Mar 2012**	**Change % y-o-y**
Analog TV only	95	92	*3*	78	22.3%
Analog and digital TV	27	24	*2*	17	55.1%
Total TV customers	**122**	**116**	**6**	**95**	**28.2%**
Digital pay TV subscribers	13	12	*1*	9	40.9%
Internet subscribers	40	37	*3*	27	48.2%
Telephony subscribers	30	28	*2*	20	50.3%
Total RGUs	**205**	**194**	**11**	**151**	**35.5%**
Of which:					
- Office Basis	*29.4*	*27.5*	*1.9*	*20.3*	*45.0%*
- Office Plus	*1.1*	*0.8*	*0.2*	*0.0*	*-*
- Internet Plus	*9.3*	*8.6*	*0.7*	*6.5*	*42.3%*

During Q1 over 2,900 new subscribers were added to our 'Office Basis', 'Office Plus' and 'Internet Plus' business bundles, equaling a 48% y-o-y growth, bringing the total B2B bundle subscribers to more than 39,800. Focusing on specific sectors like social health care, educational institutes and recreation, several larger new contracts were won. In addition, new product innovations, including IP-VPN services with Quality of Service over both fiber and hybrid fiber coax (HFC) supporting multi-site services at cost efficient and attractive rates for our subscribers, will offer new areas of future growth for our business operations.

On March 14, Ziggo announced the acquisition of Esprit Telecom, a leading provider of voice and data services for the SME market in the Netherlands, through which it can further expand its services to these segments. Esprit Telecom has an active sales channel of dealers across the country. The acquisition includes Zoranet, an ICT service provider that focuses on the retail sector. In 2012, Esprit Telecom generated revenues of €37 million. With this acquisition we have strengthened our propositions and services for the mid-market. We expect that Esprit Telecom, together with our state-of-the-art infrastructure, will bring new growth opportunities.

Other

At March 21, 2013 we successfully priced €750.0 million senior secured notes due in March 2020. The notes bear coupon interest at 3.625% per annum and have been issued at a price equal to 99.8% of their face value to yield 3.658% per annum. Taking into consideration the discount upon issue, the net proceeds from the issuance amounted to €748.5 million. In addition, we agreed on a new term loan A under a new credit facility of €150.0 million and a revolving credit facility of €400.0 million.

The net proceeds of senior secured notes issued, combined with the proceeds of the new term loan and part of the available cash, were used to repay the outstanding amounts of €1,063.3 million under our existing senior credit facility. This refinancing will lead to reduced financing costs, an extension of the debt maturity and increased flexibility.

Financial performance

Revenue
In Q1 2013 Ziggo generated revenues of €387.8 million, an increase of 0.2% compared to the same quarter of 2012 (€387.1 million). Excluding 'Other Revenue', revenues increased by 1.8%, despite a 5.8% (€2.8 million) decline in revenues from telephony usage. The most important drivers for the growth in revenues were:

1. continued growth in RGUs for internet and telephony supported by a further uptake of the All-in-1 bundle;
2. revenue growth from digital pay TV;
3. a price increase for the consumer market effective as of February 1; and
4. continued growth in the subscriptions to business bundles.

Growth was partly offset by continued elevated churn and a revenue decline for telephony usage. Business services again reported strong organic growth of 11.7% in the business market, predominantly driven by the sale of business bundles to the SME and SoHo markets.

Consumer revenues for Q1 2013 amounted to €359.5 million, down 0.6% on Q1 2012. Excluding 'Other Revenue', consumer revenues increased by 1.1%. This was mainly driven by a price increase effective as of February 1 and a further uptake of our All-in-1 bundle during the year, representing 31,000 net additions during the quarter, or 8.3% y-o-y growth of All-in-1 subscribers. This resulted in growth in both internet and telephony RGUs by 4.3% and 7.8% respectively, with RGUs for standard TV reporting a net decline of 5.4%. Revenue from subscriptions to standard TV, internet and telephony increased by 1.7%. The price increase effective as of February 1 contributed some €3.9 million in revenues, representing a growth of 1% for consumer revenues.

In addition, the company recorded revenue growth in digital pay TV, including VOD, of 5.0% y-o-y despite a decline in the number of subscribers to digital pay TV by 52,000 compared to the previous year. In the prior year, the subscriber number benefited from a promotional offer for the HBO package, which was introduced in February of 2012. Revenues from telephony usage decreased by 5.8% compared to Q1 last year. Revenues generated through our All-in-1 bundle increased by 10.1%, from €161.4 million in Q1 2012 to €177.6 million in Q1 2013, now representing 49.4% of total consumer revenues, versus 44.6% in Q1 2012.

Digital pay TV ARPU increased by 8.3% from €14.63 in Q1 2012 to €15.84 in Q1 2013, driven predominantly by an increase in the number of premium TV packages per subscriber and growth in VOD. In Q1 we again experienced a strong y-o-y increase in VOD transactions of more than 80%. In addition to the growing popularity of VOD, growth was also boosted by the rise in the number of customers with an interactive set-top box to almost 405,000 at the end of Q1 2013 compared to 282,000 at the end of Q1 2012. As a result of the program upgrading part of the existing set-top boxes in our installed customer base using interactive functionality through a cloud-based graphic user interface (SGUI), we expect to further increase the penetration of interactive set-top boxes. supporting the growth of VOD and enhancing customer experience.

In line with previous quarters, we saw a decline in revenues from telephony usage of 5.8%, or €2.8 million, from €47.8 million in Q1 2012 to €45.0 million in Q1 2013. Excluding interconnections, telephony usage revenues declined by approximately 1.3%. The price increase which became effective as of February 1 contributed 1.6% to revenue growth.

