

Press release

Ziggo first quarter results Ziggo continues growth in subscriptions and revenue in the first quarter of 2011

Utrecht, April 18, 2011

- **Bundle sales continue to be the driver of growth, supported by our leading positions in Television and High Speed Internet**
- **Internet speeds will be further increased**
- **Strong revenue growth in the business market**

Operational Highlights Q1 2011

- All-in-1 Bundle again driver for strong results in 1st quarter adding 45,000 triple play customers, bringing the total number to 1.14 million
- Substantial increase in digital subscriptions(+111,000) as a result of a succesfull campaign to migrate customers from analog to digital
- Increased subscriptions to Broadband Internet (+29,000), Fixed Telephony (+45,000) and Paid Digital TV services (+24,000)
- Internet speeds for existing subscribers will be increased during the next six months
- Over 2,400 business bundles were sold in the Business market

Financial Highlights Q1 2011

- Revenue of €360.9 million, up 6.5% versus Q1 last year
- Adjusted EBITDA of €205.2 million, up 5.0% versus Q1 last year
- Free operating cash flow of €146.0 million, up 39.6% versus Q1 last year
- Net Debt to adjusted EBITDA leverage ratio down to 4.3x at March 31, 2011 compared to 4.5x at December 31, 2010

Ziggo CEO Bernard Dijkhuizen:

"Ziggo continued its growth in the first quarter of 2011, demonstrating the strength of our strategy and operations. With new innovations for our television offering, increased internet speeds for our customers and our continued focus on further improving our customer service, we are convinced we will strengthen our position in the consumer market and exploit its considerable further growth potential in the year ahead. We are glad to see that our renewed focus on the small- and mid-sized enterprises in the business market is starting to pay off with a growth of almost 10% in the first quarter. We will make further efforts and expand our product offering for the business market to strengthen our position and accelerate growth in this segment where many companies are already connected to our network."



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[videobankonline](http://videobankonline.nl)
Free video footage of Ziggo
is available on
videobankonline.nl



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Financial Highlights (€ million)

As per March 31,	March 2011	March 2010	Change %
Revenues	360.9	338.8	6.5%
Cost of goods sold	71.6	63.5	12.8%
Gross margin	289.3	275.3	5.1%
	80.2%	81.3%	
Operating expenses	84.1	79.9	5.3%
Adjusted EBITDA⁽¹⁾	205.2	195.4	5.0%
Adjusted EBITDA as a % of revenue	56.9%	57.7%	
Integration costs	0.0	0.3	-100.0%
EBITDA⁽²⁾	205.2	195.1	5.2%
Depreciation and Amortization	118.8	122.6	-3.1%
Operating income	86.4	72.5	19.2%
Movement in provisions	-1.1	-4.2	-73.6%
Change in net working capital	-16.9	-45.0	-62.4%
Cash flow from operating activities	187.2	145.9	28.3%
Capital expenditure	41.2	36.4	13.2%
As a % of revenue	11.4%	10.7%	
Capital expenditure spend on integration	0.0	4.3	-100.0%
Total capital expenditure (Capex)	41.2	40.7	1.2%
Other cash used in investing activities	0.0	0.6	-100.0%
Free cash flow	146.0	104.6	39.6%
As a % of revenue	40.5%	30.9%	
EBITDA-Capex	164.0	154.4	6.2%
As a % of revenue	45.4%	45.6%	

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Operational Highlights (in thousands)

Footprint ⁽³⁾ as per March 31,	March 2011	March 2010	Change %
Homes passed	4,160	4,070	2.2%
Analog TV only	1,148	1,518	-24.4%
Analog and Digital TV ⁽⁴⁾	1,915	1,622	18.1%
Total TV customers	3,063	3,140	-2.5%
Digital pay TV subscribers	921	816	12.9%
Internet subscribers	1,578	1,472	7.2%
Telephony subscribers	1,212	1,033	17.3%
Total RGUs⁽⁶⁾	6,774	6,461	4.8%
<i>Of which bundle subscribers⁽⁵⁾</i>	<i>1,120</i>	<i>739</i>	<i>51.5%</i>
<i>Total triple play</i>	<i>1,139</i>	<i>957</i>	<i>19.0%</i>
RGU per customer ⁽⁷⁾	2.21	2.06	7.3%
ARPU (€ per month) ⁽⁸⁾	35.20	32.55	8.1%

