QUARTERLY RELEASE FOR THE QUARTER ENDED 31 MARCH 2017

TELE COLUMBUS AG

TV @

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SUPPLEMENT TO CONSOLIDATED QUARTERLY STATEMENT

I Consolidated Income Statement

KEUR	Reference	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016
Revenue	D.1	121,013	116,068
Own work capitalised		2,033	3,446
Other income	D.2	5,259	4,057
Total operating income		*128,305*	*123,571*
Cost of materials	E.5.1	-36,468	-34,897
Employee benefits		-19,816	-21,896
Other expenses	D.3	-15,482	-20,719
EBITDA	E.5.1	***56,539***	***46,059***
Depreciation and amortisation expenses		-43,053	-39,728
EBIT		***13,486***	***6,331***
Profit/loss from investments and associates		-	5
Interest and similar income		24	483
Interest and similar expenses		-14,752	-24,620
Other finance income and expenses		-1,174	427
Profit before tax		*-2,416*	*-17,374*
Income tax expense		-866	-292
Loss		***-3,282***	***-17,666***
Loss attributable to owners of Tele Columbus Group		-3,946	-18,389
Profit attributable to non-controlling interests		664	723
Basic earnings per share in EUR		-0.03	-0.14
Diluted earnings per share in EUR		-0.03	-0.14

II Consolidated Statement of Comprehensive Income

KEUR	Reference	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016
Loss		**-3,282**	**-17,666**
Other comprehensive income			
Expenses and income that will not be reclassified to profit or loss statements in the future			
Remeasurement of the defined benefit obligation (after tax)		-2,274	-1,543
Total comprehensive income		**-5,556**	**-19,209**
Attributable to:			
Owner of Tele Columbus Group		-6,220	-19,932
Non-controlling interests		664	723

III Consolidated Balance Sheet

Assets

KEUR	Reference	31 Mar 2017	31 Dec 2016
Non-current assets			
Property, plant and equipment	D.4	599,377	604,690
Intangible assets and goodwill	D.4	1,393,975	1,402,134
Investments in other entities		20	20
Investments in associates and joint ventures		361	361
Trade receivables	D.5	193	193
Other financial receivables	D.5	2,803	2,046
Deferred expenses	D.5	3,563	3,727
Deferred tax assets		1,876	2,685
Derivative financial instruments	D.5	3,932	3,630
		2,006,100	**2,019,485**
Current assets			
Inventories		6,387	4,224
Trade receivables	D.5	43,365	48,251
Receivables from related parties		200	88
Other financial receivables	D.5	5,285	4,230
Other assets	D.5	9,388	6,126
Current tax assets		3,255	2,963
Cash and cash equivalents		36,554	55,223
Deferred expenses	D.5	8,398	6,310
Assets held for sale		169	229
		113,001	**127,643**
Total assets		**2,119,101**	**2,147,128**

Equity and liabilities

KEUR	Reference	31 Mar 2017	31 Dec 2016
Equity			
Share Capital		127,556	127,556
Capital reserve		620,838	620,838
Other components of equity		-224,716	-220,770
Equity attributable to owners of the Tele Columbus Group		**523,678**	**527.624**
Non-controlling interests		8,223	7,558
		531,901	**535,182**
Non-current liabilities			
Post-employment and other long-term employee benefits		9,535	9,813
Other provisions		4,021	4,061
Liabilities to banks	D.6	1,240,398	1,234,702
Trade payables	D.7	827	1,210
Other financial liabilities	D.7	89,537	88,387
Deferred income	D.7	5,262	5,232
Deferred tax liabilities		62,937	66,120
Derivative financial instruments	D.7	7,391	6,126
		1,419,908	**1,415,652**
Current liabilities			
Other provisions		31,638	30,114
Liabilities to banks	D.6	23,102	25,955
Trade payables	D.7	43,638	87,333
Payables to related parties		112	604
Other liabilities	D.7	24,827	23,811
Other financial liabilities	D.7	13,760	12,094
Income tax liabilities		13,080	11,719
Deferred income	D.7	17,135	4.664
		167,292	**196,294**
Total equity and liabilities		**2,119,101**	**2,147,128**

