

VodafoneZiggo Reports Preliminary Q1 2020 Results

Good Commercial and Financial Performance; Maintaining Cash Flow Guidance

Utrecht, the Netherlands — May 6, 2020: VodafoneZiggo Group B.V. (“VodafoneZiggo”), a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses, is today providing select, preliminary unaudited financial¹ and operating information for the three months (“Q1”) ended March 31, 2020, as compared to the results for the same period in the prior year (unless otherwise noted). The financial and operating information contained herein is preliminary and subject to change. We expect to issue our March 31, 2020 unaudited condensed consolidated financial statements prior to the end of May 2020, at which time the report will be posted to our website.

Highlights for Q1 2020:

- Commercial momentum maintained as we continue to execute against our strategic objectives:
 - FMC gained further traction with 39,000 converged² households and 73,000 converged SIMs additions, driving our converged penetration rate to 41% of internet RGUs³ and 70% of total consumer mobile postpaid SIMs
 - Delivered 6% fixed ARPU⁴ growth while holding fixed customers⁵ broadly stable
 - Grew our mobile postpaid, broadband and smaller business customer bases
- Robust financial performance with strong cash flow conversion:
 - Revenue growth of 3% YoY represented our fourth consecutive quarter of growth
 - Operating income growth of 61% YoY to €74 million
 - OCF⁶ growth of 5% YoY to €456 million, supported by revenue growth and good cost control
 - Operating FCF⁷ (OCF less property and equipment additions⁸) of €234 million, representing 24% of revenue
- Integration remains on track to complete in 2020, one year ahead of original plan. At Q1 approximately 90% of €210 million synergy target had been realized
- Successful appeal against wholesale fixed access at the Dutch Industry & Trade Appeals Tribunal
- €3.7 billion of third-party debt refinanced under favorable market conditions during Q1 2020, realizing interest savings and extending the average tenor of our third-party debt from 7.2 to 8.4 years
- 2020 guidance⁹ reviewed in light of COVID-19 pandemic. We maintain our cash flow guidance, but now expect stable to modest OCF growth (previously 2-3%)

Jeroen Hoencamp, VodafoneZiggo CEO, commented:

“We are pleased with the role we have played in providing vital telecommunications services during these truly extraordinary times. Our business continuity plans have helped safeguard our employees during COVID-19 whilst supporting the continued delivery of high speed broadband, mobile and entertainment services to our customers. Our first quarter results were strong, as convergence continued to increase across our customer base and solid commercial and financial performance contributed to healthy revenue and OCF growth. We are however operating under exceptional circumstances. Due to the COVID-19 pandemic we now expect stable to modest OCF growth but we still maintain our original cash flow guidance. We remain well positioned, with a strong balance sheet, have no near term material maturities and supportive

shareholders. Looking ahead, we have just launched the first 5G network in the Netherlands, are preparing for the upcoming mobile spectrum auction, and remain confident on fully realizing our synergy targets this year.”

Consumer performance for Q1 2020:

Total consumer revenue grew 4% in Q1

Fixed:

Consumer cable revenue¹⁰ grew 4% in Q1

- Revenue growth was primarily driven by a 6% YoY increase of Consumer cable ARPU as customers remained broadly stable
- Internet RGUs increased by 2,000, representing a 3,000 RGU improvement compared to Q1 2019
- 37,000 new customers were connected to our next-generation video platform Mediabox Next, bringing the total to 384,000, over 10% of our enhanced video base

Mobile:

Consumer mobile revenue¹¹ grew 5% in Q1

- Revenue growth was primarily driven by an increase in handset sales and an improvement in service revenue performance supported by strong customer base growth
- Mobile postpaid net customer additions of 46,000 represented a 33,000 YoY increase
- Consumer postpaid ARPU decreased 5% YoY to €19, driven by (i) phasing of converged discounts compared to the prior year and (ii) reduced out-of-bundle revenue
- Successfully switched off our 3G network in February and migrated customers to 4G in order to increase network capacity
- First operator to launch 5G network in the Netherlands using Dynamic Spectrum Sharing technology, with nationwide coverage expected by the end of July 2020. We provisioned 5G in our RED subscriptions to all Consumer and B2B customers at no additional cost. We have also launched an unlimited data price plan to meet customer demand

Business performance for Q1 2020:

Total B2B revenue was stable in Q1

Fixed:

B2B cable revenue¹² grew 6% in Q1

- Revenue growth was primarily driven by growth of our SOHO ("Small Office Home Office") and Small Business customer base and increasing demand for our Unified Communication portfolio
- Added 7,000 SoHo/Small Business customers and 17,000 fixed RGUs

- SOHO cable ARPU increased 4% YoY to €60 and our Small Business cable ARPU decreased 2% YoY to €82.5

Mobile:

B2B mobile revenue¹³ decreased 4% in Q1

- The €6 million revenue decline was primarily driven by (i) pricing pressure in the large corporate segment, (ii) lower out-of-bundle revenue partially offset by (iii) an increase in handset sales, and (iv) customer base growth
- 27,000 new postpaid customers were added, 1,000 fewer than the prior-year period
- B2B mobile postpaid ARPU decreased 15% YoY to €17 driven by the aforementioned revenue headwinds

Financial highlights for Q1 2020¹:

Revenue grew 3% YoY, supported by solid commercial momentum. Further progress on synergy realization supported OCF growth of 5% and operating income growth of 61%

- Revenue growth of €32 million YoY was primarily driven by aggregate growth in our combined customer base, fixed ARPU growth and increased mobile handset sales
- Operating income of €74 million compared to €46 million in the prior year period. The increase was primarily driven by OCF growth
- OCF increased 5% YoY to €456 million, marking seven consecutive quarters of growth
 - OCF growth was a result of sustained revenue growth and a decrease in certain operating costs supported by ongoing synergy realization
 - Integration expenses were €3 million, as compared to €2 million in the prior-year period
- Property and equipment additions⁸ were 22% of revenue
 - Q1 additions increased by €53 million YoY primarily as a result of (i) accelerated investment in 5G technology, (ii) expansion in both fixed and mobile networks, and (iii) expenses related to consolidation of IT systems
 - Integration-related additions amounted to €24 million in Q1, as compared to €20 million in the prior-year period
- Operating FCF⁷ of €234 million, representing 24% of revenue compared to €265 million and 28% of revenue in the prior year period as a result of the aforementioned YoY increase in Property and equipment additions
- At March 31, 2020, our fully-swapped third-party debt borrowing cost¹⁴ was 4.2% and the average tenor of our third-party debt (excluding vendor and handset financing obligations) was 8.4 years
- During the quarter we completed a series of leverage neutral transactions:
 - Issued equivalent of €3.6 billion of new debt, split across \$2.525 billion Term Loan I due 2028, new €900 million 3.375% Senior Notes due 2030 and \$500 million 5.125% Senior Notes due

2030, additional €77.5 million 2.875% Senior Secured Notes due 2030 and \$200 million 4.875% Senior Secured Notes due 2030

- Proceeds were used to repay \$2.525 billion Term Loan E due 2025 in full, redeem the €950 million 4.625% Senior Notes due 2025, redeem the \$400 million 5.875% Senior Notes due 2025, redeem 10% of the €775 million 4.25% Senior Secured Notes due 2027 and redeem 10% of the \$2 billion Senior Secured Notes due 2027
- Additionally, a third-party SPV that is not consolidated (VZ Vendor Financing B.V.) issued an additional €100 million 2.5% Vendor Financing Notes due 2024 and will use those proceeds to purchase vendor financing receivables from the vendor financing facility provider, thereby reducing our reliance on our uncommitted, 360 day, vendor financing lines. Vendor financing debt will remain capped at €1 billion
- At March 31, 2020, total third-party debt (excluding vendor financing, other debt and lease obligations) was €10.0 billion, which is an increase of €48 million from December 31, 2019 mostly related to the transaction costs from the issuance of the €900 million 3.375% Senior Notes due 2030 and \$500 million 5.125% Senior Notes due 2030. Further when taking into consideration the projected principal-related cash flows associated with our cross-currency derivative instruments, the total covenant amount of third party gross debt was €9.5 billion at March 31, 2020, unchanged from December 31, 2019. For information concerning the debt balances used in our covenant calculations, see Covenant Debt Information below
- During the quarter, our cash returns to shareholders were €20 million of interest on the Shareholder Notes
- At March 31, 2020, and subject to the completion of our corresponding compliance reporting requirements, (i) the ratio of Senior Net Debt to Annualized EBITDA (last two quarters annualized) was 3.88x and (ii) the ratio of Total Net Debt to Annualized EBITDA (last two quarters annualized) was 4.84x, each as calculated in accordance with our most restrictive covenants
 - Vendor and handset financing obligations are not included in the calculation of our leverage covenants. If we were to include these obligations in our leverage ratio calculation, the ratio of Total Net Debt to Annualized EBITDA would have been 5.45x at March 31, 2020
- At March 31, 2020, we had maximum undrawn Revolving Credit Facility commitments of €800 million. When our Q1 compliance reporting requirements have been completed and assuming no changes from March 31, 2020 borrowing levels, we anticipate that we will have €695 million of our unused Revolving Credit Facility commitments available to be drawn