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Please note that the results published are the consolidated results of Ziggo Bond Company B.V., hereafter 'Ziggo'. As a consequence of the issue of the Senior Notes, Ziggo is now reporting quarterly and on the level of the entity which has issued the Senior Notes, being Ziggo. The main differences are caused by the fact that the reports of Zesko Holding B.V. include shareholder loans outstanding, which amounted to €2,119 million as per March 31, 2011. The proceeds of these shareholder loans have been invested in 2005-2007 as equity in the Amsterdamse Beheer and Consultingmaatschappij B.V., hereafter 'ABC', which is now a direct subsidiary of Ziggo. As a result thereof, Zesko Holding B.V. recognizes interest costs on the shareholder loans whilst Ziggo does not recognize these interest costs. In the first quarter of 2011 Zesko Holding B.V. recognized interest costs on the shareholders loans for an amount of €53.2 million. Please also note that Ziggo was incorporated on March 30, 2010. Ziggo acquired all of the issued and outstanding shares of ABC on March 30, 2010. We have adjusted the definition for RGUs in such a way that Digital Pay TV subscribers are included in total RGUs as a Digital Pay TV subscriber is adding extra revenue based on its subscription to our Digital Pay TV services on top of standard TV. All comparable numbers have been adjusted in line with this adjusted definition for RGUs. We have also adjusted the way we report the breakdown of our revenues in such a way that we report revenues from our All-in-1 bundle within each of standard TV, broadband internet and telephony revenues on a pro rata basis and in proportion to the subscription fees of each product charged on a standalone basis

Definitions/Footnotes

- (1) Adjusted EBITDA refers to EBITDA, as adjusted to remove the effects of operating expenses incurred in connection with the integration of our predecessor businesses, which were €0.0 million and €0.3 million for the quarter ended on March 31, 2011 and March 31, 2010 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 related to our footprint and RGUs are presented as of the end of the period indicated;
- (4) Subscribers to Analog and Digital TV equals the total number of Standard TV subscribers who have activated a smart card as of the periods indicated and have access to our Digital Pay TV services. In any given period, not all of these subscribers will have subscribed to additional Digital Pay TV services. As per March 31, 2011 921,000 customers subscribed to one or more of our Digital Pay TV services;
- (5) Besides the 1,120,000 customers who have taken up the All-in 1 Bundle, we have approximately another 19,000 customers who have subscribed to Standard TV, Broadband Internet and Telephony on an individual product basis instead of an All-in-1 Bundle;
- (6) Total RGUs are calculated as the sum of total standard TV subscribers, digital pay TV subscribers, broadband internet subscribers and telephony subscribers;
- (7) RGUs per customer is the total number of RGUs divided by the total number of TV subscribers;
- (8) Average Revenue per User (ARPU) is calculated as the sum of total standard TV, digital pay television, broadband Internet, telephony (including call charges) and All-in-1 subscription revenues for the period divided by the number of months used and divided by the period's average monthly total standard TV RGUs. It excludes installation fees and set-top box sales.

About Ziggo

Ziggo is a Dutch provider of entertainment, information and communication through television, broadband internet and telephony services. The company serves around 3.1 million households, with 1.6 million broadband internet customers, more than 1.9 million customers for digital television and 1.2 million telephony subscribers. Business to business customers use services such as data communication, telephony, television and internet. The company owns a next-generation network capable of providing the bandwidth required for all future services currently foreseen. More information on Ziggo can be found on: www.ziggo.com

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Operations

In the first quarter of 2011, Ziggo added 76,000 net new subscriptions in the consumer market. At the end of March 2011 total RGUs reached 6.8 million, an increase of 4.9% compared to the prior year. This growth was driven by sales of our All-in-1 Bundles, a lower churn level and an increase in Digital Pay TV subscribers. Additionally, in the first quarter 111,000 subscribers activated their digital smartcard bringing the total number of subscribers with Digital TV to 1,915,000.

Products & Services

In the first quarter Ziggo announced its new television offering. During a press gathering the outline of the new television proposition was presented and the Ziggo TV Ipad App was introduced. As of September this year, the product structure of digital television will be simplified and the offering will be enriched by adding more HD channels and interactive television to the standard TV product at the same price. The number of analogue channels will be reduced from 30 currently to 25, which will free up capacity for digital and extra HD channels.

In March, Ziggo also announced that as of April 1, Ziggo customers will have the option to order football matches per game. This Pay-per-Event option gives customers the opportunity to order their favorite football match online without the obligation of a monthly subscription fee. In addition, Ziggo announced the increase of internet speeds for all customers. These new internet speeds will be implemented in phases, starting in April and ending in September. 'All-in-1 Basis' customers will receive an increase of 5 times their current speed and 'All-in-1 Plus' and Internet Z2 customers will receive twice their current internet speed. Prices of the internet subscriptions will remain unchanged.

