Press Release

Utrecht, July 17, 2014
Ziggo N.V. Q2 2014 results

Growth in internet, mobile and business bundles lead to solid revenue growth

EBITDA growth despite higher investments in customer services and marketing

- **Customer churn continues to decline**
- **Strong growth in 2p offsets lower growth in 3p**
- **Ziggo Mobile records 21,000 new subscriptions in Q2 to reach a total of 84,000 for its Sim-Only proposition**
- **Successful B2B sales campaigns with almost 2,600 bundle net adds and double digit organic revenue growth**
- **Outlook for 2014 unchanged**

Operational highlights Q2 2014

- Total internet subscribers up 25,000 in Q2 to a total of 1.97 million, representing 1.3% sequential growth and 7.7% y-o-y growth
- All-in-1 bundle subscribers up 5,300 (incl. 2,600 triple play business bundles) in Q2 to a total of 1.56 million, resulting in 0.3% sequential growth and 5.6% y-o-y growth
- All-in-1 penetration reaches 57.5% of our consumer customer base
- Telephony usage revenue up 5.7% y-o-y following a revised fixed telephony rate plan, resulting in strong growth in subscriptions to our flat-fee telephony bundles
- Digital pay TV revenue down 2.8% y-o-y due to a 34,000 decline in subscribers, partly offset by an ARPU increase and an uptake in VOD
- Consumer ARPU for the quarter up 6.6% y-o-y to €44.74
- Price increase for consumer products and revised fixed telephony rate plan effective as of April 1

Financial highlights Q2 2014

- Revenue up 3.4% y-o-y to €405.1 million; up 4.5% y-o-y adjusted for Esprit and excluding 'other revenue'
- Adjusted EBITDA at €225.8 million, up 2.2% y-o-y; up 1.9% y-o-y adjusted for Esprit
- Opex increase of €12.1 million y-o-y and €11.4 million or 12.0% adjusted for Esprit due to higher investment in marketing & sales and customer service (contracted work)
- Net result down to -€29.5 million from €88.9 million in Q2 last year due to non-cash fair value losses on hedges (€125.5 million) and amortization of customer relationships (€30.0 million)
- As from April 1, 2014 the company accounts for the amortization of customer relationships prospectively as a change in estimate
- Net debt amounts to €3.2 billion, stable compared to year-end 2013
- Leverage ratio of 3.62x, up from 3.5x at year-end 2013

CEO René Obermann:

"Despite the overall challenging market conditions we were able to perform strongly. Customer satisfaction levels rose slightly compared to the previous quarter and remain one of the key areas of focus for the rest of the year. We are pleased to see another quarter of good operational performance with higher RGUs for internet and growth in bundles, while our on-going retention programs are paying off as churn for television came down to a level not seen in many years. Whereas we continue to see growth in our consumer bundles, we also note that, similar to previous quarters, dual play growth has overtaken growth in triple play following our dual play TV and internet offer which specifically addresses 'mobile-only' households.

These trends, in combination with a moderate general price increase as per April 1 and on-going growth in business bundles and Ziggo Mobile, led to a solid increase in revenue compared to last year. Additionally, revenue was positively affected by the revision of our fixed-line telephony rate plan, with customers enjoying unlimited calling to fixed and mobile numbers in the Netherlands for a flat monthly fee.

Ziggo Mobile added 21 thousand new subscriptions during the quarter and we believe we will continue to grow our mobile base on the back of a number of introductions we recently announced. These vary from the introduction of a new low-end mobile package to a partnership with The Phone House which enables Ziggo customers to purchase the latest smartphone in combination with a Ziggo Mobile subscription. The latest development is the launch of Ziggo Bapp: a free app which allows customers to make calls via WiFi using a smartphone or tablet under their existing fixed telephony rate plan. This is a very cost-effective mobile telephony solution for Ziggo customers, particularly for making calls from abroad.

The revenue growth flowed through to a solid rise in gross margin and EBITDA, including higher investments in marketing and customer services.

Until the merger with the Dutch operations of Liberty Global closes, which is expected to happen in Q4, we will run the company completely independently. Our management team is committed to delivering the targeted financial results, whilst aiming to outperform our Dutch peers on revenue growth at the same time."

Outlook

Based on our strong network and appealing product offerings, we will continue to focus on our top-line and customer satisfaction. This will predominantly be facilitated by on-going growth in broadband internet, Ziggo Mobile and our B2B activities.

As we anticipate no easing of the current competitiveness in the market, we will continue to invest in sales and promotions, customer retention and product development to strengthen our position and improve our services. We expect these additional investments to result in a flat EBITDA for 2014 compared to last year. Following increased network investments to cater for customer appetite for bandwidth, the investments in set top boxes and on-going IT related investments, Capex will increase to around €370 million in 2014.

Change in the Executive Board of Ziggo N.V.

Ziggo announced today that Mr. Paul Hendriks, Chief Technology Officer will step down as of September 1, 2014. Mr. Kamran Ziaee will be appointed as Chief Information Officer on an interim basis. Moving forward with a different composition of the Management Board, mutual agreement was reached on Paul Hendriks leaving Ziggo.

Andrew Sukawaty, Chairman of the Supervisory Board said: "From the introduction of Ziggo, Paul Hendriks has played an important role in strategy and execution of technological choices since 2008. His valuable contribution has made Ziggo the innovative company it is today. On behalf of all members of the Supervisory Board, I would like to thank Paul for his expertise and valuable contributions during his tenure."

René Obermann, Chief Executive Officer of Ziggo said: "On behalf of the Management Board I would like to thank Paul for all his hard work and great team play.

I’m very pleased to welcome Kamran Ziaee as interim Chief Information Officer. His proven track record, strong leadership and over 16 years of experience in cable/telecommunications will highly contribute to Ziggo.”

Recommended offer by Liberty Global

On June 27, 2014, Liberty Global plc and Ziggo announced the publication of an offer memorandum (the Offer Memorandum) in the Netherlands, pursuant to which a subsidiary of Liberty Global is making an offer (the Offer) for all of the outstanding shares of Ziggo. Subject to the terms and conditions of the Offer, as further described in the Offer Memorandum, tendering shareholders will receive €11.00 in cash, 0.2282 Liberty Global Class A ordinary shares and 0.5630 Liberty Global Class C ordinary shares for each Ziggo share. Further information on the Offer is available in the Offer Memorandum and in the press release dated June 27, 2014, which are both available on our website.

On May 8, 2014, the European Commission opened a Phase II Investigation into the Liberty Global acquisition. Although the timing is contingent on various factors, the current deadline for a decision by the European Commission regarding the Phase II Investigation is October 17, 2014. This deadline may be extended.

Important dates

This year, Ziggo expects to publish its third quarter 2014 results on October 16, 2014.

In connection with the public offer from Liberty Global, Ziggo will host an Extraordinary General Meeting of shareholders (EGM) on August 26, 2014. Documentation regarding the EGM is available on the company website.

AGM 2014

Ziggo N.V. 's Annual General Meeting of Shareholders was held on April 17. All voting items were adopted, including the financial statements 2013 and the dividend proposal.

Following the AGM, the Supervisory Board appointed Mr. Hendrik de Groot as a member of the Management Board effective April 18, 2014.

The total dividend for the financial year 2013 will be equal to the interim dividend distributed in September 2013. Consequently, there will be no final dividend distribution.

Discussion with the AFM on the valuation and presentation of the customer relationships

Following our discussions with the AFM as a result of questions raised by the AFM in January 2014 concerning how the company came to the conclusion that the useful life of the customer relationships is indefinite, we evaluated the current treatment of the customer relationships. Based on our analysis and taking into consideration current market circumstances, we came to the conclusion that the intangible asset “customer relationship” contains in fact two components that are closely related: the “access right”, to provide our cable-related services in our footprint for an indefinite period and the “active clients”, the active customer base. The useful life of active clients is estimated at 14 years and the useful life for the access rights at 30 years. Based on this analyses as from April 1, 2014 the company accounts for an amortization charge of €30.0 million on a quarterly basis prospectively as a change in estimate.

The conclusions of the evaluation have recently been discussed with the AFM.

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Financial highlights (unaudited)

