

VERSATEL TELECOM INTERNATIONAL N.V.

CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands)

ASSETS

	December 31, 2006	June 30, 2007
Non current assets:		
Intangible assets:		
Goodwill	EUR 4,574	EUR 171,631
Other Intangible Assets	43,312	29,469
Total intangible assets	47,886	201,100
Property, plant and equipment		
Property, plant and equipment, net	362,111	360,840
Construction in progress	27,160	19,739
Total tangible assets	389,271	380,579
Financial assets:		
Other non-current assets	1,144	1,102
Deferred Tax Asset	-	19,293
Total Financial Assets	1,144	20,395
Current assets:		
Inventories	-	6,081
Trade and other receivables	43,964	60,023
Other current assets	28,152	62,272
Cash and cash equivalents	87,821	78,700
Total current assets	159,937	207,076
Total assets	EUR 598,238	EUR 809,150

SHAREHOLDERS' EQUITY AND LIABILITIES

	December 31, 2006	June 30, 2007
Shareholders' equity:		
Common stock, euro 0.02 par value	EUR 10,471	EUR 18,848
Additional paid-in capital	1,755,767	1,998,781
Accumulated deficit	(1,705,624)	(1,751,903)
Total shareholders' equity	60,614	265,726
Non current liabilities		
Long-term debt	10,813	-
Related party long-term senior notes	101,276	103,532
Related party long-term loan	177,935	182,483
Provisions	4,500	3,633
Other non current liabilities	24,831	23,726
Total long-term liabilities	319,355	313,374
Deferred income tax	5,421	4,901
Current liabilities		
Unearned revenue	41,699	37,208
Accounts payable	50,769	97,261
Accrued liabilities	83,567	90,248
Related party current account	36,813	432
Total short-term liabilities	212,848	225,149
Total shareholders' equity and liabilities	EUR 598,238	EUR 809,150

Notes:

1 All financial data presented is unaudited and in accordance with IFRS

VERSATEL TELECOM INTERNATIONAL N.V.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except share data)

	Three months ended		Six months ended	
	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007
Revenues:				
Third party revenues	EUR 103,854	EUR 178,888	EUR 206,477	EUR 318,008
Related party revenues	620	3,540	1,006	4,633
Total revenues	<u>104,474</u>	<u>182,428</u>	<u>207,483</u>	<u>322,641</u>
Direct cost of revenue:	51,887	102,091	102,517	173,247
Gross margin	52,587	80,337	104,966	149,394
Operating expenses:				
Selling general and administrative	45,961	60,849	84,439	110,901
Depreciation/amortisation	<u>37,401</u>	<u>37,129</u>	<u>69,671</u>	<u>74,152</u>
Total operating expenses	83,362	97,978	154,110	185,053
Operating result	(30,775)	(17,641)	(49,144)	(35,659)
Interest- and other income	898	719	1,692	1,155
Interest- and other expense	2,413	3,255	6,014	6,904
Interest expense related party	3,401	2,358	4,997	4,599
Currency exchange (gain)/loss	<u>(607)</u>	<u>(137)</u>	<u>(529)</u>	<u>(738)</u>
Result before income taxes	(35,084)	(22,398)	(57,934)	(45,269)
Income tax credit (charge)	<u>319</u>	<u>(757)</u>	<u>640</u>	<u>(1,010)</u>
Result for the period	<u>(34,765)</u>	<u>(23,155)</u>	<u>(57,294)</u>	<u>(46,279)</u>
Other data:				
EBITDA	EUR 6,626	EUR 19,488	EUR 20,527	EUR 38,493
Net result after income taxes per common share:				
Basic	EUR (0.07)	EUR (0.03)	EUR (0.11)	EUR (0.06)
Diluted	<u>EUR (0.07)</u>	<u>EUR (0.03)</u>	<u>EUR (0.11)</u>	<u>EUR (0.06)</u>
Weighted average shares outstanding:				
Basic	523,549	794,291	523,549	794,291
Diluted	<u>523,549</u>	<u>794,291</u>	<u>523,549</u>	<u>794,291</u>
Total Shares outstanding				
Basic	<u>523,549</u>	<u>942,388</u>	<u>523,549</u>	<u>942,388</u>

Notes:

- 1 All financial data presented is unaudited and in accordance with IFRS
- 2 Due to the cumulative net loss for 2006 and 2007, the number of weighted average shares is identical for the basic and diluted earnings per share calculation as inclusion of potential common shares would be anti-dilutive.

VERSATEL TELECOM INTERNATIONAL N.V.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (in thousands)

	Three months ended		Six months ended	
	June 30, 2006	June 30, 2007	June 30, 2006	June 30, 2007
cash flows from operating activities:				
Net result for the period	EUR (34,766)	EUR (23,155)	EUR (57,295)	EUR (46,279)
Depreciation and amortization	37,401	36,780	69,671	74,152
Other non-cash from operating activities	4,558	867	6,984	1,735
Changes in working capital	4,951	10,176	10,495	(38,112)
Net cash provided by operating activities	<u>12,144</u>	<u>24,668</u>	<u>29,855</u>	<u>(8,504)</u>
cash flows from investing activities:				
Capital expenditures	(31,113)	(27,528)	(64,992)	(53,524)
Acquisition of Business, net of cash	-	0	-	(196,486)
Net cash used in investing activities	<u>(31,113)</u>	<u>(27,528)</u>	<u>(64,992)</u>	<u>(250,010)</u>
cash flows from financing activities:				
Redemption of loans	7,054	9,462	(7,821)	(6,548)
Proceeds from share offering, net of expenses	-	-	-	251,391
Proceeds from loans from related parties	1,752	2,357	3,351	4,548
Net cash (used in)/provided by financing activities	<u>8,806</u>	<u>11,819</u>	<u>(4,470)</u>	<u>249,391</u>
Free cash flows used	<u>EUR (10,163)</u>	<u>EUR 8,959</u>	<u>EUR (39,607)</u>	<u>EUR (9,123)</u>

