Half-Year Financial Report

of Tele Columbus AG

pursuant to section 37w WpHG
for the Half-Year Ended 30 June 2015

telecolumbus

TELE COLUMBUS AG, BERLIN
Half-Year Financial Report pursuant § 37w WpHG
for the Half-Year Ended 30 June 2015

GROUP INTERIM MANAGEMENT REPORT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

"This is a translation of the German "Halbjahresfinanzbericht gemäß § 37w WpHG für das Halbjahr zum 30. Juni 2015" of Tele Columbus AG. Sole authoritative and universally valid version is the German language document."

TELE COLUMBUS AG

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AS AT 30 JUNE 2015

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Introduction

As at 30 June 2015, Tele Columbus AG (hereinafter also referred to as 'TC AG' or 'the Company), headquartered in Berlin (at Goslarer Ufer 39, 10589 Berlin, Germany; registered in Berlin-Charlottenburg commercial register, file number HRB 161349 B), was the overall holding company of Tele Columbus Group and its consolidated subsidiaries (together also referred to as 'Tele Columbus', 'Tele Columbus Group' or 'Group'). As holding company, Tele Columbus AG fulfils central functions in the area of controlling, financial planning, sales, technology, customer services, accounting and general administration.

Tele Columbus AG has been listed on the Prime Standard of the Frankfurt Stock Exchange since 23 January 2015 under ID number ISIN DE000TCAG172 and was included in the SDAX of Deutsche Börse AG, Frankfurt on 22 June 2015. The Company's share capital of EUR 20,025,000 as at 31 December 2014 was divided into 20,025,000 shares. At the annual general meeting held on 11 January 2015, it was decided to increase the Group's share capital in connection with the IPO by up to 37,500,000 registered no par value shares by means of a cash contribution (authorised share capital). By resolution dated 20 January 2015, the Management Board executed the capital increase by means of 33,333,334 shares plus 3,333,333 so-called 'greenshoe options' – i.e. a total of 36,666,667 shares – from authorised capital. The IPO therefore involved an increase in share capital. As at 30 June 2015, the total number of shares issued after exercising the greenshoe option was 56,691,667 shares.

1. Group profile

1.1 Group business model

1.1.1 Organisational structure

As at the 30 June 2015 reporting date, Tele Columbus AG had 21 directly or indirectly held operating subsidiaries, which have been fully consolidated in the interim financial statements, and also four other associates. The number of fully consolidated subsidiaries has increased by two companies since the condensed consolidated interim financial statements as at 31 March 2015, resulting in a change of group structure.

Acquisition of KABELMEDIA GmbH Marketing und Service

By purchase agreement dated 29 April 2015, Tele Columbus AG acquired all ownership interests in *KABELMEDIA GmbH Marketing und Service* (hereinafter also referred to as 'KABELMEDIA'), based in Essen. KABELMEDIA markets and operates broad band cable, satellite and aerial communication systems and currently supplies 5,700 housing units with TV and radio. The company was purchased for TEUR 1,874 (TEUR: thousand euros).

Acquisition of Teleco GmbH Cottbus Telekommunikation

On 30 April 2015, Tele Columbus AG acquired all shares in Teleco GmbH Cottbus Telekommunikation (hereinafter also referred to as 'Teleco'), based in Cottbus. With the acquisition of Teleco, an additional 37% share in *Breibandgesellschaft Cottbus mbH* was acquired (hereinafter also referred to as 'BGC'); BGC is also based in Cottbus. BCG sets up, operates, services and maintains cable networks (coaxial broadband networks, cable TV, language and internet services) and also provides other associated services. The company currently supplies 13,400 housing units with TV and radio as well as phone and internet services. BCG also sets up electro-acoustic equipment and wired data networks. This company was purchased for TEUR 5,740.

Tele Columbus AG made the following transactions in the first quarter of the current financial year.

Acquisition of RFC Radio-, Fernseh- und Computertechnik GmbH

By purchase agreement dated 22 January 2015, the Group acquired all ownership interests in *RFC Radio-, Fernseh- und Computertechnik GmbH* (hereinafter also referred to as 'RFC') from *Tele Columbus Beteiligungs GmbH* via *Tele Columbus Multimedia GmbH*. RFC's purpose is the planning, project planning, erection and servicing of aerial and broadband cable networks as well as fibre optic and data networks. This company was purchased for TEUR 500.

Acquisition of Wowisat GmbH

On 30 March 2015, Tele Columbus AG acquired all ownership interests in Wowisat GmbH, headquartered in Düsseldorf. Wowisat GmbH, which is headquartered in Duesseldorf (hereinafter also referred to as 'Wowisat') was established in 2008 with the intent of providing companies in the housing sector with an alternative local cable TV network, and currently provides 4,900 housing units in that area with TV and radio. So far, integrated telephone and internet services have been provided only by external providers. Wowisat GmbH was purchased for TEUR 2,914.

An overview of all group entities is contained in the condensed consolidated interim financial statements as of 30 June 2015.

Tele Columbus Group is one of the leading German cable network operators and therefore one of the most important service partners for individual customers (users), homeowners and the housing industry. The Tele Columbus Group is a cable network operator primarily active in the eastern German federal states. Approximately 20% of the Group's holdings are in the remaining region of the Federal Republic of Germany.

Tele Columbus Group provides its customers with up-to-date high-performance TV and phone as well as high speed internet access. The Group's portfolio includes servicing, maintenance, provision of the above products and services, customer care and collection.

For Tele Columbus AG's history and appointed members of the executive and supervisory boards, we refer to the details in the group management report for financial year 2014.

1.1.2 Principal market and core business

Tele Columbus Group is the third largest cable network operator in Germany – in terms of customers – and a regional market leader in large parts of the East German federal states. Its range of services is limited to the Federal Republic of Germany and primarily to the federal states of Berlin, Brandenburg, Saxony, Saxony-Anhalt and Thuringia as well as selected regions within the federal states of North Rhine-Westphalia and Hesse. The Group maintains branch offices in Berlin, Chemnitz, Cottbus, Dresden, Erkrath, Essen, Gelsenkirchen, Hanover, Jena, Magdeburg, Mönchengladbach and Ratingen.

Tele Columbus Group mainly operates network level 3 and 4 cable networks. Network level 3 – also known as NE3, Level 3 or L3 – is a cable network that transmits signals from regional distribution networks to the infeed point nearest to the customer's housing unit. Network level 4 – also referred to as NE4, Level 4 or L4 – is a cable network that transmits signals from the infeed point nearest to the customer's housing unit to the connection box in the customer's housing unit. As an integrated network operator at both network levels, the Group specialises in providing one-stop high-quality integrated services for subscribers. At locations at which the Group has no access to its own networks it purchases the required network services.

Tele Columbus AG customers are offered a wide range of services in the area of television and telecommunication – in particular a basic selection of cable TV channels (CATV), premium TV packages (Premium TV) and internet and phone services. As of 30 June 2015, Tele Columbus counted around 1.7 million connected housing units. Of these, about 1.2 million households had subscribed to at least one of the products on offer.

Tele Columbus Group mainly generates its income from connecting fees paid by customers for one of the CATV products. About 97% of subscribers are renters in multi-family properties that are part of housing corporations or associations, or are managed by those externally. The Group has long-term licensing and signal feed agreements with these companies to create a sustainable income basis. Housing corporations charge their renters for the connecting fee for CATV services on a pro rata basis via their utility bills. This applied to about 65% of our CATV users as of 30 June 2015. About 35% of CATV users are supplied with signals on the basis of individual contracts.

1.1.3 Business segments

Tele Columbus AG offers products and services in two operating segments: 'TV' and 'Internet and Telephony'.

TV segment

The Group offers basic as well as premium packages in the TV segment. Basic packages include analogue as well as digital TV and radio services. The premium TV packages on offer contain as many as 50 additional digital TV channels, of which as many as 32 channels are provided in HD format.

In the TV segment, the Group generates revenue from cable connection fees and recurring charges for service options provided to cable customers as well as revenue from new contracts and related installation services. It also receives so-called feed-in charges from channel providers for the distribution of various channels via the cable network.

Internet and telephony segment

The Group has combined internet and telephone services into the Internet and Telephony segment.

Revenue is composed of proceeds from the conclusion of new contracts and installation services as well as monthly contractual and services fees.

1.2 Management system

In preparation for Tele Columbus AG's IPO, segmentation was introduced in August 2014, which will be used as a basis for Tele Columbus Group's future management. Tele Columbus Group is managed by Tele Columbus AG's Management Board. The Board is responsible for operations and monitors the segments subject to reporting, i.e. 'TV' and 'Internet and Telephony'. For these segments, the Management Board receives and reviews internal management reports.

'Adjusted EBITDA' is the key performance indicator that is reported separately for each operating segment in the course of monthly reporting. This performance indicator defined by Tele Columbus AG's management represents earnings before finance income/costs (share of profit of equity-accounted investees, interest income, interest expenses and other finance income/costs), income taxes, amortisation and impairment losses on intangible assets and goodwill.

This KPI is also adjusted for so-called 'non-recurring items'. These are defined by the Management Board as non-recurring, rare or extraordinary expenses or income in connection with an event that is not likely to re-occur in the coming two financial years or has not occurred in the previous two financial years. The 'adjusted EBITDA' is further adjusted for expenses or income not primarily arising from operating activities or relating to restructuring, and therefore cannot be used for assessing operating profit (loss).

In addition, the Management Board uses several financial and non-financial key performance indicators (KPIs), such as revenue generating units (RGUs), normalised profit margin and average revenue per user (ARPU) to monitor the financial performance of business operations.

RGUs (revenue generating units)

The main focus of internal control is the development of RGUs for each customer (individual service subscriber who generates recurring revenue for the company). RGUs are revenue generating units – the total number of paid for services being taken by each customer; each subscribed service is considered an RGU. The Management Board focuses on the RGUs for each individual service in all segments – for CATV and premium TV services as well as internet and telephony services.

ARPU (average revenue per user)

Average revenue per user (ARPU) is determined based on three different methods:

- Monthly ARPU – also called **annual average ARPU** – is the total revenue generated from connection fees per year (including discounts, credit notes and installation fees) divided by the monthly sum total of subscribers (RGUs) during the year.
- **Year-end ARPU** is the total revenue generated from connection fees in December (including discounts, credit notes and installation fees) divided by the number of subscribers (RGUs) in December.
- **Quarterly average ARPU** is the total revenue generated from connection fees in the relevant quarter (including discounts, credit notes and installation fees) divided by the monthly sum total of subscribers (RGUs) during the relevant quarter.

Other relevant performance indicators are number of staff (measured in full time equivalents - FTEs), capital expenditure (capex) and cash flow. In addition to cost, a main focus with regard to human resources is skills and the necessary expertise of employees in order to be able to achieve the targets set in the areas of marketing, sales and technology. With regard to investments in networks, by carefully evaluating the various potentials in the market, Tele Columbus confines itself to targeted, economically viable products, which are most conducive to contributing sustainably to achieving the Group's goals and increasing its value. This also requires careful cash monitoring. The Group aims to finance growth through operations – with the exception of investments in network infrastructure over the next two years. This is ensured by determining the required cash flows on a monthly basis and adjusting short and medium-term financial planning to current market developments.

In addition to the above performance indicators, the Management Board also monitors other non-financial performance indicators. These include the total number of users, the number of housing units connected to the Group's own networks, and the number of housing units equipped with feedback capability, which also are connected to Tele Columbus's own independent signal feed.

1.3 Objectives and strategies

Tele Columbus AG follows a sustainable and profitable growth strategy. The following three performance indicators are used to achieve this objective.

1. RGUs (revenue generating units) per subscriber;
2. percentage of housing units connected to own NE3/NE4-integrated networks with feedback capability; and
3. ARPU (average revenue per user) on a monthly basis.

RGUs provide information on the number of paid for services (taken by each subscriber). If a subscriber uses the Tele Columbus network not only for cable TV, but also for other services, such as internet access, each individual service is considered an RGU. Tele Columbus Group's medium-term target is 1.7 RGUs per subscriber. At the end of the second quarter of 2014, the figure was still 1.42 RGUs per subscriber. The Group was able to increase the RGUs per subscriber to 1.50 over the past twelve months, i.e. as at 30 June 2015.

The number of housing units connected to the Group's own signal feed and equipped with feedback capability is to be increased to 70% of all housing units in the medium term. The figure had already reached 57% by the end of the second quarter of 2015; this amounts to a rise of 3% compared to the second quarter of 2014 (54%).

The monthly average revenue per user (ARPU) from all services is to rise by EUR 17 in the medium term. It was EUR 14.34 at the end of the second quarter of 2015, and EUR 13.88 at the end of the same quarter in 2014.