Growth in the number of telephony subscribers of 7.8% was more than offset by a lower ARPU for telephony usage, due to (1) an FTA rate reduction as at August 1, 2012, (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 first quarter, call minutes declined by almost 4% compared to the same quarter last year, whereas on-net calling grew by almost 3%. However, average call minutes per user (AMPU) decreased by 12%. The reduction in FTA rates as at August 1, 2012 negatively affected ARPU and revenues compared to Q1 2012 by €0.40 and €1.8 million respectively.
Despite the decline in revenues, the gross margin on telephony improved slightly both in absolute terms and as a percentage of revenue, due to growth in the number of subscribers and reduced FTA rates.

Other revenues, consisting predominantly of set top box sales, declined by 36.8% to €10.1 million in Q1 2013. This is mainly due to a lower number of new All-in-1 bundle customers taking the discounted set top box promotion, and consequently a lower number of set top boxes sold, plus a lower average sales price per set top box. During Q1 2013 we supplied 52,000 iTV, 33,000 HD set-top boxes and 4,000 CI+ modules, versus 58,000 iTV, 45,000 HD and 12,000 CI+ modules in the same quarter in 2012. In addition, the set top box models that Ziggo is selling today are less expensive than the ones supplied last year, which is why they can be offered at lower selling prices.

Blended ARPU for consumers in Q1 2013 was €42.34, up €2.64 (+6.6%) from Q1 2012. This increase was driven by growth in the number of subscribers to the All-in-1 bundle which, combined with churn in TV-only subscribers, resulted in a 5.1% increase in RGUs per customer to 2.52 (based on a maximum of 4 RGUs per customer). Excluding digital pay TV as a separate RGU, Ziggo recorded an average of 2.20 RGUs per customer. Additionally, blended ARPU was positively affected by (1) the price increase which became effective as at February 1, and (2) higher revenues from digital pay TV services, but negatively affected by lower revenues from telephony usage. Q1 2013 blended ARPU showed an increase of 2.7% compared to Q4 2012, due to growth in RGUs per customer of 1.5% and the price increase as of February 1.

Our business market activities generated revenues of €28.3 million in Q1 2013, up 11.7% compared to €25.3 million in the same period last year. Growth was primarily the result of the increase in the number of subscriptions to our business bundles for home offices and small businesses. The reduction in FTA rates as at August 1, 2012 negatively affected revenues by almost €0.3 million per quarter.

In Q1, Ziggo added over 2,900 new subscribers to its main B2B bundles products, 'Internet Plus', 'Office Basis' and 'Office Plus' bundle, reaching a total of 39,800 subscribers by March 31, 2013. Total revenues from the coaxial products TOM and TOMi, our collective TV contracts and business bundles grew by over 41% in Q1 2013 compared to the previous year, landing at €10.7 million, now representing 37.9% of total B2B revenues (29.9% in Q1 2012).

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 relating to the sale of set-top boxes and other products and materials used to connect customers to our network.

In Q1 2013 cost of goods sold decreased to €71.3 million, down 9.2% from Q1 2012. The gross margin for Q1 was 81.6% of revenues versus 79.7% in the prior-year quarter.

Margin improvement was mainly the result of higher gross margins on internet, telephony and business services and a lower volume of set top boxes shipped, combined with a lower average purchase price for our set top boxes following the change to new models for our interactive set top box as at January 1. The 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.

Operating expenses (Opex)
Operating expenses increased by €1.5 million, or 1.5%, to €94.0 million in Q1 2013 compared to €92.5 million in Q1 2012. As a percentage of revenue, operating expenses increased from 23.9% to 24.2%, mainly as a result of an increase in Marketing & Sales expenses by 3.1% from €17.0 million in Q1 2012 to €17.5 million in 2013. The majority of Marketing & Sales expenses were spent on sales campaigns and selling expenses.

Excluding Marketing & Sales, operating expenses increased by 1.2% compared to Q1 2012 and were down compared to Q4 2012 in absolute terms by €1.3 million. The main reasons for the increase compared to Q1 last year were higher personnel costs due to an increase in headcount and an increase in average salary costs per employee. The decrease compared to the fourth quarter of 2012 is mainly attributable to the recognition of an additional accrual for employee bonuses of €1.9 million in the fourth quarter as certain company targets for 2012 were achieved.

Personnel costs increased by 2.7% compared to Q1 2012. The increase is predominantly the result of a 4.9% increase in headcount and an increase in average salary costs of approximately 2.4%. The latter was driven by both discretionary individual salary increases and a general salary increase in line with the collective labor agreement. The increase in both headcount and average salary costs was partly offset by an increase in capitalized personnel costs of 13.8%. The majority of the increased headcount is the result of the increased hours spent on projects relating to investments in innovation and our core infrastructure and systems, facilitating the addition of new services such as mobility and TV Everywhere.

At the end of Q1 we recorded 3,039 FTEs compared to 2,897 FTEs at the end of Q1 2012 and 3,018 at the end of Q4 2012. Excluding external and temporary employees, the company had 2,501 employees versus 2,410 in the previous year. The number of external resources increased from 323 FTEs at the end of Q1 2012 to 345 at the end of Q1 2013. The number of temporary call center agents increased from 164 FTEs at the end of Q1 2012 to 192 at the end of Q1 2013, mainly due to insourcing of certain sales-related activities in the last quarter of 2012.

Costs of contracted work decreased by 3.1% compared to Q1 2012, mainly as a result of lower call volumes in our customer services department (a near 25% decline) and lower consultancy costs. This decrease is partly offset by increased costs for on-site support on customer premises and by higher costs of maintenance of network and technology as a result of an increase in RGUs and capacity of our infrastructure, as well as rising maintenance costs following investments in our core infrastructure and systems facilitating the addition of new services, such as mobility and TV Everywhere.