€ million	Q2 2014	Q2 2013	Q2 Change	YTD June 2014	YTD June 2013	YTD June Change
Subscriptions + usage	360.4	347.5	3.7%	709.5	697.0	1.8%
Other revenues	2.7	9.7	(71.8%)	6.9	19.7	(65.2%)
Total consumer revenues	**363.2**	**357.2**	**1.7%**	**716.3**	**716.7**	**(0.1%)**
Business services revenues	42.0	34.7	20.8%	83.1	63.0	31.8%
Total revenues	**405.1**	**391.9**	**3.4%**	**799.4**	**779.8**	**2.5%**
Cost of goods sold	72.2	75.8	(4.7%)	143.5	146.8	(2.3%)
Gross margin	**332.9**	**316.1**	**5.3%**	**655.9**	**632.9**	**3.6%**
% of total revenues	*82.2%*	*80.7%*		*82.0%*	*81.2%*	
Operating expenses	86.9	76.8	13.2%	173.5	153.5	13.0%
Marketing & Sales	20.2	18.3	10.3%	43.6	35.8	21.6%
Total operating expenses	**107.2**	**95.1**	**12.7%**	**217.0**	**189.3**	**14.7%**
% of total revenues	*26.5%*	*24.3%*		*27.2%*	*24.3%*	
Adjusted EBITDA[1]	**225.8**	**221.0**	**2.2%**	**438.8**	**443.6**	**(1.1%)**
% of total revenues	*55.7%*	*56.4%*		*54.9%*	*56.9%*	
Non-recurring costs	1.7	0.0		3.8	0.0	
EBITDA[2]	**224.1**	**221.0**	**1.4%**	**435.0**	**443.6**	**(1.9%)**
Depreciation and amortization	107.8	68.8	56.5%	184.3	136.6	34.9%
Operating income	**116.3**	**152.2**	**(23.6%)**	**250.7**	**307.0**	**(18.3%)**
Movement in provisions	(1.0)	(3.4)	(70.0%)	(1.9)	(4.7)	(59.4%)
Corporate income tax	(2.4)			(2.4)		
Change in net working capital	(7.9)	(25.3)	(68.5%)	30.4	(16.7)	(282.0%)
Cash flow from operating activities	**212.7**	**192.3**	**10.6%**	**461.2**	**422.3**	**9.2%**
Capital expenditure (Capex)	98.0	79.5	23.3%	192.2	146.1	31.5%
% of total revenues	*24.2%*	*20.3%*		*24.0%*	*18.7%*	
Acquisition		15.2			15.2	
Interest received	(0.1)	0.0		(0.1)	0.0	
Change in financial assets	0.1	0.0	550.4%	0.4	0.1	
Funding joint venture	2.5	2.6	(3.5%)	6.0	5.7	5.4%
Free cash flow	**112.3**	**95.0**	**18.1%**	**262.7**	**255.1**	**3.0%**
% of total revenues	*27.7%*	*24.2%*		*32.9%*	*32.7%*	
Adjusted EBITDA - Capex	127.8	141.5	(9.7%)	246.7	297.5	(17.1%)
% of total revenues	*31.5%*	*36.1%*		*30.9%*	*38.2%*	
Net result	**(29.5)**	**88.9**	**(133.2%)**	**(67.9)**	**181.6**	**(137.4%)**
Outstanding shares (# m)	200.0	200.0		200.0	200.0	
Earnings per share (€)	(0.15)	0.44	(133.2%)	(0.34)	0.91	(137.4%)

Press Release

Operational highlights (unaudited)

Footprint[3] (thousands)	30 Jun 2014	31 Mar 2014	Change	30 Jun 2013	Change
Homes passed	4,258	4,250	9	4,234	0.6%
Analog TV only	460	480	(20)	553	(16.8%)
Analog and digital TV[4]	2,317	2,304	13	2,265	2.3%
Total TV customers	**2,777**	**2,784**	**(7)**	**2,818**	**(1.4%)**
Digital pay TV subscribers	823	857	(34)	862	(4.5%)
Internet subscribers	1,973	1,948	25	1,832	7.7%
Telephony subscribers	1,627	1,627	(1)	1,549	5.0%
Total RGUs[5]	**7,200**	**7,216**	**(16)**	**7,060**	**2.0%**
of which bundle subscribers[6]	*1,563*	*1,558*	*5*	*1,480*	*5.6%*
Total RGUs consumer	**6,924**	**6,951**	**(27)**	**6,845**	**1.1%**
of which bundle subscribers[6]	*1,513*	*1,511*	*3*	*1,446*	*4.6%*
Out of home subscribers	84	63	21		
RGUs per customer (#)[8]	2.59	2.58	0.01	2.50	3.6%
ARPU in Q (€ per month)[9]	44.74	43.07	1.67	41.98	6.6%
ARPU YTD (€ per month)[9]	43.90	43.07	0.83	41.78	5.1%
Total RGUs B2B	**276**	**265**	**11**	**214**	**28.9%**
of which bundle subscribers[6]	*50*	*47*	*3*	*33*	*50.0%*

Note

Please note that the results published in this press release are the consolidated results of Ziggo N.V. ("Ziggo"), not those of Ziggo Bond Company B.V., the entity that we reported on prior to Q1 2012. Following 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 of Ziggo N.V. with those of Ziggo Bond Company B.V. is attached as a separate schedule to this earnings release, with details of the most important reconciling items being 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 announced intended acquisition of the company by Liberty Global on January 27, 2014, which amounted to €1.7 million and €0.0 million for the quarter ended June 30, 2014 and June 30, 2013 respectively and €3.8 million and €0.0 million for the six months ended June 30, 2014 and June 30, 2013 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 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 June 30, 2014, 823,000 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 subscriptions to our products Office Basis (47,900), Office Plus (1,900) and Internet Plus (12,600) 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 144,600 TV RGUs, 19,700 digital pay TV RGUs, 62,400 internet RGUs and 49,800 telephony RGUs.

(6) Besides 1,513,000 subscribers who subscribed to the All-in-1 bundle, 10,000 customers subscribed to standard TV, internet and telephony on an individual product basis instead of an All-in-1 bundle. However, the reported number for All-in-1 bundle customers includes 36,600 customers who are serviced through 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 through cable networks owned by third parties.

(7) Total RGUs includes 25,200 digital pay TV RGUs, 50,000 internet RGUs and 39,700 telephony RGUs which are serviced by Ziggo through certain cable networks owned by third parties. The customers to whom we provide internet, telephony services and digital pay TV services through cable networks owned by third parties are not reported as standard TV subscribers, 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.

(8) RGUs per customer is the total number of consumer RGUs excluding RGUs in cable networks owned by third parties (6,809,000 as at June 30, 2014) divided by the total number of consumer standard TV subscribers (2,633,000 as at June 30, 2014).

(9) 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.

(10) As of Q2 2013, we 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 mark-to-market value of the derivative financial instruments, reduced by the balance for cash and cash equivalents. Prior to Q2 2013 the balance of accrued interest and the mark-to-market value of the derivative financial instruments had not been included in the calculation of net debt.

(11) Effective Q4 2013, we reclassified certain cost elements relating to the rent of datacenters from cost of goods sold to office expenses. This reclassification had been processed in prior period results as well for comparative purposes.

(12) If in this press release is referred to 'adjusted for Esprit Telecom' this is related to an adjustment made to the reported numbers of Q2 2014 to enable better comparison with the same quarter last year. As Esprit Telecom was consolidated as of May 1, 2013, we have taken the Esprit results for April 2014 out of the reported Q2 2014 results under this adjustment. Comparable results for the second quarter 2013 and 2014 now comprise 2 months (May and June) of results for Esprit Telecom.

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 2.0 million internet subscribers, over 2.3 million subscribers to 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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Press Release

Consumer products & services

Detail consumer

thousands

	30 Jun 2014	31 Mar 2014	Change	30 Jun 2013	Change
Analog TV only	359	381	(22)	458	(21.5%)
Analog and digital TV	2,273	2,264	10	2,236	1.7%
Total TV customers	**2,633**	**2,645**	**(12)**	**2,694**	**(2.3%)**
Digital pay TV subscribers	803	837	(34)	848	(5.3%)
Internet subscribers	1,911	1,889	22	1,788	6.8%
Telephony subscribers	1,577	1,580	(3)	1,516	4.1%
Total RGUs	**6,924**	**6,951**	**(27)**	**6,845**	**1.1%**
of which bundle subscribers	*1,513*	*1,511*	*3*	*1,446*	*4.6%*
of which in 3rd party networks [7]	*115*	*117*	*(2)*	*112*	*2.3%*
RGUs per customer (#)	2.59	2.58	0.01	2.50	3.6%
ARPU for the quarter (€ per month)	44.74	43.07	1.67	41.98	6.6%
ARPU YtD (€ per month)	43.90	43.07	0.83	41.78	5.1%

At the end of Q2 2014, total RGUs in the consumer market reached 6.92 million, down 27,000 during the quarter, as strong growth in internet RGUs was more than offset by a decline of 34,000 digital pay TV RGUs.

In Q2, the number of subscribers to the All-in-1 bundle grew slightly by 3,000 and by 4.6% compared to the prior-year quarter. All-in-1 bundle customer churn in Q2 was 4.9%, which equals the previous quarter and is slightly up from 4.8% compared to the same quarter last year. These percentages are based on annual churn rates.

Consumer internet subscribers recorded another quarter with strong growth of 22,000 RGUs, or 1.2%, during Q2 to a total of 1.91 million. Compared to the same quarter last year, the number of broadband internet subscribers grew by 6.8%. Internet growth benefitted from increased focus on our dual-play bundle (TV + Internet), specifically addressing the group of 'mobile-only' households. Similar to the previous quarters, growth in dual play offset lower growth in triple play. In addition, growth was supported by our 1.2 million WifiSpots and the increased internet speeds up to 180Mbit/s, which we implemented in Q2.

The number of digital TV subscribers increased by 10,000 to 2.27 million in Q2, representing a penetration of 86.3% of our consumer customer base. The number of TV-only subscribers decreased by 21.3% compared to the same quarter last year, landing at a total of 668,000 as at June 30, 2014. The decrease was mainly due to the upsell of the dual play and triple play bundles to our TV-only subscribers, as well as churn among our TV-only subscribers. Churn came down compared to previous quarters following higher investments in customer retention. 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 dual play and 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 dual and triple play bundles.

Subscribers to digital pay TV decreased by 34,000 during the second quarter, which was negatively affected by seasonality due to the end of the football season. For the full year, the number of subscribers to digital pay TV was down by 45,000, due to the difficult macro-environment, the switch from subscription-based to on-demand-based video consumption and increased competition from Over-The-Top premium TV providers.

