

## **Ziggo : 4e kwartaal- en jaarcijfers 2012**

### **Continued sales growth in Q4 highlights resilience in competitive market environment**

- **Successful 4<sup>th</sup> quarter campaigns have resulted in a sequential increase of gross adds**
- **Favorable customer response to WiFi-hotspot pilot supports planned rollout across Ziggo footprint during 2013-2014**
- **Marketing & sales initiatives to be enhanced in 2013 whilst product development initiatives to be accelerated**
- **Strong free cash generation underpins plan to accelerate dividend policy outlined at the time of the IPO**

### **Operational highlights Q4 2012**

- All-in-1 bundle subscribers up 24,000 in Q4 resulting in 1.8% q-o-q growth and 10.6% y-o-y growth; penetration reaches 50.3% of our consumer customer base
- Internet subscribers up 21,000 in Q4, representing 1.2% q-o-q growth and 6.1% y-o-y growth
- Telephony usage revenue declines by 9.0% y-o-y and by approximately 5% excluding FTA rate reduction; q-o-q growth of 3.2%
- Digital Pay TV revenue increased through an ARPU increase and a strong uptake of VOD, partly offset by a 27,000 decline in subscribers
- Continued double-digit growth in B2B with almost 3,700 new business bundles

### **Financial highlights Q4 2012**

- Revenues up 1.4% y-o-y to €383.2 million despite a 9.0% decline in telephony usage revenue
- Adjusted EBITDA €218.2 million, up 2.7% y-o-y
- Net result increased to €70.4 million from €10.9 million in Q4 2011
- Net debt amounts to €2.93 billion compared to €3.23 billion at year-end 2011
- Leverage ratio down to 3.33x compared to 3.87x at year-end 2011

### **Operational highlights FY 2012**

- All-in-1 bundle subscribers up 134,000 or 10.6% for FY 2012
- Internet subscribers up 103,000 or 6.1% for FY 2012
- B2B RGUs up 41.4% to 194,000 driven by the sale of business bundles for SOHO and SME's

### **Financial highlights FY 2012**

- Revenues up 4.0% y-o-y to €1,536.9 million; up 4.8% excluding other revenue
- B2B revenues up by 20.4% to €105.6 million
- Adjusted EBITDA up 5.5% y-o-y to €880.4 million
- Net result increased to €192.8 million in FY 2012 from €14.5 million in FY 2011
- Free cash flow increases by 10.3% despite an increase in capital expenditure of 15.1%
- Earnings per share climb from €0.07 in 2011 to €0.96 in 2012
- Proposal to increase final dividend over 2012 to €180 million resulting in a full year dividend per share over 2012 of €1.45

### **CEO Bernard Dijkhuizen:**

"I am pleased to announce that we have increased our full year revenues by 4.0% and maintained our strong EBITDA margin with 5.5% EBITDA growth, in line with our plan for the year. This result was achieved notwithstanding the increase in competitive intensity that we have seen over the course of 2012.

In the fourth quarter we have successfully stepped up our sales and marketing campaigns, which has resulted in a sequential increase of gross adds for the All-in-1 Bundle in Q4 2012. As the increase in sales is skewed towards the end of the quarter, we will record part of the Q4 sales in the first weeks of 2013. At the same time, we have seen an increase in churn to competition. However, the sequential increase in gross adds in Q4 more than offset the higher churn during the quarter.

Following our assessment of the increasingly competitive environment since Q2 2012, and considering the continuation of this trend in Q4, we have decided to step up our marketing & sales initiatives in 2013. In addition, we will speed up our product development initiatives by pulling forward some investments in product innovation that were originally planned to be made after 2013."

**Outlook**

Based on our continued investments in our network and customer base, we are confident that we can further benefit from having the best network and the best product offering in the Dutch market.

For 2013 we will increase marketing and sales initiatives, which will result in higher costs for sales and promotions. We expect EBITDA for 2013 to increase in the range of 2.5-3.5% with revenue growth moderately ahead of this rate. We anticipate an increase in revenue momentum over the course of 2013 as our marketing initiatives take effect. Our capital expenditure for 2013 will increase to €320-330 million. Approximately half of this increase compared to prior year is the result of accelerating the development of new products and systems originally planned for future years. Speeding up product development and innovations in the area of TV Everywhere and mobility means also pulling forward investments in systems to facilitate these new services.

We believe that the investments we are making will help secure continued long term earnings growth and generate new revenue streams for the business over the medium term. We shall continue to exercise the financial self-discipline which was shown by our Company in the recent mobile spectrum auction, which underpins the financial flexibility which we enjoy. Our strong cash generation enables us to invest for the future while also gradually increasing shareholder returns.

For the full version of the Press Release please find attached PDF.