Office expenses increased slightly by 2.4% compared to Q1 2012. This increase is due to increased costs of licenses and maintenance for applications as a result of 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 besides existing IT environment costs. The increased costs relating to our IT environment were partly offset by cost reductions in various other cost categories related to office expenses.

Other expenses decreased by 13.6% compared to Q1 2012, mainly as a result of the fact that costs relating to returns and repairs of set-top boxes covered by our warranty provision are included in the costs of goods sold, whereas in Q1, these costs were recognized as other operating expenses.

Adjusted EBITDA and operating profit
In Q1 2013 we achieved an adjusted EBITDA of €222.6 million, up 3.0% compared to Q1 2012. The EBITDA margin was 57.4% compared to 55.8% for Q1 last year. This y-o-y increase was primarily due to an improved gross margin.

Adjusted EBITDA excludes IPO-related expenses. In March 2012 we recognized €39.7 million in costs directly related to our IPO at NYSE Euronext Amsterdam. Excluding IPO-related costs, EBITDA increased by 26.2%.

Depreciation expenses and amortization of software in Q1 2013 fell by €3.6 million to €67.8 million from €71.4 million in Q1 2012. This decrease is the result of high historical network and infrastructure investments as well as investments related to the merger of the three predecessor companies which led to relatively high depreciation expenses in recent years. However, with the current investment program in our core infrastructure and systems facilitating the addition of new services such as mobility and TV Everywhere, depreciation and amortization will stabilize going forward.

Operating income (EBIT) for the first quarter increased by 47.5% to €154.8 million compared to €105.0 million for the prior-year quarter. This increase is due to improved EBITDA, lower depreciation expenses, lower amortization on software and the absence of IPO-related expenses.

Net income
Interest expense excluding interest on shareholder loans decreased by €2.9 million, or 5.5%, to €50.0 million in Q1 2013 compared to €52.9 million last year. In Q1 2013, €2.6 million was allocated as borrowing costs on work in progress, resulting in an interest credit, compared to €2.4 million in Q1 2012. Excluding borrowing costs, interest expense decreased by 6.1%, or €3.1 million.

A reduction of our average debt by approximately €327 million reduced our interest expense compared to Q1 2012. The blended interest rate for the first quarter was 6.9% versus approximately 6.7% for Q1 2012.
Interest on shareholder loans fell from €52.2 million in Q1 2012 to nil in Q1 2013, following the full conversion of the shareholder loans into equity prior to the IPO on March 21, 2012.

Banking and financing fees increased by €0.2 million to €0.5 million in Q1 2013 from €0.3 million in the prior-year quarter. This increase is mainly attributable to commitment fees due on the undrawn amount of the new €150 million term facility we have put in place in January at the level of Ziggo NV. In addition, at the end of March, we have put in place a new revolving credit facility of €400 million, which will further increase banking and financing fees going forward as a result of commitment fees due on the undrawn balance of this facility.

The amortization of funding costs increased by €43.2 million to €46.2 million in Q1 2013 compared to Q1 last year. As a result of the refinancing of the old €1.1 billion senior credit facility, we impaired the remaining balance of the capitalized financing costs of €42.7 million related to this old senior credit facility. The total financing fees of €12.7 million, which relate to (1) the new €750 million 3.625% senior secured notes issue, (2) the new €150 million term loan A and (3) the new €400 million revolving credit facility, have been capitalized and will be amortized over the terms of the senior secured notes, the term loan and revolving credit facility.

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 Q1 2013, Ziggo recorded a €9.2 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 €10.5 million as a result of shortened expiration periods of underlying hedges, and (3) a foreign exchange loss on USD denominated purchases of €0.1 million. For the same quarter of 2012 Ziggo had reported a fair value loss of €4.1 million and a foreign exchange gain of €0.5 million.

During the first quarter we recorded a net loss from joint ventures of €1.3 million compared to a net loss of €3.9 million in the prior-year quarter. The €1.3 million net loss from joint ventures predominantly relates 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 first quarter amounted to €3.1 million in total.

For Q1 2013 Ziggo reported an income tax benefit of €26.6 million, compared with an income tax expense of €3.7 million in the same quarter last year. Higher operating income, combined with reduced interest costs, partly offset by the impairment of capitalized financing costs, resulted in a strong increase in the result before income taxes to €67.4 million, compared to a loss of €7.0 million for the prior-year quarter. The result before income taxes of €67.4 million would have led to a corporate income tax charge of €16.9 million at an effective tax rate of 25%. However, we formalized an agreement with the Dutch tax authorities regarding the innovation box, which will reduce the effective tax rate going forward but also reduces it retrospectively for the period 2010 to 2012.

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%. The application of the innovation box resulted in a one-off benefit of €35.1 million reflecting the period 2010 to 2012, as well as reduced corporate income tax charges for the first quarter by €8.4 million.

In Q1 2013, Ziggo posted net profit of €92.7 million, versus a net loss of €14.5 million in Q1 2012. Adjusted for (1) interest on shareholder loans, (2) amortization of the customer list, (3) amortization of financing fees, (4) non-recurring IPO costs, and (5) changes in fair value on our interest rate hedges (all adjustments net of income taxes), net profit would have increased from approximately €65 million in Q1 2012 to €120 million in Q1 2013, representing an increase of 85%.

Working capital, cash flow and liquidity

Working capital

Net working capital excluding accrued interest and corporate income tax due decreased from €268.1 million negative as at the end of Q4 2012 to €280.8 million negative as at the end of March 2013. The decrease in working capital in Q1 2013 is mainly due to a relatively high spend on Marketing & Sales and capital expenditure in March, resulting in relatively high trade accounts payable and other current liabilities at the end of March. Working capital includes corporate income tax due as at March 31, 2013 of €2.9 million. This is the result of an intragroup transaction as part of which we transferred certain assets 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 unit according to Dutch carry-over rules, and which is therefore payable in the course of 2013.

