

Ziggo delivers solid growth and strong first quarter results

Utrecht, May 21, 2010

- Continued strong conversion to bundles and digital drives revenue growth of 8%
- EBITDA increases by 11%
- Continued focus on service innovation and customer satisfaction as long term growth drivers
- Continued focus on further deleveraging

Highlights compared to Q1 2009

- Solid growth in customers across all products: Digital TV (+407,000), Broadband Internet (+92,000) and Telephony (+179,000);
- Strong growth in All-in-1 Bundle (+367,000), Ziggo's triple play product;
- Over 1.6 million customers are on the digital platform and more than 740,000 customers have taken up the All-in-1 Bundle;
- Revenue of € 338.8 million, up 8% from € 314.4 million in Q1 2009;
- ARPU of € 32.55, up 12% from € 29.07 in Q1 2009;
- Recurring EBITDA of € 195.1 million, up 11% from € 175.9 million in Q1 2009, yielding a 57.6% margin (56.0% in 2009);
- Successfully introduced Service+ and opening of the first Ziggo retail store;
- Successfully acquired a mobile license for 2 x 20 MHz in the 2.6GHz spectrum band through a joint venture with UPC for approximately € 1 million through an auction organized by the Dutch government;
- Successfully completed the refinancing of the Mezzanine facility on April 29, 2010 by the issuance of € 1,209 million senior notes with a coupon of 8% per annum, reducing annual interest costs, extending the maturity of the debt portfolio and introducing Ziggo to the public debt capital markets.

Ziggo CEO Bernard Dijkhuizen:

"Ziggo has made a strong start to 2010 as we continue to deliver solid growth in RGUs, revenue and EBITDA, resulting in a strong cash flow. Our solid financial performance reflects the continued investment in our network infrastructure and upgrading operations, as well as our focus on delivering innovative services and improving customer satisfaction. We are well on track to meet our objectives for the full year".

Press release

www.ziggo.com 

Financial Highlights (€ in millions)

	March 2010	March 2009	Change %
Revenues	338.8	314.4	7.8%
Cost of goods sold	63.5	58.2	9.1%
Gross margin	275.3	256.2	7.5%
	81.3%	81.5%	
Operating expenses	80.2	80.3	-0.1%
Recurring EBITDA⁽¹⁾	195.1	175.9	10.9%
Recurring EBITDA as a % of revenue	57.6%	55.9%	
Integration costs	0.3	11.7	-97.4%
EBITDA⁽²⁾	194.8	164.2	18.6%
Amortization and depreciation	122.6	113.9	7.6%
Operating income	72.2	50.3	43.5%
Movement in provisions	-4.0	-0.5	
Change in net working capital	-44.6	28.1	
Cash flow from operating activities	146.2	191.8	-23.8%
Capital expenditure	36.4	42.3	-13.9%
As a % of revenue	10.7%	13.5%	
Capital expenditure spend on integration	4.3	9.9	-56.6%
Total capital expenditure (Capex)	40.7	52.2	-22.0%
Other cash used in investing activities	0.6	0.4	
Free cash flow	104.8	139.2	-24.6%
As a % of revenue	30.9%	44.8%	
EBITDA-Capex	154.1	112.0	37.6%
As a % of revenue	45.5%	35.6%	

Operational Highlights (in thousands)

Footprint ⁽³⁾	Q1 2010	Q1 2009	Change %
Homes passed	4,070	4,038	0.8%
Total TV customers	3,140	3,236	-3.0%
- Analog TV only	1,518	2,021	-24.9%
- Analog and Digital TV ⁽⁴⁾	1,622	1,215	33.5%
- <i>with paid digital services</i>	818	619	32.1%
Broadband Internet	1,472	1,380	6.7%
Telephony	1,033	854	21.0%
Triple play subscribers			
- All-in-1 bundle ⁽⁵⁾	739	372	98.7%
RGUs ⁽⁶⁾	7,267	6,685	8.7%
RGU per customer ⁽⁷⁾	2.31	2.07	12.0%
ARPU (€ per month) ⁽⁸⁾	32.55	29.07	12.0%