Financial performance

Revenues

In the first quarter of 2011 we generated revenues of €360.9 million, an increase of 6.5% compared to the same quarter last year (€338.8 million). Revenue growth was mainly driven by continued growth in RGUs, blended ARPU per subscriber and growth in the business market.

In the consumer market revenues for the first quarter of 2011 amounted to €340.5 million, an increase of 6.3% compared to the first quarter of 2010. This was mainly driven by a further uptake of our All-in-1 Bundle which increased the number of triple-play customers by 19.0% compared to the first quarter of 2010, as well as strong growth in Paid Digital TV revenue (20.1% y-o-y) and telephony usage revenue (4.5% y-o-y). Revenue generated through subscriptions on our All-in-1 Bundle increased by 56.2% from €87.9 million in Q1 of 2010 to €137.3 million in Q1 of 2011, now representing already 38% of our total revenue.

Blended ARPU in the the first quarter of 2011 was €35.20, an increase of €2.65 or 8.1% compared to the prior year. The increase in blended ARPU was driven by the growth in the number of subscribers for our All-in-1 Bundle and Paid Digital TV services as well as by higher telephony usage compared to the prior year period. Additionally, ARPU also increased following

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a price increase of €0.50 for our standard TV subscription as per February 1, 2011 and for our All-in-1 bundle as per March 1, 2011.

Our business services activities realized revenues of €20.4 million in Q1 2011, an increase of 9.8% compared to the same period last year revenue of €18.6 million. This increase further validates our decision in 2010 to refocus our business services strategy around a product portfolio aimed at the small and mid-sized companies segment, leveraging the strength of our infrastructure. The roll-out of EuroDocsis 3.0 across our entire network enables us to offer very attractive high speed internet and high quality telephony services to this market. Since June 2010, when we launched an extensive campaign around our two new B2B products 'Internet Plus' and 'Office Basis' we have seen a substantial increase in demand from this segment in our service area with an increase of 8,700 subscribers, of which 2,400 subscribers were added during the first quarter of this year. Total subscribers for 'Office Basis' and 'Internet Plus' by the end of March 31, 2011 was 13,800.

Cost of goods sold

Cost of goods sold includes the costs for materials and services directly related to revenues and consists of author rights, signal costs and royalties that we pay to procure our content, interconnection fees that we pay to other network operators, materials and logistics costs relating to the sale of set-top boxes and other products and materials used to connect customers to our network.

In Q1 2011 cost of goods sold increased by 12.8% to €71.6 million which was primarily driven by increased cost for the content for standard TV and paid digital TV and cost of goods sold for set-top boxes. The gross margin for Q1 was 80.2% versus 81.3% in the prior year quarter. The margin decrease was a result of higher content costs for standard TV and sustained growth in our paid digital TV services, which have a different margin profile than our subscriptions to standard TV, broadband Internet and telephony. Furthermore, our gross margin is impacted by the large volume of set-top boxes and CI+ modules shipped during the first quarter to support the campaigns to migrate our subscribers to digital TV. We shipped these set-top boxes and CI+ modules against a neutral to negative gross margin.

Operating expenses

Operating expenses increased by €4.2 million or 5.3% to €84.1 million in the first quarter of 2011 compared to €79.9 million in Q1 2010. As a percentage of revenue, operating expenses decreased from 23.6% to 23.3%. Ziggo has substantially stepped up its spending on marketing & sales both in the consumer and B2B markets by €2.1 million or 17.2% to €14.3 in the first quarter. Additionally, the costs for contracted work have increased by 8.2% compared to the same period in 2010, mainly as a result of increased activities in customer installations and technical maintenance and outsourced IT costs.

Adjusted EBITDA and operating profit

In Q1 2011 we realized an adjusted EBITDA of €205.2 million, an increase of 5.0% compared to the adjusted EBITDA for the first quarter last year. The EBITDA margin was 56.9% compared to 57.7% for Q1 prior year. The decrease in margin is primarily the result of a lower gross margin and increased expenses for marketing & sales. Adjusted EBITDA excludes

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integration expenses. As per the end of 2010, the three predecessor companies of Ziggo are fully integrated. Therefore we did not incur any integration expenses in the first quarter of 2011.

Depreciation expenses and amortization on software in the first quarter of 2011 increased by €1.1 million or 1.4% to €74.7 million from €73.6 million in the comparable period last year, whereas amortization on other intangibles decreased by 9.9% to €44.1 million from €49.0 million in Q1 2010. Amortization on other intangibles relates to the capitalized customerlist, which resulted from the acquisition of the three predecessor businesses.