Cash flow from operating activities

Cash flow from operating activities increased by 2.3% to €229.9 million compared to €224.8 million in Q1 2012. Although EBITDA adjusted for share based payments increased by €26.2 million to €222.6 million in Q1 2013, the cash inflow from a change in working capital decreased by €20.2 million.

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 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 sold to customers and therefore recognized as cost of goods sold instead of being capitalized.

During Q1 2013, Ziggo recorded capital expenditure of €66.6 million, a decrease of 5.1% compared to Q1 2012 (€70.2 million). During Q1 2012 we spent €5.6 million on the modem swap, whereas, during Q1 2013, only a limited number of modems were swapped. In addition, network growth was limited as a result of a relatively high spending on equipment for network growth at the end of the fourth quarter of 2012, of which part was rolled out during Q1 and a relatively high spending on materials, equipment and software licenses in Q1 2012 compared to Q1 2013. During Q1 2013 the amount spent on internal hours capitalized and contracted work increased by approximately €5 million.

Capex in €m	Q1 2013	% of total	Q1 2012	% of total
Customer installation	17.5	26%	22.1	32%
Network growth	25.5	38%	23.9	34%
Maintenance and other	23.6	36%	24.2	34%
Total capex	**66.6**		**70.2**	

In Q1 2013, capital expenditure of €17.5 million (26%) related to service equipment and modem installations at customer premises (€22.1 million, or 32%, in Q1 2012), whereas 38% related to new build and growth of our network capacity to accommodate our increased internet subscriber base and continuously increasing internet speed and bandwidth requirements (approximately 34% in Q1 2012).

The decrease in capital expenditure on customer installations of €4.6 million compared to Q1 2012 was due to a limited number of modems being swapped compared to the previous year. During Q1 we swapped approximately 15,000 modems for dual-band WiFi enabled EuroDocsis 3.0 modems, whereas, during the same quarter last year, we had swapped approximately 94,000 modems. The difference in the number of swapped modems represents a value of approximately €4.7 million. At the end of Q1 we had activated 1,371,000 EuroDocsis 3.0 modems at customer premises, of which 896,000 were WiFi enabled.

The increase in capital expenditure on network growth compared to Q1 2012 of €1.6 million was limited, as spending on materials and equipment was relatively low compared to the prior-year quarter. During the fourth quarter we realized a relatively high spending on equipment for network growth, part of which was subsequently rolled out during Q1 2013.

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 and systems facilitating the addition of new services such as mobility and TV Everywhere. In Q1 2013, investments in this category decreased by €0.6 million, or 2.5%, to €23.6 million (or 36% of total capital expenditure for the quarter) compared to €24.2 million for the prior-year quarter. During Q1 2012 a relatively high amount was spent on equipment and licenses which were required for the development of our converged core system. The amount spent on capitalized hours and contracted work increased significantly compared to Q1 2012.

Capital expenditure for 2013 is expected to be in the range of €320-330 million.

Operational free cash flow
Operational free cash flow (OpFCF, or adjusted EBITDA minus capex) increased by 6.9% to €156.0 million in Q1 2013 compared to €145.9 million for the prior-year quarter, driven by an increase in adjusted EBITDA of 3.0% and a 5.1% lower spend on capital expenditure.

Free cash flow and net cash used in financing activities
During Q1, free cash flow (cash flow before financing activities) increased to €160.1 million, up €12.2 million, or 8.3%, compared to Q1 2012. The increase in the free cash flow was the result of improved cash flow from operating activities of €5.1 million, combined with a lower spend on capital expenditure of €3.6 million and lower funding of our joint ventures of €3.9 million.

Net cash used in financing activities for the quarter comprises interest expense, banking and financing fees related to our loan facilities, and prepayments on the senior credit facilities. During Q1 2013, voluntary prepayments on the senior credit facility of €164.8 million were made as a result of the refinancing of the existing senior facility of €1,063.3 million through the issuance of €748.5 million senior secured notes and a new term loan of €150.0 million. In addition, as part of this refinancing, we put a new revolving credit facility in place of €400.0 million, which had not been used at the end of March.

Cash interest paid in Q1 2013 amounted to €16.5 million, representing a €3.4 million drop from the prior-year period. The difference is attributable to the lower average debt. Interest on both senior secured and senior unsecured notes is payable semi-annually, in May and November.

At the end of Q1 2013, accrued interest on the senior secured and senior unsecured notes was €53.8 million compared to €54.0 million at the end of Q1 2012.

At the end of Q1 2013, Ziggo held €62.4 million in cash and cash equivalents, compared to €148.3 million at the end of Q1 2012.

Net debt and financing structure
At March 21, 2013 we successfully priced €750.0 million senior secured notes due in March 2020. The notes bear coupon interest at 3.625% per annum and have been issued at a price equal to 99.8% of their face value to yield 3.658% per annum. Taking into consideration the discount upon issue, the net proceeds from the issuance amounted to €748.5 million. In addition, we agreed on a new term loan A under a new credit facility of €150.0 million and a revolving credit facility of €400.0 million.

The net proceeds of the senior secured notes issued, combined with the proceeds of the new term loan and part of the available cash balance, were used to repay the outstanding amounts of €1,063.3 million under our existing senior credit facility. The remaining balance of capitalized financing fees related to this credit facility were impaired and charged to the result for the first quarter. This refinancing will lead to reduced financing costs and an extension of the debt maturity and increased flexibility.