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 has now started reporting quarterly and on the level of the entity which has issued the Senior Notes, being Ziggo. So far we published the consolidated results of Zesko Holding B.V. The main differences are caused by the fact that the reports of Zesko Holding B.V. include shareholder loans outstanding, which amounted to € 1,870 million as per December 31, 2009. 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 whilst Ziggo does not recognize these interest costs. In the annual report 2009 for Zesko Holding B.V. interest costs on the shareholders loans amounted to € 176.6 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. Because of the limited historical information of Ziggo, the Q1 2009 figures of ABC have been used for comparison.

Definitions/Footnotes

- (1) Recurring 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 € 0.3 million and € 11.7 million in the periods ended March 31, 2010 and March 31, 2009 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) Digital television RGUs equals the total number of standard cable subscribers who have activated smart cards as of the periods indicated. As a result, digital television RGUs represents the number of subscribers who have access to our digital pay television services. In any given period, not all of these digital television RGUs will have purchased our digital pay television services. As per March 31, 2010 818,000 of our total digital television RGUs subscribed to one or more of our digital pay television services;
- (5) Besides the 739,000 customers which have taken up the All-in 1 Bundle, we have approximately another 239,000 customers who have subscribed to Analog TV and/or Digital TV, Broadband Internet and Telephony on an individual product basis instead as an All-in-1 Bundle;
- (6) RGUs are calculated as the sum of the total TV customers, customers who have activated their digital smartcard, Broadband Internet and Telephony;
- (7) RGU per customer is the total number of RGUs divided by the total number of TV customers;
- (8) Average Revenue per customer (ARPU) is calculated as the sum of total standard cable, digital pay television, broadband Internet, telephony (including carriage fees), All-in-1 subscription revenue and interconnection revenues for the period divided by 3 (the number of months used) and divided by the period's average monthly total standard cable RGUs. It excludes installation fees and set-top box sales.

About Ziggo - Ziggo is a leading provider of entertainment, information and communication through television, broadband internet and telephony, primarily to residential customers in the Dutch market. The company serves approximately 3.2 million households, 1.5 million broadband internet customers, approximately 1.6 million digital television customers and 1 million telephony customers. Business-to-business customers uses services such as data communication, telephony, Internet and television. The company owns a next-generation network capable of providing the bandwidth for all future services and requirements currently foreseen. The majority of the share capital of the company is held (through holding companies) by two private equity firms: Cinven and Warburg Pincus.

Not for publication

For the first quarter results no conference call will be held for institutional investors and analysts. The Company has held a road show recently in relation to the issuance of the Senior Notes on April 29, 2010. For any queries or questions in relation to this press release, please contact Petra Maarse at +31 88 717 1419 or petra.maarse@office.ziggo.nl

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Operations

In the first quarter of 2010, we added 102,000 net new RGUs for our core residential products. At the end of March 31, 2010, our total RGUs reached 7,267,000, an increase of 8.7% compared to the prior year's level. This growth in RGUs was primarily driven by our All-in-1 Bundle - our triple play product – as well as the growth in digital television subscribers. Digital television penetration increased by 2.7% compared to December 31, 2009 and by 14.1% compared to March 31, 2009, resulting in a penetration of 51.7% of the total television subscriber base at the end of the quarter.

Network

In the first quarter we continued to roll-out High Speed Internet (HSI) with download speeds of up to 120 Mbps. The HSI program provides our broadband customers with the highest internet speeds available in our service area and further strengthens our position as the premier Internet Service Provider in the market. The program will be fully rolled out across our entire service area after the Summer.

Products & services

We have introduced Service+ as a new product, offering customers residential communications services and support beyond our regular service domain, e.g. for cleaning up computer viruses, or installation of home cinema sets. The initiative is part of our commitment to extend our service offering to customers, which enables us to further improve customer satisfaction.

On March 15, we opened our first store in Zwolle: the Ziggo Studio. This retail store aims at increasing our accessibility and enhancing the customer experience and customer service.