Operating income (EBIT) improved to €86.4 million, an increase of 19.2% compared to €72.5 million in Q1 2010.

Net Income

Interest costs decreased by 6.5% to €67.9 million in the first quarter of 2011 compared to €72.6 million last year.

A lower average balance for interest bearing debt and the refinancing of our Mezzanine with Senior Unsecured Notes against a lower interest rate resulted in decreased interest costs.

Additionally, an amount of €2.1 million was allocated in Q1 2011 as borrowing costs on Work-in-Process for the first quarter resulting in an interest credit.

As a result of the issuance of the Senior Unsecured Notes in May 2010, the floating interest position has decreased by €1.2 billion. Consequently, we have adjusted our hedge position by partly offsetting our existing Interest Rate Swap (IRS) position in order to offset the over-hedged position. With the issuance of the €750 million Senior Secured Notes in October 2010, Ziggo has decided to maintain 94% of its debt at a fixed rate. Taking into consideration the prepayments on our floating interest borrowings since then, 98% of our debt is at fixed rate as per March 31, 2011. As Ziggo no longer complies with hedge accounting for interest rate swaps under IFRS since the issuance of the Senior Secured Notes, any future change in fair value must be recognized as financial income and expense. In the first quarter of 2011 Ziggo recorded a gain of €35.8 million on value gains and losses on our IRS in fair value of financial derivatives as a result of an increase in the mark-to-market value for the IRS following an increase of EURIBOR during the first quarter.

The amortization of funding cost has increased to €4.8 million in Q1 2011 from €4.3 million in the prior year period.

For the first quarter of 2011 Ziggo reported an income tax expense of €12.5 million, whereas in the same quarter last year Ziggo recognized an income tax benefit of €1.4 million.

In Q1 2011 Ziggo posted a net profit of €37.5 million, a strong improvement from a net loss of €3.9 million in Q1 2010. The net profit includes an amortization charge of €44.1 million before tax on the intangible assets which resulted from the acquisition of the three predecessor businesses. Without this amortization charge net of taxes, Ziggo would have reported a net profit of approximately €70 million versus a net profit of approximately €32 million for the comparable period in 2010.

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Cash flow and liquidity

Cash flow provided by operating activities

EBITDA including integration costs in Q1 2011 increased by 5.2% to €205.2 million, whereas net cash flow from operating activities increased by 28.3% to €187.2 million compared to €145.9 million in the comparable period last year. This is mainly due to the increase in net working capital during Q1 of last year by €45.0 million, negatively affecting cash flow from operating activities, whereas in the first quarter in 2011 working capital only increased by €16.9 million. The net working capital increase in Q1 2011 mainly results from a reduction in accounts payable and other current liabilities.

Capital expenditure (Capex)

Our capital expenditure and investments relate primarily to extending, upgrading and maintaining our network, installation of new customers and the cost of modems. Capital expenditure also includes increases in intangible assets, primarily expenditures on software, which we capitalize. Decoders and set-top boxes are sold to customers and therefore recognized as cost of goods sold and not capitalized.

During the first quarter of 2011 Ziggo has made investments of €41.2 million, a small increase of 1.3% compared to Capex for Q1 2010 of € 40.7 million, which included integration capex of €4.3 million. The increase in Capex is primarily due to the continuing roll-out of new EuroDocsis 3.0 modems and investments in backbone capacity to accommodate increasing demand for bandwidth capacity. The program to swap Eurodocsis 2.0 modems for Eurodocsis 3.0 modems at the customer premises, makes the highest internet speeds available for all our customers, and will continue in the remainder of the year and 2012.

In Q1 2011, 35% of the capital expenditure was related to customer installations and modem installations at customer premises (approximately 22% in Q1 2010), whereas 44% was related to growth of our network capacity to accommodate our increased subscriber base for broadband Internet and broadband speed requirements and new build (approximately 58% in 2010). This implies that approximately 79% of our capital expenditures in the first quarter of 2011 were scalable and directly growth or subscriber related versus approximately 80% in the first quarter of 2010. The remainder represents maintenance and replacements of network equipment and recurring investments in our IT platform and systems and other investments.

Free cash flow and net cash used in financing activities

Operational free cash flow (OpFCF, or EBITDA minus Capex) increased by 6.2% to €164.0 million in the first quarter of 2011 compared to €154.4 million for the prior year. Free cash flow showed a substantial increase of 39.6% to 146.0 million, which includes a cash outflow due to an increase in working capital of €16.9 million versus a cash outflow from an increase in working capital of €45.0 million in Q1 2010.