In addition, in January 2013 we have put in place a new €150.0 million term facility at the level of Ziggo NV, the parent entity which is listed at NYSE Euronext Amsterdam, for dividend distribution purposes. With this facility we now have the flexibility to adjust our dividend policy and increase our cash distribution for 2013 at a substantially lower cost than we would have incurred through refinancing our existing senior unsecured notes. The senior unsecured notes, which were issued by Ziggo Bond Company B.V., a subsidiary of Ziggo NV, in May 2010, currently limit the dividend pay-out to its parent company to 50% of cumulative adjusted net income. At the end of March €1.0 million was drawn under this facility to settle fees in relation to the arrangement of this facility.

Press Release

As at March 31, 2013, we carried a total debt balance of €2,812.9 million, including principal amount, capitalized funding costs and discount on issue date. An amount of €151.0 million is owed under our senior credit facility (term loan A and term facility at Ziggo N.V.), €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 of this year and €1,208.9 million to senior unsecured notes issued in 2010. A summary of the capital structure with notional amounts outstanding as at March 31, 2013 is stated below.

As per March 31 2013	in €m	x LTM EBITDA	Margin / Coupon	Maturity
Senior debt	150.0	0.17	E + 2.0%	Mar-18
6.125% Senior Secured Notes	750.0	0.85	6.125%	Nov-17
3.625% Senior Secured Notes	750.0	0.85	3.625%	Mar-20
Total Secured Debt	**1,650.0**	**1.86**		
Senior Unsecured Notes	1,208.9	1.36	8.000%	May-18
PIK Term Facility	1.0	0.00	E + 4.0%	Jan-15
Total Debt	**2,859.8**	**3.22**		
Cash and cash equivalents	62.4	0.07		
Total Net Debt	**2,797.4**	**3.15**		

On March 31, 2013 the outstanding balance of the senior credit facility and term facility amounted to €143.9 million, including principal amount (€151.0 million) and capitalized financing fees (€7.1 million).

As at March 31, 2013, senior unsecured notes (8.0%, May 2018) amounted to €1,184.3 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 March 31, 2013 an amount of €10.1 million was amortized, resulting in capitalized financing fees as at the end of Q1 2013 of €18.3 million and a capitalized discount of €6.2 million.

As at March 31, 2013 the balance of senior secured notes (6.125%, March 2017) amounted to €742.6 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 March 31, 2013 a total amount of €3.2 million had been amortized since issuance, resulting in capitalized financing fees of €7.4 million as at the end of Q1 2013.

As at March 31, 2013 the balance of newly issued senior secured notes (3.625%, March 2020) amounted to €742.2 million, stated at amortized cost, including principal amount (€750.0 million), capitalized funding costs of €6.3 million and capitalized discount of €1.5 million.

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 March 31, 2013 an amount of €53.8 million was accrued under current liabilities.

As at March 31, 2013, the fair value of the interest rate swaps (IRS) amounted to €52.8 million negative, compared to €63.2 million negative as at December 31, 2012. 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 March 31, 2013, the hedge reserve amounted to €3.5 million negative, which was charged to profit or loss during the remaining term of the outstanding IRS.

As at March 31, 2013, our Net Debt to Adjusted LTM EBITDA leverage ratio (as defined under our senior credit facilities) was 3.15x, down from 3.33x as at year-end 2012, due to strong EBITDA performance and strong cash generation. The average debt maturity was 5.5 years as at March 31, 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.

As per April 29, 2013 we will distribute €180 million of cash as final dividend over 2012 (subject to shareholder approval), which brings the total dividend payout over 2012 to €290 million or €1.45 per share. The final dividend payout of €180 million equals to approximately 0.2x EBITDA.

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, 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:

- In Q1 2013 Ziggo recognized €0.1 million in management fees as a result of the allocation of costs of the Management Board, which have not been recognized by Ziggo BondCo. As a result, operating income for Q1 2013 reported for Ziggo was €0.1 million lower than that reported for Ziggo BondCo.
- Ziggo N.V. put a credit facility in place of €150.0 million. In Q1 2013 the amortization of capitalized financing fees on this facility amounted to €0.3 million, which were recognized in the results of Ziggo but not in the results of Ziggo BondCo.
- As a result of the allocation of costs of the Management Board of €0.1 million to Ziggo and the amortization of financing fees of €0.3 million, the result before income tax realized by Ziggo BondCo was €0.5 million higher than the result realized by Ziggo. The corporate income tax charge recognized by Ziggo BondCo was €0.1 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 Q1 2013 amounted to €252.0 million, while the deferred tax asset recognized by Ziggo BondCo relates to the fair value of the interest rate swaps as at March 31, 2013 for an amount of €13.2 million and to the deferred tax asset recognized as a result of the tax renewal transaction for an amount of €74.3 million.
- In Q1 2013 Ziggo used an amount of €1.0 million from the credit facility of €150.0 million to settle the financing fees due for this new facility. The financing fees were capitalized and the loan of €0.2 million recorded at amortized cost, including the principal amount (€1.0 million) and capitalized financing costs (€0.8 million). The net amount of €0.2 million has not been recognized by Ziggo BondCo.
- As a result of costs recognized and accrued for the credit facility and other accrued costs by Ziggo, Other current liabilities recorded by Ziggo were €0.5 million higher than the amount reported by Ziggo BondCo.
- 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 BondCo was netted against the deferred tax assets of the Ziggo fiscal unit. As a result, the balance of current liabilities to related parties reported by Ziggo BondCo amounted to €123.2 million.
- The equity attributable to equity holders reported by Ziggo was €287.3 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)