IV Consolidated Cash Flow Statement

KEUR	Reference	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016 adjusted[1)]
Cash flows from operating activities			
Net loss		-3,282	-17,666
Net financial results		15,902	23,710
Income taxes		866	292
Profit (+) /loss (-) from investments in associates and joint ventures		-	-5
Earnings before interest and taxes (EBIT)		**13,486**	**6,331**
Depreciation and amortisation expenses		43,053	39,728
Loss (+)/profit(-) on sale of property, plant and equipment		-111	-133
Increase (-)/decrease (+) in:			
Inventories		-2,141	-1,703
Trade receivables and other assets not classified as investing or financing activities		3,354	-8,633
Deferred expenses		-1,923	-1,533
Increase (+)/decrease (-) in:			
Trade payables and other liabilities not classified as investing or financing activities		-42,915	-12,093
Provisions		1,205	151
Deferred income		12,501	13,164
Income tax paid		-1,652	-1,410
Cash flows from operating activities		**24,857**	**33,869**
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,189	47
Acquisition of property, plant and equipment	D.4	-15,780	-13,842
Acquisition of intangible assets		-4,789	-4,074
Acquisition of financial assets		-	-
Interest received		1,043	23
Acquisition of businesses, less cash received		-6,052	-
Net cash from investing activities		**-24,389**	**-17,846**

KEUR	Reference	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016 adjusted[1]
Cash flows from financing activities			
Payment of financial lease liabilities		-2,823	-1,650
Proceeds from loans, bonds or short-term or long-term borrowings from banks		17,000	-
Repayment of borrowings and short-term or long-term borrowings[2]		-3,679	-41,260
Interest paid		-28,351	-20,646
Net cash from financing activities		**-17,853**	**-63,556**
Cash and cash equivalents as at the end of the reporting period			
Net increase/decrease in cash and cash equivalents		-17,385	-47,532
Cash and cash equivalents at the beginning of the reporting period		55,223	85,178
Cash and cash equivalents at the end of the reporting period		**37,838**	**37,646**
Less / plus release of restricted cash and cash equivalents in financial year		-1,284	50
Free Cash and cash equivalents at the end of the reporting period		**36,554**	**37,696**

1) In contrast with the previous year's quarterly report, the Tele Columbus Group has separately disclosed the release of restricted cash and cash equivalents (comparable period under the item "Trade accounts receivable and other assets"), thus ensuring comparability with the previous year.

2) This item includes transaction costs incurred in the amount of KEUR 2,602 (2016: KEUR 1,227).

A General principles

Introduction and Overview

The present Supplement to Quarterly Statement for the Group Tele Columbus AG describes the essential information about the notification period.

Following the introduction, the Consolidated Balance Sheet, Consolidated Income Statement and Consolidated Cash Flow Statement as of 31 March 2017, are presented below. Additionally there are explanations of individual items, and as well as the assets situation, profit situation and financing structure are presented.

The functional currency of the Quarterly Statement is the Euro. Amounts are stated in thousands of Euro (hereafter “KEUR”) unless stated otherwise. Rounding differences may arise due to the rounding in KEUR (positive and negative).

The consolidated Quarterly Statement was prepared based on the assumption of continued business operations (“going concern”).

Group description

Tele Columbus AG, Kaiserin-Augusta-Allee 108, 10553 Berlin is the parent company of the Tele Columbus Group. Tele Columbus Group is the third largest cable operator in Germany (in customer numbers) as well a regional market leader in most of the eastern federal states of Germany. The range of services is limited to the Federal Republic of Germany, notably to Berlin, Brandenburg, Saxony, Saxony-Anhalt and Thuringia, Bavaria, Baden-Württemberg, Mecklenburg-Vorpommern, Hamburg und Rheinland-Pfalz as well as to selected regions within North Rhine-Westphalia and Hesse. Approximately 37 % of the Group´s holdings are in the remaining region of Germany. In total, the Group supplies almost 10 % of all German households via existing networks.