Net cash used in financing activities for the year comprises interest costs, banking and financing fees related to our loan facilities, repayments on the senior credit facilities and the refinancing of the mezzanine facility and part of the senior debt by the issuance of senior unsecured and secured notes.

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During the first quarter of 2011 we have made voluntary prepayments of €79.4 million on our Senior Credit Facility, of which €60.8 million on our Term Loan C and €18.6 to fully prepay our Term Loan A facility.

Cash interest paid in Q1 2011 amounted to €34.4 million and decreased by 41.3% versus €58.5 million for the prior year period. In addition, we accrued €35.7 million interest on our senior secured and unsecured notes during the first quarter. Interest on the senior secured and unsecured notes is payable semi-annually, in May and November. By the end of March 31, 2011 we had an amount of accrued interest for senior secured and unsecured notes of €55.8 million outstanding. During the comparable period in 2010 we accrued an amount of €13.7 million for interest on our mezzanine loan and added this amount to the principal amount.

At the end of Q1, Ziggo held €99.7 million in cash and cash equivalents, compared to €67.0 million at the end of 2010.

Working Capital

The net working capital excluding accrued interest increased from -€204.0 million as per year end 2010 to -€187.0 million as per the end of the first quarter of 2011. This increase is due to a substantial reduction of our accounts payable which is partly offset by an increase in deferred revenue due to the postponement of the billing for standard cable TV subscribers at the end of 2010 to January 2011. Current liabilities excluding accrued interest decreased by €9.5 million during the first quarter of 2011 while current assets increased by €7.4 million, resulting in a cash outflow from the increase in net working capital by €16.9 million.

We have a revolving credit facility of €144 million, which expires in September 2013. As per March 31, 2011 we didn't draw under this facility and we haven't drawn any amounts under this facility during the quarter.

Net debt and financing structure

On March 31, 2011 the outstanding balance of our Senior Credit Facilities amounted to €1,552 million, a reduction compared to €1,632 million as of December 31, 2010 due to voluntary prepayments on our Senior Credit Facility of €79.4 million during the first quarter. As per March 31, 2011, the unsecured bond amounts to €1,177.1 million and is stated at amortized costs, including principal amount, capitalized funding costs and discount on issuance date. The financing fees for the Notes issuance amount to €25.8 million and are amortized over 8 years. As per March 31, 2011 an amount of €2.1 million has been amortized resulting in capitalized financing fees per end of Q1 2011 of €23.7 million.

As per March 31, 2011 the balance for the Senior Secured Notes amounts to €739.9 million and is stated at amortized costs, including principal amount and capitalized funding cost. The financing fees for the Senior Secured Notes issuance amount to €10.6 million and are amortized over 7 years. As per December 31, 2010 an amount of €0.5 million has been amortized resulting in capitalized financing fees per March 31, 2011 of €10.1 million.

Loans from financial institutions amount to €1,505.6 million as at March 31, 2011. These loans include €46.7 million of capitalized financing fees.

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Interest on the Senior Secured Notes and Senior Unsecured Notes are due semi-annually and as per March 31, 2011 an amount of €55.8 million has been accrued under current liabilities.

Exposure to the risk of changes in market interest rates relates primarily to Ziggo's long-term debt obligation with a floating interest rate. Ziggo manages its exposure to changes in interest rates and its overall cost of financing by using interest rate swap (IRS) agreements. They are used to transform the interest exposure on the senior credit facility loans. As a result of the repayment of our Mezzanine Loan and part of loans from financial institutions by the issuance of our unsecured bond and secured notes, the floating interest position has decreased by €1.95 billion.

At March 31, 2011 approximately 98% of Ziggo's floating interest borrowings have been swapped. The fair value of the IRS amounts to -€54.7 million, compared to -€93.0 million as per year end 2010. Since the issuance of the Senior Secured Notes on October 28, any change in fair value must be recognized as financial income and expense as Ziggo does not comply to the requirements for hedge-accounting according to IFRS.

In the first quarter of 2011, financial income and expense include a gain of €37.0 million for value gains and losses on IRS in fair value of financial derivatives. Until the issuance of the Senior Secured Notes changes in fair value were recorded in the hedge reserve (equity). The hedge reserve per March 31, 2011 amounts to -€13.2 million and is charged to the profit and loss during the remaining term of the outstanding IRS.

As per the end of Q1 2011, our Net Debt to Adjusted EBITDA leverage ratio (as defined under our Senior Credit Facilities) was 4.3x, down from 4.5x as at year-end 2010 due to our strong EBITDA performance and strong cash generation. The average debt maturity is 5.5 years as of March 31, 2011.