(in € thousands)	Q1 2013	Q1 2012	Change %
Total Revenues	**387,820**	**387,059**	**0.2%**
Cost of goods sold	71,252	78,434	-9.2%
Personnel	48,063	82,404	-41.7%
Contracted work	13,226	14,304	-7.5%
Marketing & Sales	17,496	17,940	-2.5%
Office expense	13,387	14,528	-7.9%
Other operating expenses	1,786	3,052	-41.5%
Depreciation	61,729	63,826	-3.3%
Amortization of software	6,042	7,602	-20.5%
Total operating expenses	**232,982**	**282,089**	**-17.4%**
Operating income	**154,838**	**104,970**	**47.5%**
Net financial income (expense)			
- Interest	-49,957	-105,057	-52.4%
- Banking and financing fees	-489	-292	67.4%
- Amortization of funding costs	-46,226	-3,008	1436.7%
- Other income (i.e. fair value gains / (losses) on derivative fin. instruments)	9,214	-3,563	-358.6%
Result from normal business before income taxes	**67,380**	**-6,950**	**-1069.6%**
Net result of joint ventures and associates	-1,298	-3,877	-66.5%
Income tax benefit (expense)	26,613	-3,657	-827.7%
Net result	**92,695**	**-14,483**	**-740.0%**

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. (unaudited)

(in € thousands)	31 Mar 2013	31 Dec 2012	31 Mar 2012
ASSETS			
Intangible assets	3,321,204	3,321,204	3,321,204
Capitalized software	38,814	37,183	35,285
Property and equipment	1,433,937	1,434,080	1,426,136
Other financial assets	826	719	399
Investments in joint ventures	5,365	3,556	3,030
Deferred income tax asset	251,988	223,733	268,920
Total non-current assets	**5,052,134**	**5,020,475**	**5,054,974**
Inventories	27,214	27,889	34,808
Trade accounts receivable	27,528	18,240	28,061
Other current assets	35,045	24,914	36,550
Cash and cash equivalents	62,360	92,428	148,340
Total current assets	**152,147**	**163,471**	**247,759**
TOTAL ASSETS	**5,204,281**	**5,183,946**	**5,302,733**
EQUITY AND LIABILITIES			
Issued share capital	200,000	200,000	200,000
Share premium	3,500,000	3,500,000	3,500,000
Treasury stock	-36	-36	0
Retained earnings	-2,320,194	-2,513,830	-2,406,626
Net income (loss) for the period	92,695	192,770	-14,483
Equity attributable to equity holders	**1,472,465**	**1,378,904**	**1,278,891**
Loans from financial institutions	143,888	1,018,230	1,245,923
Unsecured Bond	1,184,319	1,183,378	1,180,578
Facility E (Secured Bond)	1,484,728	742,209	741,198
Derivative financial instruments	52,802	63,236	51,325
Provisions	22,931	23,059	24,571
Deferred income tax liability	409,207	407,824	383,420
Other non current liabilities	211	204	121
Total non-current liabilities	**3,298,086**	**3,438,139**	**3,627,136**
Trade accounts payable	87,550	85,563	63,080
Deferred revenue	119,014	109,692	118,485
Derivative financial instruments	0	0	8,643
Provisions	6,395	7,480	6,845
Corporate income tax	2,870	2,323	0
Taxes and social security	59,397	52,819	48,049
Personnel related liabilities	21,547	17,495	28,603
Accrued interest	53,829	17,976	54,045
Other current liabilities	83,128	73,555	68,956
Total current liabilities	**433,731**	**366,903**	**396,707**
TOTAL EQUITY AND LIABILITIES	**5,204,281**	**5,183,946**	**5,302,733**

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. (unaudited)

(in € thousands)	Q1 2013	Q1 2012	Change %
Operating activities			
Operating income	154,838	104,970	47.5%
Adjustments to reconcile operating profit to net cash flow			
Share based payments	0	20,000	-100.0%
Depreciation	61,729	63,826	-3.3%
Amortization	6,042	7,602	-20.5%
Movement in provisions	-1,213	-362	235.6%
Working capital adjustments			
(Increase)/Decrease in current assets	-18,744	-14,260	31.4%
Increase/(Decrease) in current liabilities	27,282	43,028	-36.6%
Change in working capital (excl. accrued interest)	8,538	28,768	-70.3%
Net cash flow from operating activities	**229,935**	**224,804**	**2.3%**
Investing activities:			
Capital expenditures	-66,632	-70,211	-5.1%
Funding of joint venture	-3,100	-7,000	-55.7%
Interest received	8	224	-96.6%
Treasury Stock	0	0	
Change in financial assets	-108	67	-260.6%
Net cash flow from (used in) investing activities	**-69,832**	**-76,920**	**-9.2%**
Financing activities:			
3,625% Senior Secured Notes	748,500	0	
Term Loan A (new)	150,000	0	
HoldCo Facility	950	0	
Financing Fees	-9,315	0	
Dividend	0	0	
Repayment of loans	-1,063,336	-92,772	1046.2%
Interest	-16,496	-19,884	-17.0%
Other financing activities	-474	433	-209.5%
Net cash flow from (used in) financing activities	**-190,172**	**-112,223**	**69.5%**
Net increase (decrease) in cash and cash equivalents	**-30,068**	**35,661**	**-184.3%**

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 Q1 ending March 31, 2013 the free cash flow amounts to €160.104 (March 31, 2012: €147,884)

Details on consolidated income statement (unaudited)

