



PRESS RELEASE

Kabel Deutschland with record growth in its Internet and Phone services

- Increase of 126% in Internet and Phone subscriptions to over 600,000 compared to previous year
- Premium products digital TV, Internet and Phone achieve 20% share of total customer subscriptions
- Revenue increase by more than 10% to €301 million compared to previous year
- Operating results (EBITDA⁽¹⁾) rises by more than 10% and reaches €115 million
- KDG Chief Executive Officer Adrian v. Hammerstein: "Our Internet and Phone business is making an increasingly important contribution to our company's success. We are highly satisfied with the results of the past quarter and expect the positive developments to continue in the last quarter of the fiscal year."

Unterfoehring, February 27, 2008 – Kabel Deutschland (KDG), Germany's largest cable based TV and telecommunications provider, is heading for a record fiscal year. The quarterly and 9-months results per December 31, 2007 published today reveal record increases in the company's customer base for the new Premium services. The quarterly revenues as well as the operating results likewise achieved record highs with respective growth rates of over 10%.

The total number of customer subscriptions (revenue generating units = RGUs)⁽²⁾ rose to 10,532 thousand by December 31, 2007 (previous year: 10,458 thousand). The marketing success for the new Premium services digital TV, Internet and Phone boomed again in the reported quarter ending December 31, 2007. With an over 20% share in the entire RGU base, the Premium services are increasingly becoming the growth engine for Kabel Deutschland.

The total blended monthly ARPU per subscriber⁽³⁾ rose by nearly 15% from €8.39 to €9.62. A steadily increasing number of Kabel Deutschland customers are subscribing to the new Premium services in addition to the basic cable access service.

The digitalization initiative of Kabel Deutschland, borne by the digital free-to-air as well as the attractive KDG pay TV offers, displays growing success. The number of KDG digital subscriptions increased to nearly 1.6 million (929,000 in the previous year), including the 763,000 KDG pay TV subscriptions as per December 31, 2007.

Thus Kabel Deutschland achieved a digital TV penetration of 15% with its own products. Including the Premiere cable subscriptions in the KDG footprint, the digital TV penetration has now topped 20%.

Kabel Deutschland reported the strongest growth in the Internet and Phone business to date in the reported quarter: the Company increased its Kabel Internet and Phone subscriptions by over 145,000 from October 1, to December 31, 2007. The total number of Internet and Phone subscriptions amounted to almost 605,000 by the end of the calendar year 2007. This corresponds to 341,000 customers. Hence by far the greatest percentage of Internet and Phone customers take advantage of the attractive Internet and Phone bundle packages.

KDG's total revenues rose by more than 10% to €301 million in the reported quarter compared to the previous year's same quarter. At the same time the company achieved an EBITDA of €115 million, which is an increase of 10% compared to the previous year. The Company confirms its results forecast for the 2007/2008 fiscal year with an expected EBITDA between €440 and €445 million. Likewise the management confirms its guidance for capital expenditures (Capex) of up to €330 million.

On a 9-months basis and compared to the previous year, the company's revenues rose by almost 9% to €885 million (€813 million in the previous year). In the same time period EBITDA rose by 15% to €334 million (€290 million in the previous year).

"Our investment and product offensive is paying off," says the CEO Adrian v. Hammerstein. "We are increasingly gaining dynamic momentum with our Premium services. We are glad that more and more of our customers subscribe to our market leading Kabel Internet and Kabel Phone products. Our focus also in the future will be aimed at offering the best Internet and Phone product on the market."

This press release can be downloaded from our Corporate website www.kabeldeutschland.com.

About Kabel Deutschland

Kabel Deutschland (KDG) operates cable networks in 13 German states and supplies its services to around 9 million connected TV households in Germany. Kabel Deutschland is Germany's largest cable network operator. The company develops and markets new triple play offers for digital TV, high-speed internet and telephone connection via cable. KDG offers an open digital TV platform for all program providers. The company operates the networks, markets cable connections and provides comprehensive services for all matters of cable connectivity. In fiscal year 2006/2007 (12 months ended March 31, 2007), Kabel Deutschland reported a total revenue of approx. EUR 1.1 billion. The company has around 2,700 employees.

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Footnotes

- (1) EBITDA is EBITDA as adjusted and defined as earnings before interest, taxes, depreciation, amortization and non-cash compensation, which consists primarily of expenses related to the Company's Management Equity Participation Program (MEP) and non-cash restructuring expenses. EBITDA as adjusted is not a recognized accounting term and should not be used as a measure of liquidity. However, EBITDA as adjusted is a common term used to compare the operating activities of cable television companies.
- (2) RGU (Revenue Generating Unit) is related to the sources of revenue, which may not always be the same as subscriber numbers. For example, one person may subscribe to two different services, thereby accounting for only one subscriber but for two RGUs.
- (3) Total blended ARPU per subscriber is calculated by dividing Kabel Anschluss, Kabel Digital, Kabel Internet, Kabel Phone, KD+ (PVR) and TKS (cable TV) subscription revenues (excluding installation fees) for the relevant period by the average number of subscribers for that period and the number of months in the period.
- (4) EBITDA margin is defined as EBITDA as defined above for the period divided by total revenues for the period.
- (5) ARPU (Average revenue per unit) is calculated by dividing the subscription revenue (excluding installation fees) for a period by the average number of RGU for that period and the number of months in that period.
- (6) Total blended ARPU per RGU is calculated by dividing Kabel Anschluss, Kabel Digital, Kabel Internet, Kabel Phone, KD+ (PVR) and TKS (cable TV) subscription revenues (excluding installation fees) for the relevant period by the average number of RGUs for that period and the number of months in the period.