The summary of the capital structure as at March 31, 2011 is:

As per March 31, 2011	in €m	x LTM EBITDA	Margin/ Coupon	Maturity
Term loan A	-	-	E + 2.00%	Sep-13
Term loan B	1,092	1.38	E + 2.75%	Sep-14
Term loan C	210	0.27	E + 3.50%	Sep-15
Term loan D	250	0.32	E + 4.75%	Sep-16
Term loan E (Senior Secured Notes)	750	0.95	6.125%	Nov-17
Total Senior Debt	2,302	2.90		
Senior Unsecured Notes	1,209	1.52	8.000%	May-18
Total Debt	3,511	4.43		
Cash	- 100 -	0.13		
Total Net Debt	3,412	4.30		

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On April 7, 2011, we started an amend & extend process to request consent to amend certain terms of our existing senior credit facilities in order to optimize our capital structure in currently favourable credit markets. We are seeking consent of our lenders to:

- Extend the maturities of the existing B and C term loan facilities by up to 2.5 years;
- Create a new term loan F to refinance the existing term loan C and 2nd lien facilities (term loan D) against a more favourable interest rate;
- Create a new uncommitted revolving credit facility in an aggregate principal amount of up to €150 million that would become available if the existing revolving credit facility is cancelled or expires;
- Make certain amendments related to structural changes, including events that constitute a change of control and increased flexibility in respect of prepayments.

The amendments require two-thirds majority consent to be passed and the extension of the B and C term loan facilities is only effective if two-thirds of affected lenders agree to the extension. The proposed economics on the consent, extension and new loan participation are as follows:

- Lenders in the existing 1st lien facilities will be offered a consent fee of 10 bps;
- Lenders in the current B and C loans extending into the new B and C term loan facilities will be offered an extension fee of 20 bps; and
- Margin uplift of 50bps that would otherwise only apply following a flotation brought forward for B and C term loan lenders that rollover into extended loans.

Outlook

Building on our achievements in 2010 and the first quarter of 2011, we expect sustained growth of our revenues. Given the momentum we currently have in the market we will step up our marketing & sales efforts and we will show a modest increase in operating costs driven by the growth of our customer base. We expect a continuation of our strong financial performance in 2011. As data traffic is expected to increase considerably in the foreseeable future, even more than in recent history, capital expenditure is expected to increase to further expand the capacity of our network in order to stay ahead of our customers' needs for high speed internet.

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Consolidated income statement for Ziggo Bond Company B.V. (unaudited)

<i>Quarter ended March 31 (in thousands)</i>	Q1 2011	Q1 2010	Change %
Total Revenues	360,893	338,788	6.5%
Cost of goods sold	71,569	63,485	12.7%
Personnel	43,628	42,163	3.5%
Contracted work	11,407	10,541	8.2%
Marketing & Sales	14,302	12,199	17.2%
Office expense	12,934	13,389	-3.4%
Other operating expenses	1,840	1,955	-5.9%
Depreciation	66,725	67,012	-0.4%
Amortisation Software	7,933	6,589	20.4%
Amortisation Other Intangible Assets ⁽²⁾	44,124	48,961	-9.9%
Total operating expenses	274,462	266,294	3.1%
Operating income	86,431	72,494	19.2%
Net financial income (expense)			
- Interest	-67,930	-72,626	-6.5%
- Banking and financing fees	-712	-808	-11.9%
- Amortization funding costs	-4,791	-4,337	10.5%
- Fair value (gains) losses on derivative fin. instruments	36,956	0	
Result before income taxes	49,954	-5,277	-1046.6%
Income tax benefit (expense)	-12,488	1,414	-983.2%
Net result	37,466	-3,863	-1069.9%

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

(2) Amortisation Other Intangible Assets includes amortisation on customer lists. Please note that goodwill and customer list have been capitalized as a result of applying purchase accounting (IFRS 3).

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Consolidated balance sheet for Ziggo Bond Company B.V. (unaudited)