These three objectives are to be achieved by means of the following strategic measures:

- Special offers to existing cable TV customers for internet, phone and premium TV will further increase the sale of additional higher-value services per TV customer (cross and upselling).
- Continued and continuous expansion of cable networks and further development of the NE3/NE4 network infrastructure. In this regard, Tele Columbus considers it particularly useful, from a financial point of view, to connect households not yet connected to the Group's own network, to be able to generate savings in the area of signal procurement charges and to generate further revenue from the existing range of additional services. Tele Columbus plans extensive investments (capex), also in future, for the development of its own network level 3 infrastructure.
- Introduction of further innovative and comprehensive multimedia services to the market, in order to further increase the appeal of the Group's product portfolio.
- Ongoing operational improvements focusing on high-quality services and clear customer orientation
- Defence and expansion of regional dominance in the market for NE4 operators with regard to the transmission of signals within properties and buildings (the 'last mile' to the customer) in close partnership with housing corporations

We keep abreast of objectives and strategies by means of our management system and monitoring key performance indicators.

2. Economic and financial report

2.1 Macroeconomic and sector-specific environment

Spring forecast 2015

In its spring forecast, the German federal government, which generates a forecast of Germany's macroeconomic development three times a year under the auspices of the German Federal Ministry for Economic Affairs and Energy [BMWi], predicts a rise in GDP of 1.8% for 2015 and 2016.

Consumer spending of private households, in particular, as well as domestic demand are to rise by 2% year-on-year.

The general trend in consumption will also affect consumer behaviour with respect to Tele Columbus AG's products.

General conditions in the industry

With regard to the sector-specific conditions for Tele Columbus Group, we refer to the details in the group management report for financial year 2014. Conditions have not changed substantially in the first half of 2015 compared to those projected in the 2014 management report.

2.2 Business performance

The second quarter of financial year 2015 was marked by the first annual general meeting of Tele Columbus AG on 15 May 2015 as well as further acquisitions of subsidiaries and associated changes in group structure. For further details concerning the change in group structure please see our comments in Section 1.1.1 of this report on the Group's business model.

The objective of the first annual general meeting on 15 May 2015 was to comprehensively inform shareholders and to adopt resolutions on important corporate decisions.

Apart from discharging the Management Board and Supervisory Board from their duties for the previous financial year 2014, Tele Columbus AG's agenda focused in particular, firstly, on the release of capital authorised on 11 January 2015 (authorised capital 2014/I) and the associated authorisation of the Management Board to increase the Group's share capital by a maximum of EUR 28,345,833.00 by 14 May 2020 (authorised capital 2015/I), and secondly, on adoption of the increase in share capital by a maximum of EUR 28,345,833.00 (contingent capital 2015/I), as a result of which the contingent capital approved on 11 January 2015 ceased to exist.

Both the discharge of the Management Board and Supervisory Board as well as contingent resolutions regarding potential increases in capital, the related amendments to the articles of association and selection of the auditor for financial year 2015 were approved with a majority of 90%.

The first three months of financial year 2015 were largely marked by the IPO in 2015. We refer to our comments in the introductory section for further details.

Tele Columbus AG continued its growth strategy in the first half of 2015. This was based in particular on our high-performance network infrastructure. For example, the number of housing units equipped with feedback capability and connected to the Group's own network level 3 was increased by about 22,000 to approximately 955,000 housing units in the second quarter of 2015. Overall, the share of such connected housing units increased by around 2% to 57% of all connected housing units. Moreover, at the end of the reporting period, about 96% of the networks with feedback capability connected to the Group's own signal feed were updated to internet transmission standard DOCSIS 3.0 with hybrid fibre-coaxial infrastructure, allowing transmission rates in the gigabit range. The number of housing units connected to the Group's cable networks was about 1,676,000 at the end of the second quarter of 2015, another slight increase compared to the first quarter of 2015 (1,667,000). This increase was achieved mainly through acquisition of RFC, Wowisat, KABELMEDIA and Teleco, as described above, as well as acquisition of other portfolios, including a total of 35,400 connected housing units. The greatest growth driver was the successful sale of new products to existing customers. The Group was able to successfully use the potential for up- and cross selling products in addition to conventional cable connection – such as premium TV, internet and telephony – to its existing customer base.

With 1.22 million subscribers, Tele Columbus's customer base declined slightly compared to the first quarter of 2015 (1.26 million customers). Total revenue generating units (RGUs) remained virtually unchanged at 1.83 million across all services in the reporting period (2014: 1.84 million). While the RGUs for cable TV declined by 51,000 to 1,259,000 in the reporting period (Q1 2015: 1,293,000; 2014: 1,310,500), premium TV services remained stable. At 161,000 units at the end of the second quarter of 2015, premium TV services remained at the previous year's level (Q1 2015: 161,000). The decline in cable TV is largely due to the expiration of licensing agreements and, in particular, affects contracts where the connected households were not hooked up to the Company's own NE3. This especially pertains to Nassauische Heimstätte with approx. 40,500 households. The decline in RGUs in the cable TV segment was partially compensated by growth in the internet and telephony segment. The RGUs for internet services increased in the second quarter of 2015 by about 3% to approximately 213,000 (Q1 2015: 208,000) and thus also exceeded the previous year's level (2014: 202,000). Telephone services increased by 15% to 202,000 RGUs (Q1 2015: 175,000; 2014: 170,000). The strong performance of telephone services was caused mainly by the termination of single internet rates under 50 megabits per second and the conversion of about 22,000 single internet customers to a combi package that includes phone services.

The average number of products (RGUs) per customer showed a positive development in the second quarter of 2015. As at 30 June 2015, RGUs rose to 1.50, while they were still at 1.46 at the end of the first quarter and at 1.44 at the end of financial year 2014. The trend in RGUs per subscriber is therefore in line with Tele Columbus AG's strategic objective.

The monthly average revenue per user (ARPU) – or 'average ARPU' – from all services was EUR 14.34 in the second quarter of 2015 and thus 3.3% higher than in the same quarter of the previous year of EUR 13.88 in Q2 2014 (Q4 2014: EUR 14.01). The monthly ARPU for bundled internet and telephone services in the reporting period was EUR 23.20 (Q2 2014: EUR 22.28; Q4 2014: EUR 21.72), and that for mixed TV services was EUR 9.29 (Q2 2014: EUR 9.59; Q4 2014: EUR 9.57). The decline in ARPU for mixed TV services was caused by increased competitive pressures in the sector, on the one hand. On the other hand, discounts are granted on contract renewal with housing corporations if network investments have paid off and no additional services in the area of premium TV are requested by such housing corporations.

2.3 Financial position, financial performance and cash flows

2.3.1 Earnings

Quarter-on-quarter comparison: Q2 2015 (ended 30 June) to Q2 2014 (ended 30 June)

Tele Columbus was able to successfully implement its strategy in the second quarter of 2015. Revenues rose by 2.3% quarter-on-quarter to TEUR 54,308 in Q2 2015 (Q2 2014: TEUR 53,086).

While revenues in the TV segment decreased also in Q2 2015 due to a decline in subscriptions by 4.7% to TEUR 37,275 (Q2 2014: TEUR 39,095), revenues in the internet and telephony segment rose significantly from TEUR 12,930 to TEUR 15,438.

Operating performance, defined as the sum of revenues, other income and own work capitalised, rose in the reporting quarter by about 13.7% to TEUR 66,107 (Q2 2014: TEUR 58,144). Apart from an increase in revenue, the increase was caused largely by an increase in other income.

While own work capitalised decreased to TEUR 1,748 (Q2 2014: TEUR 2,434), other income increased to TEUR 10,051 (Q2 2014: TEUR 2,624). Other income includes income from the release of provisions in the amount of TEUR 8,258 (Q2 2014: TEUR 236).

Gross profit amounted to TEUR 44,962 (Q2 2014: TEUR 40,157), with a gross margin of 82.8% (Q2 2014: 75.6%).

The cost of materials rose to TEUR 21,145 in the reporting quarter (Q2 2014: TEUR 17,987). The increase results essentially from the increase in signal procurement charges.

Employee benefits rose by TEUR 1,735 to TEUR 9,601 (Q2 2014: TEUR 7,866). The increase is largely due to the HR strategy for achieving the Group's goals and with regard to preparation for and successful implementation of the IPO. To this end, Tele Columbus has increased its investments in human resources. Moreover, various companies were acquired in the first quarter of 2015. As a result of the associated increase in employees, employee benefits rose by TEUR 768 quarter-on-quarter.

Other expenses in Q2 2015 remained virtually unchanged quarter-on-quarter and stood at TEUR 9,817 (Q2 2014: TEUR 9,688).

Adjusted EBITDA increased by 9.2% quarter-on-quarter to TEUR 27,690 (Q2 2014: TEUR 25,366). The operating margin therefore rose to 51.0% in the reporting period (Q2 2014: 47.8%).

The depreciation and amortisation expense remained virtually unchanged quarter-on-quarter at TEUR 11,979 (Q2 2014: TEUR 12,369).

Interest expenses decreased from TEUR 12,562 in Q2 2014 to TEUR 5,948 in the reporting quarter. This decline results mainly from refinancing after the IPO in the first quarter of 2015.

Tax expenses amounted to TEUR 2,695 in Q2 2015 (Q2 2014: TEUR 1,043). While the effective income tax expense declined by TEUR 531 to TEUR 359 (Q2 2014: TEUR 890), deferred income tax expenses rose to TEUR 2,336 (Q2 2014: TEUR 154).

The second quarter of 2015 closed with net income of TEUR 4,951 (Q2 2014: loss of TEUR 3,409). The improvement in net income results mainly from a decline in interest paid and an increase in other income.

In thousands of euro (TEUR)	Q2 2015	Q2 2014
Adjusted EBITDA	27,690	25,366
Non-recurring expenses (-)/income (+)	-2,146	-2,763
EBITDA	25,544	22,603
Finance income/costs	-5,919	-12,600
Depreciation and amortisation expense	-11,979	-12,369
Income tax expense	-2,695	-1,043
Net income (+)/loss (-)	4,951	-3,409

Comparison of first half of 2015 (ended 30 June) to first half of 2014 (ended 30 June)

Revenues rose by 2.2% in the first half of 2015 compared to the first half of 2014 to TEUR 107,923 (first half of 2014: TEUR 105,623). Of this increase, the newly acquired subsidiaries contributed TEUR 1,099 to revenue in the first half of 2015.

While revenues in the TV segment also decreased due to a decline in subscriptions by 3.8% to TEUR 75,268, revenues in the internet and telephony segment rose significantly from TEUR 25,229 to TEUR 29,696. Other revenues changed only insignificantly year-on-year and amounted to TEUR 2,960.

Operating performance, defined as the sum of revenues, other income and own work capitalised, rose in the reporting period by about 16.6% to TEUR 132,464 (first half of 2014: TEUR 113,630). The increase results mainly form the increase in other income from TEUR 5,138 to TEUR 20,907, particularly as a result of increased revenues from the release of provisions and the derecognition of liabilities in the amount of TEUR 10,087 (first half of 2014: TEUR 308) and from IPO costs recharged to the parent company. Moreover, own work capitalised rose from TEUR 2,869 in the first half of 2014 to TEUR 3,634 in the half year just closed.

Gross profit amounted to TEUR 93,096 (first half of 2014: TEUR 77,051), with a gross margin of 86.3% (first half of 2014: 72.9%).

The cost of materials for the first half of 2015 rose compared to the same period of the previous year by TEUR 2,789 and amounted to TEUR 39.368 (first half of 2014: TEUR 36,579). The increase mainly results from higher signal procurement charges.

Employee benefits rose by TEUR 5,303 to TEUR 21,008 (first half of 2014: TEUR 15,705). The increase is largely due to the HR strategy for achieving the Group's goals and with regard to preparation for and successful implementation of the IPO. To this end, Tele Columbus has increased its investments in human resources. Moreover, various companies were acquired in the first quarter of 2015. As a result of the associated increase in employees, employee benefits rose by TEUR 1,526.

Other expenses amounted to TEUR 26,467 in the first half of 2015 (first half of 2014: TEUR 17,487). The increase mainly results from higher legal and advisory fees in the amount of TEUR 9,001 (first half of 2014: TEUR 3,403) and higher incidental bank charges of TEUR 3,913 (first half of 2014: TEUR 398) associated with the IPO and refinancing.

Adjusted EBITDA improved by 10.4% year-on-year to TEUR 52,085 (first half of 2014: TEUR 47,197). The operating margin therefore rose to 48.3% in the reporting period (first half of 2014: 44.7%). The newly acquired companies contributed TEUR 736 to the "adjusted EBITDA" in the first half of 2015.

The depreciation and amortisation expense decreased to TEUR 23,528 (first half of 2014: TEUR 26,455). The reduction in depreciation and amortisation expense mainly results from assets reaching the end of their useful life.

Interest expenses decreased from TEUR 21,110 to TEUR 13,425. This decline results mainly from refinancing after the IPO in the first quarter of 2015.

Other finance income (costs) amounted to TEUR 4,065 (first half of 2014: costs of TEUR 84). This rise mainly results from the presentation of recognised transaction costs in profit or loss as a consequence of refinancing in the first quarter of 2015.

Tax expenses amounted to TEUR 4,597 in the first half of 2015 (first half of 2014: TEUR 1,871). Although income of TEUR 91 was recorded for effective income tax (first half of 2014: income tax expense of TEUR 1,594), the deferred income tax expense rose by TEUR 4,410 to TEUR 4,687 (first half of 2014: TEUR 277).