(in € thousands)	Q1 2013	Q1 2012	Change %
(A) Income statement			
Revenue by segment[(1)]			
Standard cable subscription revenue	113,510	117,046	-3.0%
Digital pay television services revenue	43,144	41,103	5.0%
Total video revenues	**156,655**	**158,148**	**-0.9%**
Broadband Internet subscription revenue	**114,171**	**108,743**	**5.0%**
Telephony subscription revenue	33,575	31,094	8.0%
Telephony usage revenue	45,045	47,808	-5.8%
Total telephony revenues	**78,620**	**78,902**	**-0.4%**
Revenue from other sources	**10,071**	**15,934**	**-36.8%**
Total consumer market	**359,517**	**361,728**	**-0.6%**
Of which All-in-1 bundle revenues	*177,604*	*161,362*	*10.1%*
Business services revenues	**28,303**	**25,331**	**11.7%**
Total revenues	**387,820**	**387,059**	**0.2%**
Cost of goods sold	71,252	78,434	-9.2%
Personnel	48,063	46,782	2.7%
Contracted work	13,226	13,654	-3.1%
Marketing & Sales	17,496	16,964	3.1%
Office expense	13,387	13,073	2.4%
Other expenses	1,786	2,067	-13.6%
Total operating expenses	**165,210**	**170,973**	**-3.4%**
Adjusted EBITDA[(2)]	**222,610**	**216,086**	**3.0%**
IPO related costs[(3)]	0	39,688	-100.0%
EBITDA	**222,610**	**176,398**	**26.2%**
Depreciation and amortization	67,772	71,428	-5.1%
Operating income	**154,838**	**104,970**	**47.5%**
Net financial income (expense)	87,458	111,920	-21.9%
Result from normal business before income taxes	**67,381**	**-6,950**	**-1069.6%**
Net result of joint ventures and associates	-1,298	-3,877	-66.5%
Income tax benefit (expense)	26,613	-3,657	-827.7%
Result from normal business after income taxes	**92,695**	**-14,483**	**-740.0%**

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.

Press Release

Details on working capital Q1 2013

(in € thousands)	As of March 31, 2013	As of Dec. 31, 2012	As of March 31, 2012
(C) Change in net working capital			
Inventories	27,214	27,889	34,808
Trade accounts receivable	27,528	18,240	28,061
Other current assets	35,045	24,914	36,550
	89,787	**71,043**	**99,419**
Trade accounts payable	87,550	85,563	63,080
Deferred revenue	119,014	109,692	118,485
Corporate income tax	2,870	2,323	0
Taxes and social securities	59,397	52,819	48,049
Personnel related liabilities	21,547	17,495	28,603
Accrued interest	53,829	17,976	54,045
Other current liabilities	83,128	73,555	68,956
	427,336	**359,423**	**381,219**
Net working capital	**-337,549**	**-288,380**	**-281,799**
Change in net working capital	**49,169**	**70,609**	**64,028**
Net working capital excl. accrued interest and corp. income tax	**-280,850**	**-268,082**	**-227,754**
Change in net working capital excl. accrued interest and corp. inc tax	**12,768**	**68,912**	**28,584**

Press Release

Details Loans

(in € thousands)	31 Mar 2013	31 Dec 2012	31 Mar 2012	31 Dec 2011
Senior Debt	150,954	1,063,336	1,290,564	1,383,337
Capitalized financing fees	-7,066	-45,107	-44,641	-46,670
Loans from financial institutions	**143,888**	**1,018,230**	**1,245,923**	**1,336,667**
Senior unsecured Notes (principal amount)	1,208,850	1,208,850	1,208,850	1,208,850
Capitalized discount at issuance (price 99.271)	-6,239	-6,478	-7,190	-7,411
Capitalized financing fees	-18,292	-18,994	-21,082	-21,729
Senior Notes	**1,184,319**	**1,183,378**	**1,180,578**	**1,179,710**
Senior Secured Notes (principal amount)	750,000			
Capitalized discount at issuance (price 99.800)	-1,500			
Capitalized financing fees	-6,334			
Senior Notes	**742,166**			
Facility E (Secured Bond; principal amount)	750,000	750,000	750,000	750,000
Capitalized financing fees	-7,438	-7,791	-8,802	-9,134
Senior Notes	**742,562**	**742,209**	**741,198**	**740,866**
Shareholdersloan				**2,281,218**
Total Loans	**2,812,935**	**2,943,816**	**3,167,699**	**5,538,461**

Press Release

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

(in € thousands)	YTD March 2013			YTD March 2012		
	Ziggo NV		Bondco BV	Ziggo NV		Bondco BV
Total revenue	**387,820**	**0**	**387,820**	**387,059**	**0**	**387,059**
Cost of goods sold	71,252	0	71,252	78,434	0	78,434
Personnel	48,063	884	47,179	82,404	35,622	46,782
Contracted work	13,226	0	13,226	14,304	650	13,654
Marketing & Sales	17,496	0	17,496	17,940	976	16,964
Office expense	13,387	35	13,352	14,528	1,455	13,073
Other operating expenses	1,786	-789	2,575	3,052	985	2,067
Depreciation	61,729	0	61,729	63,826	0	63,826
Amortization of software	6,042	0	6,042	7,602	0	7,602
Total operating expenses	**232,982**	**130**	**232,852**	**282,089**	**39,688**	**242,401**
Operating income	**154,838**	**-130**	**154,968**	**104,970**	**-39,688**	**144,658**
Net financial income (expense)						
- Interest	-49,957	-4	-49,953	-105,057	-52,182	-52,875
- Banking and financing fees	-489	-283	-206	-292	0	-292
- Amortization of funding costs	-46,226	-65	-46,162	-3,008	0	-3,008
- Other income (i.e. fair value gains / (losses) on derivative fin. instruments)	9,214	0	9,214	-3,563	0	-3,563
Result from normal business before income taxes	**67,380**	**-481**	**67,861**	**-6,949**	**-91,870**	**84,920**
Net result of joint ventures and associates	-1,298	0	-1,298	-3,877	0	-3,877
Income tax benefit (expense)	26,613	120	26,493	-3,657	17,573	-21,230
Net result	**92,695**	**-361**	**93,056**	**-14,483**	**-74,297**	**59,814**