Tele Columbus Group primarily operates cable networks of levels 3 and 4. Network level 3, also known as NE3, called Level 3 or L3, is a cable network that transmits the signals from regional distribution networks to the transfer point outside the customer’s house. Network level 4, also called NE4, Level 4 or L4, refers to a cable network within a residential complex that distributes the signal from the transfer point outside of the residential complex to the socket in the customer’s home. As an integrated network operator at both network levels, the group specialises in providing high-quality and integrated retail services from a single source. In locations where the group cannot access its own network, the corresponding network services are purchased. In addition to the operation of cable networks, Tele Columbus Group is also active in the B2B and construction services sectors. The B2B business service comprises products for the provision of businesses with bandwidth services for business customer networking, products for the supply of business customers with internet and telephony, as well as network monitoring and the marketing from data centres. The construction services include, among other things, the establishment of fibre optic urban networks, or the linking of residential areas to its proprietary backbone as well as the expansion or modernisation of the co-axial of fibre optic infrastructure of residential buildings (NE 4).

Tele Columbus customers are offered numerous services in the fields of television and telecommunications, in particular a basic range of cable television channels (CATV), premium TV packages (Premium TV), internet and telephone services in the fixed network, as well as mobile voice and data services. As at 31 March 2017, Tele Columbus held a stock of around 3.6 million residential units (connected residential units). Approximately 2.4 million households owned at least one of the products offered.

The Tele Columbus Group generates its revenue primarily from connection fees paid by customers for the supply of a CATV product. Approximately 94 % of end users are tenants in multi-family properties that belong to the stock of companies or cooperatives in the housing industry or are administered by the latter. The group has concluded long term licence and signal delivery contracts with these companies, which ensures a sustainable revenue base. Most housing companies will transfer the amount for the supply of the CATV connections to their tenants through the operating costs account. As at 31 March 2017, this amounted to about 64 % of our CATV end customers. In approximately 36 % of the CATV end customers, the signal delivery was carried out on the basis of individual contracts in which a direct customer relationship exists on the basis of a licence agreement.

On 31 March 2017, unchanged since 31 December 2016, the Group continued to maintain locations in Berlin, Hanover, Chemnitz, Dresden, Magdeburg, Ratingen, Jena, Leipzig, Munich and Frankfurt am Main.

The business model has not changed since 31 December 2016.

B Change in Scope of consolidation

There are no significant changes in the scope of consolidation in the consolidated quarterly report compared to the reporting date as at 31 December 2016, except for those described below.

Acquisition of shares in kabel.digital.service GmbH

On 8 November 2016 (legally taking effect on 1 January 2017), a share deal and transfer agreement was concluded by Tele Columbus AG for 100 % of the shares in kabel.digital.service GmbH, based in Frankfurt (Oder). Kabel.digital.service GmbH, in turn, holds 100 % of the shares in Lehmensiek Kabelnetze & Antennentechnik GmbH, based in Lübeck, which focuses on the planning, installation, maintenance, distribution and troubleshooting of antenna and broadband distribution plants. The company also arranges and concludes corresponding contracts with regard to above mentioned tasks.

The provisional purchase price was KEUR 7,433 and was paid in cash. At the time of initial consolidation, the net assets (long-term assets KEUR 1,866, short-term assets KEUR 1,576 including cash of KEUR 1,381, long-term liabilities KEUR 480 and current liabilities KEUR 1,150) of the newly acquired companies amounted to KEUR 1,812. This resulted in goodwill of KEUR 5,621. The goodwill primarily reflects synergy effects and the value of the acquired business models. No significant customer relationships and not previously

recognised other intangible assets were recorded. The opening balance has not yet been finalised.
The Consolidated Financial Statements of Tele Columbus AG include revenues of KEUR 245, an EBITDA of KEUR 144 and a profit of KEUR 8 from the acquired companies.

C Valuation and accounting policies

For the three-month period to 31 March 2017, predominantly the same accounting principles and calculation and valuation methods as for the Consolidated Financial Statements of 31 December 2016 were applied. There were no significant changes due to new applicable IFRS or accounting and valuation policies.

There are no significant changes in significant discretionary decisions and assumptions or to the uncertainties in the first quarter ending 31 March 2017 in comparison with the Consolidated Financial Statements as per 31 December 2016.