The first six months of 2015 closed with net income of TEUR 36 (first six months of 2014: loss of TEUR 5,615).

In thousands of euro (TEUR)	First half of 2015	First half of 2014
Adjusted EBITDA	52,085	47,197
Non-recurring expenses (-)/income (+)	-6,464	-3,338
EBITDA	45,621	43,859
Finance income/costs	-17,460	-21,148
Depreciation and amortisation expense	-23,528	-26,455
Income tax expense	-4,597	-1,871
Net income (+)/loss (-)	36	-5,615

Non-recurring expenses largely relate to advisory fees incurred in the first half of 2015 in connection with the IPO and various M&A projects, expenses relating to termination benefits, other non-recurring personnel expenses, as well as expenses relating to the provision for onerous contracts in connection with a long-term signal feed agreement. Also included are income from refundable IPO costs, income from the retirement of assets, and income from the release of provisions for onerous contracts in connection with the long-term signal feed agreement as well as reversal of the impairment loss for the RFC loan.

In the first half of 2015, non-recurring expenses/income largely consisted of costs incurred in connection with the planned sale of Tele Columbus, planned IPO costs, moving expenses, expenses for termination benefits, as well as other non-recurring personnel expenses and expenses/income from the retirement of assets.

2.3.2 Financial position and cash flows

Cash flows
Quarter-on-quarter comparison: Q2 2015 (ended 30 June) to Q2 2014 (ended 30 June)

The negative cash flows from investing activities (TEUR -22,151) and negative cash flows from financing activities (TEUR -8,515) could not be fully offset by positive cash flows from operating activities (TEUR 22,761), so that cash and cash equivalents were TEUR 7,905 lower as at 30 June 2015 than as at 31 March 2015. A main reason for negative cash flows overall were acquisitions in the second quarter of 2015.

While interest on loans and borrowings amounted to TEUR -3,940 in the previous quarter, interest paid rose to TEUR -5,135 in the second quarter of 2015. On account of the IPO and refinancing, interest has been paid on a monthly basis since February 2015, while previous financing terms provided for repayment twice a year in January and July.

Tele Columbus Group has various leases for infrastructure facilities to supply customers. These have been classified as finance leases in accordance with IAS 17 (Leases). Finance lease liabilities of TEUR 1,539 were incurred in the second quarter of 2015 (Q2 2014: TEUR 1,386).

Two new companies - Teleco and KABELMEDIA - were acquired in the second quarter of 2015. By taking account of a purchase price adjustment for Wowisat, these acquisitions, net of cash acquired, resulted in net cash used of TEUR -7,369.

Tele Columbus Group was always in position to meet its payments obligations in the second quarter of 2015. The funds required in Q2 2015 for investments in the expansion of networks, the acquisition of Teleco and KABELMEDIA, and sales and marketing of new phone and internet services were financed from operating activities and cash in hand. Interest on loans and borrowings was also covered through cash. It was not necessary to use the available credit line (RCF) of EUR 125.0 million.

Cash flows
Comparison of first half of 2015 (ended 30 June) to first half of 2014 (ended 30 June)

Negative cash flows from investing activities (TEUR -35,059) were greatly exceeded by positive cash flows from operating activities (TEUR 7,181) and positive cash flows from financing activities (TEUR 77,123), resulting in an increase in cash and cash equivalents as at 30 June 2015 by TEUR 49,245 compared to 31 December 2014. This positive cash flow overall is mainly the result of the successful IPO in January 2015. This and the subsequent refinancing allowed the Group to repay non-current liabilities in the amount of TEUR 641,375. In the course of new financing, non-current liabilities were incurred in the amount of TEUR 375,033.

While interest on loans and borrowings amounted to TEUR -15,786 in the first half of 2014, interest paid decreased to TEUR -8,743 in the first half of 2015. On account of the IPO and refinancing, interest has been paid on a monthly basis since February 2015, while previous financing terms provided for repayment twice a year in January and July.

The successful IPO resulted in contributions to equity in the amount of TEUR 366,667 (after the deduction of cost: TEUR 356,247).

Tele Columbus Group has various leases for infrastructure facilities to supply customers. These have been classified as finance leases in accordance with IAS 17 (Leases). Finance lease liabilities of TEUR 3,046 were incurred in the first half of 2015 (first half of 2014: TEUR 2,853).

Four new companies - RFC, Wowisat, Teleco and KABELMEDIA - were acquired in the first half of 2015. These acquisitions, net of cash acquired, resulted in net cash used of TEUR -9,400.

Tele Columbus Group was always in position to meet its payments obligations in the first half of 2015. The funds required in the first half of 2015 for investments in the expansion of networks, acquisition of the four aforementioned companies, and sales and marketing of new phone and internet services were financed from operating activities and cash in hand. Interest on loans and borrowings was also covered through cash. It was not necessary to use the available credit line (RCF) of EUR 125.0 million.

The management reviews the Group's liquidity situation at least monthly and initiates measures, should it become necessary, to forestall liquidity shortages in due time (we refer to our comments in Section 5 'Risks' of the Group Management Report for 2014).

Capital structure
Comparison of figures as at 30 June 2015 with those as at 31 March 2015 and 31 December 2014)

Loans and borrowings

Lender	Borrower	Total as at 30/06/2015 in EUR	Share	Total as at 31/03/2015 in EUR	Share
Senior Tranche A / IPO Facility A	TC AG	366,228,391	97.33%	365,885,550	97.12%
Rev. Facility / IPO Facility B&C	TC AG	277,995	0.07%	282,552	0.08%
SSK Gelsenkirchen	BMB KG	3,815,372	1.01%	4,099,290	1.09%
UniCredit & various others	BIG	1,419,226	0.39%	1,489,067	0.39%
SSK Magdeburg	MDCC	4,066,855	1.08%	4,401,641	1.17%
Volksbank Magdeburg	MDCC	450,000	0.12%	525,000	0.14%
Sparkasse (savings bank)	Wowisat	-	0.00%	42,651	0.01%
Others		-	0.00%	1	0.00%
Total		**376,257,839**		**376,725,752**	

Lender	Borrower	Total as at 30/06/2015 in EUR	Share	Total as at 31/12/2014 in EUR	Share
Senior Tranche A / IPO Facility A	TC AG	366,228,391	97.33%	492,841,295	76.63%
Second Lien Tranche A	TC AG	-	0.00%	37,627,277	5.85%
Mezzanine Tranche A	TC AG	-	0.00%	35,630,085	5.54%
Rev. Facility / IPO Facility B&C	TC AG	277,995	0.07%	209,055	0.03%
Super Senior Tranche 2	TC AG	-	0.00%	16,160,334	2.51%
Senior Tranche A	TC Ost GmbH	-	0.00%	36,292,298	5.64%
Senior Tranche A	TC Sachsen-Thüringen GmbH	-	0.00%	3,820,242	0.59%
Senior Tranche A	TC Netze Berlin GmbH	-	0.00%	9,550,605	1.49%
SSK Gelsenkirchen	BMB KG	3,815,372	1.01%	4,380,624	0.68%
UniCredit & various others	BIG	1,419,226	0.39%	1,524,743	0.24%
SSK Magdeburg	MDCC	4,066,855	1.08%	4,611,427	0.72%
Volksbank Magdeburg	MDCC	450,000	0.12%	525,000	0.08%
Total		**376,257,839**		**643,172,985**	

On 2 January 2015, Tele Columbus AG signed a new loan agreement (IPO Financing Agreement, version 2, dated 19 February 2015), which was arranged by BNP Paribas, J.P. Morgan and Goldman Sachs.

The credit volume of EUR 500,000,000 is divided into facility A (term loan) of EUR 375,000,000 and two as yet unutilised credit lines, B and C, of EUR 75,000,000 for capital investments and EUR 50,000,000 for general expenditures. Facility A matures in six years and facilities B and C in five years' time. The current interbank spread is 4.5% plus Euribor for facility A and 3.75% for facilities B and C. The loan commitment fee for facilities B and C is calculated at 35% of the spread for the two credit lines and is due on a quarterly basis.

For the maturities of these loan facilities, we refer to our comments in Section D.15 'Loans and borrowings' in the notes to the consolidated financial statements.

The ownership interests in subsidiaries have been pledged as collateral. Contrary to previous financing, trade receivables, cash at bank, and plant and equipment have not been pledged.

This new loan was used mainly to repay 'legacy liabilities' under the Senior Facilities Agreement and the Mezzanine Facility Agreement. By also using proceeds from the IPO, all liabilities under legacy financing agreements were thus repaid. This has also eliminated the credit limit of EUR 28.3 million under the SFA.

Changes in equity
Comparison of figures as at 30 June 2015 with those as at 31 December 2014)

The increase in equity from TEUR -107,316 as at 31 December 2014 to TEUR 246,578 as at 30 June 2015 mainly results from the IPO in the first quarter of 2015. This changed the Group's share capital from TEUR 20,025 as at 31 December 2014 to TEUR 56,692 as at 30 June 2015. The increased capital reserve of TEUR 327,904 as at 30 June 2015 (31 December 2014: TEUR 8,324) also results from the IPO.

Investments
Comparison of first half of 2015 (ended 30 June) to first half of 2014 (ended 30 June)

Tele Columbus Group, once again, invested heavily in technologies and interests in other entities, also in the reporting period under review. Investments (including interests in other entities in the amount of TEUR 11,458) rose by 122.6% to TEUR 37,801 (first half of 2014: TEUR 16,983), corresponding to 28.5% of operating performance (first half of 2014: 14.9%).

The main focus of these investments is the rigorous pursuit of our migration strategy, i.e. replacing third party signal suppliers with Tele Columbus's own signal feed for current subscribers, as well as upgrading the existing HFC networks for marketing high speed IP services, in order to satisfy the increasing demand for fast internet connections. Investments with regard to existing expansion commitments to housing corporations in the course of new acquisitions or renewals of contracts were made primarily in Berlin/Potsdam, Dresden and other locations in Saxony.

To strengthen our presence in North Rhine-Westphalia, Wowisat (including 4,900 households) was acquired in the first quarter of 2015, and another 30,700 households were acquired during the second quarter of 2015. We refer to our comments in Section 1.1 of this report on changes in group structure for further details.

The capital expenditure commitments made during the first half of 2015, which will result in cash outflows of about TEUR 13,088 in subsequent reporting periods (31 December 2014: TEUR 8,386), will be financed from existing cash and cash equivalents.

2.3.3 Assets
as at 30 June 2015 compared to 31 December 2014

Property, plant and equipment rose by TEUR 1,247 to TEUR 211,170 compared to 31 December 2014 (TEUR 209,923). This increase mainly results from prepayments and assets under construction in the amount of TEUR 3,046 (31 December 2014: TEUR 1,155).

Intangible assets rose by TEUR 10,730 to TEUR 392,551 compared to 31 December 2014 (TEUR 381,821). This rise mainly results from goodwill of TEUR 1,210 from first-time consolidation of Wowisat, goodwill of TEUR 5,470 from first-time consolidation of Teleco and goodwill of TEUR 1,769 from first-time consolidation of KABELMEDIA.

Inventories increased to TEUR 4,734 as at 30 June 2015 (31 December 2014: TEUR 3,342). This increase is mainly due to seasonal fluctuations resulting from differences in order placement.

Current trade receivables increased by TEUR 9,746 to TEUR 28,861 (31 December 2014: TEUR 19,115). Current trade receivables are subject to cyclical fluctuations over the course of the year and tend to be higher in the second quarter of the year, as semi-annual payers are invoiced in addition to monthly and quarterly payers.

Current other receivables amounted to TEUR 11,564 (31 December 2014: TEUR 13,082). Of this amount, TEUR 6,671 was pledged as security to refinancing banks in the form of cash deposits for the debit limit to NET M-Bank and Postbank, and therefore is not freely available.

Prepayments amounted to TEUR 8,502 (31 December 2014: TEUR 5,690). The increase mainly results from prepaid signal procurement charges.

Tele Columbus AG's consolidated equity capital amounted to TEUR 246,578 as at 30 June 2015 (31 December 2014: TEUR -107,316).

Post-employment and other employee benefits amounted to TEUR 11,960 (31 December 2014: TEUR 10,615) and therefore have risen slightly due to the effect of the time value of money.

Non-current other provisions – consisting mainly of provisions for onerous contracts – decreased by TEUR 4,580 and amounted to TEUR 7,137 (31 December 2014: TEUR 11,883).

Non-current loans and borrowings amounted to TEUR 373,649 (31 December 2014: TEUR 640,547). The decline results from the IPO and subsequent refinancing.

The Group's liabilities under interest-bearing loans totalled TEUR 376,258 as at 30 June 2015 (31 December 2014: TEUR 643,173). This corresponds to 50.8% (31 December 2014: 96.4%) of total assets.

Current trade payables decreased by TEUR 5,063 year-on-year to TEUR 35,962 (31 December 2014: TEUR 41,025).

Current other liabilities rose during the reporting period to now TEUR 14,792 (31 December 2014: TEUR 12,565).