The total number of consumer telephony subscribers declined slightly by 3,000 to 1.58 million at the end of Q2 2014, which is an increase of 4.1% compared to a year ago. The sequential decline is due to an administrative adjustment in the subscriber count to adjust for customers with a second telephony line. Without this adjustment, the number of subscribers would have increased by 3,000, in line with the growth for the All-in-1 bundle. The increase for the quarter as well as for the year is the result of the increase in All-in-1 subscriptions.

Similar to the last few quarters, Ziggo recorded lower churn compared to the previous year. Customer churn in Q2 2014 was 7.6%, down from 9.5% in Q2 2013 and down from 8.6% in Q1 2014. Typically, the first and fourth quarters are traditionally the quarters with relatively high 'seasonality' churn compared to the other two quarters.

RGUs per customer grew to 2.59, up 3.60% compared to last year, following growth in RGUs combined with churn among TV-only customers. Excluding digital pay TV as a separate RGU, Ziggo recorded an average of 2.29 RGUs per customer or a 4.4% growth compared to the previous year. Blended ARPU for the quarter rose by 6.6% y-o-y, benefiting from (1) a further penetration of dual and triple play bundles in our customer base, (2) churn among lower ARPU TV-only customers, (3) ARPU growth for digital pay TV, (4) a slight increase in the ARPU for telephony usage and (5) a general price increase as per April 1. Finally, Ziggo Mobile added 21,000 subscribers during Q2 2014 to reach a total of 84,000 (including business customers) as at June 30, 2014.

Marketing and sales

During the second quarter, several marketing and sales initiatives were initiated or continued from the first quarter of 2014. The successful 'Overstapweken' (Switching weeks) campaign was extended. New customers can choose from five promotional offers, varying from a discount on a subscription for the first six months, a free tablet, an interactive HD receiver or an interactive HD recorder for an initial contribution of €49. In addition, customers receive a free of charge installation offer. All new subscribers to our dual play or triple play services have a minimum contract term of 12 months, with the same terms applying to our retention offers. After the first loyalty campaign ('De kracht van TV') in the first quarter, the second loyalty campaign 'The power of Internet' ('De kracht van Internet') was launched in Q2. These loyalty campaigns emphasize the richness and strengths of the products and services of Ziggo.

By the end of May, Club Ziggo was launched as a loyalty platform offering pre-sale tickets to certain concerts at the Ziggo Dome or to exclusive previews of films, series or music. To mark the introduction of the loyalty platform, the Marco Borsato concert in the Ziggo Dome was live broadcasted to all Ziggo customers via event TV channel 12.

In June we announced that, during July and August, marking the Hockey World Cup and Football World Cup, all visitors to and residents in crowded parts of The Hague would have access to free Wi-Fi through 500 Ziggo street cabinets in the city.

In that same month, the winners of the 2014 Nipkowschijf award were announced. Every year, the Nipkowschijf is awarded by Dutch media journalists to the best television program, interview, radio broadcast and multimedia performance of the past season. The silver Nipkowschijf is the most recognized annual award that a TV program can receive. Since 1961, this television prize has been awarded by newspaper and magazine television critics to be the best television program of the past year. Ziggo sponsors the event.

Products and services

On June 18, Ziggo announced the expansion of its mobile services by including a low-price bundle (75 min/text messages, 200 MB data), together with a bundle offering unlimited calls and text messages for heavy-use customers (1 GB data). All subscriptions offer unlimited internet access on four devices via 1.2 million WifiSpots, resulting in lower data bundle charges. Furthermore, customers only pay for the seconds actually used; also, they have entered into monthly contracts, ensuring great flexibility as a result.

Subscription	Minutes /text messages	Data	Data speed	Includes unlimited use of Ziggo WifiSpots	Term of contract	Price per month *(in euros)*
Consumers						
NEW **Ziggo Mobile Veel**	75	200 MB	14.4 Mbps	yes	1 month	7.50
Ziggo Mobile Heel Veel	300	1 GB	14.4 Mbps	yes	1 month	15
Ziggo Mobile Héééél Veel	Unlimited	1 GB	14.4 Mbps	yes	1 month	25
Business clients						
NEW **Ziggo Mobile Large**	200	200 MB	14.4 Mbps	yes	1 month	10
Ziggo Mobile X Large	400	1 GB	14.4 Mbps	yes	1 month	20
Ziggo Mobile XX Large	Unlimited	1 GB	14.4 Mbps	yes	1 month	30

On June 29, Ziggo increased the security level of the WifiSpots by adding certificates and announced a speed increase for the WifiSpots from 3Mbps to 10Mbps per user. In addition, a modem firmware upgrade was announced solving the issue of automatically connecting to a WifiSpot if the private network is available. The press introduction on the increased security of WifiSpots was accompanied by a Hackathon for IT specialists to test out the network security. The hackers were not able to crack the new level of security of the WifiSpots, but will continue to test a number of possible improvements. Ziggo has approximately 1.2 million WifiSpots available throughout the Netherlands. The Wi-Fi access points are used around 800,000 times per week by Ziggo customers with a traffic usage of approximately 45-50 Terabyte.

On July 1, Ziggo announced the expansion of its range of products for Ziggo Mobile to include various smartphones, besides the Ziggo SIM-only subscription option. An exclusive partnership has been established with Phone House, one of the strongest retail parties in the Netherlands. Throughout the month of July, at over 200 Dutch branches of Phone House, Ziggo clients will be able to choose from a combination of 3 SIM-Only subscriptions and 4 types of smartphones. The smartphones will be available in various price categories ranging from €89 to €619, or at a specific amount per month. These are the LG L40, the Samsung Galaxy S3 mini VE, the Sony Z1 and the Samsung S5. The iPhone 5S is also available for Ziggo business customers.

In the first week of July, after a pilot earlier announced in April of this year, Ziggo introduced the Ziggo Bapp for our fixed line customers. With this free app, Ziggo customers can make phone calls via Wi-Fi using a smartphone or tablet at the same rates as a fixed line subscription. For Ziggo customers with a subscription to the flat fee telephony bundle 'VolopBellen Altijd', the costs of all calls to Dutch mobile and fixed numbers, even from abroad, are covered by the flat fee. Ziggo Bapp is available in the App Store and the Google Play Store. Once customers have created a Ziggo Bapp account in 'MijnZiggo' and activated the app on their smartphones or tablets (iOS/Android), they can immediately make calls using the Ziggo Bapp.

Press Release

B2B products & services

Detail B2B

thousands	30 Jun 2014	31 Mar 2014	Change	30 Jun 2013	Change
Analog TV only	100.5	98.6	1.9	94.7	6.2%
Analog and digital TV	44.0	40.7	3.3	29.2	50.7%
Total TV customers	**144.6**	**139.3**	**5.2**	**123.9**	**16.7%**
Digital pay TV subscribers	19.7	19.5	0.2	14.0	40.8%
Internet subscribers	62.4	59.3	3.1	43.3	44.0%
Telephony subscribers	49.8	47.2	2.6	33.2	50.0%
Total RGUs	**276.5**	**265.3**	**11.1**	**214.4**	**28.9%**
of which bundle subscribers	*49.8*	*47.2*	*2.6*	*33.2*	*50.0%*
Of which:					
- Office Basis	*47.9*	*45.4*	*2.5*	*31.9*	*50.1%*
- Office Plus	*1.9*	*1.8*	*0.1*	*1.3*	*47.3%*
- Internet Plus	*12.6*	*12.1*	*0.5*	*10.1*	*24.7%*

In Q2, almost 3,100 new subscribers were added to our 'Office Basis', 'Office Plus' and 'Internet Plus' business bundles, bringing the total B2B bundle subscribers to 62,400. Our focus on small and home offices with business bundles continues to drive growth for B2B.

Financial performance

Revenue

In Q2 2014, Ziggo generated revenues of €405.1 million, an increase of 3.4% compared to the same quarter of 2013 (€391.9 million) and an increase of 2.6% on a comparable basis (including two months' revenue contribution for the Esprit Telecom Acquisition). Esprit Telecom has been consolidated since May 1, 2013. Adjusted for Esprit Telecom and excluding 'revenue from other sources', revenues increased by 4.5%. The most important drivers for revenue growth were the following:

1. Continued growth in RGUs for internet, partly driven by a further uptake of the All-in-1 bundle and an increased focus on the dual play bundle (TV + internet).
2. Growth in telephony usage revenue following the introduction of our revised fixed telephony offering as of April 1.
3. The revenue contribution from Ziggo Mobile, launched in September of last year.
4. General price increase for consumer products effective as from April 1.
5. 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 by 2.8%. Business services again showed strong organic growth of 11.9% in the business market, fully driven by the sale of business bundles to the SME and SoHo markets.

Consumer revenues for Q2 2014 amounted to €363.2 million, up 1.7% on Q2 2013. Excluding 'revenue from other sources', consumer revenues were up 3.7%. Due to a further uptake of our All-in-1 bundle and subscriptions for broadband internet and mobile during the quarter, the growth in revenues from telephony usage, Ziggo mobile and subscriptions to our triple and dual play bundles was only partially offset by a decline in revenues from subscriptions to Standard TV and digital pay TV.