On April 16, the first building activities of the Ziggo Dome started. This music hall – next to the Amsterdam Arena - can house approximately 15.600 music fans and will open in 2011. We have linked our brand name to this music hall through a multi-year sponsor contract which enables us to strengthen Ziggo as a brand and enhance customer experience as well.

In the first quarter of 2010 a solid increase of 64,000 subscribers to our All-in-1 Bundle was realized. This demonstrates the growth potential of our triple play bundles. Many customers want to receive their media and communication services from one provider at an attractive price. The substantial increase of Internet speeds in a number of cities also proves to have a positive effect on the bundle uptake. The churn on All-in-1 customers in the first quarter of 2010 was lower than in the prior year period. By further improving the portfolio mix we expect to reduce the overall churn in our customer base and the churn on All-in-1 going forward.

In the first quarter the number of our digital television subscribers increased by 70,000 to 1,622,000. Ziggo also entered into an agreement with the commercial broadcaster SBS to broadcast their three channels in HD quality. This will be introduced in the second quarter of 2010. We also expanded our Video on Demand (VOD) movie library, which is now unrivalled in the Dutch market in terms of the breadth and quality of its content offering. The content and the possibilities of interactive TV were promoted by special direct marketing initiatives.

Total internet subscribers increased in the first quarter of 2010 by 23,000 to 1,472,000. We also launched the new Online Backup / Online Storage product, which offers customers remote access and a backup facility for their computer files.

In the first quarter of 2010 we welcomed our millionth telephony customer. The total number of telephony customers increased by 34,000 to 1,033,000 subscribers. Compared to the prior year period, we have added 179,000 customers.

We are repositioning our business to business activities, which will enable us to further exploit the strengths of our existing Hybrid Fiber Coax network with a strong focus on products for the small and medium enterprise market. As a result, a new business portal was launched and new products were introduced.

Market research showed a further improvement in Ziggo's brand awareness and image among customers, which is also reflected in the results of our monthly customer satisfaction surveys. Continued improvement in the quality of our customer service and experience remains a top priority for Ziggo.

Financial performance

Revenue

In the first quarter of 2010 we generated revenue of € 338.8 million, an increase of 8% over € 314.4 million in revenue during the prior year period. In the residential market we generated revenue of € 320.2 million, growth of over 9% compared to the first quarter of 2009. This was primarily driven by paid digital television and increased uptake of our All-in-1 Bundle. The number of digital television subscribers increased from 1.2 million as of March 31, 2009 to 1.6 million at the end of the first quarter in 2010. This increased the revenue from paid digital television services by 35% to € 29.6 million and by the end of the first quarter, we had 818,000 customers who subscribed to one or more of our digital pay television services, representing an increase of over 32% compared to prior year period.

As of March 31, 2010 we had 739,000 subscribers to the All-in-1 Bundle, an increase of over 98% from March 31, 2009.

Blended ARPU in the first quarter of 2010 was € 32.55, an increase of € 1.75 (5.7%) compared to the last quarter of 2009 and an increase of € 3.48 (12%) compared to prior year period. The increase in blended ARPU was partly a result of a price increase

as per January 1, 2010 for our All-in-1 Bundle and our basic Television product (Z1), and partly by the growth in digital television and the increased uptake of our All-in-1 Bundle compared to prior year period, resulting in an increase in RGUs from 6.7 million as of March 31, 2009 to 7.3 million as of March 31, 2010, or an 12% increase in the RGU per customer from 2.07x to 2.31x.

Our business services division realized a revenue of € 18.5 million in the first quarter of 2010, a decline of 14% compared to the prior year period revenue of € 21.6 million. This was due to a substantial component of non-recurring revenue during the prior year period. Going forward, our business services division has refocused its strategy on a product portfolio aimed at the small and mid-sized B2B segment, based on the strength of our infrastructure. The roll-out of EuroDocsis 3.0 across our entire network will enable us to offer very attractive high speed internet and high quality telephony services for this market.