3. Subsequent events

The following event is of material significance and has occurred subsequent to the interim reporting date of 30 June 2015:

Tele Columbus AG, which is the third-largest German cable network operator, signed an agreement on 16 July 2015 for acquisition of the fourth-largest German operator, PrimaCom Holding GmbH. The purchase price is EUR 711 million before deduction of cash and liabilities acquired. Through merger of two of the leading providers, a strong third-largest operator has been created in the German cable market with a total of about 2.8 million connected households, catering to the specific needs of housing corporations. The transaction was successfully completed on 31 July 2015 without affecting the presentation of the net assets, financial position, and results of operations as at 30 June 2015.

The acquisition of PrimaCom Holding GmbH was financed by, on the one hand, expanding existing loan agreements by EUR 435 million to EUR 935 million (these include additional creditlines of EUR 125 million, that are not drawn yet), an equity bridge of EUR 125 million, that has to be settled on 15 December 2015 and, on the other hand, by taking out a "second lien" loan in the amount of EUR 139 million, as well as from existing liquid funds.

The increase in debt capital, which in the initial step is to be considered bridge financing, is to be repaid in the second step by issuing new shares, thereby creating a better debt-to-equity ratio. In this context, equity is to be increased by EUR 28,345,833 in capital already authorised at the annual general meeting on 15 May 2015.

In addition, on 7 August 2015, Tele Columbus AG invited the shareholders to an extraordinary general meeting to be convened on 14 September 2015. The sole item on the agenda is adoption of a resolution on increasing capital stock against a cash contribution, including granting indirect subscription rights in the amount of EUR 56,691,667 in exchange for a cash contribution by issuing 56,691,667 no-par value shares (registered shares) with a calculated share of EUR 1.00 in the capital stock.

The capital increase shall enable the Company to continue its growth path in Europe's most attractive cable market and to strengthen its position as the number three player in the German cable market.

Without the proposed capital increase, the Company would currently not be able to provide financing for significant further acquisitions due to the Company's current financing structure. Authorised capital is available to Tele Columbus AG, which is, however, intended to be primarily used to repay a bridge loan facility which forms part of the financing of the acquisition of PrimaCom Holding GmbH and which will be due for repayment on 15 December 2015. Therefore, only a portion of the authorised capital, if any, would be available to provide financing for further acquisitions or to reduce the debt-to-equity ratio.

Should the opportunity for further acquisitions arise in the near-term, the proceeds from the expected capital increase could be directly used to pay the purchase price. Otherwise, the proceeds could be kept available or could be used to repay existing debt, thereby reducing the Company's debt-to-equity ratio and enabling the Company to take out new debt financing when the opportunity of further acquisitions arises.

4. Forecast

With regard to the forecast for Tele Columbus Group, we refer to the details provided in the group management report for 2014. In terms of key financial and non-financial indicators, Tele Columbus Group's outlook will be adjusted for the acquisition of ownership interests in PrimaCom Holding GmbH and the associated overall changes in group structure for financial year 2015 as a whole.

5. Risks

With regard to Tele Columbus Group's risks, we refer to the details provided in the group management report for financial year 2014. The risk exposure described therein does not reflect Tele Columbus Group's new situation after acquisition of Primacom Group in July. Going beyond the risks presented in the group management report for 2014, there is further exposure due to acquisition of PrimaCom Holding GmbH. The exact impact on the key financial and non-financial indicators as a result of acquiring ownership interests in PrimaCom Holding GmbH and the associated overall changes in group structure will be adjusted for in Tele Columbus Group's risk report for financial year 2015 as a whole.

6. Opportunities

Tele Columbus will be presented with a number of opportunities in future, resulting in particular from the Group's strong competitive position. We refer in this regard to the comments in Section 6 'Opportunities' of the group management report for financial year 2014. The opportunities described therein do not reflect Tele Columbus Group's new situation after acquisition of Primacom Group in July. As regards the opportunities presented in Group Management Report 2014, which continue to be applicable, we would like to comment as follows:

As one of the leading companies, Tele Columbus will benefit from market consolidation.

As has been demonstrated in the past years, the German cable market is still in a phase of consolidation. Unitymedia and Kabel BW as well as Vodafone and Kabel Deutschland are just some of the mergers that have occurred in recent years. Especially in the East German federal states, the cable market is dominated by numerous smaller and medium-sized cable network operators, which provide interesting growth opportunities during this market consolidation process. Due to our access to the capital market as a result of the IPO as well as the associated improvement in capitalisation, Tele Columbus's prospects are good for playing a leading part during this consolidation and benefiting from potential economies of scale as well as synergy effects.

Tele Columbus AG has taken a significant step towards its envisaged growth strategy by taking over the fourth-largest cable network operator PrimaCom in July 2015.

Tele Columbus AG follows a sustainable and profitable growth strategy. The Group expects that the acquisition of PrimaCom will have a positive influence on the key performance targets set for the coming years.

Tele Columbus also intends to play a leading role in this consolidation process in future and is currently actively pursuing further acquisitions.

Expansion of Tele Columbus's range of services

Tele Columbus AG will expand its portfolio with a range of mobile phone services, using the network of Telefónica O2. The Group found a strategic partner for introducing mobile data and phone services in May 2015: Drillisch AG, one of the largest network-independent telecommunications providers in Germany. It is planned to launch these services in the second half of the year.

Berlin, 14 August 2015

Tele Columbus AG, Berlin

Chief Executive Officer	Chief Financial Officer
- Ronny Verhelst -	- Frank Posnanski -

Condensed Consolidated Interim Financial Statements for the six-month period ending 30 June 2015

in accordance with the International Financial Reporting Standards as adopted by the European Union

for

Tele Columbus AG

TELE COLUMBUS AG, BERLIN
CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS AS AT 30 JUNE 2015

I Consolidated income statement

		1 January to 30 June		Second Quarter	
in TEUR	**Note**	**2015**	**2014**	**2015**	**2014**
Revenue	D.1	107,923	105,623	54,308	53,086
Own work capitalised	D.2	3,634	2,869	1,748	2,434
Other income	D.3	20,907	5,138	10,051	2,624
Total operating income		**132,464**	**113,630**	**66,107**	**58,144**
Cost of materials	D.4	-39,368	-36,579	-21,145	-17,987
Employee benefits	D.5	-21,008	-15,705	-9,601	-7,866
Other expenses	D.6	-26,467	-17,487	-9,817	-9,688
EBITDA		**45,621**	**43,859**	**25,544**	**22,603**
Depreciation and amortisation expenses	D.7	-23,528	-26,455	-11,979	-12,369
EBIT		**22,093**	**17,404**	**13,565**	**10,234**
Profit (+)/loss (-) from investments in associated companies		20	-12	20	-12
Interest and similar income	D.8	10	58	9	42
Interest and similar expenses	D.8	-13,425	-21,110	-5,948	-12,562
Other finance income and expenses	D.9	-4,065	-84	-	-68
Profit (+)/loss (-) before tax		**4,633**	**-3,744**	**7,646**	**-2,366**
Income taxes	D.10	-4,597	-1,871	-2,695	-1,043
Profit (+)/loss (-) for the period		**36**	**-5,615**	**4,951**	**-3,409**
Profit (+)/loss (-) attributable to owners of Tele Columbus AG		-1,160	-7,665	4,401	-4,359
Profit attributable to non-controlling interests		1,196	2,050	550	950
Basic earnings per share in EUR		-0.02	-0.38	0.08	-0.22
Diluted earnings per share in EUR		-0.02	-0.38	0.08	-0.22

The following notes are an integral component of the condensed consolidated interim financial statements.

II Consolidated statement of other comprehensive income

	1 January to 30 June		Second Quarter	
in TEUR	**2015**	**2014**	**2015**	**2014**
Profit (+)/loss (-) for the period	**36**	**-5,615**	**4,951**	**-3,409**
Other comprehensive income				
Remeasurement of the defined benefit liability (after tax)	-1,396	-615	-1,437	-354
Total comprehensive income (+)/loss (-)	**-1,360**	**-6,230**	**3,514**	**-3,763**
Attributable to:				
Owners of Tele Columbus AG	-2,556	-8,280	2,964	-4,713
Non-controlling interests	1,196	2,050	550	950

The following notes are an integral component of the condensed consolidated interim financial statements.

III Consolidated statement of financial position

in TEUR	Note	30 Jun. 2015	31 Dec. 2014
Assets			
Non-current assets			
Property, plant and equipment	D.11	211,170	209,923
Intangible assets and goodwill	D.11	392,551	381,821
Interests in unconsolidated subsidiaries		8	8
Investments in associates		329	276
Receivables from related parties	E.3.2	92	-
Other financial receivables	D.12	349	1,148
Deferred expenses	D.12	1,755	72
		606,254	**593,248**
Current assets			
Total inventories	D.12	4,734	3,342
Trade receivables	D.12	28,861	19,115
Receivables from related parties	E.3.2	190	3,129
Other financial receivables	D.12	2,382	4,662
Other receivables	D.12	11,564	13,082
Current tax assets		874	457
Cash and cash equivalents	E.5	77,658	24,441
Deferred expenses	D.12	8,502	5,690
Assets held for sale	D.11	266	-
		135,031	**73,918**
		741,285	**667,166**

in TEUR	Note	30 Jun. 2015	31 Dec. 2014
Equity and liabilities			
Equity			
Equity attributable to owners of Tele Columbus AG		241,352	-112,571
Non-controlling interests		5,226	5,255
Total equity	D.13	**246,578**	**-107,316**
Non-current liabilities			
Post-employment and other long-term employee benefits		11,960	10,615
Other provisions	D.14	7,137	11,883
Loans and borrowings	D.15	373,649	640,547
Trade payables	D.16	32,205	33,890
Deferred revenue		776	933
		425,727	**697,868**
Current liabilities			
Other provisions	D.14	6,231	7,466
Loans and borrowings	D.15	2,609	2,626
Trade payables	D.16	35,962	41,025
Payables to related parties	E.3.2	36	2,559
Other financial liabilities		1,253	255
Other liabilities		14,792	12,565
Income tax liabilities		720	5,801
Deferred revenue		7,377	4,317
		68,980	**76,614**
		741,285	**667,166**

The following notes are an integral component of the condensed consolidated interim financial statements.

IV Consolidated statement of cash flows

		1 January to 30 June		Second Quarter	
in TEUR	**Note**	**2015**	**2014**	**2015**	**2014**
Cash flows from operating activities					
Earnings before interest and taxes (EBIT)		**22,093**	**17,404**	**13,565**	**10,234**
Depreciation and amortisation expenses	D.7	23,528	26,455	11,979	12,369
Losses(+)/gain(-) on sale of property, plant and equipment		-719	-10	7	184
Increase(-)/decrease(+) in inventories, trade and other receivables not classified as investing or financing activities		-12,578	-13,317	17,353	-6,851
Increase(+)/decrease(-) in provisions, trade and other payables not classified as investing or financing activities		-19,885	-10,556	-19,159	1,444
Income tax paid		-5,258	-3,099	-984	-2,123
Net cash from operating activities		**7,181**	**16,877**	**22,761**	**15,257**
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment		1,293	424	418	-159
Acquisition of property, plant and equipment	D.11	-20,839	-10,891	-11,832	-7,570
Acquisition of intangible assets	D.11	-6,090	-3,430	-3,344	-2,251
Acquisition of financial assets		-33	-	-33	-
Acquisition of subsidiaries, net of cash acquired		-9,400	-	-7,369	-
Interest received		10	14	9	-2
Net cash used in investing activities		**-35,059**	**-13,883**	**-22,151**	**-9,982**

		1 January to 30 June		Second Quarter	
in TEUR	**Note**	**2015**	**2014**	**2015**	**2014**
Cash flows from financing activities					
Changes in net assets due to adjustments relating to the change in group structure		-	-1,684*	-	-
Other changes in net assets (incl. adjustments relating to IPO costs)		-10,188	-	191	-
Payment of finance lease liabilities		-3,046	-2,853	-1,539	-1,386
Dividends paid		-1,225	-1,225	-1,225	-1,225
Proceeds from loans, bonds and borrowings	D.15	375,033	-	-	-
Repayment of borrowings	D.15	-641,375	-1,229	-807	-608
Cash proceeds from capital increase	D.13	366,667	-	-	-
Interest paid		-8,743	-15,786	-5,135	-3,940
Net cash from (used in) financing activities		**77,123**	**-22,777**	**-8,515**	**-7,159**
Cash and cash equivalents					
Net increase/decrease in cash and cash equivalents		49,245	-19,783	-7,905	-1,884
Cash and cash equivalents at the beginning of the period		24,441	70,539	81,571	52,999
Cash and cash equivalents at the end of the period		**73,686**	**50,756**	**73,666**	**51,115**
Less(-)/ plus (+) restricted cash and cash equivalents released during the reporting year		3,972	359	3,992	-
Cash and cash equivalents at the end of the period (after release of restricted cash)		**77,658**	**51,115**	**77,658**	**51,115**

* Please refer to Section V 'Consolidated statement of changes in equity'.

The following notes are an integral component of the condensed consolidated interim financial statements.