D Supplementary information on the Income Statement and Balance Sheet

D.1 Revenue

KEUR	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016 adjusted[1)]
Analogue	54,177	58,924
Internet / telephony	37,965	34,715
Ancillary digital premium services	6,506	7,371
Other transmission fees and miscellaneous feed-in charges	6,433	4,542
Network rents	4,403	4,515
Construction services	3,523	487
Leasing customer premise equipment	3,454	2,231
Data center	978	946
Sales of hardware	711	1,074
Other	2,863	1,263
	121,013	**116,068**

1) For the purpose of better comparability, unlike the previous year's quarterly report, the Tele Columbus Group has shown the business customer sales divided according to their service types.

The revenue of the Tele Columbus Group primarily include monthly subscription fees and, to a lesser extent, one-off installation and connection charges for analogue and digital based satellite television services, as well as for additional digital services. They also include charges for access to high-speed internet and telephony. Further revenue is generated by other transmission fees and feed-in charges which are paid to the Group as consideration for the distribution of programs. Other revenue is primarily from one-off charges for business customers and revenue from antennas and maintenance.

D.2 Other income

KEUR	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016
Income from sale Income from overdue fines	576	515
Income from the derecognition of liabilities and reversal of provisions	331	342
Income from marketing subsidies	313	253
Income from the sale of fixed assets	261	525
Miscellaneous other income	2,044	1,819
	5,259	**4,057**

D.3 Other expenses

Other expenses particularly incurred for the following items:

KEUR	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016
Advertising	-3,250	-3,128
Legal and advisory fees	-2,619	-7,268
Occupancy costs	-2,124	-2,048
Impairment of receivables	-1,864	-2,126
IT costs	-1,421	-1,023
Vehicle expenses	-673	-746
Communication costs	-553	-892
Maintenance	-510	-415
Travel expenses	-462	-428
Insurance, Administrative expenses	-408	-503
Office supplies	-370	-139
Incidental bank charges	-292	-330
Losses on disposal of non-current assets	-150	-393
Miscellaneous other expenses	-786	-1,280
	-15,482	**-20,719**

In comparison with the prior year Quarterly Statement, expenses for legal and consultancy costs decreased by KEUR 4,649. This decline is mainly due to additional legal and advisory costs incurred in connection with the final adjustment of opening balances of the primacom and pepcom Groups in the 2016 period.

D.4 Intangible and fixed assets

Additions to fixed assets in the first quarter of 2017 primarily resulted from investments in technical equipment and machinery as well as assets under construction and prepayments. Declines in tangible and intangible assets in the first quarter of 2017 were primarily due to depreciation.

Through the acquisition of shares in kabel.digital.service GmbH, goodwill increased by KEUR 5,621 to KEUR 1,153,864 (2016: KEUR 1,148,243).

No impairment losses were recorded for intangible assets and goodwill in the reporting period.

In the current reporting period, an impairment loss on property, plant and equipment was recognised in the amount of KEUR 159 (2016: KEUR 183).

D.5 Trade receivables, other financial receivables and other assets, deferred expenses and derivative financial instruments

KEUR	31 Mar 2017	31 Dec 2016
Trade receivables - gross	53,461	59,862
Impairment loss	-9,903	-11,418
Trade receivables - net	**43,558**	**48,444**

Additionally, there are trade receivables from related parties.

Impairment losses are recognised under ‘Other expenses’.

Regarding the trade receivables pledged as collaterals for liabilities, please refer to the explanations in section D.6 ‘Liabilities to banks’.

Other financial receivables amounting to KEUR 8,088 (2016: KEUR 6,276) primarily consist of cash deposits for the direct debit limit, rental deposits and claims for pensions which do not qualify as plan assets. The increase in other financial receivables is mainly due to higher sureties and bonds.

Other assets in the amount of KEUR 9,388 (2016: KEUR 6,126) primarily comprise advance payments, receivables from input tax and debit debtors. The increase in other assets mainly results from higher pre-tax claims.

The derivative financial instruments shown in the amount of KEUR 3,932 (2016: KEUR 3,630) result from two interest rate caps that were acquired by Tele Columbus AG in 2016.

Deferred expenses amounting to KEUR 11,961 (2016: KEUR 10,037) consist primarily of payments relating to financing, insurances and guarantees.