Cost of goods sold

Cost of goods sold include the costs for purchases of 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 materials used to connect customers to our network. The increase in cost of goods sold by 9.1% to € 63.5 million in the first quarter of 2010 is primarily driven by the growth in paid digital television. The gross margin of 81.3% for the first quarter of 2010 was in line with previous year period (81.5%).

Operating expenses

Operating expenses as a percentage of revenue decreased from 25.5% to 23.7%. This was partly the result of seasonality in marketing & sales programs, which resulted in a relatively low spend on marketing & sales for the first quarter, and lower maintenance activity in our network as a result of the unusually cold weather in the first two months of the year. In addition, the synergies resulting from the merger of the three predecessor businesses, have become fully effective. We will continue to focus on further cost improvements.

Recurring EBITDA and operating profit

For the first quarter of 2010 we realized a recurring EBITDA of € 195.1 million, an increase of 10.9% compared to the prior year period. The recurring EBITDA margin improved to 57.6% compared to 55.9% for the prior year period.

Integration expenses for the period were € 0.3 million compared to € 11.7 million for the prior year period. We expect to finish the integration of the three predecessor businesses in the course of this year and expect to incur approximately € 8 million costs in relation to the integration in 2010 in total compared to € 47.1 million in 2009.

Operating income increased by 43.5% to € 72.2 million compared to € 50.3 million for prior year period.

Net Income

Interest expenses and other financing fees decreased to € 77.7 million compared to € 80.9 million for prior year period. A lower average EURIBOR resulted in a decrease although 74% of the Company's borrowings are at fixed rate of interest taking into account the effect of interest rate swaps.

For the first quarter of 2010 we recognized an income tax credit of € 1.5 million compared to an income tax credit of € 7.8 million for prior year period. A lower loss before income taxes resulted in a lower income tax credit.

We recorded a net loss of € 4.0 million compared to a net loss of € 22.8 million for prior year period. The net loss includes an amortization charge of € 49.0 million before tax on the goodwill which resulted from the acquisition of the three predecessor business. Without this amortization charge we would have reported a net profit of approximately € 32 million.

Cash flow and liquidity

Cash flow provided by operating activities

Although EBITDA including integration costs increased by 18.6%, cash flow from operating activities decreased by 23.8% to € 146.2 million compared to € 191.8 million in the prior year period. This is mainly a result of the growth in our net working capital position which reached a credit position of € 175.1 million compared to a credit position of € 213.4 million at the end of March 2009. An increase in trade receivables and inventories and a decrease in other current liabilities resulted in a negative cash flow from a change in working capital by € 44.6 million in the first quarter of 2010 compared to a net cash inflow of € 28.1 million from a change in working capital in the same period of 2009.

Capital expenditure

Our capital expenditure and investments relate primarily to extending, upgrading and maintaining our network, installation of new customers and the cost of cable 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 2010 we made investments of € 40.7 million, including € 4.3 million of capital expenditure for the integration of the three networks and companies. In the first three months of 2009 we made investments of € 52.2 million, of which € 9.9 million integration capital expenditure. For the full year 2010 we anticipate investing approximately € 200 million (€ 251.7 million in 2009), including integration capital of approximately € 25 million (€ 42.3 million in 2009). In the course of this year we expect to complete the integration and harmonization of the three networks and systems of the predecessor businesses of Ziggo.

Free cash flow and net cash used in financing activities

The EBITDA-Capex improved considerably by over 37% to € 154.1 million from € 112.0 million for the prior year period. Free cash flow, however, decreased by 24.6% due to a change in net working capital position compared to prior year with a cash flow impact of € 44.6 million while in prior year period a net cash inflow from the change in working capital of € 28.1 million was realized.

Net cash used in financing activities in the first quarter comprised of Interest costs and other costs related to our loan facilities. Interest paid decreased by 7.0% to € 58.8 million compared to € 63.2 million for the prior year period. This decrease is primarily the result of the reduction of the net borrowings on which we pay cash interest by € 160 million since March 31, 2009 and the decrease of the EURIBOR rate compared to the prior year period, which determines the borrowing costs of approximately 26% of our borrowings with financial institutions.