Subscriptions to All-in-1 increased by 3,000 during the quarter, and grew by 4.6% y-o-y, whereas subscriptions to broadband internet grew more rapidly with 22,000 additions during the quarter, and 6.8% y-o-y. Internet growth was supported by an increased focus on our dual-play proposition (TV and internet) and an enrichment of our internet product and dual play bundle through the addition of WifiSpots and higher internet speeds. Telephony RGUs were slightly down by 3,000 in the quarter resulting from an administrative adjustment in the subscriber count to adjust for second lines. Without this adjustment, the number of subscribers would have increased by 3,000 and grew by 5.0% y-o-y supported by the growth in All-in-1. RGUs for standard TV reported the smallest quarterly decline in many years with 12,000 RGUs during the quarter and a 2.3% decline y-o-y, while customer churn came further down from 9.5% in Q2 last year to 7.6% in Q2 2014. This is a considerable improvement which is in line with the improvements we have seen since the second half of 2013. The decline of 12,000 in Q2 was even better than the 16,000 decline in Q1 and a substantial improvement on Q2 2013 with a decline of 35,000 RGUs for standard TV. Churn came down compared to previous quarters as a result of our increased focus on retention, our successful sales campaigns and product innovations, like the introduction of Ziggo WifiSpots. The first and fourth quarters are typically the quarters with relatively higher churn compared to the other two quarters.

As of April 1, prices for our main products were increased in line with the consumer index, whereas in prior years price increases had become effective as of February 1.

Driven by a decline in the number of subscribers to digital pay TV from 848,000 at the end of the prior-year second quarter to 803,000 at the end of Q2 2014, revenue from digital pay TV (including VOD) declined by 2.8% y-o-y, despite an increase in the number of VOD transactions by 20.4% in that same period and an increase in ARPU for digital pay TV by 3.2%, from €16.21 in Q2 2013 to €16.74 in Q2 2014.

The decline in RGUs for digital pay TV was driven by (a) depressed consumer confidence given the macro-environment, (b) the growing popularity of TVOD, which does not count as an RGU, (c) increased competition from over-the-top TV providers and (d) our marketing focus on customer retention, the All-in-1 Bundle and Ziggo Mobile instead of premium pay TV. Additionally, similar to previous years, there was a negative seasonal effect in Q2 due to the end of the football season.

The growth in VOD transactions was negatively impacted by the price increase for watching live football per match from €6.95 to €11.95. The number of VOD transactions for watching live football declined by approximately 62% compared to the same quarter last year. Excluding these transactions, the number of VOD transactions increased by 30%.

Revenues from telephony usage increased by 5.7% compared to the prior-year quarter. This increase can be fully attributed to the introduction of an adjusted fixed telephony rate plan effective April 1, 2014. Under this new rate plan, on-net calls are now chargeable and the flat fee bundle covers calls to all landlines and mobile numbers in the Netherlands. During the second quarter, Ziggo reported a growth of 24.1% in the number of subscribers that selected the flat fee bundle 'VolopBellen Altijd' on top of their telephony subscription. Revenue from flat fee bundles in Q2 increased by 25.7% compared to Q1 2014.

Revenues generated through our All-in-1 bundle increased by 5.8%, from €180.6 million in Q2 2013 to €191.2 million in Q2 2014, now representing 53.0% of total consumer revenues from subscriptions and usage, versus 52.0% in Q2 2013.

Revenue from other sources, predominantly consisting of set-top box sales, collection fees and revenues from service numbers, declined by 71.8% y-o-y to €2.7 million in Q2 2014. Part of this decline, an amount of €2.5 million was related to a change in accounting for costs of tablets based on IFRS guidelines. Excluding this adjustment, revenue from other sources decreased by €4.5 million, or 46.2%, mainly caused by a lower number of set-top boxes shipped compared to last year.

Blended ARPU for consumers in Q2 2014 was €44.74, up €2.76, or 6.6%, from Q2 2013. 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 lower ARPU TV-only subscribers, resulted in a 3.6% increase in RGUs per customer to 2.59 (based on a maximum of 4 RGUs per customer). Excluding digital pay TV as a separate RGU, Ziggo recorded an average of 2.29 RGUs per customer, or an increase of 4.4% y-o-y. Additionally, blended ARPU was positively affected by (1) the price increase which became effective on 1 April 2014, (2) an increase in ARPU for digital pay TV of 3.2%, and (3) an increase in ARPU for telephony usage of 1.0%.

Our business market activities generated revenues of €42.0 million in Q2 2014, up 20.8% compared to €34.7 million in the same period last year. On a comparable basis (including two months revenue contribution from Esprit Telecom), business revenues grew by 11.9%. Growth was fully attributable to the increase in the number of subscriptions to our business bundles for home offices and small enterprises. In Q2, Ziggo B2B added almost 3,100 new subscribers to its main B2B bundles products, 'Internet Plus', 'Office Basis' and 'Office Plus', reaching a total of more than 62,000 subscribers by June 30, 2014. Total revenues from the coaxial products TOM and TOMi, our collective TV contracts and business bundles in Q2 2014 grew by €4.2 million, or 35.9%, compared to the same quarter in 2013, landing at €16.0 million, now representing 41.2% of total B2B revenues adjusted for Esprit Telecom (compared to 33.9% in Q2 2013). Revenue growth for B2B was negatively affected by declining revenue from a number of sizeable legacy contracts, as well as the reduction in FTA rates.

Cost of goods sold and gross margin

Cost of goods sold consists of costs of materials and services directly related to revenues, including copyright costs, 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.

In Q2 2014, cost of goods sold decreased to €72.2 million, down 4.7% from Q2 2013. The gross margin in Q2 was 82.2% of revenues versus 80.7% in the prior-year quarter. Adjusted for the acquisition of Esprit Telecom, cost of goods sold would have declined by 7.4% and the gross margin would have been 82.5%.

Margin improvement was mainly the result of higher growth in higher gross margin services such as internet and a decline in revenue from the sale of set-top boxes which comes at a negative gross margin. The latter is the result of a lower volume of set-top boxes recognized as sales (19,000 in Q2 2014 versus 89,000 in Q2 2013) at a gross margin contribution which was less negative for each individual set-top box compared to previous quarters. In addition, 66,000 set-top boxes were capitalized, as these boxes were provided to customers as part of our sales and retention promotions covered by a one-year contract, with the ownership of the set-top boxes remaining with Ziggo. These capitalized set-top boxes represented a total value of €7.3 million in Q2. The margin improvement was partly offset by an amount of €2.5 million resulting from a change in accounting for costs of tablets covered by sales promotions for new subscribers under other revenue.

Operating expenses (Opex)

Operating expenses increased by €12.0 million, or 12.7%, to €107.2 million in Q2 2014, compared to €95.1 million in Q2 2013. As a percentage of revenue, operating expenses increased to 26.5%, which included an increase in marketing & sales expenses by 10.3%, from €18.3 million in Q2 2013 to €20.2 million in Q2 2014, and an increase in contracted work by 34.0%. The majority of the increase in marketing & sales expenses was driven by advertisement campaigns for Ziggo Mobile which Ziggo had not conducted in the same quarter last year.

Excluding marketing & sales, operating expenses increased by 13.2% compared to Q2 2013. Excluding marketing & sales and adjusted for the acquisition of Esprit Telecom operating expenses amounted to €86.3 million, up 12.4% compared to Q2 2013.

Personnel costs increased by 9.2% compared to Q2 2013. Adjusted for Esprit Telecom, personnel costs increased by 7.9%, or €3.8 million. The increase in personnel costs was impacted by the release of accrued bonuses in Q2 2013 of €1.5 million (Q2 2014 €0.6 million). Excluding this release, personnel costs increased by 5.9% driven by a slight increase in the average headcount by 15 FTEs, an increase in the average personnel costs per employee by approximately 4.0% and an increase in the employer contribution for social security charges. The increase in average personnel costs of approximately 4.0% was driven by both discretionary individual salary increases as at January 1 and a general salary increase in line with the collective labour agreement in the course of 2013 and as per April 1 as well as an increase in the employer’ contribution to social security charges since January 1

Total headcount increased by 9.7%. The increase in headcount was more than offset by an increase in capitalized personnel costs of approximately €4.6 million, or 22.1%. The increased headcount is primarily the result of an increase in external personnel for projects relating to investments in innovation and our core infrastructure and service platforms, facilitating the addition of new services such as mobility, converged services and TV Everywhere.

At the end of Q2, we recorded 3,403 FTEs, compared to 3,205 FTEs at the end of Q2 2013 and 3,434 at the end of Q1 2014. Excluding external and temporary call center agents, the company employed 2,638 employees (FTEs) versus 2,607 in the previous year (average for the quarter: 2,589 FTEs versus 2,574 for Q2 2013).

Costs of contracted work, adjusted for Esprit Telecom and excluding non-recurring costs, increased by €4.4 million or 33.6% compared to Q2 2013. This increase was predominantly driven by higher costs of our external call centers and costs of customer maintenance & visits. Call volumes remained high compared to the prior-year quarter, similar to what we had experienced in the second half of 2013. Call volumes rose by 36% compared to Q2 2013, in line with what we recorded in the previous quarters. In combination with an increase in average handling time of 5% and a relatively higher percentage of the call volume being outsourced, external call center costs rose by almost 75% compared to Q2 2013.

Office expenses excluding non-recurring costs in Q2 increased by 9.3% to €14.5 million compared to Q2 2013. Adjusted for Esprit Telecom, office expenses increased by 9.6%. The increase was mainly due to increased housing and energy costs as we rented two new datacenters to facilitate the new service platforms we are building. The increase was partly offset by an increase in the coverage for office expenses as a result of the increase in the headcount and hours capitalized.

Other expenses increased by 2.2% compared to Q2 2013. Excluding Esprit Telecom, other expenses increased by 1.6%. The increase was predominantly the result of higher costs related to the provision for bad debts and debt collection.