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)

(in € thousands)	31 March 2013			31 March 2012		
	Ziggo NV		Bondco BV	Ziggo NV		Bondco BV
ASSETS						
Intangible assets	3,321,204	0	3,321,204	3,321,204	0	3,321,204
Capitalized software	38,814	0	38,814	35,285	0	35,285
Property and equipment	1,433,937	0	1,433,937	1,426,136	0	1,426,136
Other financial assets	826	0	826	399	0	399
Investments in joint ventures	5,365	0	5,365	3,030	0	3,030
Deferred income tax asset	251,988	164,520	87,468	268,920	253,630	15,290
Total non-current assets	**5,052,134**	**164,520**	**4,887,615**	**5,054,974**	**253,630**	**4,801,344**
Inventories	27,214	0	27,214	34,808	0	34,808
Trade accounts receivable	27,528	0	27,528	28,061	0	28,061
Other current assets	35,045	518	34,527	36,550	0	36,550
Cash and cash equivalents	62,360	240	62,120	148,340	63	148,277
Total current assets	**152,147**	**757**	**151,390**	**247,759**	**63**	**247,696**
TOTAL ASSETS	**5,204,281**	**165,277**	**5,039,005**	**5,302,733**	**253,693**	**5,049,040**
EQUITY AND LIABILITIES						
Issued share capital	200,000	199,982	18	200,000	199,982	18
Share premium	3,500,000	2,659,018	840,982	3,500,000	2,659,018	840,982
Treasury stock	-36	-36	0	0	0	0
Retained earnings	-2,320,194	-2,571,306	251,112	-2,406,626	-2,496,841	90,214
Net income (loss) for the period	92,695	-360	93,056	-14,483	-74,297	59,814
Equity attributable to equity holders	**1,472,465**	**287,297**	**1,185,167**	**1,278,891**	**287,862**	**991,028**
Loans from financial institutions	143,888	243	143,645	1,245,923	0	1,245,923
Unsecured Bond	1,184,319	0	1,184,319	1,180,578	0	1,180,578
Intercompany loan	0	0	0	0	0	0
Secured Bonds	1,484,728	0	1,484,728	741,198	0	741,198
Derivative financial instruments	52,802	0	52,802	51,325	0	51,325
Provisions	22,931	0	22,931	24,571	0	24,571
Deferred income tax liability	409,207	0	409,207	383,420	0	383,420
Other non current liabilities	211	0	211	121	0	121
Total non-current liabilities	**3,298,086**	**243**	**3,297,843**	**3,627,136**	**0**	**3,627,136**
Trade accounts payable	87,550	0	87,550	63,080	0	63,080
Deferred revenue	119,014	0	119,014	118,485	0	118,485
Current liabilities related parties	0	-123,208	123,208	0	-46,233	46,233
Derivative financial instruments	0	0	0	8,643	0	8,643
Provisions	6,395	0	6,395	6,845	0	6,845
Current taxes	2,870	0	2,870	0	0	0
Taxes and social securities	59,397	64	59,333	48,049	0	48,049
Personnel related liabilities	21,547	377	21,171	28,603	9,909	18,694
Accrued interest	53,829	0	53,829	54,045	0	54,045
Other current liabilities	83,128	504	82,624	68,956	2,154	66,802
Total current liabilities	**433,731**	**-122,264**	**555,994**	**396,707**	**-34,170**	**430,877**
TOTAL EQUITY AND LIABILITIES	**5,204,281**	**165,277**	**5,039,005**	**5,302,733**	**253,693**	**5,049,040**

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)

(in € thousands)	YTD March 2013			YTD March 2012		
	Ziggo NV		Bondco BV	Ziggo NV		Bondco BV
Operating income	154,838	-130	154,968	104,970	-39,688	144,658
Adjustments to reconcile operating profit to net cash flow						
Share based payments	0	0	0	20,000	20,000	0
Depreciation	61,729	0	61,729	63,826	0	63,826
Amortization	6,042	0	6,042	7,602	0	7,602
Movement in provisions	-1,213	0	-1,213	-362	0	-362
Working capital adjustments						
(Increase)/Decrease in current assets	-18,744	6	-18,750	-14,260	414	-14,673
Increase/(Decrease) in current liabilities	27,282	405	26,877	43,028	-33,663	76,690
Change in working capital (excl. accrued interest)	8,538	411	8,127	28,768	-33,249	62,017
Net cash flow from operating activities	**229,935**	**281**	**229,654**	**224,804**	**-52,937**	**277,741**
Investing activities:						
Capital expenditures	-66,632	0	-66,632	-70,211	0	-70,211
Funding of joint venture	-3,100	0	-3,100	-7,000	0	-7,000
Interest received	8	0	8	224	0	224
Change in financial assets	-108	0	-108	67	-45	112
Net cash flow from (used in) investing activities	**-69,832**	**0**	**-69,832**	**-76,920**	**-45**	**-76,875**
Financing activities:						
3,625% Senior Secured Notes	748,500	0	748,500	0	0	0
Term Loan A	150,000	0	150,000	0	0	0
HoldCo Facility	950	950	0	0	0	0
Financing Fees	-9,315	-775	-8,540	0	0	0
Dividend	0	0	0	0	53,000	-53,000
Repayment of loans	-1,063,336	0	-1,063,336	-92,772	0	-92,772
Interest	-16,496	0	-16,496	-19,884	0	-19,884
Other financing activities	-474	-282	-192	433	0	433
Net cash flow from (used in) financing activities	**-190,172**	**-107**	**-190,064**	**-112,223**	**53,000**	**-165,223**
Net increase (decrease) in cash and cash equivalents	**-30,068**	**174**	**-30,242**	**35,661**	**18**	**35,643**

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.