On March 31, 2010, we held € 110.5 million in cash and cash equivalents, compared to € 65.4 million as of December 31, 2009 and have access to a committed undrawn revolving credit facility of € 150 million, expiring in 2014, and a capex / restructuring facility of € 250 million, expiring in June 2010.

Net debt and refinancing mezzanine

On March 31, 2010 the outstanding balance of our Senior Credit Facilities amounted to € 2,655 million, a reduction of € 160 million compared to € 2,815 million as of March 31, 2009 due to scheduled and voluntary repayments of principal. On March 31, 2010 the balance for the Mezzanine facility, including accrued interest, amounts to € 1,173 million, an increase of € 54 million compared to March 31, 2009 due to accrued interest. As of March 31, 2010 our Net Debt to Adjusted EBITDA leverage ratio (as defined under our Senior Credit Facilities) was 5.2x, down from 5.5x as at December 31, 2009 and significantly below our covenant level.

On April 28, 2010 we completed successfully the refinancing of our Mezzanine facility by the placement of € 1,209 million senior notes with a coupon of 8% per annum. The senior notes are listed on the Official List of the Luxembourg Stock Exchange and on the Euro MTF Market. With this refinancing we reduce our interest costs (the Mezzanine facility carried an interest rate of Euribor + 9.25%), extended the maturity of our debt profile and gained access to the public debt capital markets.

Outlook

Looking to our achievements in the first quarter, we are confident that we are well on track to meet our objectives for the full year. However, it should be noted that our spending on marketing & sales and maintenance were relatively low compared to other quarters and that the growth in RGUs was relatively strong in the remainder of 2009. Therefore the results of the first quarter should not be extrapolated for the remainder of the year.

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

<i>Quarter ended March 31 (in thousands)</i>	2010	2009
Total Revenues	338,788	314,397
Cost of goods sold	63,485	58,203
Personnel	42,808	49,850
Contracted work	10,497	12,863
Marketing & Sales	12,199	13,691
Office expense	13,073	13,178
Other operating expenses	1,955	2,394
Depreciation	67,012	70,362
Amortisation Software	6,589	4,832
Amortisation Other Intangible Assets ⁽²⁾	48,962	38,689
Total operating expenses	266,579	264,062
Operating income	72,209	50,335
Net financial income (expense)	-77,652	-80,881
Loss before income taxes	-5,443	-30,546
Income tax benefit (expense)	1,456	7,784
Net loss	-3,987	-22,761

(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). Please note that amortisation of Other Intangible Fixed Assets for Q1 2009 has been understated. For fiscal year 2009 the amortisation of Other Intangible Assets amounts to € 180,912k.

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

<i>Quarter ended March 31 (in thousands)</i>	2010	2009
ASSETS		
Property and equipment	1,535,373	1,603,325
Intangible assets	3,525,495	3,699,809
Other financial assets	1,003	1,342
Deferred income tax asset	135,162	113,430
Total non-current assets	5,197,033	5,417,906
Inventories	25,622	13,568
Trade accounts receivable	39,847	29,202
Other current assets	31,987	30,526
Cash and cash equivalents	110,482	118,031
Total current assets	207,938	191,327
TOTAL ASSETS	5,404,971	5,609,233
EQUITY AND LIABILITIES		
Issued share capital	9,813	9,813
Share premium	1,394,954	1,394,954
Other reserves	-38,722	0
Retained earnings	-535,999	-430,500
Net Income (loss) for the period	-3,987	-22,761
Equity attributable to equity holders	826,059	951,506
Loans from financial institutions	3,730,080	3,818,559
Derivative financial instruments	117,795	73,938
Deferred income tax liability	438,760	459,969
Total non-current liabilities	4,286,635	4,352,466
Trade accounts payable	67,169	52,454
Deferred revenue	106,620	106,961
Current liabilities related parties	948	196
Provisions	19,700	18,566
Other current liabilities	97,840	127,084
Total current liabilities	292,277	305,261
TOTAL EQUITY AND LIABILITIES	5,404,971	5,609,233
(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.		