V Consolidated statement of changes in equity

for the first half year of 2015 (in TEUR)

	Net assets attributable to Tele Columbus Group	Share capital	Capital reserve	Other changes in equity	Retained earnings	Revaluation reserve IAS 19	Equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at 1 January 2015	**-**	**20,025**	**8,324**	**-114,692**	**-24,121**	**-2,107**	**-112,571**	**5,255**	**-107,316**
Profit(+)/loss(-)					-1,160		-1,160	1,196	36
Other comprehensive income						-1,396	-1,396		-1,396
Total comprehensive income					**-1,160**	**-1,396**	**-2,556**	**1,196**	**-1,360**
Dividends								-1,225	-1,225
Capital increase due to IPO		36,667	330,000				366,667		366,667
IPO costs deductible from equity net of deferred taxes			-10,420*				-10,420		-10,420
Equity settled share-based payments				232			232		232
Balance at 30 June 2015	**-**	**56,692**	**327,904**	**-114,460**	**-25,281**	**-3,503**	**241,352**	**5,226**	**246,578**

* Comprising IPO costs deductible from equity in the amount of TEUR -15,105 and deferred tax liability in the amount of TEUR 4,685.

The following notes are an integral component of the condensed consolidated interim financial statements.

for the first half year of 2014 (in TEUR)

	Net assets attributable to Tele Columbus Group	**Share capital**	**Capital reserve**	**Other changes in equity**	**Retained earnings**	**Revaluation reserve IAS 19**	**Equity attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2014	**-68,225**	**-**	**-**	**-**	**-**	**-**	**-68,225**	**6,690**	**-61,535**
Profit(+)/loss(-)					-7,665		-7,665	2,050	-5,615
Other comprehensive income						-615	-615		-615
Total comprehensive income					**-7,665**	**-615**	**-8,280**	**2,050**	**-6,230**
Dividends								-1,225	-1,225
Changes in net assets due to adjustments relating to the change in group structure				-1,684*			-1,684		-1,684
Balance at 30 June 2014	**-68,225**	**-**	**-**	**-1,684**	**-7,665**	**-615**	**-78,189**	**7,515**	**-70,674**

* Please refer to Section IV 'Consolidated statement of cash flows'.

The following notes are an integral component of the condensed consolidated interim financial statements.

VI Notes to the condensed consolidated interim financial statements

A General information

Introduction

In preparation for the initial public offering on 23 January 2015, part of the Tele Columbus Group's legal structure was restructured in 2014.

As part of the reorganisation, all of Tele Columbus GmbH's operating investments as well as certain assets and liabilities were spun off to Tele Columbus Holding GmbH (hereinafter jointly referred to as 'Tele Columbus Group'). The spin-off agreement between Tele Columbus GmbH and Tele Columbus Holding GmbH was signed on 19 August 2014. The spin-off was performed with retroactive effect from 1 January 2014. This was recorded in the commercial register on 22 August 2014.

Change of legal form to Tele Columbus AG

At the extraordinary shareholders' meeting held on 20 August 2014 was resolved to change Tele Columbus Holding GmbH's legal form to a German corporation limited by shares (Aktiengesellschaft) trading under the name Tele Columbus AG. The change of legal form took effect upon entry of the form change in the commercial register on 12 September 2014. For further details, please refer to the introduction to our Consolidated Financial Statements as at 31 December 2014.

Initial public offering of Tele Columbus AG

Tele Columbus AG has been listed on the Prime Standard of the Frankfurt Stock Exchange since 23 January 2015. Shares were traded at an initial price of EUR 10.70 and an issue price of EUR 10.00 per share.

For more information on movements in equity, please refer to Section D.13 'Equity'.

Share placement generated gross earnings of TEUR[1] 366,667. A large proportion of these earnings was used to improve the Group's capital structure and to reduce its liabilities. We also invest in our infrastructure, particularly the further expansion of our cable networks and connection of additional private households to our own integrated network level 3 in order to be able to continuously enhance our range of services as a reliable service provider for our partners and customers.

Basis of the consolidated interim financial statements

The condensed consolidated interim financial statements of Tele Columbus AG as at 30 June 2015 present the financial position, financial performance and cash flows of Tele Columbus AG and its consolidated entities for the first six months of 2015. Comparative figures for the first six months of 2014 are condensed combined interim financial data, presenting the financial information of Tele Columbus Beteiligungs GmbH and the operating investments spun off to Tele Columbus AG (in August 2014) as if restructuring had taken place before 1 January 2014.

The condensed consolidated interim financial statements of Tele Columbus Group as at 30 June 2015 have been prepared in accordance with the requirements of International Accounting Standard (IAS) 34 on a condensed basis compared to year-end reporting as at 31 December 2014. Thus, these consolidated interim financial statements need to be considered in the context of the consolidated financial statements as at 31 December 2014. The International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) have been applied.

The condensed consolidated interim financial statements comprise the consolidated income statement, consolidated statement of other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and the notes to the consolidated financial statements for the six month period ended 30 June 2015 and the comparative period in 2014. In addition, the consolidated income statement, consolidated statement of other comprehensive income and consolidated statement of cash flows include comparative information for the second quarter of 2015 which is comparable to the same interim reporting period in 2014.

[1] EUR thousand (hereinafter abbreviated as 'TEUR')

The Group's functional currency is the Euro. Unless otherwise stated, all figures are presented in thousands of euros (TEUR). Due to the disclosure in thousands of euros, there may be rounding differences of up to one thousand euros (positive or negative) between individual disclosures.

These interim financial statements are based on the going concern assumption.

There were no significant changes in accounting policies compared to the consolidated financial statements as at 31 December 2014, except the changes represented in Section C.2 'Significant accounting policies'.

The consolidated interim financial statements were prepared by the Management Board of Tele Columbus AG in Berlin on 14 August 2015.

B Basis of consolidation

There were no significant changes in consolidation policy compared to the consolidated financial statements as at 31 December 2014.

B.1 Changes in consolidated entities

Acquisition of RFC Radio-, Fernseh- und Computertechnik GmbH

By purchase agreement dated 22 January 2015 (with economic effect from 27 January 2015 – accordingly the date of first-time consolidation), Tele Columbus Multimedia GmbH, Berlin, repurchased its 100 % ownership in RFC Radio-, Fernseh- u. Computertechnik GmbH, Chemnitz (hereinafter referred to as 'RFC').

The company plans, erects and maintains wideband cable constructions with self-constructed receiving installations as well as pre-supplied signals. Additionally, it offers general construction services in the area of telecommunication and builds and operates door intercom systems. The acquisition extends the value added chain of Tele Columbus Group regarding the construction and maintenance work carried out by RFC and can thus increase synergy effects.

The provisional purchase price according to the purchase agreement is TEUR 500, which will be offset against the outstanding receivable resulting from the sale of RFC in 2014. Due to time constraints, the opening balance and thus the financial data as at 30 June 2015 of RFC are still on a preliminary basis according to IFRS 3.45.

As the business combination is immaterial for the group, further information will be disclosed in aggregate.

Acquisition of Wowisat GmbH

On 6 February 2015, an agreement was signed for assuming all shares in Wowisat GmbH, Düsseldorf (hereinafter referred to as 'Wowisat'), by Tele Columbus AG, Berlin. The contract was closed on 30 March 2015 – accordingly, this is the date of first-time consolidation.

With the takeover of Wowisat, Tele Columbus AG has expanded its customer base in western Germany and is further improving its presence in the Rhine/Ruhr region.

The provisional purchase price is TEUR 2,914 and was completely paid in cash. Due to time constraints, the opening balance and thus the financial data as at 30 June 2015 of Wowisat are still on a preliminary basis according to IFRS 3.45.

As the business combination is immaterial for the group, further information will be disclosed in aggregate.

Acquisition of ownership interests in Teleco GmbH Cottbus Telekommunikation

By agreement dated 30 April 2015, Tele Columbus AG, Berlin acquired 100 % ownership in Teleco GmbH Cottbus Telekommunikation, Cottbus (hereinafter referred to as 'Teleco') together with its 37 % ownership in BGC Breitbandgesellschaft Cottbus mbH, Cottbus (hereinafter referred to as 'BGC') on 27 May 2015 (the date of first-time consolidation).

The specialization of Teleco is in the installation, operation and repair of cable networks (coaxial broadband networks, cable TV, voice and Internet services) together with the associated services. Additionally, the company installs electro acoustic equipment and wired data networks. The purpose of the acquisition is to extend the existing customer base of Tele Columbus Group.

The provisional purchase price is TEUR 5,740 and was completely paid in cash. Due to time constraints, the opening balance and thus the financial data as at 30 June 2015 of Teleco are still on a preliminary basis according to IFRS 3.45.

As the business combination is immaterial for the group, further information will be disclosed in aggregate.

Acquisition of Kabelmedia GmbH Marketing und Service

According to the purchase agreement dated 29 April 2015, Tele Columbus AG, Berlin purchased 100 % ownership of Kabelmedia GmbH Marketing und Service, Essen (hereinafter referred to as 'Kabelmedia') on 1 May 2015 (the date of first-time consolidation).

Kabelmedia specialises in marketing and operating broadband cable, satellite and antenna communications systems. With the acquisition of Kabelmedia, Tele Columbus AG aims to expand its customer base by assuming the existing licensing agreements signed by Kabelmedia

The provisional purchase price is TEUR 1,874 and was completely paid in cash. Due to time constraints, the opening balance and thus the financial data as at 30 June 2015 of Kabelmedia are still on a preliminary basis according to IFRS 3.45.

As the business combination is immaterial for the group, further information will be disclosed in aggregate.

Aggregate disclosure information on the immaterial acquisitions of the period

As at first-time consolidation, the newly acquired companies' net assets amounted to TEUR 2,592 (non-current assets TEUR 4,658, current assets TEUR 2,821 including cash TEUR 1,128 and intercompany receivables TEUR 503, non-current liabilities TEUR 872 and current liabilities TEUR 4,015). Additionally, goodwill in the amount of TEUR 8,449 was recognised as asset and badwill in the amount of TEUR 13 was recognised in profit and loss. The goodwill largely reflects synergy effects and the value of the acquired business model.

The interim consolidated financial statement of Tele Columbus AG includes revenue in the amount of TEUR 2,626 (thereof intercompany revenue in the amount of TEUR 1,528), EBITDA in the amount of TEUR 741 and a loss in the amount of TEUR 430 resulting from the acquired companies.

Further information:

The accounting of the acquisition of BIG in 2014 is still on a preliminary basis according to IFRS 3.45.

There were no other acquisitions or disposals during the first six months of the 2015 financial year other than those described above.

B.2 Investments in associates and interest in other entities

Investments in associates and interest in other entities only have an immaterial effect on the consolidated interim financial statements, both individually and in aggregate.

The income relating to Aprostyle AG, Dresden, which are stated as equity-accounted investees, amounted to TEUR 20 for the first six months of 2015 (for the first six months of 2014: TEUR -12).

Due to full consolidation of the new by acquired subsidiary Teleco GmbH Cottbus, Tele Columbus AG held 37 % of the shares in BGC Breitbandgesellschaft Cottbus mbH as at the reporting date, equalling an amount of TEUR 33. This investment did not generate any income or expense during the current reporting period.

Due to its immaterial impact on the presentation of the financial position, financial performance and cash flows of the group of combined entities, the 100 % ownership interest in RFC Radio-, Fernseh- und Computertechnik GmbH, Chemnitz, in the amount of TEUR 515 was not fully consolidated in the comparison period 2014 but reported as 'Interests in unconsolidated subsidiaries' and classified as available for sale until its disposal in August 2014. For details on the accounting after the repurchase in 2015, we refer to the explanatory notes in Section B.1 'Changes in consolidated entities'.

No further significant changes in associates or other entities took place in the reporting period or are relevant for the explanation of the comparative figures.

C Accounting policies

C.1 Significant judgements and estimates

Preparing consolidated interim financial statements in accordance with IFRS requires assessments, estimates and assumptions that have a direct effect on the application of accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the reporting date, and the reported revenue and expenses during the reporting period. Although these estimates of management take account of the most recent figures to the best of their knowledge, actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the period in which they occur, and prospectively in future relevant periods.

There are no material changes in significant judgements and assumptions made by the management, as well as in the area of estimation uncertainty for the six-month period ending 30 June 2015 as compared to the consolidated financial statements as at 31 December 2014.

C.2 Significant accounting policies

The same accounting policies and methods of computation are used in the condensed consolidated interim financial statements for the six-month period ending 30 June 2015 as compared to the consolidated financial statements as at 31 December 2014, except for the following:

The Group issues equity-settled share-based compensation plans with a service condition and a vesting period. The fair value of the services received equals the amount expensed. At the end of each reporting period the group revises and estimates the number of options that are expected to vest based on the conditions. It recognizes the fair value impact of the instruments as at the grant date as personnel expenses with a corresponding adjustment to equity.