D.6 Liabilities to banks

KEUR	31 Mar 2017	31 Dec 2016
Liabilities to banks - nominal value	1,267,845	1,263,398
Transaction costs	-43,622	-43,815
Accrued interest	9,627	8,537
Liabilities in connection with outstanding premium interest caps	4,196	4,140
Liabilities in connection with embedded derivatives	2,352	2,442
Long term liabilities to banks	**1,240,398**	**1,234,702**
Liabilities to banks nominal value	14,469	2,640
Accrued interest	8,633	23,315
Short term liabilities to banks	**23,102**	**25,955**
	1,263,500	**1,260,657**

Under the terms of the Senior Facilities Agreement, the following credit facilities were available to the Group up until 31 March 2017: KEUR 1,255,000 (Term Loan Facility A), facilities KEUR 75,000 for investments (Capex Facility) and KEUR 50,000 for working capital financing (Revolving Facility). Facility A had a term of until 2 January 2023, the Capex had a term of until 2 January 2020 and the Revolving Facility had a term of until 2 January 2021. The margin amounts to 4.00 % plus EURIBOR for Facility A, and 3.75 % for Capex and the Revolving Facility. In addition, the credit agreement for all facilities includes a EURIBOR floor of 0 %. For the unused portion of the Capex and Revolving Facility, a commitment fee of 35 % within the applicable margin was charged and to be paid quarterly.

For the loans there is a right of choice between a 1-month, 3-month or 6-month EURIBOR. Existing loans as of reporting date were based on 3-month EURIBOR.

The aforementioned EURIBOR floors repayment options are embedded derivates (hybrids) and therefore subject to the separation guidelines for recognition and measurement of IAS 39.11.

As at the reporting dates the following balances (including outstanding interest) resulted for Senior Tranche A (including old and new Tranche), Senior Tranche C, Senior Tranche Incremental, Senior Tranche 2nd Incremental loan, Senior liabilities Capex and Revolving Facility:

KEUR	31 Mar 2017		31 Dec 2016
Senior Tranche A loan (matures on 02 January 2023) - new -	1,231,723	[2]	1,230,671[2]
The remaining interest for Senior Tranche A Loan - Loan replaced as at 31 October 2016 -	-		4,222 [1]
The remaining interest for Senior Tranche C loan - Loan replaced as at 31 October 2016 -	-		5,076 [1]
The remaining interest for Senior Tranche Incremental - Loan replaced as at 31 October 2016 -	-		3,737 [1]
The remaining interest for Senior Tranche 2nd Incremental - Loan replaced as at 31 October 2016 -	-		1,469 [1]
Senior Revolving Facility (matures on 02 January 2021)	17,280		305 [1]
	1,249,003		**1,245,480**
Further loans according to the description: mainly related to subsidiaries	*10,300*		*11,037*
Liabilities in connection with outstanding premium for interest caps	*4,196*		*4,140*

[1] The last interest payments for the replaced financings took place 30 January 2017.

[2] Includes non-compounded transaction costs of the term loans in the amount of KEUR -33,995 (2016: KEUR -35,277) and liabilities in connection with embedded derivatives in the amount of KEUR 2,352 (2016: KEUR 2,442) that result from agreed floors and repayment options in the term loans.

In addition, loans in the amount of KEUR 1,337 (31 December 2016: KEUR 1,432) were signed for the pepcom Group.

At the end of the reporting period, a remaining borrowing of KEUR 8,963 (2016: KEUR 9,605) is composed of loans to Tele Columbus subgroup provided by the following lenders: Stadtsparkasse Gelsenkirchen in the amount of KEUR 1,793 (2016: KEUR 2,070), Stadtsparkasse Magdeburg KEUR 6,229 (2016: KEUR 6,516) and other creditors in the amount of KEUR 941 (2016: KEUR 1,019).

According to the Share and Interest Pledge Agreement dated 27 October 2016, investments in associates and joint ventures were used to secure the liabilities to banks. Additionally the Tele Columbus Group pledged trade receivables to secure liabilities.

The value of the loan collateral pledged for loans as at the respective reporting dates has remained unchanged compared to 31 December 2016.