Operating Statistics Summary

	As of and for the three months ended March 31,	
	2020	2019
Footprint		
Homes Passed ¹⁵	7,265,300	7,213,800
Fixed-Line Customer Relationships⁵		
Fixed-Line Customer	3,868,900	3,888,900
Q1 organic Fixed-Line Customer net losses	(6,200)	(17,800)
RGUs per Fixed-Line Customer	2.49	2.49
Q1 Monthly ARPU per Fixed-Line Customer	€ 49	€ 46
Fixed Customer Bundling		
Single-Play	12.6%	14.3%
Double-Play	26.1%	22.4%
Triple-Play	61.2%	63.3%
Mobile SIMs¹⁶		
Postpaid	4,556,000	4,256,000
Prepaid	545,500	704,500
Total Mobile	5,101,500	4,960,500
Q1 organic Postpaid net additions	72,200	41,000
Q1 organic Prepaid net losses	(35,700)	(46,600)
Total organic Mobile net additions (losses)	36,500	(5,600)
Q1 Monthly Mobile ARPU		
Postpaid (including interconnect revenue)	€ 18	€ 21
Prepaid (including interconnect revenue)	€ 3	€ 3
Convergence²		
Converged Households	1,384,000	1,096,000
Converged SIMs	2,154,000	1,590,000
Converged Households as % of Internet RGUs	41%	33%
Subscribers (RGUs)		
Basic Video ¹⁷	487,800	503,600
Enhanced Video ¹⁸	3,376,100	3,381,200
Total Video	3,863,900	3,884,800
Internet ¹⁹	3,371,900	3,323,700
Telephony ²⁰	2,382,800	2,474,400
Total RGUs	9,618,600	9,682,900
Q1 Organic RGU Net Additions (Losses)		
Basic Video	(3,500)	(14,100)
Enhanced Video	(2,700)	(3,800)
Total Video	(6,200)	(17,900)
Internet	9,800	6,500
Telephony	(26,700)	(25,200)
Total organic RGU net losses	(23,100)	(36,600)

Financial Results, OCF Reconciliation, Property and Equipment Additions & Operating FCF Reconciliation

The following table reflects preliminary unaudited selected financial results for the three months ended March 31, 2020 and 2019.

	Three months ended March 31,		Change
	2020	2019	
in millions, except % amounts			
Total revenue			
Consumer cable revenue¹⁰			
Subscription revenue	€ 512.4	€ 492.0	4.1%
Non-subscription revenue	4.6	4.9	(6.1%)
Total consumer cable revenue	517.0	496.9	4.0%
Consumer mobile revenue¹¹			
Service revenue	157.1	159.4	(1.4%)
Non-service revenue	60.5	48.5	24.7%
Total consumer mobile revenue	217.6	207.9	4.7%
Total consumer revenue	734.6	704.8	4.2%
B2B cable revenue¹²			
Subscription revenue	115.8	108.5	6.7%
Non-subscription revenue	6.1	6.9	(11.6%)
Total B2B cable revenue	121.9	115.4	5.6%
B2B mobile revenue¹³			
Service revenue	95.4	106.3	(10.3%)
Non-service revenue	31.1	25.8	20.5%
Total B2B mobile revenue	126.5	132.1	(4.2%)
Total B2B revenue	248.4	247.5	0.4%
Other revenue ²¹	12.5	11.1	12.6%
Total revenue	€ 995.5	€ 963.4	3.3%
OCF ⁶	€ 456.2	€ 434.9	4.9%
OCF as a percentage of revenue	45.8%	45.1%	
Operating income as a percentage of revenue	7.4%	4.7%	
OCF Reconciliation			
Operating income	€ 73.8	€ 45.7	
Share-based compensation expense	0.2	0.5	
Depreciation and amortization	380.0	377.7	
Impairment, restructuring and other operating items, net	2.2	11.0	
OCF	€ 456.2	€ 434.9	