<i>Quarter ended March 31 (in thousands)</i>	31 March 2011	31 Dec 2010	31 March 2010
ASSETS			
Intangible assets	3,311,823	3,355,947	3,488,675
Capitalized software	47,067	50,454	42,821
Property and equipment	1,432,011	1,459,944	1,535,373
Other financial assets	408	396	1,003
Deferred income tax asset	103,610	123,819	138,866
Total non-current assets	4,894,919	4,990,560	5,206,738
Inventories	18,339	18,546	25,622
Trade accounts receivable	26,689	20,086	39,847
Other current assets	33,368	32,331	31,987
Cash and cash equivalents	99,667	66,994	110,481
Total current assets	178,063	137,957	207,937
TOTAL ASSETS	5,072,982	5,128,517	5,414,675
EQUITY AND LIABILITIES			
Issued share capital	18	18	18
Share premium	840,982	840,982	840,982
Retained earnings	-41,407	7,924	-23,412
Net Income (loss) for the period	37,465	-51,189	-3,863
Equity attributable to equity holders	837,058	797,735	813,725
Loans from financial institutions	1,505,594	1,581,127	3,730,080
Unsecured Bond	1,177,130	1,176,530	-
Facility E (Secured Bond)	739,916	739,604	-
Derivative financial instruments	54,730	92,986	125,578
Deferred income tax liability	401,026	408,127	438,760
Total non-current liabilities	3,878,396	3,998,374	4,294,418
Trade accounts payable	60,988	80,165	67,169
Deferred revenue	111,483	97,751	106,620
Current liabilities related parties	352	338	948
Provisions	36,252	37,307	33,954
Taxes and social securities	15,880	15,129	16,948
Personnel related liabilities	16,699	12,975	14,347
Accrued interest	55,839	20,179	1,944
Other current liabilities	60,035	68,564	64,602
Total current liabilities	357,528	332,408	306,532
TOTAL EQUITY AND LIABILITIES	5,072,982	5,128,517	5,414,675
(1) Financial Information - The condensed consolidated balance sheet has been prepared in accordance with International Financial Reporting Standards, (IFRS), as adopted by the European Union.			

Press release



Consolidated cash flow statement for Ziggo Bond Company B.V. (unaudited)

<i>Quarter ended March 31 (in thousands)</i>	Q1 2011	Q1 2010	Change %
Operating Activities			
Operating Income	86,431	72,494	19.2%
Adjustments to reconcile operating profit to net cash flow			
Depreciation	66,725	67,012	-0.4%
Amortisation	52,057	55,550	-6.3%
Movement in provisions	-1,055	-4,160	-74.6%
Working Capital adjustments			
(Increase)/Decrease in Current assets	-7,433	-1,138	553.2%
Increase/(Decrease) in Current liabilities	-9,485	-43,857	-78.4%
Change in Working Capital (excl. Accrued Interest)	-16,918	-44,995	-62.4%
Net cash flow from operating activities	187,240	145,902	28.3%
Investing activities:			
Capital expenditures	-41,239	-40,706	1.3%
Change in financial assets	-12	-635	-98.1%
Net cash flow from (used in) investing activities	-41,251	-41,341	-0.2%
Financing activities:			
Repayment on Senior Credit Facility loans	-79,423	0	
Interest	-34,367	-58,542	-41.3%
Other financing activities	475	-808	-158.8%
Net cash flow from (used in) financing activities	-113,315	-59,350	90.9%
Net increase (decrease) in cash and cash equivalents	32,674	45,211	-27.7%
<p>(1) Financial Information - The condensed consolidated cash flow statement has been prepared in accordance with International Financial Reporting Standards, (IFRS), as adopted by the European Union.</p> <p>(2) Free Cash flow = Net Cash flow from operating activities + net cash flow from (used in) investing activities. For the Q1 ending March, 2011 the free cash flow amounts to € 145,990 (March 31, 2010: € 104,560)</p>			

Press release

Details consolidated Income Statement

<i>Quarter ended March 31 (in thousands)</i>	Q1 2011	Q1 2010	Change %
(A) Income Statement			
Revenue by segment⁽²⁾			
Standard cable subscription revenue	120,931	124,145	-2.6%
Digital pay television services revenue	35,505	29,559	20.1%
Total video revenues	156,436	153,704	1.8%
Broadband Internet subscription revenue	100,748	92,437	9.0%
Telephony subscription revenue	26,667	22,473	18.7%
Telephony usage revenue	40,718	38,974	4.5%
Total telephony revenues	67,385	61,447	9.7%
Revenue from other sources	15,951	12,639	26.2%
Total Residential Market	340,520	320,227	6.3%
Business services revenues	20,373	18,561	9.8%
Total revenues	360,893	338,788	6.5%
Cost of goods sold	71,569	63,485	12.7%
Personnel	43,628	42,163	3.5%
Contracted work	11,407	10,541	8.2%
Marketing & Sales	14,302	12,199	17.2%
Office expense	12,934	13,389	-3.4%
Other expenses	1,840	1,955	-5.9%
Total operating expenses	155,680	143,732	8.3%
EBITDA	205,213	195,056	5.2%
Integration operating expenses ⁽⁴⁾	0	345	-100.0%
Adjusted EBITDA⁽³⁾	205,213	195,401	5.0%
Depreciation and amortisation	118,782	122,563	-3.1%
Operating income	86,431	72,493	19.2%
Net financial income (expense)	36,476	77,771	-53.1%
Loss before income taxes	49,955	-5,278	-1046.5%
Income tax benefit (expense)	-12,488	1,414	-983.2%
Net loss	37,467	-3,864	-1069.6%
<p>(1) Financial Information - The condensed consolidated income statement has been prepared in accordance with International Financial Reporting Standards, (IFRS), as adopted by the European Union.</p> <p>(2) Revenue for each of our segments is derived from our internal accounts and is not presented in audited financial statements.</p> <p>(3) Under IFRS, EBITDA is defined as profit before net finance expense, income taxes, depreciation, amortisation and impairment. Adjusted EBITDA is defined as EBITDA before Integration operating expenses.</p> <p>(4) Integration operating expenses are operating expenses incurred in connection with the integration of our predecessor businesses.</p>			