D.7 Liabilities from trade payables, other financial liabilities, other liabilities and deferred income as well as derivative financial instruments

Trade payables in the amount of KEUR 44,465 (2016: KEUR 88,543) primarily consist of payments related to signal delivery contracts, services, security deposits, legal and consulting costs, public-law contracts and non-settled deliveries and services provided but not yet invoiced.

Deferred income of KEUR 22,397 (2016: KEUR 9,896) essentially consists of deferred revenue from customers for prepaid annual fees, and prepayments from customers for monthly hardware fees.

Other financial liabilities amounting to KEUR 103,297 (2016: KEUR 100,481) primarily relate to lease obligations for the use of infrastructure facilities of KEUR 48,008 (2016: KEUR 46,810), as well as non-controlling interests in KMS KG of KEUR 51,325 (2016: KEUR 51,324), which is accounted for as a long-term liability since the owner has the right to examine all shares, with a six-month deadline to a lower amount.

Other liabilities of KEUR 24,827 (2016: KEUR 23,811) primarily include customer deposits, employee bonuses, liabilities for the audit of annual financial statements, severance payments and other accruals.

The derivative financial instruments reported in the amount of KEUR 7,391 (2016: KEUR 6,126) are embedded derivatives that are linked to loan agreements with banks.

E Other supplementary information

E.1 Contingent assets and liabilities

The contingent assets and liabilities described in the Consolidated Financial Statements ending 31 December 2016 remained basically unchanged in comparison with 31 March 2017.

E.2 Information on related parties

There were no material changes in the relationships with related companies and persons compared to 31 December 2016.

The following table shows the income and expenses from transactions with related parties:

KEUR	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016
Sale of goods and services		
Related entities	13	1,264
Acquisition of goods and services		
Related entities	-264	-476
Other		
Related entities		
Other income (+)/expenses (-)	-	2

The decline in the item Sale of goods and services is related to the disposal of Deutsche Netzmarketing GmbH in the fourth quarter of 2016.

In the first quarter of 2017, there are only minor reimbursements with related parties.

E.3 Risk management

E.3.1 Risk management of financial instruments and interest rate risks

There are no material changes in the Group’s risk management objectives and methods or the nature and extent of the risks arising from financial instruments for the three-month period ended 31 March 2017 compared with the Consolidated Financial Statements as of 31 December 2016.

E.3.2 Liquidity risks

Liquidity risk is defined as the risk that existing liquidity reserves are not sufficient to meet the financial obligations on time. Liquidity risks may also arise if outflows from operating activities or investment activities become necessary. Furthermore, liquidity risks may arise from financing activities. This would be the case if short-term cash outflows for the repayment of financial liabilities are necessary to repay liabilities, while sufficient cash inflows from operating activities cannot be generated, and sufficient liquid funds are not available to cover the payments due.

A liquidity forecast based on a fixed planning horizon as well as the credit facilities available in the Tele Columbus Group, and not utilised at the balance sheet date, in the amount of KEUR 75,000 for investments (term until 2 January 2020) as well as KEUR 50,000 for working capital financing (term until 2 January 2021), is intended to ensure the provision of liquidity for operational business on an ongoing basis. As at 31 March 2017, the Tele Columbus Group had credit facilities totalling KEUR 125,000 (2016: KEUR 125,000), of which KEUR 50,000 was a revolving credit line. To the reporting date, the revolving credit line was partly used (KEUR 17,000) for general operational purposes. As at 31 March 2017, cash and cash equivalents amounted to KEUR 36,554 (2016: KEUR 55,223).