Kabel Deutschland GmbH, Unterfoehring
Consolidated income statement according to IFRS for the period from
October 1, 2007 to December 31, 2007 and October 1, 2006 to December 31, 2006

	October 1, 2007 to December 31, 2007	as adjusted October 1, 2006 to December 31, 2006	change	change
	€('000)	€('000)	€('000)	%
1. Revenues	301,287	273,326	27,961	10.23%
2. Cost of services rendered <i>thereof depreciation / amortization</i>	-148,637 -38,977	-130,538 -33,527	18,099 5,450	13.87% 16.26%
3. Other operating income	3,150	3,554	-404	-11.38%
4. Selling expenses <i>thereof depreciation / amortization</i>	-91,387 -29,495	-82,409 -23,836	8,978 5,659	10.89% 23.74%
5. General and administrative expenses <i>thereof depreciation / amortization</i>	-41,762 -6,081	-21,702 -4,388	20,060 1,693	92.43% 38.58%
6. Profit from ordinary activities	22,651	42,231	-19,580	-46.36%
7. Interest income	2,377	838	1,539	183.63%
8. Interest expense	-45,765	-35,715	10,050	28.14%
9. Accretion/depreciation on investments and other securities	-1,375	0	-1,375	n.a.
10. Income from associates	179	75	104	139.24%
11. Loss (income) before taxes	-21,932	7,429	-29,361	-395.23%
12. Taxes on income	-4,876	-6,221	-1,345	-21.63%
13. Net loss (income) for the period	-26,808	1,208	-28,016	2319.23%
EBITDA ⁽¹⁾	115,426	104,347	11,079	10.62%
EBITDA margin ⁽⁴⁾	38.3%	38.2%		

Kabel Deutschland GmbH, Unterfoehring
Consolidated income statement according to IFRS for the period from
April 1, 2007 to December 31, 2007 and April 1, 2006 to December 31, 2006

	April 1, 2007 to December 31, 2007	as adjusted April 1, 2006 to December 31, 2006	change	change
	€('000)	€('000)	€('000)	%
1. Revenues	885,071	813,206	71,865	8.84%
2. Cost of services rendered <i>thereof depreciation / amortization</i>	-442,684 -111,749	-410,767 -96,736	31,917 15,013	7.77% 15.52%
3. Other operating income	8,661	8,291	370	4.47%
4. Selling expenses <i>thereof depreciation / amortization</i>	-251,030 -83,248	-226,831 -70,759	24,199 12,489	10.67% 17.65%
5. General and administrative expenses <i>thereof depreciation / amortization</i>	-101,103 -17,461	-75,871 -12,438	25,232 5,023	33.26% 40.38%
6. Profit from ordinary activities	98,915	108,028	-9,113	-8.44%
7. Interest income	4,381	2,133	2,248	105.41%
8. Interest expense	-127,240	-115,449	11,791	10.21%
9. Accretion/depreciation on investments and other securities	-3,713	265	-3,978	n.a.
10. Income from associates	744	791	-47	-5.94%
11. Loss (income) before taxes	-26,912	-4,232	-22,680	-535.92%
12. Taxes on income	-1,011	-17,483	-16,472	-94.22%
13. Net loss (income) for the period	-27,923	-21,715	-6,208	-28.59%
EBITDA ⁽¹⁾	333,747	289,971	43,776	15.10%
EBITDA margin ⁽⁴⁾	37.7%	35.7%		

Kabel Deutschland GmbH, Unterfoehring
Subscribers, Revenue Generating Units and ARPUs

(in thousand)		Quarter ended in Dec 2006	Quarter ended in Sep 2007	Quarter ended in Dec 2007	y-o-y change	y-o-y change %
Cable access subscribers (incl. TKS)	#	9,465.9	9,062.2	9,000.2	-465.7	-4.92%
Subscribers without TV	#	0.0	7.2	23.3	23.3	n.a.
Total subscribers	#	9,465.9	9,069.5	9,023.5	-442.4	-4.67%
Revenue Generating Units (RGUs)⁽²⁾						
Analog cable access (incl. TKS)	#	9,261.9	8,501.7	8,365.1	-896.8	-9.68%
Premium services						
Digital cable access	#	268.7	654.2	747.3	478.6	178.13%
Personal Video Recorders (Digital+)	#	0.0	38.4	51.8	51.8	n.a.
Kabel Digital (pay TV)	#	660.3	731.4	763.4	103.1	15.61%
Kabel Internet	#	145.9	245.4	319.7	173.8	119.06%
Kabel Phone	#	121.2	214.2	285.0	163.9	135.23%
Subtotal Premium services	#	1,196.1	1,883.6	2,167.3	971.1	81.19%
Total RGUs	#	10,458.0	10,385.3	10,532.3	74.3	0.71%
Premium services penetration	%	11.4%	18.1%	20.6%		81.19%
Monthly ARPU⁽⁵⁾						
Cable Access	€	7.37	7.76	7.76	0.39	5.34%
Kabel Digital (pay TV)	€	7.63	7.93	7.54	-0.09	-1.12%
Kabel Internet	€	16.15	14.46	14.51	-1.64	-10.13%
Kabel Phone	€	28.30	24.81	25.11	-3.19	-11.28%
Blended ARPU Internet and Phone per subscriber	€	37.09	33.42	34.43	-2.66	-7.17%
Total blended monthly ARPU per RGU⁽⁶⁾	€	7.71	8.23	8.32	0.61	7.92%
Total blended monthly ARPU per subscriber⁽³⁾	€	8.39	9.37	9.62	1.23	14.66%
Ratio RGUs/subscribers		1.10	1.15	1.17	0.06	5.65%