Adjusted EBITDA and operating profit

In Q2 2014, we achieved adjusted EBITDA of €225.8 million, up 2.2% compared to Q2 2013. The EBITDA margin was 55.7% compared to 56.4% in Q2 2013. On a comparable basis (Esprit Telecom has been consolidated as per May 1, 2013), adjusted EBITDA increased by 1.9%, resulting in an adjusted EBITDA margin of 56.0%. In addition, an amount of €1.7 million in non-recurring costs was recognized relating to advisory costs in connection with the intended acquisition by Liberty Global, resulting in an EBITDA of €224.1 million, a 1.4% increase compared to Q2 2013. Adjusted for Esprit Telecom, EBITDA increased by 1.2%.

Depreciation expenses and amortization of software and intangibles in Q2 2014 increased by €38.9 million to €107.8 million, from €68.8 million in Q2 2013. Adjusted for the acquisition of Esprit Telecom and excluding the amortization of other intangible fixed assets, depreciation and amortization of software increased by €8.7 million or 12.7%. This increase is the result of the current investment program around 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.

Amortization of other intangible fixed assets includes an amortization charge related to our intangible asset customer relationships of €30.0 million. Following our discussion with the AFM and taking into consideration current market circumstances, we assessed our current accounting treatment of the customer relationships in order to reflect the changed market conditions Ziggo operates in. The changed market conditions mainly relate to the rapid changes within the telecom market, technology and the recent entrance of new competitors and increase in competition. Based on our assessment, we came to the conclusion that the intangible asset "customer relationship" contains in fact two components that are closely related: the "access right", to provide our cable-related services in our footprint for an indefinite period and the "active clients", the active customer base. The useful life of active clients is estimated at 14 years and the useful life for the access rights at 30 years. Based on this analyses as from the 2nd quarter of 2014 the company accounts for an amortization charge of €30 million on a quarterly basis prospectively as a change in estimate.

Operating income (EBIT) for the second quarter decreased by 23.6% to €116.3 million compared to €152.2 million for the prior-year quarter, primarily due to the amortization of the customer relationships.

Net income

Interest expense decreased by €4.1 million, or 8.3%, to €45.0 million in Q2 2014, compared to €49.1 million in Q2 2013. In Q2 2014, €3.0 million was allocated as borrowing costs on work in progress, resulting in an interest credit, flat compared to Q2 2013. Excluding borrowing costs, interest expense decreased by 8.9%, or €4.1 million.

The average debt during the quarter (approximately €3,193 million) was almost €200 million ahead of the average debt in Q2 2013 (€3,002 million), resulting in an increase in interest expense. The blended interest rate for the second quarter was 6.0% compared to 7.0% in Q2 2013.

Banking and financing fees increased by €1.2 million, from €0.8 million in Q2 2013 to €2.0 million in Q2 2014. This increase is due to commitment fees related to our revolving credit facility. The revolving facility has increased since the refinancing in February of this year as well as the undrawn amount, resulting in higher quarterly commitment fees.

The amortization of funding costs decreased by €0.4 million to €1.9 million in Q2 2014 compared to Q2 last year following the refinancing in February.

As Ziggo does not apply hedge accounting for interest rate swaps under IFRS, any change in fair value is recognized as financial income and expense. As a result of the refinancing, we settled all of our interest rate swaps relating to the former capital structure. For the new term loans we entered into new interest rate swaps to fully hedge the variable interest rate, and cross currency swaps to fully hedge the currency risk on the notional amount and all future interest payments on the USD denominated term loans. In Q2 2014, Ziggo recorded a €125.5 million loss on other income predominantly due to a fair value loss on IRS contracts and cross currency hedges as a result of a substantial decrease in the underlying interest rates since the refinancing. In the same quarter of 2013, Ziggo had reported a fair value gain of €10.3 million.

In Q2 2014, Ziggo recorded a net loss from joint ventures of €1.7 million compared to a net loss of €2.1 million in the prior-year quarter. The result from joint ventures related predominantly to Ziggo's 50% share in the results of HBO NL, the joint venture with HBO. Investments and results from the joint venture are accounted for using the equity method. Ziggo's share in the funding of this joint venture during the second quarter amounted to €2.5 million versus €2.6 million in the prior-year quarter.

In Q2 2014, Ziggo reported an income tax benefit of €30.3 million based on the estimate of the weighted average annual effective income tax rate expected for the full financial year (IAS 34 Appendix B12), compared to a tax charge of €19.3 million in the same quarter in 2013. The result before income taxes of -€58.1 million would have led to a corporate income tax benefit of €14.5 million at a statutory tax rate of 25%. The annual effective tax rate calculated in Q2 2014 is affected by the higher net financial expenses as a result of higher fair value losses and banking and financing fees, as well as the impact of the innovation box facility. In Q2 2013 the application of the innovation box resulted in reduced corporate income tax charges for the second quarter by €8.4 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 Q2 2014, Ziggo posted a net loss of €29.5 million, versus a net profit of €88.9 million in Q2 2013. Adjusted for (1) changes in fair value on our interest rate hedges and cross currency hedges and (2) the amortization charge on the customer list (all adjustments net of income taxes taking into consideration a tax rate for these items of 25%), net profit would have increased from approximately €83.0 million in Q2 2013 to €88.8 million in Q2 2014, representing an increase of 7.1%.

Press Release

Working capital, cash flow and liquidity

Working capital

Net working capital excluding accrued interest and corporate income tax due increased by €4.5 million, from €265.8 million negative at the end of Q1 2014 to €261.4 million negative at the end of June 2014. The decrease in working capital in Q2 2014 is mainly due to (1) a decrease in trade accounts payable of €22.8 million as a result of the timing of the periodic payments of payables, partially offset by (2) an increase in Other current liabilities of €13.4 million.

Working capital excludes corporate income tax due of €3.5 million as at June 30, 2014. This is the result of an intragroup transaction as part of which certain assets were transferred in 2012 in order to renew part of Ziggo's tax loss carry-forward position so as to avoid expiry of these losses. One of its 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-forward rules. An amount of €2.4 million was settled in Q2.

Cash flow from operating activities

Cash flow from operating activities increased by €20.4 million, or 10.6%, to €212.7 million, compared to €192.3 million in Q2 2013. This increase resulted primarily from a lower cash outflow from a change in working capital of €7.9 million in Q2 2014, compared to a cash outflow of €25.3 million in the prior-year quarter.

Capital expenditure (Capex)

Capital expenditure and investments relate primarily to extending, upgrading and maintaining the network, the installation of new service equipment at customer premises, cost of modems and investments in the 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 are capitalized. Set-top boxes are capitalized if these boxes are provided to customers covered by a 1-year subscription.

In Q2 2014, Ziggo recorded capital expenditure of €98.0 million, an increase of 23.3% compared to Q2 2013 (€79.5 million). The main drivers of growth are the capitalization of set-top boxes and investments in our core infrastructure and service platforms to replace legacy systems and facilitate new services such as mobile access and TV Everywhere.

	Q2				
€ million	2014	% of total	2013	% of total	change
Customer installation	21.3	22%	13.5	17%	58%
Network growth	36.9	38%	34.9	44%	6%
Maintenance and other	39.8	41%	31.2	39%	28%
Total Capex	**98.0**	**100%**	**79.5**	**100%**	**23%**

	YTD June				
€ million	2014	% of total	2013	% of total	change
Customer installation	43.7	23%	31.0	21%	41%
Network growth	67.6	35%	60.4	41%	12%
Maintenance and other	80.8	42%	54.8	37%	48%
Total Capex	**192.2**	**100%**	**146.1**	**100%**	**32%**

Capital expenditure on customer installations of €21.3 million represented an increase of €7.8 million, or 58.1% compared to the prior year quarter. The main reason for the increase is the capitalization of set-top boxes of €7.3 million versus €0.8 million in Q2 2013, with 66,000 interactive set-top boxes capitalized in Q2, versus 6,900 in Q2 2013. In addition, almost 101,000 modems were shipped, versus 88,000 in the same quarter of 2013, reflecting a continuous upgrade of internet subscribers to a Wifi-enabled EuroDocsis 3.0 modem and growth in the number of internet subscribers. At the end of Q2, Ziggo had activated 1,675,000 EuroDocsis 3.0 modems at customer premises, of which 1,314,000 were Wifi enabled, representing an increase of 74,000 Wifi-enabled modems compared to the first quarter of 2014 and a rise of 360,000 compared to June 30, 2013.

The increase in capital expenditure on network growth of €2.0 million compared to Q2 2013 was mainly driven by new-build and by projects aimed at increasing the capacity of our infrastructure to be able to deal with our increased subscriber base for internet and continuously increasing internet speed and bandwidth requirements.

The remainder of capital expenditure represented maintenance and replacement of network equipment and recurring investments in our IT platform and systems, our office IT 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 Q2 2014, investments in this category increased by €8.6 million, or 27.6%, to €39.8 million, compared to €31.2 million in the prior-year quarter. The amount spent on capitalized hours and contracted work increased by over €6.4 million compared to Q2 2013, 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 was partly driven by the program upgrading our office automation and equipment and data centers, which had been started in Q2 2013, using the latest technology in order to prepare the organization for the new services we are rolling out.

Operational free cash flow

Operational free cash flow (OpFCF, or adjusted EBITDA minus Capex) decreased by €13.7 million, or 9.7%, to €127.8 million in Q2 2014, compared to €141.5 million for the prior-year quarter. This was driven by an increase in capital expenditure of €18.5 million, partly offset by the increase in adjusted EBITDA of €4.8 million.