The following table shows the contractual maturities of financial liabilities from loans:

KEUR	31 Mar 2017	31 Dec 2016
Less than one year - non-derivative	32,531	30,382
Less than one year- derivative	-	-
	32,531	**30,382**
Between one and five years - non-derivative	5,884	6,439
Between one and five years - derivative	-	-
	5,884	**6,439**
More than five years- non-derivative	1,256,958	1,256,958
More than five years - derivative	-	-
	1,256,958	**1,256,958**
	1,295,373	**1,293,779**

The financing contract contains a number of conditions which, if not fulfilled, the lender has the right to make the loans due. Compliance with these covenants as well as exposure to capital risk are continuously monitored by Tele Columbus' Management Board (as a corporation, Tele Columbus is exposed to capital risk). The liquidity risk in the event of non-compliance with these requirements amounted to KEUR 1,280,646 (2016: KEUR 1,278,315) as at the reporting date. The risk of non-compliance with the requirements and the associated financing rules can have a negative impact on credit availability and going concern assumption

Non-controlling interests of third-party companies in the cable operator Munich Servicenter GmbH & Co. KG, Munich, which are recognized under long-term other financial liabilities, could be offered to Tele Columbus within 6 months following the existing right of termination. The Management Board, however, assumes that the option will not be exercised in the longer term; an immediate exercise of the option would result in a significantly low compensation.

In order to meet existing conditions and payment obligations, strategic measures have been taken to ensure the long-term liquidity of the Tele Columbus Group. Management is focussing on the expansion of the Group-wide cash pooling, so that the new acquired businesses can be successfully integrated in the Group structure. Furthermore, in the course of financing a gradual repayment of debt from operating activities of the new Group is aimed at.

The payment obligations from trade payables, liabilities from related companies and persons as well as from other financial liabilities are shown in the Group balance sheet, whereby the maturity of these long-term liabilities is between one year and five years.

There were no other material changes to the liquidity, interest rate or debtor risk (default risk) for the first quarter ended 31 March 2017.

E.4 Segment information

The Group has divided its operations into two product segments: “TV” and “Internet & Telephony”. Internal management reports for control are generated quarterly for these segments.

Relationships between the individual segments were eliminated.

For a detailed description of the segment, please refer to the Consolidated Financial Statements as at 31 December 2016.

The following table contains information on the individual reportable segments:

1 Jan to 31 Mar 2017

in KEUR	TV	Internet & Telephony	Other	Group total
Revenue	69,434	38,631	12,948	121,013
Normalized EBITDA	39,124	27,850	-5,885	61,089
Non-recurring expenses/income	-983	-47	-3,520	-4,550
EBITDA	**38,141**	**27,803**	**-9,405**	**56,539**

1 Jan to 31 Mar 2016

in KEUR	TV	Internet & Telephony	Other	Group total
Revenue	72,987	33,321	9,760	116,068
Normalized EBITDA	41,077	20,522	-5,141	56,458
Non-recurring expenses/income	-223	-959	-9,217	-10,399
EBITDA	**40,854**	**19,563**	**-14,358**	**46,059**

E.5 Further information regarding the Quarterly Statement

The further information regarding the Quarterly Statement summarised below relates to Tele Columbus Group as at 31 March 2017 and represents the asset situation, profit situation and financing structure for the first quarter of 2017.

E.5.1 Profit situation

The table below provides an overview of the development of the earnings:

KEUR	1 Jan to 31 Mar 2017	1 Jan to 31 Mar 2016
Revenue	121,013	116,068
EBITDA	***56,539***	***46,059***
Non recurring expenses (+)/income (-)	4,550	10,399
Normalized EBIT	***61,089***	***56,458***
EBITDA	***56,539***	***46,059***
Other finance income and expenses	-15,902	-23,705
Depreciation and amortisation expenses	-43,053	-39,728
Income tax	-866	-292
Loss	***-3,282***	***-17,666***

Revenue from the segment ‘TV’ decreased by 4.9 % to KEUR 69,434 (Q1/2016: KEUR 72,987). Sales in the segment ‘Internet & Telephony’ increased significantly by 15.9 % from KEUR 33,321 to KEUR 38,631.

Sales in the first quarter 2017 increased by KEUR 4,945 to KEUR 121,013 compared with the first quarter of 2016, mainly due to higher provided construction services.

Cost of materials in the first quarter 2017 increased by KEUR 1,571 to KEUR 36,468 compared with the corresponding prior period (Q1/2016: KEUR 34,897).

In the first quarter of 2017 the EBITDA amounted to KEUR 56,539, and increased by KEUR 10,480 compared with the corresponding quarter of the previous year (Q1/2016: KEUR 46,059).