C.3 Compliance with IFRS

The accounting standards (IAS/IFRS) and interpretations (IFRIC) adopted in the preparation of the condensed consolidated interim financial statements are consistent with those followed in the preparation of the consolidated financial statements for the financial year as at 31 December 2014, as adopted by the EU, except for the following mandatory standards and/or amendments to standards and interpretations, which are applied for the first time starting with the financial year beginning on 1 January 2015. The adoption of these standards, amendments to standards, and interpretations did not have any material effect on the condensed consolidated interim financial statements and did not lead to additional disclosures:

Standard/Interpretation		**Effective as at**	**Publication of endorsement by the EU Commission**	**Effects**
Various	Annual Improvements cycle 2011-2013 - Improvements to IFRSs (IFRS 1, IFRS 3, IFRS 13, IAS 40)	1 Jan. 2015	19 Dec. 2014	No material effects
IFRIC 21	Levies: accounting for levies imposed by governments	17 Jun. 2014	14 Jun. 2014	None

The following table shows the main new or revised standards (IAS/IFRS) or interpretations (IFRIC) that are not yet mandatory, and their effects on the Group. The adoption date refers to the effective date as specified in the EU endorsement – unless stated otherwise:

Standard/Interpretation		**Effective as at**	**Publication of endorsement by the EU Commission**	**Effects**
IFRS 9	Financial instruments	1 Jan 2018*	Open	Subject to review by management
Various	Annual Improvements cycle 2010-2012 - Improvements to IFRSs (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38)	1 Feb. 2015	9 Jan. 2015	Depending on the nature and scope of future transactions
IAS 19	Amendments to IAS 19, Employee Benefits	1 Feb. 2015	9 Jan. 2015	Depending on the nature and scope of future transactions
IFRS 11	Changes to the accounting of joint ventures	1 Jan. 2016*	Open	Depending on the nature and scope of future transactions
IAS 16 IAS 38	Amendments to clarify accepted depreciation and amortisation methods	1 Jan. 2016*	Open	The effects on consolidated financial statements are currently under review
IFRS 15	Revenue from Contracts with Customers	1 Jan. 2018*	Open	The effects on consolidated financial statements are currently being analysed
AIP 2012-2014	Annual Improvements to IFRS 2012–2014 Cycle	1 Jan. 2016*	Open	The effects on consolidated financial statements are currently being analysed
IAS 1	Amendments to IAS 1: Disclosure initiative	1 Jan. 2016*	Open	The effects on consolidated financial statements are currently being analysed

* As the EU endorsement is still outstanding, the date of mandatory first-time adoption according to the IASB is provided instead.

D Explanatory notes to the consolidated income statement and consolidated statement of financial position

D.1 Revenue

in TEUR	1 January to 30 June 2015	2014
Revenue, analogue and digital, ongoing	62,180	65,054
Revenue, analogue and digital, one-time	306	527
Revenue, internet/telephony	28,912	24,507
Revenue, ancillary digital premium services	5,455	5,565
Revenue, other transmission fees	2,797	2,265
Revenue, Sky	1,068	1,051
Revenue, shopping channels	843	1,114
Revenue, leasing receiver	1,861	1,555
Revenue, sales of receiver	842	1,084
Revenue, antenna servicing	648	1
Other	3,011	2,900
	107,923	**105,623**

Tele Columbus Group's revenue mainly comprises monthly subscription fees and, to a lesser extent, one-off installation and connection charges for basic analogue and digital cable television as well as ancillary digital premium services. They also include fees for high-speed internet access and telephony charges. Other revenue relates to other transmission fees and feed-in charges for Sky Deutschland AG (Unterföhring) as well as for various shopping channels payable to the Group in exchange for feeding in their programs.

D.2 Own work capitalised

Own work capitalised in the amount of TEUR 3,634 for the first six months of 2015 (for the first six months of 2014: TEUR 2,869) mainly comprises expenses for work performed by our own employees in connection with expanding our own cable network.

D.3 Other income

in TEUR	1 January to 30 June 2015	2014
Income from the derecognition of liabilities and reversal of provisions	10,087	308
Income from refundable IPO costs	4,395	-
Income from dunning fees	610	973
Income from marketing subsidies	384	532
Gains on disposal of non-current assets	831	319
Income from connection and disconnection fees	210	296
Income from services	743	150
Income from sale	172	50
Miscellaneous other income	3,475	2,510
	20,907	**5,138**

Income from the derecognition of liabilities and reversal of provisions have increased by TEUR 9,779 compared to the previous reporting period. This increase mainly results from reversal of provisions for onerous contracts in connection with a new long-term signal delivery contract. We refer to the explanatory notes in Section D.14 'Other Provisions'.

D.4 Cost of materials

in TEUR	1 January to 30 June 2015	2014
Cost of raw materials and consumables	-1,285	-760
Cost of purchased services/goods	-38,083	-35,819
	-39,368	**-36,579**

The cost of raw materials and consumables refer to goods used for repairs and maintenance.

The cost of purchased services mainly relates to fees for signal reception, maintenance costs, commissions, electricity and other services as well as changes in inventory of customer premise equipment.

D.5 Employee benefits

in TEUR	1 January to 30 June 2015	2014
Wages and salaries	-17,468	-12,791
Social security, pension and other benefits	-2,842	-2,376
Other personnel expenses	-698	-538
	-21,008	**-15,705**

D.6 Other expenses

Other expenses were incurred in particular for the following:

in TEUR	1 January to 30 June 2015	2014
Legal and advisory fees	-9,001	-3,403
Advertising	-3,765	-4,609
Occupancy costs	-1,860	-2,263
Impairment of receivables	-2,475	-2,532
Communication costs	-661	-580
IT costs	-1,835	-1,388
Vehicle expenses	-565	-494
Incidental bank charges	-3,913	-398
Losses on disposal of non-current assets	-112	-309
Income from cancellations, prior year	-221	-386
Travel expenses	-413	-219
Administrative expenses	-283	-8
Miscellaneous other expenses	-1,363	-898
	-26,467	**-17,487**

Legal and advisory fees have increased by TEUR 5,598 compared to the previous reporting period. This increase mainly results from additional legal and advisory fees incurred in connection with the preparation of the IPO that cannot be deducted from the equity increase. Incidental bank charges mainly comprise IPO bank fees and loan fees for the current reporting period that were not recognized in equity with the capital increase according to IFRS.

D.7 Depreciation and amortisation expense

An impairment loss of TEUR 280 (2014 comparative period: TEUR 0) was recognised for property, plant and equipment during the current reporting period. These can largely be attributed to modems and receivers.

D.8 Net interest income and expenses

	1 January to 30 June	
in TEUR	2015	2014
Interest income from third parties	10	37
Interest income from associates	-	21
Interest and similar income	**10**	**58**
Interest paid to third parties	-12,868	-20,420
Expenses resulting from compounding of loans under the effective interest rate method	-557	-670
Interest paid to associates	-	-20
Interest and similar expenses	**-13,425**	**-21,110**
	-13,415	**-21,052**

The interest paid to third parties mainly relates to liabilities to banks (loans and borrowings). We refer to the explanatory notes in Section D.15 'Loans and borrowings'.

D.9 Other finance income and expenses

The increase in other finance income and expenses mainly results from the transaction costs for legacy financing compared to the previous reporting period.

D.10 Income taxes

The amount of TEUR -4,597 includes TEUR -4,685 resulting from the recognition of deferred tax liabilities on IPO costs recognised in equity.

Other deferred tax liabilities were set off against corresponding deferred tax assets. Moreover deferred tax assets from losses carried forward were devalued to EUR 0 in accordance with prudent commercial judgement due to currently negative taxable earnings.

D.11 Property, plant and equipment, intangible assets and goodwill

The reductions in property, plant and equipment and intangible assets during the first six months of the 2015 and 2014 financial year mainly relate to depreciation and amortisation. The additions to property, plant and equipment, intangible assets and goodwill during the first six months of 2015 mainly result from the acquisition of businesses as described in Section B.1 'Changes in consolidated entities'.

As a result of clearing up submarginal investments, TEUR 266 in non-current assets held for sale are recorded in the balance sheet and comprise mainly local cable networks.

With regard to the purchase commitments for property, plant and equipment, we refer to the explanatory notes in Section E.1.2 'Purchase commitments'.

No impairment losses were recognised during the reporting period in relation to the intangible assets and goodwill. With regard to the impairment losses for property, plant and equipment, we refer to the explanatory notes in Section D.7 'Depreciation and amortisation expense'.

D.12 Total inventories, trade and other receivables, other financial receivables and deferred expenses

in TEUR	30 Jun. 2015	31 Dec. 2014
Trade receivables - gross	38,347	28,078
Impairment losses	-9,486	-8,963
Trade receivables - net	**28,861**	**19,115**

There are no overdue receivables for which no impairment loss was recognised.

The other financial receivables in the amount of TEUR 2,731 (2014: TEUR 5,810) primarily consist of claims from employer pension liability insurances.

Other receivables of TEUR 11,564 (2014: TEUR 13,082) mainly consist of cash deposits for the debit limit.

Deferred expenses in the amount of TEUR 10,257 (2014: TEUR 5,762) primarily consist of payments in connection with the signal delivery contracts and financing. As at 31 December 2014, TEUR 4,150 was shown as deferred expenses, which were capitalised as transaction costs for the impending IPO and offset against the capital reserves at the time of the IPO.

There was no income or expense resulting from the reversal of impairment losses for inventories during the first six months of 2015 (2014 comparative period: TEUR 124).

D.13 Equity

The changes in equity as at the reporting period are mainly related to the IPO on 23 January 2015. The offer price was EUR 10.00, the first stock exchange quotation EUR 10.70.

The share capital of Tele Columbus AG in the amount of TEUR 20,025 consisting of 20,025,000 no-par-value registered shares was increased on 20 January 2015 for the preparation of the IPO by TEUR 36,667 (36,666,667 no-par-value registered shares) to TEUR 56,692 composed of 56,691,667 no-par-value registered shares. The capital increase was carried out by means of an ordinary capital increase as at 20 January 2015 (33,333,334 shares) and by utilising the authorised capital (3,333,333 shares) as described below. The share capital is fully paid up. No treasury shares were held as at the reporting date.

The capital reserve of TEUR 8,324 was increased in the context of the IPO by TEUR 330,000. After the deduction of the IPO costs related to the capital increase of TEUR -15,105 and the related deferred tax effect of TEUR 4,685 (total effect of IPO costs: TEUR -10,420), the capital reserve amounts to TEUR 327,904 as at 30 June 2015.

An amount of TEUR 232 from share-based payments was recognized in equity. For further information see Section E.2 'Share-based payments'.

With regard to other movements in equity and distributions to non-controlling interests, we refer to the consolidated statement of changes in equity.

Authorised Capital:

As per the resolution dated 21 January 2015, the Management Board increased the share capital by 3,333,333 shares (TEUR 3,333) by using the authorised capital (previously TEUR 10,013).

According to the resolution of the General Meeting of 15 May 2015, the Management Board is allowed to increase the companies' share capital by issuing new no-par-value registered shares against contribution in cash and / or in kind to up to TEUR 28,346. The authorisation is granted from 15 September 2015 to 14 May 2020.

Conditional Capital:

The Management Board is allowed to effect an increase in the share capital of up to 10,012,500 no-par-value registered shares in the amount of EUR 1 (total TEUR 10,013) on condition that the increase is performed in order to meet obligations regarding warrants or conversion rights under bonds or participation rights. The authorisation is valid until 10 January 2020.

D.14 Other provisions

Other provisions disclosed as at 30 June 2015 can be subdivided into short-term obligations amounting to TEUR 6,231 (2014: TEUR 7,466) and long-term obligations amounting to TEUR 7,137 (2014: TEUR 11,883). Other provisions are still mainly related to provisions for onerous contracts in connection with long-term signal delivery contracts for TEUR 12,061 (2014: TEUR 17,731). The reduction of these provisions during the current reporting period in the amount of TEUR -3,638 results mainly from the recalculation based on new contract conditions.

D.15 Loans and borrowings

in TEUR	30 Jun. 2015	31 Dec. 2014
Liabilities to banks (loans and borrowings) - nominal values	373,092	637,424
Accrued interest	557	3,123
Non-current loans and borrowings	**373,649**	**640,547**
Liabilities to banks (loans and borrowings) - nominal values	2,284	2,257
Accrued interest	325	369
Current loans and borrowings	**2,609**	**2,626**
	376,258	**643,173**

Due to the new capital structure, loans were repaid in the amount of TEUR 638,969 on 26 January 2015 and new loans agreed at the same time for TEUR 375,000. This has reduced loans payable by TEUR 263,969 in total.

On 2 January 2015, Tele Columbus AG signed a new loan agreement (IPO Financing Agreement, version 2, dated 19 February 2015).

The credit volume of TEUR 500,000 is divided into facility A (term loan) in the amount of TEUR 375,000 and two unutilised credit lines in the amount of TEUR 75,000 for capital investments (facility B) and TEUR 50,000 for general expenditures (facility C). Facility A will mature in six years' and facilities B and C in five years' time. The current interbank spread is 4.5 % plus Euribor for facility A and 3.75 % for facilities B and C. The loan commitment fee for facilities B and C is calculated at 35 % of the applicable margin for the two credit lines and is due on a quarterly basis.

This new loan (facility A) was used mainly to repay 'legacy liabilities'. By also using the proceeds from the IPO, all liabilities under legacy financing agreements were thus repaid. This has also eliminated the credit limit of EUR 28.3 million under the SFA.