The table below highlights the categories of our property and equipment additions for the indicated periods and reconciles those additions to the capital expenditures that we present in our condensed consolidated statements of cash flows:

	Three months ended March 31,	
	2020	2019
	in millions, except % amounts	
Customer premises equipment	€ 52.7	€ 46.3
New build and upgrade	35.7	26.8
Capacity	69.3	52.0
Baseline	58.7	38.1
Product and enablers	6.3	6.3
Property and equipment additions ⁸	222.7	169.5
Assets acquired under capital-related vendor financing arrangements	(114.6)	(139.6)
Assets acquired under finance leases	(1.5)	(1.4)
Changes in liabilities related to capital expenditures	(12.4)	59.6
Total capital expenditures ²²	€ 94.2	€ 88.1
Property and equipment additions as a percentage of revenue	22.4%	17.6%
Operating FCF⁷ Reconciliation		
OCF	€ 456.2	€ 434.9
Property and equipment additions	(222.7)	(169.5)
Operating FCF	€ 233.5	€ 265.4
Operating FCF as a percentage of revenue	23.5%	27.5%

Third-Party Debt and Cash

The following table details the borrowing currency and euro equivalent of the nominal amount outstanding of VodafoneZiggo's consolidated third-party debt and cash.

	March 31, 2020		December 31, 2019			
	Borrowing currency	€ equivalent				
		in millions				
Credit Facilities						
Term Loan E (LIBOR + 2.50%) USD due 2025.....	\$	—	€	—	€	2,248.6
Term Loan H (EURIBOR + 3.00%) EUR due 2029.....	€	2,250.0		2,250.0		2,250.0
Term Loan I (LIBOR + 2.50%) USD due 2028.....	\$	2,525.0		2,301.5		—
Financing Facility	€	32.9		32.9		152.7
€800.0 million Ziggo Revolving Facilities EUR due 2026				—		—
Total Credit Facilities				4,584.4		4,651.3
Senior Secured Notes						
5.50% USD Senior Secured Notes due 2027	\$	1,800.0		1,640.7		1,781.1
4.25% EUR Senior Secured Notes due 2027	€	697.5		697.5		775.0
4.875% USD Senior Secured Notes due 2030	\$	700.0		638.0		445.3
2.875% EUR Senior Secured Notes due 2030	€	502.5		502.5		425.0
Total Senior Secured Notes				3,478.7		3,426.4
Senior Notes						
4.625% EUR Senior Notes due 2025	€	—		—		950.0
5.875% USD Senior Notes due 2025	\$	—		—		356.2
6.00% USD Senior Notes due 2027	\$	625.0		569.7		556.6
3.375% EUR Senior Notes due 2030	€	900.0		900.0		—
5.125% USD Senior Notes due 2030	\$	500.0		455.7		—
Total Senior Notes				1,925.4		1,862.8
Vendor financing				999.7		995.0
Other debt ²³				187.7		186.0
Finance leases				19.0		19.8
Total third-party debt and finance lease obligations				11,194.9		11,141.3
Unamortized premiums, discounts and deferred financing costs, net.....				(71.7)		(57.7)
Total carrying amount of third-party debt and finance lease obligations .				11,123.2		11,083.6
Less: cash and cash equivalents				108.8		204.3
Net carrying amount of third-party debt and finance lease obligations²⁴ ...	€		€	11,014.4	€	10,879.3
Exchange rate (\$ to €)				1.0971		1.1229

Covenant Debt Information

The following table details the euro equivalent of the reconciliation from VodafoneZiggo's consolidated third-party debt to the total covenant amount of third-party gross²⁵ and net debt²⁴ and includes information regarding the projected principal-related cash flows of our cross-currency derivative instruments. The euro equivalents presented below are based on exchange rates that were in effect as of March 31, 2020 and December 31, 2019. These amounts are presented for illustrative purposes only and will likely differ from the actual cash receipts in future periods.