Free cash flow and net cash used in financing activities

In Q2 free cash flow (cash flow before financing activities) increased to €112.3 million, up €17.3 million, or 18.1%, compared to Q2 2013. The rise in free cash flow follows from the increase in cash flow from operating activities of €20.4 million, partly offset by the increase in capital expenditure of €18.5 million while in Q2 2013 a cash outflow of €15.2 million was recognized related to the Esprit Telecom acquisition.

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

Cash interest decreased by €21.1 million, from €81.5 million in Q2 2013 to €60.4 million in Q2 2014. The decrease in cash interest follows from the refinancing in Q1 2014 in which we refinanced the 6.125% €750 million Senior Secured Notes with an annual coupon payment in May through newly issued term loans on which we paid interest for a period less than two months. Going forward, interest payments on the term loans will be made semi-annually in Q2 and Q4.

At the end of Q2 2014, Ziggo held €215.5 million in cash and cash equivalents, compared to €51.0 million at the end of Q2 2013.

Net debt and financing structure

€ million	30 Jun 2014	x LTM adjusted EBITDA	Margin/Coupon	Maturity
Term Loan B (EURO)	922.0	1.05	E + 2.75%	Jan 2022
Term Loan B (USD)	1,013.1	1.15	L + 2.50%	Jan 2022
3.625 % Senior Secured Notes	71.7	0.08	3.625%	Mar 2020
Total Senior Secured Debt	**2,006.8**	**2.28**		
8.000% Senior Unsecured Notes (existing)	465.7	0.53	8.000%	May 2018
8.000% Senior Unsecured Notes (new)	743.1	0.84	8.000%	May 2018
Total Debt	**3,215.6**	**3.65**		
Accrued interest	32.3	0.04		
MtM SWAPS	164.4	0.19		
Cash and cash equivalents	(215.5)	(0.24)		
Total Net Debt	**3,196.8**	**3.62**		

As at June 30, 2014, Ziggo reported a total debt balance of €3,166.7 million, including principal amount, capitalized funding costs and discount on the issuance date.

As at June 30, 2014, the outstanding balance of Term Loan B amounted to €1,904.9 million, including principal amount (€1,935.1 million) and capitalized financing fees (€30.2 million). The capitalized financing fees will be amortized until maturity in January 2022.

As at June 30, 2014, the outstanding balance of the original 8% Senior Notes due 2018 amounted to €458.3 million. This item is carried at amortized cost, including principal amount (€465.7 million), capitalized funding costs (€5.6 million) and discount on the issuance date (€1.9 million). Capitalized funding costs and capitalized discount on issuance will be amortized until maturity in May 2018. The balance for capitalized financing fees and capitalized discount related to the notes which have been exchanged into the new 8% Senior Notes 2018 was fully impaired in Q1 2014.

As at June 30, 2014, the outstanding balance of the new 8% Senior Notes 2018 amounted to €732.5 million. This item is carried at amortized cost, including principal amount (€743.1 million), capitalized funding costs (€10.6 million). Capitalized funding costs will be amortized until maturity in May 2018. The current balance for capitalized financing fees is related to costs incurred for the exchange offer. The balance for capitalized financing fees relates to the original 8% Senior Notes due 2018 which have been exchanged into these new 8% Senior Notes 2018, was fully impaired in Q1 2014.

As at June 30, 2014, the remaining outstanding balance of the senior secured notes (3.625%, March 2020) amounted to €71.1 million, stated at amortized cost, including principal amount (€71.7 million), capitalized funding costs (€0.5 million) and capitalized discount (€0.1 million) relating to the remaining outstanding balance. As a result of the early redemption of €678.3 million (principal amount) of these notes, the balance of capitalized financing fees and capitalized discount relating to the notes redeemed has been impaired.

The 6.125% Senior Secured Notes due 2017 and the former senior credit facility have been fully redeemed.

As at June 30, 2014, the fair value of the interest rate swaps (IRS) amounted to a liability of €164.4 million, compared to a liability of €96.7 million as at March 31, 2014. Ziggo does not apply hedge accounting.

As at June 30, 2014, our Net Debt to Adjusted LTM EBITDA leverage ratio was 3.62x, up from 3.50x as at year-end 2013 and 3.57x as at March 31, 2014. The leverage of 3.62x is in line with our stated leverage target of around 3.5x.

The average debt maturity was 6.1 years as at June 30, 2014, up from 4.7 years as at the end of December 31, 2013. The refinancing in February 2014 of our senior credit facility and senior secured notes extended the average debt maturity by approximately two years.

Reconciliation of Ziggo N.V. with 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"). Ziggo BondCo issued Senior Notes of €1,280.9 million at 99.271% with a coupon of 8.0%. The initial offering of the notes occurred on April 27, 2010 with a due date in 2018. In the first quarter of 2014 the notes were converted for an amount of €743.1 million into new 8% Senior Notes 2018. Reference is made to net debt and financing structure above for more information.

As the notes are listed on the Luxembourg stock exchange, Ziggo BondCo publishes and files required information. This requirement is met through – among other things - this Ziggo press release and a reconciliation of the results, financial position and cash flow of Ziggo with those of Ziggo BondCo. Overviews are provided as a separate schedule to this press release.

Reconciling items of Ziggo and Ziggo BondCo are as follows:

- In the first half of 2014, Ziggo recognized €2.9 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 €1.7 million as management fees to Ziggo BondCo, which are presented other operating expenses. As a result, Ziggo's operating income for H1 2014 was €1.2 million below that reported for Ziggo BondCo;
- Ziggo BondCo incurred a lower income tax benefit of €0.3 million due to the above reconciling item;
- Ziggo has a higher tax loss carry-forward position of €80.4 million, which it obtained during the corporate restructuring preceding the IPO of Ziggo in 2012;
- Higher other current assets within Ziggo BondCo primarily comprise expenses incurred by Ziggo and paid by Ziggo BondCo;
- The current liabilities of related parties comprise of income tax, as the tax to be paid by Ziggo BondCo is ultimately settled within the Ziggo fiscal unit;
- The equity attributable to equity holders reported by Ziggo was €117.7 million higher than the equity reported by Ziggo BondCo.

Press Release

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

€ million	Q2 2014	Q2 2013	Q2 Change	YTD June 2014	YTD June 2013	YTD June Change
Total Revenues	**405.1**	**391.9**	**3.4%**	**799.4**	**779.8**	**2.5%**
Cost of goods sold	72.2	75.8	(4.7%)	143.5	146.8	(2.3%)
Personnel	52.1	47.7	9.2%	105.0	95.8	9.6%
Contracted work	18.4	13.1	40.3%	38.3	26.4	45.4%
Marketing & Sales	20.2	18.3	10.3%	43.6	35.8	21.6%
Office expense	15.4	13.3	15.9%	28.8	26.9	7.4%
Other operating expenses	2.7	2.6	2.2%	5.1	4.4	15.2%
Depreciation	70.3	62.5	12.6%	139.3	124.2	12.2%
Amortization of software	7.1	6.2	15.9%	14.4	12.2	18.0%
Amortization of other intangible assets	30.3	0.2		30.6	0.2	16,103.4%
Total	**288.8**	**239.8**	**20.5%**	**548.7**	**472.7**	**16.1%**
Operating income	**116.3**	**152.2**	**(23.6%)**	**250.7**	**307.0**	**(18.3%)**
Net financial income (expense)						
- Interest	(45.0)	(49.1)	(8.3%)	(101.5)	(99.0)	2.5%
- Banking and financing fees	(2.0)	(0.8)	161.4%	(36.5)	(1.3)	2,791.1%
- Amortization of funding costs	(1.9)	(2.3)	(19.1%)	(29.4)	(48.5)	(39.4%)
- Other income	(125.5)	10.3	(1,320.6%)	(180.9)	19.5	(1,027.9%)
Result from normal business before income taxes	**(58.1)**	**110.3**	**(152.7%)**	**(97.6)**	**177.7**	**(154.9%)**
Net result of joint ventures and associates	(1.7)	(2.1)	(17.7%)	(4.5)	(3.4)	33.6%
Income tax benefit (expense)	30.3	(19.3)	(256.6%)	34.3	7.3	371.4%
Net result	**(29.5)**	**88.9**	**(133.2%)**	**(67.9)**	**181.6**	**(137.4%)**

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 Jun 2014	31 Dec 2013	30 Jun 2013
ASSETS			
Intangible assets	3,306.3	3,336.9	3,336.1
Capitalized software	79.3	79.6	37.4
Property and equipment	1,518.3	1,473.3	1,452.0
Other financial assets	1.5	1.1	0.8
Investments in joint ventures	5.1	3.4	6.8
Deferred income tax asset	191.6	202.1	235.5
Total non-current assets	**5,102.0**	**5,096.4**	**5,068.7**
Inventories	38.0	40.0	31.8
Trade accounts receivable	27.0	37.9	26.8
Other current assets	45.5	34.5	38.6
Cash and cash equivalents	215.5	77.4	51.0
Total current assets	**326.0**	**189.8**	**148.3**
TOTAL ASSETS	**5,427.9**	**5,286.2**	**5,216.9**
EQUITY AND LIABILITIES			
Issued share capital	200.0	200.0	200.0
Share premium	3,204.5	3,204.5	3,394.5
Treasury stock	0.0	0.0	0.0
Retained earnings	(2,043.2)	(2,391.6)	(2,393.8)
Net income (loss) for the period	(67.9)	347.3	181.6
Equity attributable to equity holders	**1,293.3**	**1,360.2**	**1,382.2**
Loans from financial institutions	1,904.9	144.6	304.0
Revolver facility	0.0	255.0	0.0
Unsecured Bond	1,190.8	1,187.4	1,185.3
Secured Bonds	71.1	1,486.6	1,485.3
Derivative financial instruments	164.4	21.2	15.8
Provisions	19.1	19.8	21.0
Deferred income tax liability	368.9	414.8	410.7
Other non current liabilities	1.9	2.0	2.0
Total non-current liabilities	**3,721.0**	**3,531.3**	**3,424.2**
Trade accounts payable	85.7	88.2	79.2
Deferred revenue	124.8	120.2	119.1
Derivative financial instruments	0.0	8.3	25.6
Provisions	6.1	7.1	5.4
Corporate income tax	3.5	4.7	3.5
Taxes and social security	56.1	49.5	56.6
Personnel related liabilities	13.1	12.4	13.5
Accrued interest	32.3	38.8	25.1
Other current liabilities	92.2	65.6	82.7
Total current liabilities	**413.5**	**394.7**	**410.6**
TOTAL EQUITY AND LIABILITIES	**5,427.9**	**5,286.2**	**5,216.9**