Press release



Details on Working Capital

<i>1st Quarter (in thousands)</i>	As of March 31, 2011	As of Dec. 31, 2010	As of March 31, 2010
(C) Change in net working capital in 1st Quarter			
Inventories	18,339	18,546	25,622
Trade accounts receivable	26,689	20,086	39,847
Other current assets	33,368	32,331	31,987
	78,396	70,963	97,456
Trade accounts payable	60,988	80,165	67,169
Deferred revenue	111,483	97,751	106,620
Current liabilities related parties	352	338	948
Taxes and social securities	15,880	15,129	16,948
Personnel related liabilities	16,699	12,975	14,347
Accrued interest	55,839	20,179	1,944
Other current liabilities	60,035	68,564	64,602
	321,276	295,101	272,578
Net working capital	-242,880	-224,138	-175,122
Change in net working capital	18,742		-44,614
Net working capital excluding accrued interest	-187,041	-203,959	-173,178
Change in net working capital excl. accrued interest	-16,918		-44,995

Press release



Details Loans

<i>Quarter ended March 31 (in thousands)</i>	Q1 2011	Q1 2010
Senior Debt	1,552,341	2,655,250
Mezzanine	-	1,173,061
Capitalized financing fees	-46,747	-98,231
Loans from financial institutions	1,505,594	3,730,080
Senior Notes (principal amount)	1,208,850	
Capitalized discount at issuance (price 99.271)	-8,067	
Capitalized financing fees	-23,653	
Senior Notes	1,177,130	
Facility E (Secured Bond; principal amount)	750,000	
Capitalized financing fees	-10,084	
Senior Notes	739,916	
Total Loans	3,422,640	3,730,080

Disclaimer

This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States or any other jurisdiction. Various statements contained in this document constitute "forward-looking statements" as that term is defined by U.S. federal securities laws. Words like "aim", "anticipate", "believe", "continue", "could", "estimate", "expect", "intend", "may", "plan", "potential", "predict", "project", "should", and "will" and similar words identify these forward-looking statements. By their nature, forward-looking statements are subject to numerous assumptions, risks and uncertainties. Many of these assumptions, risks and uncertainties are beyond our control. Accordingly, actual results may differ materially from those expressed or implied by the forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we operate. The following include some but not all of the factors that could cause actual results or events to differ materially from those anticipated results or events: general economic trends and trends in the cable television and telecommunications industries; the competitive environment in which we operate; fluctuations in interest rates; consumer disposable income and spending levels, including the availability and amount of individual consumer credit; changes in consumer television viewing preferences and habits; consumer acceptance of existing service offerings, including our standard cable, digital pay television, broadband Internet and telephony services; consumer acceptance of new technology, programming alternatives and broadband services that we may offer; our ability to manage rapid technological changes; our ability to maintain or increase the number of subscriptions to our standard cable, digital pay television, broadband Internet and telephony services and our average monthly revenue per user; our ability to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers; the outcome of any pending or threatened litigation; changes in, or failure or inability to comply with, government regulations in the countries in which we, and the entities in which we have interests, operate and adverse outcomes from regulatory proceedings; government intervention that opens our distribution network to competitors; uncertainties inherent in the development and integration of new business lines and business strategies; capital spending for the acquisition and/or development of telecommunications networks and services; the availability of attractive programming for our digital video services at reasonable costs; the loss of key employees and the availability of qualified personnel; and events that are outside of our control, such as terrorist attacks, natural disasters or other events that may damage our network. We caution readers not to place undue reliance on the forward-looking statements contained herein, which speak only as of the date of this document, and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.