	March 31, 2020	December 31, 2019
in millions		
Total third-party debt and finance lease obligations (€ equivalent)	€ 11,194.9	€ 11,141.3
Vendor financing	(999.7)	(995.0)
Finance lease obligations	(19.0)	(19.8)
Other debt ²³	(187.7)	(186.0)
Financing Facility excluded amount	(32.7)	(152.7)
Projected principal-related cash receipts associated with our cross-currency derivative instruments	(394.3)	(267.3)
Total covenant amount of third-party gross debt²⁵	9,561.5	9,520.5
Less: cash and cash equivalents*	(77.2)	(53.3)
Total covenant amount of third-party net debt²⁴	€ 9,484.3	€ 9,467.2

* This excludes the €31.6 and €151.0 million for 2020 and 2019, respectively, cash related to the unutilized portion of the Vendor Finance Note facility

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements with respect to our strategies, future financial and operational growth prospects and opportunities; expectations with respect to our OCF and cash returns to our shareholders; expectations with respect to the development, enhancement and expansion of our superior networks and innovative and advanced products and services; expectations regarding the availability of mobile devices with 1 Gbps+ download speeds; expectations with respect to synergies; the strength of our balance sheet and tenor of our third-party debt; and other information and statements that are not historical fact. These forward-looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. These risks and uncertainties include events that are outside of our control, such as the potential impact of the recent outbreak of COVID-19 on our company; the continued use by subscribers and potential subscribers of our services and their willingness to upgrade to our more advanced offerings; our ability to meet challenges from competition, to manage rapid technological change or to maintain or increase rates to our subscribers or to pass through increased costs to our subscribers; the effects of changes in laws or regulation; general economic factors; our ability to obtain regulatory approval and satisfy regulatory conditions associated with acquisitions and dispositions; our ability to successfully acquire and integrate new businesses and realize anticipated efficiencies from the combination of Vodafone Netherlands and Ziggo as well as any acquired businesses; the availability of attractive programming for our video services and the costs associated with such programming; our ability to achieve forecasted financial and operating targets; the outcome of any pending or threatened litigation; the ability of our operating companies to access cash of their respective subsidiaries; the impact of our operating companies' future financial performance, or market conditions generally, on the availability, terms and deployment of capital; fluctuations in currency exchange and interest rates; the ability of suppliers and vendors to timely deliver quality products, equipment, software, services and access; our ability to adequately forecast and plan future network requirements including the costs and benefits associated with network expansions; and other factors detailed from time to time in our most recent Annual

and Quarterly Reports. These forward-looking statements speak only as of the date of this release. We expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

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About VodafoneZiggo

VodafoneZiggo is a leading Dutch company that provides fixed, mobile and integrated communication and entertainment services to consumers and businesses. As of March 31, 2020, we have over 5 million mobile, nearly 4 million video, over 3 million fixed broadband internet and approximately 2.5 million fixed telephony subscribers.

Approximately 8,000 people are employed by VodafoneZiggo. Our offices are located in Utrecht, Amsterdam, Maastricht, Hilversum, Leeuwarden, Groningen, Zwolle, Nijmegen, Helmond, Eindhoven and Rotterdam.

The VodafoneZiggo JV is a joint venture between Liberty Global, one of the world's leading converged video, broadband and communications companies, and Vodafone Group, one of the world's leading telecom and technology service providers. Liberty Global has operations in six European countries under the consumer brands Virgin Media, Telenet and UPC. Liberty Global develops market-leading products delivered through next-generation networks that connect 11 million customers subscribing to 25 million TV, broadband internet and telephony services. Liberty Global also serves 6 million mobile subscribers and offers WiFi service through millions of access points across its footprint. Liberty Global owns significant investments in ITV, All3Media, ITI Neovision, LionsGate, the Formula E racing series and several regional sports networks. Vodafone Group has mobile operations in 24 countries, partners with mobile networks in 42 more, and fixed broadband operations in 19 markets. As of December 31, 2019, Vodafone Group had approximately 625 million mobile customers, 27 million fixed broadband customers and 22 million TV customers, including all of the customers in Vodafone's joint ventures and associates.