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)

	Q2			YTD June		
€ million	2014	2013	Change	2014	2013	Change
Operating activities:						
Operating income	**116.3**	**152.2**	**(23.6%)**	**250.7**	**307.0**	**(18.3%)**
Adjustments for:						
Depreciation	70.3	62.5	12.6%	139.3	124.2	12.2%
Amortization	37.4	6.4	488.9%	45.0	12.4	262.8%
Movement in provisions	(1.0)	(3.4)	(70.0%)	(1.9)	(4.7)	(59.4%)
Corporate income tax	(2.4)			(2.4)		
Working capital adjustments for:						
(Increase)/Decrease in current assets	9.0	(2.0)	(544.9%)	2.0	(20.8)	(109.6%)
Increase/(Decrease) in current liabilities	(16.9)	(23.2)	(27.1%)	28.4	4.1	601.6%
Change in working capital (excl. accrued interest)	(7.9)	(25.3)	(68.5%)	30.4	(16.7)	(282.0%)
Net cash flow from operating activities	**212.7**	**192.3**	**10.6%**	**461.2**	**422.3**	**9.2%**
Investing activities:						
Capital expenditures	(98.0)	(79.5)	23.3%	(192.2)	(146.1)	31.5%
Acquisition		(15.2)			(15.2)	
Funding of joint venture	(2.5)	(2.6)	(3.5%)	(6.0)	(5.7)	5.4%
Interest received	0.1	0.0		0.1	0.0	1,382.3%
Change in financial assets	(0.1)	0.0	550.4%	(0.4)	(0.1)	237.0%
Net cash flow from (used in) investing activities	**(100.5)**	**(97.3)**	**3.3%**	**(198.5)**	**(167.1)**	**18.8%**
Financing activities:						
3.625% Senior Secured Notes				(678.3)	748.5	
Term Loan B1	66.7			1,211.6		
Term Loan B2				722.5		
Term Loan A					150.0	
Revolver facility		159.1		(255.0)	160.0	
Financing Fees	(2.1)	(3.1)	(32.8%)	(35.5)	(12.4)	
Dividend		(180.0)			(180.0)	(100.0%)
Repayment of loans		0.0	(100.0%)	(900.0)	(1,063.3)	(15.4%)
Interest	(60.4)	(81.5)	(25.9%)	(109.6)	(98.0)	11.8%
Swap contracts unwound	(48.4)			(48.4)		
Other financing activities	(1.6)	(0.9)	88.2%	(32.0)	(1.3)	2,278.7%
Net cash flow from (used in) financing activities	**(45.8)**	**(106.4)**	**(57.0%)**	**(124.6)**	**(296.6)**	**(58.0%)**
NET INCREASE (DECREASE) IN CASH (EQUIVALENTS)	**66.5**	**(11.4)**	**(684.7%)**	**138.1**	**(41.4)**	**(433.3%)**

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 Q2 ending June 30, 2014 the free cash flow amounts to €262.7M (June 30, 2013: €255.1M)

Press Release

Details on consolidated income statement (unaudited)

€ million	Q2 2014	Q2 2013	Q2 Change	YTD June 2014	YTD June 2013	YTD June Change
Revenue by segment[1]						
Standard cable subscription revenue	109.1	112.6	(3.1%)	218.6	226.1	(3.3%)
Digital pay television services revenue	41.3	42.5	(2.8%)	82.6	85.6	(3.5%)
Total video revenues	**150.4**	**155.1**	**(3.0%)**	**301.2**	**311.7**	**(3.4%)**
Broadband Internet subscription revenue	125.4	115.1	8.9%	244.9	229.3	6.8%
Telephony subscription revenue	35.5	33.8	4.8%	70.7	67.4	4.9%
Telephony usage revenue	46.0	43.5	5.7%	87.5	88.5	(1.2%)
Total telephony revenues	**81.4**	**77.3**	**5.3%**	**158.2**	**155.9**	**1.4%**
Out-of-home	3.3	0.0		5.2	0.0	
Revenue from other sources	2.7	9.7	(71.8%)	6.9	19.7	(65.2%)
Total consumer market	**363.2**	**357.2**	**1.7%**	**716.3**	**716.7**	**(0.1%)**
Of which All-in-1 bundle revenues	*191.2*	*180.6*	5.8%	*378.1*	*358.2*	5.6%
Business services revenues	42.0	34.7	20.8%	83.1	63.0	31.8%
Total revenues	**405.1**	**391.9**	**3.4%**	**799.4**	**779.8**	**2.5%**
Cost of goods sold	72.2	75.8	(4.7%)	143.5	146.8	(2.3%)
Personnel	52.1	47.7	9.2%	104.5	95.8	9.0%
Contracted work	17.6	13.1	34.0%	36.8	26.4	39.5%
Marketing & Sales	20.2	18.3	10.3%	43.6	35.8	21.6%
Office expense	14.5	13.3	9.3%	27.1	26.9	0.9%
Other expenses	2.7	2.6	2.2%	5.1	4.4	15.2%
Total expenses	**179.4**	**170.9**	**4.9%**	**360.5**	**336.1**	**7.3%**
Adjusted EBITDA[2]	**225.8**	**221.0**	**2.2%**	**438.8**	**443.6**	**(1.1%)**
Non-recurring costs[3]	1.7	0.0		3.8	0.0	
EBITDA[2]	**224.1**	**221.0**	**1.4%**	**435.0**	**443.6**	**(1.9%)**
Depreciation and amortization	107.8	68.8	56.5%	184.3	136.6	34.9%
Operating income	**116.3**	**152.2**	**(23.6%)**	**250.7**	**307.0**	**(18.3%)**
Net financial income (expense)	174.4	41.9	316.5%	348.3	129.3	169.3%
Result from normal business before income taxes	**(58.1)**	**110.3**	**(152.7%)**	**(97.6)**	**177.7**	**(154.9%)**
Net result of joint ventures and associates	(1.7)	(2.1)	(17.7%)	(4.5)	(3.4)	33.6%
Income tax benefit (expense)	30.3	(19.3)	(256.6%)	34.3	7.3	371.4%
Result after income taxes	**(29.5)**	**88.9**	**(133.2%)**	**(67.9)**	**181.6**	**(137.4%)**

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) Non-recurring costs related to operating expenses incurred in connection with the announced intended acquistion of the Company by Liberty global on January 27, 2014

Press Release

Details on working capital YTD 2014 *

€ million	30 Jun 2014	31 Dec 2013	30 Jun 2013	31 Dec 2012
Inventories	38.0	40.0	31.8	28.0
Trade accounts receivable	27.0	37.9	26.8	20.0
Other current assets	45.5	34.5	38.6	27.6
	110.4	**112.4**	**97.3**	**75.6**
Trade accounts payable	85.7	88.2	79.2	88.5
Deferred revenue	124.8	120.2	119.1	111.0
Corporate income tax	3.5	4.7	3.5	2.3
Taxes and social securities	56.1	49.5	56.6	53.2
Personnel related liabilities	13.1	12.4	13.5	17.8
Accrued interest	32.3	38.8	25.1	18.0
Other current liabilities	92.2	65.6	82.7	75.5
	407.5	**379.3**	**379.5**	**366.3**
Net working capital	**(297.1)**	**(266.9)**	**(282.3)**	**(290.7)**
Change in net working capital	30.2		(8.4)	
Net working capital excl. Accrued interest and corp. inc. tax	**(261.4)**	**(223.5)**	**(253.7)**	**(270.4)**
Change in net working capital excl. accrued interest and corp. inc. tax	37.9		(16.7)	

Details on working capital for the 2nd quarter 2014

€ million	30 Jun 2014	31 Mar 2014	30 Jun 2013	31 Mar 2013
Inventories	38.0	43.5	31.8	27.3
Trade accounts receivable	27.0	26.0	26.8	29.3
Other current assets	45.5	49.8	38.6	37.7
	110.4	**119.4**	**97.3**	**94.3**
Trade accounts payable	85.7	108.5	79.2	90.5
Deferred revenue	124.8	123.7	119.1	120.3
Corporate income tax	3.5	5.2	3.5	2.9
Taxes and social securities	56.1	58.2	56.6	59.8
Personnel related liabilities	13.1	16.0	13.5	21.8
Accrued interest	32.3	44.6	25.1	53.8
Other current liabilities	92.2	78.8	82.7	85.0
	407.5	**435.0**	**379.5**	**434.2**
Net working capital	**(297.1)**	**(315.6)**	**(282.3)**	**(339.9)**
Change in net working capital	(18.5)		(57.6)	
Net working capital excl. Accrued interest and corp. inc. tax	**(261.4)**	**(265.8)**	**(253.7)**	**(283.2)**
Change in net working capital excl. accrued interest and corp. inc. tax	(4.5)		(29.5)	