Notes:

- 1 All financial data presented is unaudited and in accordance with IFRS

VERSATEL TELECOM INTERNATIONAL N.V.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands)

	Issued and paid in capital	Additional paid in capital	Accumulated deficit	Net result for the period	Total
Balance at January 1, 2007	EUR 10,471	EUR 1,755,767	EUR (1,705,624)	EUR -	EUR 60,614
Share offering	8,377	243,014			251,391
Net result for the period				(46,279)	(46,279)
Balance at June 30, 2007	<u>18,848</u>	<u>1,998,781</u>	<u>(1,705,624)</u>	<u>(46,279)</u>	<u>265,726</u>

Notes:

- 1 All financial data presented is unaudited and in accordance with IFRS

Versatel Telecom International

Operating Statistics: Q2 2007

(Euro 000s)

	2006 Q1	2006 Q2	2006 Q3	2006 Q4	2006 FY	2007 Q1	2007 Q2
<u>The Netherlands</u>							
Revenue	79,175	79,421	84,395	89,311	332,302	110,620	148,180
Gross Margin	45,187	43,348	55,069	54,700	198,305	56,764	66,800
GM%	57.1%	54.6%	65.3%	61.2%	59.7%	51.3%	45.1%
EBITDA	14,181	8,102	23,185	23,887	69,355	20,264	20,715
Capex	(24,049)	(20,127)	(18,925)	(20,627)	(83,728)	(23,198)	(24,084)
<u>Belgium</u>							
Revenue	23,834	25,053	25,103	28,237	102,227	29,594	34,249
Gross Margin	7,192	9,239	8,410	10,334	35,175	12,293	13,537
GM%	30.2%	36.9%	33.5%	36.6%	34.4%	41.5%	39.5%
EBITDA	(280)	(1,476)	(1,664)	(4,913)	(8,333)	(1,259)	(1,227)
Capex	(9,830)	(10,986)	(2,869)	(1,596)	(25,281)	(2,798)	(3,445)
Business	55,158	53,837	56,541	56,024	221,560	56,664	55,098
Residential	23,633	27,425	29,279	37,417	117,753	60,610	103,973
Carrier	24,218	23,212	23,678	24,108	95,216	22,939	23,357
Total Net Revenue	103,009	104,474	109,498	117,549	434,529	140,213	182,428
<u>The Netherlands</u>							
<u>Revenue</u>							
Business	46,782	45,876	48,969	47,436	189,063	49,293	47,181
Residential	15,827	17,622	18,621	25,339	77,408	45,330	83,573
Carrier	16,566	15,923	16,805	16,537	65,831	15,996	17,426
Total	79,175	79,421	84,395	89,311	332,302	110,619	148,180
<u>The Netherlands</u>							
<u>Customers</u>							
Business	61,201	58,530	56,287	56,926	56,926	56,379	54,955
Residential	282,006	272,051	270,001	266,507	266,507	1,525,523	1,447,062
Carrier	190	182	185	185	185	185	183
Total	343,397	330,763	326,473	323,618	323,618	1,582,087	1,502,200
<u>The Netherlands</u>							
<u>Residential Customers</u>							
Mobile					-	589,034	589,614
Fixed					-	627,259	549,886
Narrow & Broadband	282,006	272,051	270,001	266,507	266,507	309,230	307,562
Total	282,006	272,051	270,001	266,507	266,507	1,525,523	1,447,062
<u>Belgium</u>							
<u>Revenue</u>							
Business	8,376	7,961	7,572	8,588	32,497	7,372	7,918
Residential	7,806	9,803	10,658	12,078	40,345	15,280	20,400
Carrier	7,652	7,289	6,873	7,571	29,385	6,942	5,931
Total	23,834	25,053	25,103	28,237	102,227	29,594	34,249
<u>Belgium</u>							
<u>Customers</u>							
Business	10,593	9,829	9,612	9,283	9,283	9,147	10,624
Residential	69,946	78,151	86,260	101,153	101,153	328,286	311,849
Carrier	63	64	60	88	88	83	70
Total	80,602	88,044	95,932	110,524	110,524	337,516	322,543
<u>Belgium</u>							
<u>Residential</u>							
Mobile					-	901	900
Fixed					-	205,309	176,726
Narrow & Broadband	69,946	78,151	86,260	101,153	101,153	122,076	134,223
Total	69,946	78,151	86,260	101,153	101,153	328,286	311,849

Note

As a result of the acquisition of Tele2 Netherlands and Tele2 Belgium, Versatel acquired a residential customer base. As of March 31, 2007, the acquired customer base consisted of 589,000 mobile customers, 613,000 carrier pre-select customers and 41,000 narrow- and broadband customers in the Netherlands. The acquired customer base in Belgium, consisted as of March 31, 2007, of 205,000 carrier pre-select customers and 8,000 narrow- and broadband customers.

For the purposes of above mentioned residential customer numbers, it is noted that Tele2 Netherlands and Tele2 Belgium define a "customer" as anyone who purchased a product and still is an active customer.