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

<i>Quarter ended March 31 (in thousands)</i>	2010	2009
Operating Activities		
Operating Income	72,209	50,335
Adjustments to reconcile operating profit to net cash flow		
Depreciation	67,012	70,362
Amortisation	55,551	43,521
Movement in provisions	-3.995	-535
Working Capital adjustments		
(Increase)/Decrease in Current assets	-1,138	19,502
Increase/(Decrease) in Current liabilities	-43,476	8,602
Change in Working Capital	-44,615	28,104
Net cash flow from operating activities	146,163	191,787
Investing activities:		
Capital expenditures	-40,706	-52,162
Change in financial assets	-635	-443
Net cash flow from (used in) investing activities	-41,341	-52,605
Financing activities:		
Interest received	26	264
Interest paid	-58,829	-63,243
Banking and financing fees	-808	-713
Net cash flow from (used in) financing activities	-59,611	-63,692
Net increase (decrease) in cash and cash equivalents	45,211	75,490

- (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.
- (2) Free Cash flow = Net Cash flow from operating activities + net cash flow from (used in) investing activities. For the quarter ending March 31, 2010 the free cash flow amounts to € 104,822k (March 31, 2009: € 139,182k)

Notes to the consolidated Income Statement, Balance Sheet and Cash Flow Statement

<i>Quarter ended March 31 (in thousands)</i>	2010	2009
(A) Income Statement		
Revenue by segment⁽²⁾		
Standard cable subscription revenue	98,172	114,845
Digital pay television services revenue	29,559	21,953
Total video revenues	127,730	136,798
Broadband Internet subscription revenue	46,570	67,920
Telephony services revenue	6,387	9,996
Telephony usage revenue	38,989	34,143
Total telephony revenues	45,375	44,139
Bundles subscription revenues	87,918	34,836
Business services revenues	18,561	21,599
Revenue from other sources	12,633	9,105
Total revenues	338,788	314,397
Cost of goods sold	63,485	58,203
Personnel	42,463	42,746
Contracted work	10,497	10,263
Marketing & Sales	12,199	13,691
Office expense	13,073	11,178
Other expenses	1,955	2,394
Total operating expenses	143,671	138,475
Recurring EBITDA⁽³⁾	195,117	175,922
Integration operating expenses ⁽⁴⁾	345	11,704
EBITDA	194,771	164,218
Depreciation and amortisation	122,563	113,883
Operating income	72,209	50,335
Net financial income (expense)	77,652	80,881
Loss before income taxes	-5,443	-30,546
Income tax benefit (expense)	1,457	7,784
Net loss	-3,987	-22,761
<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. Recurring 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>		

Notes to the consolidated Income Statement, Balance Sheet and Cash Flow Statement - continued

<i>Quarter ended March 31 (in thousands)</i>	2010		2009	
(B) Loans from financial institutions				
External Loans Long	3,828,311		3,934,138	
Financing Fees	-98,231		-115,579	
Loans from financial institutions	3,730,080		3,818,559	
<i>Quarter ended (in thousands)</i>	As of March 31, 2010	As of Dec. 31, 2009	As of March 31, 2009	As of Dec. 31, 2008
(C) Change in net working capital in the first quarter				
Inventories	25,622	25,542	13,568	13,978
Trade accounts receivable	39,847	43,592	29,202	48,719
Other current assets	31,987	27,184	30,527	30,102
	97,456	96,318	73,297	92,799
Trade accounts payable	67,169	102,951	52,454	60,242
Deferred revenue	106,620	106,247	106,961	97,407
Current liabilities related parties	948	948	196	877
Other current liabilities	97,840	105,908	127,083	119,566
	292,277	316,054	305,260	278,092
Net working capital	-175,121	-219,736	-213,397	-185,293
Change in net working capital first quarter	-44,615		28,104	

Disclaimer

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.