As at the reporting dates, the loan balances (including outstanding interest) for the Tranche A loans and Super Senior facilities (facilities B and C) were as follows:

in TEUR	30 Jun. 2015	31 Dec. 2014
Senior Tranche A loan (matures on 26 January 2021; as at 31 Dec. 2014: matured on 30 June 2017)	366,228	542,504
Second Lien Tranche A loan (as at 31 Dec. 2014: matured on 31 December 2017)	-	37,627
Mezzanine Tranche A loan (as at 31 Dec. 2014: matured on 30 June 2018)	-	35,630
Super Senior Tranche 2 (as at 31 Dec. 2014: matured on 30 June 2017)	-	16,160
Super Senior Revolving Facility (matures on 26 January 2020; as at 31 Dec. 2014: matured on 30 June 2017)	278	209
	366,506	**632,130**

The remaining loan balance in the amount of TEUR 9,752 as at the reporting date (2014: TEUR 11,043) is composed of loans provided by the following lenders: Stadtsparkasse Magdeburg TEUR 4,067 (2014: TEUR 4,611), Sparkasse Gelsenkirchen TEUR 3,816 (2014: TEUR 4,381), Volksbank Magdeburg TEUR 450 (2014: TEUR 525) and other lenders TEUR 1,419 (2014: TEUR 1,526).

Loan collaterals pledged as at the respective reporting dates:

in TEUR	30 Jun. 2015	31 Dec. 2014
Property, plant and equipment	-	175,024
Shares in affiliated companies	654,974	284
Trade receivables	-	16,865
Cash and cash equivalents	-	17,748
	654,974	**209,921**

According to the Share and Interest Pledge Agreement dated 20 January 2015, Tele Columbus Group has changed the previously assigned and pledged types of collateral and only pledged ownership interests in affiliated companies and associates to secure the liabilities to banks.

D.16 Trade payables

Trade payables mainly relate to the finance lease for the use of infrastructure facilities. Current and non-current future minimum lease payments amount to TEUR 37,766 as at 30 June 2015 (2014: TEUR 40,439).

E Other explanatory notes

E.1 Contingent assets and liabilities, other financial obligations

E.1.1 Contingent assets and liabilities

There were no contingent assets or liabilities as at 30 June 2015 or 31 December 2014.

E.1.2 Purchase commitments

Purchase commitments relating to property, plant and equipment as at the reporting date amounted to TEUR 13,088 (2014: TEUR 8,386).

E.1.3 Leases and other financial obligations

Compared to the reporting date at 31 December 2014, there were no material changes in the nature and extent of other financial obligations and leases.

E.2 Share-based payments

Following the IPO, two share-based payment programs became effective: for the Management Board the Matching Stock Program (MSP – already described in the annual report 2014) and the Phantom Options Program (POP – similar to MSP, for selected managers without the requirement of investment in shares in advance). Both programs grant – depending on the development of the stock quotation and other vesting conditions – the option of receiving shares in Tele Columbus AG. For the current tranche of shares the excise period is between 1 January 2019 and 31 December 2020.

Due to the current share-based payment programs, an additional amount of TEUR 232 was recognised as personnel expense and in equity (as to be settled in equity instruments).

E.3 Related-party disclosures

E.3.1 Definition of related-party

Up to the date of the IPO, the sole owner of Tele Columbus AG was Tele Columbus Management S.à r.l., Luxembourg, whose parent is Tele Columbus Holdings S.A., Luxembourg. The latter was the ultimate controlling party of Tele Columbus AG. Regardless of the change in shares and thus of control with the IPO, the companies are still considered related parties due to close staff and legal links.

In principle, direct or indirect subsidiaries of Tele Columbus Holdings S.A., and associates of the Tele Columbus Holdings S.A. Group, are considered related parties as defined by IAS 24.

This also includes the former group companies NeBeG Media Netzbetreiber-Pool GmbH, Berlin, Tele Columbus Netze GmbH, Berlin and Tele Columbus Beteiligungs GmbH, Berlin, until 27 January 2015.

Upon reconsideration, Stadtwerke Mannheim will not be treated as a related party of Tele Columbus Group in compliance with IAS 24 as of the current interim reporting period.

Furthermore, the board members of Tele Columbus AG as well as members of the management of Tele Columbus Holdings S.A. and Tele Columbus Management S.à r.l., and their close family members, are considered related parties of Tele Columbus Group.

E.3.2 Related-party transactions

The following overview shows related-party receivables and payables:

in TEUR	30 Jun. 2015	31 Dec. 2014
Receivables from related parties (current)	190	3,129
Receivables from related parties (non-current)	92	-
Payables to related parties (current)	36	2,559
Payables to related parties (non-current)	-	-

As at 30 June 2015, current receivables from related parties mainly consist of receivables from Aprostyle AG. As at 31 December 2014, current receivables from related parties mainly consisted of receivables from RFC Radio-, Fernseh- und Computertechnik GmbH and receivables from Tele Columbus Beteiligungs GmbH.

Non-current receivables from related parties represent receivables from BGC Breitbandgesellschaft Cottbus mbH as at 30 June 2015.

Current payables to related parties represent primarily payables to Aprostyle AG as at 30 June 2015.

As at 31 December 2014, current payables to related parties mainly refer to payables to Tele Columbus Beteiligungs GmbH, RFC Radio-, Fernseh- und Computertechnik GmbH and Stadtwerke Mannheim.

Expenses and income from related-party transactions:

	1 January to 30 June	
in TEUR	2015	2014
Sale of goods and services		
Associates	240	1,309
Acquisition of goods and services		
Associates	-943	-2,542
Other		
Associates		
Income from recharged expenses	3	12
Rental net income(+)/expenses(-)	-892	-1,716
Other net income(+)/expenses(-)	1	32

Transactions with related parties for reimbursing expenses were insignificant, save the reimbursement of IPO costs of TEUR 4,395 (Tele Columbus Management S.à r.l.).

For further related party transactions, we refer to the explanatory notes in Section E.3.3 'Disclosures on management compensation'.

E.3.3 Disclosures on management compensation

There were no changes in the top management of Tele Columbus AG during the current reporting period in comparison with year-end 2014.

Compensation for the Management Board recognised as personal expenses in 2015 amounted to TEUR 1,335 (for the first six months of 2014: TEUR 1,042) in the reporting period. Included in this amount are share-based payments in the amount of TEUR 150 (for the first six months of 2014: TEUR 0).

Compensation for the supervisory board amounted to TEUR 220. Additionally an amount of TEUR 300 was granted by Tele Columbus Management S.à r.l. to members of the advisory board as compensation for the additional work related to the IPO. The amount was bound to be invested in shares of Tele Columbus AG.

Apart from the compensation provided, there were no other transactions (such as the rendering of other services or granting loans) between the entities of the Group and the members of the Management Board, or the Supervisory Board of Tele Columbus AG or the board members of Tele Columbus Holdings S.A. and its direct and indirect subsidiaries, as well as their close family members in the reporting period and the prior period.

E.4 Financial instruments and risk management

E.4.1 Carrying amounts and net income from financial instruments

The following table shows the carrying amounts of financial instruments presented under specific items of the statement of financial position in accordance with the classification of IAS 39:

in TEUR	Note	Measurement category	30 Jun. 2015	31 Dec. 2014
Financial assets				
Investments		Available-for-sale financial assets	8	8
Receivables from related parties	E.3.2	Loans and receivables	282	3,129
Trade receivables	D.12	Loans and receivables	28,861	19,115
Other financial receivables	D.12	Loans and receivables	2,731	5,810
Cash and cash equivalents	E.5	Loans and receivables	77,658	24,441
Financial liabilities				
Loans and borrowings	D.15	Financial liabilities measured at amortised cost	376,258	643,173
Payables to related parties	E.3.2	Financial liabilities measured at amortised cost	36	2,559
Trade payables	D.16	Financial liabilities measured at amortised cost	68,167	74,915
thereof lease liabilities		*Financial liabilities measured at amortised cost*	*33,629*	*35,694*
Other financial liabilities		Financial liabilities measured at amortised cost	1,253	255

By financial instrument measurement category according to IAS 39 in TEUR	30 Jun. 2015	31 Dec. 2014
Available-for-sale financial assets	8	8
Loans and receivables	109,532	52,495
Financial liabilities measured at amortised cost	445,714	720,902

The three-tiered fair value hierarchy under IFRS 13 classifies financial assets and liabilities measured at fair value based on the data used for fair value measurement.

The fair value hierarchy levels as applied to the assets and liabilities of Tele Columbus Group are as follows:

- Level 1: listed (unadjusted) prices on active markets for the same asset or liability;
- Level 2: valuation parameters are not related to listed prices recognised on level 1 but are observable for the asset or the liability either directly (i.e. as price) or indirectly (i.e. as derivation of prices);
- Level 3: valuation parameters for assets or liabilities not based on observable market data.

The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred. In the current financial period, there were no reclassifications between different levels of the fair value hierarchy.

Current financial instruments, such as trade receivables and payables and related-party receivables and payables, are recognised at their carrying amount, which, due to the short maturities of these instruments, represents a reasonable approximation of the fair value. The carrying amounts of other financial receivables and other financial liabilities with short maturities are equal to the fair value.

Instruments with long maturities are recognised at their present value in the statement of financial position. It is assumed that the present values of non-current receivables and payables to related parties and of other non-current financial receivables and payables are generally equal to their fair values.

The present values of loans and borrowings are not equal to their fair values, as the interest rates applicable to these liabilities will not be adjusted to the prevailing money market rates until a later date. In the case of lease liabilities as well, the present value is not equal to the fair value, as interest rates are not adjusted for current money market rates on a regular basis.

The fair value of loans and borrowings is TEUR 429,521 (31 December 2014: TEUR 753,724). The fair value of lease liabilities is TEUR 35,993 (31 December 2014: TEUR 37,025).

The Group has established a framework for determining fair value. The general responsibility for monitoring all significant fair value measurements, including level 3 inputs for measuring fair value, lies directly with the finance and accounting department of the company preparing the statements, which reports directly to the Management Board.

The finance and accounting department regularly reviews the significant unobservable inputs and valuation adjustments. If information from third parties – such as foreign exchange quotations from exchange rate services – is used to determine the fair value, the department assesses the evidence obtained from the third parties in terms of compliance of such measurements with IFRS requirements, including the fair value hierarchy level to which these measurements are assigned.

There were no significant changes in the valuation processes for fair value measurements according to IFRS 13 used by the entity for the six-month period ending 30 June 2015 as compared with the consolidated financial statements as at 31 December 2014.

Net income (loss) from the different classes of financial instruments is shown in the following table:

	Gains/losses through profit or loss							
1 January to 30 June (in TEUR)	Interest		Impairment		Gain and loss from recognition at fair value		Net income (loss)	
Disclosed in the consolidated income statement	Net interest income and expenses		Other expenses		Other finance income and expenses			
	2015	2014	2015	2014	2015	2014	2015	2014
Loans and receivables	10	57	-2,475	-2,532	-	-	-2,465	-2,475
Financial liabilities measured at amortised cost	-13,427	-21,110	-	-	-4,065	-84	-17,492	-21,194
Total	**-13,417**	**-21,053**	**-2,475**	**-2,532**	**-4,065**	**-84**	**-19,957**	**-23,669**

Impairment losses for available-for-sale financial assets, which need to be recognised in other comprehensive income pursuant to IAS 39.55b, were not required during the reporting periods.

E.4.2 Risk management of financial instruments

E.4.2.1 Liquidity risk

Liquidity risk is the risk that the Group may not be able to meet its financial obligations with existing liquidity reserves within the time frame required. Liquidity risks may also arise from cash used in operating or investing activities. Furthermore, liquidity risks may arise from financing activities. This would be the case if cash outflows were required in the short term to settle liabilities due to deferred payment; however, cash from operating activities is insufficient to cover expenses, and no other liquid assets are available in sufficient quantity for such repayment.

Liquidity projections for a specific planning horizon and unused credit lines available within Tele Columbus Group are designed to ensure a continuous supply of liquidity. As at 31 December 2014, Tele Columbus Group's unused credit lines amounted to TEUR 28,267.

By signing a new loan agreement on 2 January 2015, the new credit volume was divided into facility A (term loan) and two unutilised credit lines for capital investments and for general expenditures, respectively. Thus unused credit lines rose up to TEUR 125,000. The new loan (facility A) was used mainly to repay 'legacy liabilities' under the SFA and MFA. By also using the earnings from the IPO, all liabilities under legacy financing agreements were thus repaid. This also eliminated the credit limit of TEUR 28,267 under the SFA.

The following table shows the contractually agreed maturity dates for loan liabilities:

in TEUR	30 Jun. 2015	31 Dec. 2014
Less than one year	20,486	4,685
Between one and five years	78,864	643,480
More than five years	393,624	313
	492,974	**648,478**

As at the reporting date, the loan liabilities include interest due in the amount of TEUR 107,144 (2014: TEUR 4,508) in line with contractual agreements. The prior-year interest was repaid in the context of the IPO at the beginning of 2015.

Payment obligations relating to trade payables, payables to related parties, and other financial liabilities are shown in the Group's statement of financial position, with such non-current liabilities falling due within one and five years. For further details on the comprehensive extension of loan agreements, we refer to Section D.15 'Loans and borrowings'.

