

Press release

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Ziggo N.V. announces intention to launch an Initial Public Offering and listing on NYSE Euronext in Amsterdam

Utrecht (the Netherlands), 29 February 2012 - Ziggo N.V. ("Ziggo" or the "Company"), the largest cable operator in the Netherlands, today announces its intention to proceed with an Initial Public Offering (the "IPO" or "the Offering") of its ordinary shares on NYSE Euronext in Amsterdam.

Ziggo Highlights

- Ziggo is the leading cable operator in the Netherlands covering 56% of the country with 4.2 million homes passed and 3.0 million subscribers
- The Netherlands is one of the most attractive cable markets in Europe, with high cable coverage, population density and GDP per capita combined with a strong economy
- Ziggo operates one of the most advanced cable networks in Europe, with a fully upgraded fibre network to within 300 metres of the home providing a competitive network advantage in approximately 87% of its footprint
- The Company's strategy is to drive growth by leveraging its network capacity advantage to offer best-in-class "Triple Play" services encompassing high functionality Digital TV, high speed broadband internet up to 120 Mbps and attractive fixed line telephony services
- In addition, the Company is actively pursuing new growth opportunities including "TV Everywhere" services across TVs, PCs, tablets and smartphones and continued growth in the provision of broadband internet and telephony services to business customers
- The Company has a track record of solid financial performance and growth, generating revenues of €1.48 billion and EBITDA of €835 million in 2011
- For the year 2011, Ziggo recorded organic revenue growth of 7.4%. The strength of Ziggo's network allowed it to generate an EBITDA margin of 56.5% and convert 71% of its EBITDA into Operating Free Cash Flow (EBITDA-Capex)
- The combination of growth and strong free cash flow generation will allow Ziggo to offer an attractive total return proposition to shareholders of growth, deleveraging and dividends
- The Company's senior management team, led by Chief Executive Officer Bernard Dijkhuizen, has decades of combined experience in the telecommunications, media and technology sectors and a proven track record of implementing Ziggo's growth strategy

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Andrew Sukawaty, Chairman of Ziggo said:

“We are pleased to announce our intention to list Ziggo in Amsterdam. The Company is fully prepared for a standalone future with full access to both the debt and equity capital markets. The IPO has always been a strategic priority and will be an important milestone for Ziggo.

I believe Ziggo is ideally suited to the public equity markets, offering strong differentiation through a unique combination of both growth and returns for investors seeking high quality exposure to the European cable growth story.”

Bernard Dijkhuizen, Chief Executive Officer of Ziggo, said:

“We have strong growth momentum, based on a fully upgraded network, high quality products and continuous customer focus. The IPO is the logical next step for Ziggo.

We will become a newly listed Dutch company, with the enhanced capital markets profile to support our growth strategy, in line with our scale and status as one of Europe’s leading cable operators.”



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Ziggo Financial Highlights

<i>(in € millions)</i>	FY 2011	FY 2010	Change %
Revenues	1,478.2	1,375.7	7.4%
Gross margin	1,187.1	1,110.7	6.9%
Gross margin as a % of revenue	80.3%	80.7%	
Adjusted EBITDA⁽¹⁾	834.6	783.3	6.5%
Adjusted EBITDA as a % of revenue	56.5%	56.9%	
EBITDA⁽²⁾	834.6	775.1	7.7%
Capital expenditure	242.9	175.2	38.6%
As a % of revenue	16.4%	12.7%	
Capital expenditure on integration		27.5	-100.0%
Total capital expenditure (Capex)	242.9	202.7	19.8%
EBITDA-Capex	591.7	572.3	3.4%
As a % of revenue	40.0%	41.6%	
Net Debt⁽³⁾	3,230	3,524	
Net Debt to adjusted EBITDA	3.87x	4.50x	

Footprint⁽⁴⁾ (in thousands)	Dec. 2011	Dec. 2010	Change %
Homes passed	4,202	4,141	1.5%
Total RGUs			
Analogue TV only	865	1,305	-33.7%
Analogue and Digital TV ⁽⁵⁾	2,152	1,804	19.3%
Total TV subscribers	3,017	3,109	-3.0%
Digital pay TV subscribers	940	897	4.8%
Internet subscribers	1,685	1,556	8.3%
Telephony subscribers	1,349	1,166	15.7%
Total RGUs⁽⁶⁾	6,991	6,728	3.9%
Consumer RGUs			
Total RGUs Consumer ⁽⁷⁾	6,854	6,622	3.5%
Of which bundle subscribers	1,261	1,079	16.9%
Total triple play ⁽⁸⁾	1,278	1,099	16.3%
RGUs per customer ⁽⁹⁾	2.35	2.19	7.3%
ARPU (€ per month) ⁽¹⁰⁾	37.34	33.92	10.1%

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Capital Structure and Dividend Policy

The company's intention is to apply a progressive dividend payout policy that targets an initial payout of €220 million for 2012.