The ‘normalised EBITDA’ was improved by 8.2 % to KEUR 61,089 compared with the previous year (Q1/2016: KEUR 56,458).

In the reporting period, the operating margin, which is defined as the ratio of ‘normalised EBITDA’ to sales, thus increased to 50.5 % (Q1/2016: 48.6 %).

The negative financial result decreased by KEUR 7,803 to KEUR 15,902, mainly due to reduced expenses from revaluation of interest rate caps and expenses from interest compounding of the loans using the effective interest method.

E.5.2 Asset situation

Tangible assets decreased by KEUR 5,313 to KEUR 599,377 compared with 31 December 2016. The decrease resulted primarily from reduced technical facilities, where depreciation exceeded investments for the reporting period.

Intangible assets and goodwill decreased by KEUR 8,159 to KEUR 1,393,975 compared with 31 December 2016.

The Group's debt from liabilities to banks amounted to KEUR 1,263,500 (2016: KEUR 1,260,657) as at 31 March 2017. This corresponds to a share of 59.6 % (2016: 58.7 %) of the balance amount.

The other long-term financial liabilities amounted to KEUR 89,537 (2016: KEUR 88,387). This item mainly comprises long-term lease obligations, and liabilities of the pepcom Group to minority shareholders.

The long-term derivative financial instruments amounted to KEUR 7,391 (2016: KEUR 6,126) as at 31 March 2017. They result from embedded derivatives that were of negative value at the reporting date.

Deferred tax liabilities amounting to KEUR 62,937 (2016: KEUR 66,120) were identified as at 31 March 2017. These result mainly from the customer relationships of the primacom and pepcom Groups, which were capitalised during the initial consolidation and are scheduled amortised.

E.5.3 Financing structure

Lender	Borrower	Total in KEUR as at 31 Mar 2017	Share	Total in KEUR as at 31 Dec 2016	Share
Facility A (new: 1.11.2016)	TC AG	1,231,723	97.5%	1,230,671	97.7%
IPO Facility A	TC AG	-	-	4,222	0.3%
Senior Tranche C	TC AG	-	-	5,076	0.4%
Senior Incremental	TC AG	-	-	3,737	0.3%
Rev. Facility / IPO Facility B&C	TC AG	17,280	1.4%	305	0.0%
Second Lien	TC AG	-	-	1,469	0.1%
DB Lux / Diverse	Pepcom	1,337	0.1%	1,432	0.1%
Interest caps	TC AG	4,196	0.3%	4,140	0.3%
Other		8,964	0.7%	9,606	0.8%
Total		**1,263,500**	**100%**	**1,260,658**	**100%**

The Senior Revolving Facility credit line of KEUR 17,280 was utilised under the terms of the Senior Facilities Agreement during the reporting period.

E.5.4 Forecast report

The forecast made in the Consolidated Financial Statements ending 31 December 2016 for the financial year 2017 and thereafter remained basically unchanged in comparison with 31 March 2017.

E.6 Events after the balance sheet date

Financing

Tele Columbus AG successfully negotiated further adjustments to existing Group financing in March 2017 with the bank consortium. Effective as of 18 April 2017, the term of the long-term tranche A was extended by 1.5 years to October 2024 for a total of EUR 1,255 billion, while the credit margin was reduced by 75 basis points to EURIBOR plus 325 basis points. This leads to an interest rate savings of approx. EUR 9.5 million per year. The existing investment credit line and the revolving credit line for a total of EUR 125 million remain unchanged.

Acquisition of shares in MKG-Medienkommunikationsgesellschaft mbH

On 8 May 2017 Tele Columbus Group signed an agreement on the sale and transfer of 100 % of the shares in MKG-Medienkommunikationsgesellschaft mbH (MKG), based in Essen. The objective of the company is the operation and connection of networks. The preliminary purchase price amounts to KEUR 3,405. The acquisition of MKG is achieved through a shelf company (Tele Columbus NRW GmbH, Berlin, formerly Aptus 1173 GmbH, Berlin) newly acquired by Tele Columbus AG. According to the purchase agreement one of the MKG vendors will participate in this entity with a share of 25.1 %. The closing of the transaction is expected by the end of June.

There were no other material events after the balance sheet date.