* 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 Jun 2014	31 Mar 2014	30 Jun 2013	31 Mar 2013
Senior Credit Facility	1,935.1	1,858.6	310.0	151.0
Capitalized financing fees	(30.2)	(28.5)	(6.0)	(7.1)
Loans from financial institutions	**1,904.9**	**1,830.1**	**304.0**	**143.9**
8.000% Senior unsecured Notes (principal amount) existing	465.7	465.7	1,208.9	1,208.9
Capitalized discount at issuance (price 99.271)	(1.9)	(2.0)	(6.0)	(6.2)
Capitalized financing fees	(5.6)	(5.9)	(17.6)	(18.3)
Senior Unsecured Notes (existing)	**458.3**	**457.8**	**1,185.3**	**1,184.3**
8.000% Senior unsecured Notes (principal amount) new	743.1	743.1		
Capitalized financing fees	(10.6)	(8.3)		
Senior Unsecured Notes (new)	**732.5**	**734.8**	**0.0**	**0.0**
3.625% Senior Secured Notes (principal amount)	71.7	71.7	750.0	750.0
Capitalized discount at issuance (price 99.800)	(0.1)	(0.1)	(1.5)	(1.5)
Capitalized financing fees	(0.5)	(0.5)	(6.1)	(6.3)
Senior Secured Notes	**71.1**	**71.0**	**742.4**	**742.2**
Facility E (6.125% Secured Bond; principal amount)			750.0	750.0
Capitalized financing fees			(7.1)	(7.4)
Senior Secured Notes	**0.0**	**0.0**	**742.9**	**742.6**
Total Loans	**3,166.7**	**3,093.8**	**2,974.6**	**2,812.9**

Press Release

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

€ million	YTD June 2014			YTD June 2013		
	Ziggo	Delta	Bondco	Ziggo	Delta	Bondco
Total revenue	**799.4**		**799.4**	**779.8**		**779.8**
Cost of goods sold	143.5		143.5	146.8		146.8
Personnel	105.0	2.9	102.1	95.8	1.8	94.0
Contracted work	38.3		38.3	26.4		26.4
Marketing & Sales	43.6		43.6	35.8		35.8
Office expense	28.8		28.8	26.9	0.0	26.8
Other operating expenses	5.1	(1.7)	6.8	4.4	(1.6)	6.0
Depreciation	139.3		139.3	124.2		124.2
Amortization of software	14.4		14.4	12.2		12.2
Amortization of other intangible assets	30.6		30.6	0.2		0.2
Total operating expenses	**548.7**	**1.2**	**547.4**	**472.7**	**0.2**	**472.5**
Operating income	**250.7**	**(1.2)**	**251.9**	**307.0**	**(0.2)**	**307.3**
Net financial income (expense)						
- Interest	(101.5)		(101.5)	(99.0)	0.0	(99.0)
- Banking and financing fees	(36.5)		(36.5)	(1.3)	(0.6)	(0.7)
- Amortization of funding costs	(29.4)		(29.4)	(48.5)	(0.8)	(47.8)
- Other income (i.e. fair value gains / (losses) on derivative fin. instruments)	(180.9)		(180.9)	19.5	0.0	19.5
Result from norm. business before income taxes	**(97.6)**	**(1.2)**	**(96.4)**	**177.7**	**(1.6)**	**179.3**
Net result of joint ventures and associates	(4.5)		(4.5)	(3.4)	0.0	(3.4)
Income tax benefit (expense)	34.3	0.3	33.9	7.3	0.4	6.9
Net result	**(67.9)**	**(0.9)**	**(67.0)**	**181.6**	**(1.2)**	**182.8**

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 B.V. (unaudited)

€ million	30 June 2014			30 June 2013		
	Ziggo	Delta	Bondco	Ziggo	Delta	Bondco
ASSETS						
Intangible assets	3,306.3		3,306.3	3,336.1		3,336.1
Capitalized software	79.3		79.3	37.4		37.4
Property and equipment	1,518.3		1,518.3	1,452.0		1,452.0
Other financial assets	1.5		1.5	0.8		0.8
Investments in joint ventures	5.1		5.1	6.8		6.8
Deferred income tax asset	191.6	80.4	111.2	235.5	151.6	83.9
Total non-current assets	**5,102.0**	**80.4**	**5,021.6**	**5,068.7**	**151.6**	**4,917.1**
Inventories	38.0		38.0	31.8		31.8
Trade accounts receivable	27.0		27.0	26.8		26.8
Other current assets	45.5	(20.4)	66.0	38.6		38.6
Cash and cash equivalents	215.5	0.2	215.3	51.0	0.2	50.8
Total current assets	**326.0**	**(20.2)**	**346.2**	**148.3**	**0.2**	**148.0**
TOTAL ASSETS	**5,427.9**	**60.2**	**5,367.7**	**5,216.9**	**151.8**	**5,065.1**
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	3,394.5	2,553.5	841.0
Treasury stock	0.0	0.0		0.0	0.0	
Retained earnings	(2,043.2)	(2,444.8)	401.7	(2,393.8)	(2,557.9)	164.1
Net income (loss) for the period	(67.9)	(0.9)	(67.0)	181.6	(1.2)	182.8
Equity attr. to equity holders	**1,293.3**	**117.7**	**1,175.7**	**1,382.2**	**194.3**	**1,187.9**
Loans from financial institutions	1,904.9		1,904.9	304.0		304.0
Revolver facility	0.0		0.0	0.0		0.0
Unsecured Bond	1,190.8		1,190.8	1,185.3		1,185.3
Secured Bonds	71.1		71.1	1,485.3		1,485.3
Derivative financial instruments	164.4		164.4	15.8		15.8
Provisions	19.1		19.1	21.0		21.0
Deferred income tax liability	368.9		368.9	410.7		410.7
Other non current liabilities	1.9		1.9	2.0		2.0
Total non-current liabilities	**3,721.0**		**3,721.0**	**3,424.2**		**3,424.2**
Trade accounts payable	85.7		85.7	79.2		79.2
Deferred revenue	124.8		124.8	119.1		119.1
Current liabilities related parties		(59.3)	59.3		(43.2)	43.2
Derivative financial instruments	(0.0)		(0.0)	25.6		25.6
Provisions	6.1		6.1	5.4		5.4
Current taxes	3.5		3.5	3.5		3.5
Taxes and social securities	56.1	0.1	56.0	56.6	0.1	56.5
Personnel related liabilities	13.1	1.3	11.8	13.5	0.4	13.0
Accrued interest	32.3		32.3	25.1		25.1
Other current liabilities	92.2	0.4	91.8	82.7	0.2	82.5
Total current liabilities	**413.5**	**(57.5)**	**471.0**	**410.6**	**(42.5)**	**453.0**
TOTAL EQUITY AND LIABILITIES	**5,427.9**	**60.2**	**5,367.7**	**5,216.9**	**151.8**	**5,065.1**

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 B.V. (unaudited)

€ million	YTD June 2014			YTD June 2013		
	Ziggo	Delta	Bondco	Ziggo	Delta	Bondco
Operating income	**250.7**	**(1.2)**	**251.9**	**307.0**	**(0.2)**	**307.3**
Adjustments for:						
Depreciation	139.3		139.3	124.2		124.2
Amortization	45.0		45.0	12.4		12.4
Movement in provisions	(1.9)		(1.9)	(4.7)		(4.7)
Corporate income tax	(2.4)		(2.4)			
Working capital adjustments for:						
(Increase)/Decrease in current assets	2.0	0.6	1.4	(20.8)	(0.2)	(20.6)
Increase/(Decrease) in current liabilities	28.4	0.6	27.8	4.1	94.1	(90.0)
Change in working capital (excl. accrued interest)	30.4	1.2	29.2	(16.7)	93.9	(110.7)
Net cash flow from operating activities	**461.2**	**0.0**	**461.2**	**422.3**	**93.7**	**328.6**
Investing activities:						
Capital expenditures	(192.2)		(192.2)	(146.1)		(146.1)
Acquisition				(15.2)		(15.2)
Funding of joint venture	(6.0)		(6.0)	(5.7)		(5.7)
Interest received	0.1		0.1	0.0		0.0
Change in financial assets	(0.4)		(0.4)	(0.1)		(0.1)
Net cash flow from (used in) investing activities	**(198.5)**		**(198.5)**	**(167.1)**		**(167.1)**
Financing activities:						
3.625% Senior Secured Notes	(678.3)		(678.3)	748.5		748.5
Term Loan B1	1,211.6		1,211.6			
Term Loan B2	722.5		722.5			
Term Loan A				150.0		150.0
Revolver facility	(255.0)		(255.0)	160.0		160.0
Financing Fees	(35.5)		(35.5)	(12.4)	(0.8)	(11.6)
Dividend				(180.0)	(92.2)	(87.8)
Repayment of loans	(900.0)		(900.0)	(1,063.3)		(1,063.3)
Interest	(109.6)		(109.6)	(98.0)		(98.0)
Swap contracts unwound	(48.4)		(48.4)			
Other financing activities	(32.0)		(32.0)	(1.3)	(0.6)	(0.7)
Net cash flow from (used in) financing activities	**(124.6)**		**(124.6)**	**(296.6)**	**(93.5)**	**(203.1)**
Net increase (decrease) in cash (equivalents)	**138.1**	**0.0**	**138.1**	**(41.4)**	**0.2**	**(41.6)**

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.