For the year 2013 and later, we intend to pay a dividend of at least 50% of free cash flow to equity ("FCFE").

We plan to pay dividends in two semi-annual installments, with the dividend for 2012 to be paid in two equal installments. The first payment for each year is expected to be made in the fourth quarter of that year and the remainder in the second quarter of the following year following shareholder approval of the full year accounts.

Our FCFE was €186.1 million, €310.4 million and €303.0 million in 2009, 2010 and 2011, respectively.

We continue to assess our capital structure to allow us to increase our payout going forward to reflect increased cash generation and deleveraging. We believe that in the long run a net debt to EBITDA leverage ratio of approximately 3.5 to 1 is appropriate for the company, credit market conditions permitting.

As part of the intended IPO we plan to convert our shareholder loans, amounting to €2,281 million as at 31 December 2011, into equity.

The Offering

The intended IPO will consist of the secondary sale of a portion of Ziggo's ordinary shares held by its founding shareholders which include affiliates of Cinven and Warburg Pincus. The Offering will comprise the sale of existing ordinary shares to institutional and retail investors in the Netherlands and to certain institutional investors internationally.

J.P. Morgan and Morgan Stanley are the joint global coordinators for the IPO. Deutsche Bank, J.P. Morgan, Morgan Stanley and UBS are the joint bookrunners; ABN AMRO, HSBC, Nomura and Rabobank are the joint lead managers and ABN AMRO and Rabobank are the joint retail bookrunners. Société Générale is co-lead manager.

Further details of the intended Offering are expected to be announced in due course.



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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 €8.2 million for the years ended on 31 December 2011 and 31 December 2010 respectively;
- (2) EBITDA represents operating income plus depreciation and amortisation. 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) Net debt does not include shareholder loans of €2,281 million as per December 31, 2011, which will convert into equity upon IPO;
- (4) Operating data related to our footprint and Revenue Generating Units (RGUs) are presented as of the end of the period indicated;
- (5) Digital television RGUs equals the total number of standard cable subscribers who have activated a smart card as of the periods indicated. As a result, digital television RGUs represents the number of subscribers who have access to our digital television services. In any given period, not all of these digital television RGUs will have subscribed to additional pay television services;
- (6) Total RGUs are calculated as the sum of total standard TV subscribers, digital pay TV subscribers, broadband internet subscribers and telephony subscribers;
- (7) Total RGUs for the Consumer market excludes the subscriptions for our Office Basis (17,500) and Internet Plus (6,000) products targeted at SOHO and small businesses and our collective TV contracts TOM and TOMi (representing 69,000 RGUs), as these coaxial products are serviced by our B2B division and revenues generated through these products are recognised as B2B revenues. These products represent 97,000 TV RGUs, 23,000 Internet RGUs and 17,000 Telephony RGUs;
- (8) Besides the 1,261,000 customers who have taken up the All-in-1 bundle, we have approximately 17,000 other customers who have subscribed to Analogue TV and/or Digital TV, Broadband Internet and Telephony on an individual product basis instead of an All-in-1 bundle;
- (9) RGUs per customer is the total number of RGUs for the Consumer market divided by the total number of TV subscribers for the Consumer market;
- (10) Average Revenue per User (ARPU) for the Consumer market is calculated as the sum of total standard TV, digital pay television, broadband Internet, telephony (including call charges) and All-in-1 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 installation fees and set-top box sales.

There is no historical financial information relating to Ziggo N.V. for the years ended December 31, 2009 and 2010, and information for the year ended December 31, 2011 is limited. Prior to the closing of the Offering, Ziggo N.V. will acquire all of the issued and outstanding shares of Zesko B.V. The financial information included in this announcement is the financial information for Zesko B.V. Please note that as a consequence of the Senior Notes issue in 2010 the quarterly results so far published of Ziggo are the consolidated results of Ziggo Bond Company B.V. The main differences are caused by the fact that Zesko B.V. includes shareholder loans outstanding, which amounted to €2,281.2 million as per December 31, 2011. The proceeds of these shareholder loans have been invested as equity in the Amsterdamse Beheer- and Consultingmaatschappij B.V., which is now a direct subsidiary of Ziggo Bond Company B.V. As a result thereof, Zesko B.V. recognizes interest costs whilst Ziggo Bond Company does not recognize these interest costs. In 2011 interest costs on the shareholders loans for Zesko B.V. amounted to € 215.9 million. The shareholder loans will convert into equity upon IPO.



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