Various covenants are applicable in relation to financing agreements which, in the event of non-compliance, enable the lender to call in these loans (particularly those under the IPO Agreement). Compliance with these covenants as well as exposure to capital risk are continuously monitored by Tele Columbus AG's Management Board (as a corporation, Tele Columbus is exposed to capital risk). As at the two reporting dates, the liquidity risk in the event of non-compliance with these covenants was as follows: TEUR 375,325 as at 30 June 2015 and TEUR 643,173 as at 31 December 2014. The risk of non-compliance with these covenants and associated financial regulations could have a negative impact on the Group's credit availability and going concern assumption in 2015 and beyond.

E.4.2.2 Interest risk

The risks arising from interest rate fluctuations identified mainly refer to floating rate loans.

Non-current financial instruments bearing variable interest, for which the interest rate is linked to a market interest rate, such as Euribor, are exposed to risks arising from future cash flows. In the case of fixed interest financial instruments, on the other hand, there is a risk with regard to measurement. Fixed and floating rate liabilities and the corresponding hedge instruments are explained in Section D.15 'Loans and borrowings'. Market interest rates are monitored in order to take the necessary measures should the need arise to hedge or control interest.

The effect of fluctuations in the Euribor on the consolidated income statement is as follows:

	1 January to 30 June	
in TEUR	2015	2014
1 % rise in the Euribor	-1,875	-3,171
1 % drop in the Euribor	1,875	3,171

This calculation is based on floating-rate liabilities as at the reporting date multiplied by the adjusted interest rate in each case. As Tele Columbus Group does not use derivative financial instruments, it is exposed to the risk of fluctuations in interest rate and the resulting cash flows. Therefore, a significant rise in the Euribor would have a direct increasing effect on the interest paid by Tele Columbus Group. Consequently, Tele Columbus Group monitors the interest rate environment meticulously and is ready to execute interest rate hedging transactions, if any, as necessary.

Fixed interest non-current liabilities are measured at amortised cost. The fair value of non-current liabilities can differ significantly from their carrying amount, as the fair value of such liabilities changes in accordance with the trend in interest rates and market conditions in general.

E.4.2.3 Credit risk (default risk)

There are credit risks with regard to trade receivables, other receivables and cash and cash equivalents. Trade receivables are due on the part of other companies and retail customers. The credit risk is based on the default risk of the contracting party concerned.

Preventative and other measures are taken and debt-collecting agencies are used to mitigate the credit risk of trade receivables.

Preventative measures include an assessment of the creditworthiness of customers with regard to credit ratings, past experience and other factors before entering into a contractual relationship.

Impairment losses are recognised for overdue receivables at varying percentages depending on the dunning level. The percentages take into account management's judgement as to their recoverability. This, in turn, is based largely on past experience. Impairment losses were recognised only for trade receivables in the various reporting periods.

Therefore, Tele Columbus assumes that all unimpaired receivables are recoverable.

Other measures include reminders sent automatically to the customer according to a set procedure. Wholesale customers are sent reminders on an individual basis. The responsible departments decide whether a reminder is to be sent by considering the special agreements with these customers. If a customer then does not settle the outstanding payments, the case is referred to a debt collection agency, and in the case of commercial customers, solicitors are involved and/or services to that customer are discontinued.

Trade receivables are written down to the expected recoverable amount in accordance with the procedure for determining lump-sum-specific loan loss provisions. Therefore, the maximum credit risk is equal to the carrying amounts of these financial assets: TEUR 28,861 as at 30 June 2015 and TEUR 19,115 as at 31 December 2014. For other current financial liabilities, the credit risk is assessed on a case-by-case basis. In the case of other non-current financial liabilities, expected payments are discounted based on the original effective interest rate.

It is assumed that the impaired carrying amount of trade receivables approximates their fair value.

E.5 Explanatory notes to the consolidated statement of cash flows

Cash and cash equivalents largely comprise cash and bank deposits.

With regard to unused credit lines, we refer to the explanatory notes in Section E.4.2.1 'Liquidity risk'.

With regard to the amount of the collateralised cash and cash equivalents for loans, we refer to our explanatory notes in Section D.15 'Loans and borrowings'.

E.6 Earnings per share

The calculation of earnings per share is derived from the profit or loss attributable to shareholders (owners of the company) and the average number of shares outstanding. Dilutive effects such as those triggered by convertible instruments, which have to be disclosed separately in the calculation, did not exist during the reporting period or the comparative period.

	1 January to 30 June		Second Quarter	
	2015	2014*	2015	2014*
Earnings attributable to shareholders in TEUR	-1,160	-7,665	4,401	-4,359
Weighted average of ordinary shares outstanding (in units)**	52,210,185	20,025,000*	56,691,667	20,025,000*
Basic earnings per share in EUR	-0.02	-0.38	0.08	-0.22
Diluted earnings per share in EUR	-0.02	-0.38	0.08	-0.22

* The change of legal form to a stock corporation (AG) took effect on 12 September 2014. For the determination of comparative figures, we assumed that the number of shares at the end of 2014 was the same as in the comparative reporting period.

** Calculated on the basis of financial mathematical standards (30 days per month) and the placement of all shares on the first trading day.

E.7 Segment reporting

Segment implementation

As part of IPO preparation, the management of Tele Columbus Group introduced segment reporting from August 2014 on. This is used as an important part for the Group's control from that date forward. In this context, segment information was compiled for the first six months of 2014 in retrospect, although the Group was not controlled in this manner at that time.

Description of the segments

The Group divides its operating activities into two product segments: TV business and Internet and telephony business.

Relationships within individual segments have been eliminated.

TV

The Group offers both basic CATV and Premium TV services in the TV segment. Basic CATV services include analogue and digital TV and radio services. The Premium TV packages offered contain up to 50 additional digital TV channels, of which up to 32 are transmitted in HD quality.

In the TV segment, the Group generates revenue from cable access fees and recurring fees for service options, as well as revenue from the conclusion of new contracts and the corresponding installation services. Furthermore, the Group receives so-called feed-in fees from the broadcasters for the distribution of various channels via the cable network.

Internet and telephony

The Group subsumes internet and telephone services in the Internet and telephony segment.

Revenue consists of proceeds from the conclusion of new contracts and installation services as well as monthly contractual and services fees.

Reconciliation

Business activities and items not directly related to the Group's reportable segments are reported under 'Other items' for six months of 2015 and for the second quarter of 2015 comparable with the same interim reporting periods of 2014.

Expenses and income not allocated to operating segments are largely attributable to the central functions of management, the legal department, personnel department, finance, purchasing and IT. Revenues in the amount of TEUR 2,960 (for six months of 2014: TEUR 2,149) not allocated to operating segments mainly relate to other revenues of a subsidiary in relation to a third party. In determining the normalised EBITDA for individual segments, personnel expenses in the amount of TEUR 8,925 (for six months of 2014: TEUR 5,756), other income in the amount of TEUR 3,248 (for six months of 2014: TEUR 1,500), other expenses in the amount of TEUR 7,279 (for six months of 2014: TEUR 4,947), other direct costs in the amount of TEUR 69 (for six months of 2014: TEUR 72) and own work capitalised in the amount of TEUR 1,715 (for six months of 2014: TEUR 0) attributable to central functions were not taken into account.

Expenses and income are allocated to segments either directly or based on appropriate formulae.

In addition, non-recurring items (for a definition of these we refer to the explanatory notes under 'Segment reporting') were partially reported in the reconciliation as they also cannot be allocated to both segments.

The accounting policies regarding segment reporting, except for the elimination of non-recurring items, are in line with the accounting policies applied to these condensed consolidated interim financial statements in accordance with IFRS as adopted by the EU. This applies insofar as the accounting policies and definition of segments remain unchanged.

Therefore, reconciliation due to differences between internal measurement and measurement according to IFRS is not necessary, and only with respect to items that are not allocated to reportable segments.

Segment reporting

Explanatory note on the standards used for the segments

For the Tele Columbus Group Management Board, 'Normalised EBITDA[2]' is the key financial performance indicator reported separately for each operating segment in the context of monthly reporting. 'Normalised EBITDA' is the earnings before the financial result (earnings from investments in companies accounted at equity, interest income, interest expense and other financial results), income taxes as well as amortisation and impairment losses on intangible assets and goodwill.

Furthermore, it does not include any so-called 'non-recurring items'. These are defined by the Management Board as non-recurring, rare or extraordinary expenditures or income if the event is not likely to re-occur over the next two financial years or did not even occur over the past two financial years. As these expenses or this income do not originate primarily from operating activities or relate to restructuring, they can therefore not be used to assess the operating profit/loss.

Non-recurring expenses relate mainly to advisory fees incurred during the first six month of 2015 in connection with the IPO and various M&A projects, severance payments and other one-time personnel costs, as well as expenses relating to the provisions regarding onerous contracts in connection with a long-term signal delivery contract.

Non-recurring income during the first six month of 2015 is composed mainly of income from refundable IPO costs, income from the retirement of assets, income from the reversal of provisions regarding onerous contracts and withdrawal of RFC loan impairment.

Non-recurring expenses incurred during the first six month of 2014 consist mainly of costs incurred in connection with the intended sale of Tele Columbus, the planned IPO, losses from the disposal of assets, severance payments and other one-time personnel costs as well as relocation costs. Non-recurring income during the first six month of 2014 is composed mainly from the income from the retirement of assets.

[2] This ratio is a performance indicator as defined by Tele Columbus AG's management.

1 January to 30 June	TV		Internet and telephony		Other		Group total	
in TEUR	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	75,268	78,246	29,696	25,229	2,960	2,149	107,923	105,623
Normalised EBITDA	41,355	40,198	19,080	14,124	-8,350	-7,126	52,085	47,197
Non-recurring expenses and income	-323	-174	-447	-60	-5,694	-3,104	-6,464	-3,338
EBITDA	41,032	40,024	18,633	14,064	-14,044	-10,230	45,621	43,859

Second Quarter	TV		Internet and telephony		Other		Group total	
in TEUR	2015	2014	2015	2014	2015	2014	2015	2014
Revenue	37,275	39,095	15,438	12,930	1,595	1,061	54,308	53,086
Normalised EBITDA	20,508	21,110	11,016	7,962	-3,834	-3,706	27,690	25,366
Non-recurring expenses and income	47	-315	-20	-70	-2,173	-2,378	-2,146	-2,763
EBITDA	20,555	20,795	10,996	7,893	-6,007	-6,084	25,544	22,603

Other segment disclosures

Secondary segmenting based on geographical criteria is not performed, as all revenue is generated exclusively in Germany.

Revenue is generated by a plurality of customers so that no significant portion is attributable to one or a few external customers.

E.8 Events after the Balance Sheet Date

On 31 July 2015, Tele Columbus AG acquired all shares of PrimaCom Holding GmbH, Berlin (PrimaCom) for a preliminary cash consideration of TEUR 711. PrimaCom is a private cable operator in Germany which offers TV (Basic CATV, Digital Basic/Pay), internet and telephony to its customers mainly in the north-eastern parts of Germany.

As of 31 May 2015 (latest available financial statement according to IFRS - please keep in mind, all estimates and classifications do not take into account the latest incidents) PrimaCom reported sales of TEUR 55,071, an EBIT of TEUR 4,066, a loss of TEUR 10,603 and assets and liabilities as follows:

in TEUR	31 May 2015
Property plant Equipment	172,969
Intangible assets	212,117
Long term assets	**385,086**
Trade receivables	7,615
Other receivables and assets	7,729
Cash and cash equivalents	5,260
Short term assets	**20,604**
Total assets	**405,690**
Long term liabilities (borrowings)	**357,322**
Trade payables	28,926
Other payables	3,564
Short term liabilities	**32,490**
Total liabilities	**389,812**
Net assets	**15,878**

As a result of the acquisition, an increase in the presence in the market and a reduction in costs through economies of scales is expected.

As the process of preparing the opening balance is not finished yet no further information can be provided.

For Monday 14 September 2015 an extraordinary shareholders meeting is scheduled. The management board and the supervisory board propose to resolve an increase in share capital against cash contribution by up to EUR 56,691,667.00 by issuing 56,691,667 new no-par value registered shares with a proportional amount of the share capital of EUR 1.00. The capital increase should provide financing for further acquisitions. Alternatively the proceeds from the capital increase could be kept available or could be uses to repay existing debt.

For further information (e.g. on the financing of the acquisition of PrimaCom) please refer to the Group Interim Management Report.

No further material subsequent events occurred.

Declaration by the Group's legal representatives

We hereby confirm that, to the best of our knowledge, the condensed consolidated interim financial statements give a true and fair view of the consolidated interim financial position of the Group and of its consolidated interim financial performance and its consolidated interim cash flows in accordance with applicable accounting policies for condensed interim reporting, and that the group condensed interim management report gives a true and fair view of the Group's business development including its performance and financial position, and also describes significant opportunities and risks relating to the Group's anticipated development in the remaining financial year.

Berlin, 14 August 2015

Management Board

Chief Executive Officer	Chief Financial Officer
- Ronny Verhelst -	- Frank Posnanski -