Footnotes

1. The financial figures contained in this release are prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP").
2. Converged households or converged SIMs represent customers in either our Consumer or SOHO segment that subscribe to both a fixed-line digital TV and an internet service (like Connect Start, Complete and Max) and Vodafone and/or hollandsnieuwe postpaid mobile telephony service.
3. RGU ("Revenue Generating Unit") is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Telephony Subscriber (each as defined and described below). A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer in our market subscribed to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, or free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts. In this regard, our March 31, 2020 RGU counts exclude our separately reported prepaid and postpaid mobile subscribers.
4. Average Revenue Per Unit ("ARPU") refers to the average monthly subscription or service revenue, for either fixed or mobile services, respectively, per average fixed customer relationship or mobile subscriber, as applicable. Although presented on a combined basis in our operating statistics summary table above, our ARPU per fixed customer relationship is calculated separately for our residential ("Consumer cable ARPU"), SOHO ("SOHO cable ARPU") and Small Business ("Small Business cable ARPU") subscribers by dividing the average applicable monthly cable subscription revenue for the indicated period, by the average of the opening and closing balances for the fixed customer relationship for the period. Fixed customer relationships of entities acquired during the period are normalized. Although presented on a combined basis in our operating statistics summary table above, our ARPU per mobile subscriber is calculated separately for our Consumer ("Consumer mobile postpaid ARPU") and B2B ("B2B mobile postpaid ARPU") subscribers. Our ARPU per mobile subscriber calculations refer to the average monthly mobile service and interconnect revenue per average mobile subscribers in service and are calculated by dividing the average monthly postpaid mobile service revenue including interconnect revenue for the indicated period, by the average of the opening and closing balances of postpaid mobile subscribers in service for the period.
5. Fixed Customer Relationships are the number of customers who receive at least one of our video, internet or telephony services that we count as RGU, without regard to which or to how many services they subscribe. Fixed Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Fixed Customer Relationships. We exclude mobile-only customers from Fixed Customer Relationships.
6. Operating Cash Flow ("OCF") is the primary measure used by our management to evaluate the operating performance of our businesses. OCF is also a key factor that is used by our management and our Supervisory Board to evaluate the effectiveness of our management for purposes of annual and other incentive compensation plans. As we use the term, OCF is defined as operating income before depreciation and amortization, share-based compensation, provisions and provision releases related to significant litigation and impairment, restructuring and other operating items. Other operating items include (i) gains and losses on the disposition of long-lived assets, (ii) third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, including legal, advisory and due diligence fees, as applicable, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. Our management believes OCF is a meaningful measure because it represents a transparent view of our recurring operating performance that is unaffected by our capital structure and allows management to (a) readily view operating trends, (b) perform analytical comparisons and benchmarking between entities and (c) identify strategies to improve operating performance. We believe our OCF measure is useful to investors because it is one of the bases for comparing our performance with the performance of other companies in the same or similar industries, although our measure may not be directly comparable to similar measures used by other companies. OCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows. A reconciliation of operating income to OCF is presented under the *Financial Results, OCF Reconciliation, Property and Equipment Additions & Operating FCF Reconciliation* section of this release.
7. We define Operating FCF (Operating Free Cash Flow) as OCF less property and equipment additions. Operating FCF is an additional metric that we use to measure the performance of our operations after considering the level of property and equipment additions incurred during the period. Operating FCF should be viewed as a measure of operating performance that is a supplement to, and not a substitute for, operating income, net earnings or loss, cash flow from operating activities and other U.S. GAAP measures of income or cash flows.
8. Property and equipment additions include capital expenditures on an accrual basis, amounts financed under vendor financing or finance lease arrangements and other non-cash additions.
9. Financial guidance for FY 2020:
 - OCF growth: 2-3% including around €35 million non-recurring integration costs
 - Property and equipment additions: 19-21% of revenue, including integration-related additions of approximately €80 million
 - Total cash available for potential shareholder distributions: €400 million - €500 million

A reconciliation of our OCF guidance to a U.S. GAAP measure is not provided due to the fact that not all elements of the reconciliation are projected as part of our forecasting process, as certain items may vary significantly from one period to another. For the definition and reconciliation of OCF, see note 6.

Total cash available refers to cash generated during the period excluding any financing and investment expenses relating to potential acquisitions, mobile spectrum auction fees or other liabilities.

Cash returns to our shareholders includes payments for dividends and principal and interest on shareholder loans. Of note, this is in addition to the shareholder charges that we describe in our 2019 annual report. Shareholders refers to the 50:50 ownership by Vodafone and Liberty Global of VodafoneZiggo.

10. Consumer cable revenue is classified as either subscription revenue or non-subscription revenue. Consumer cable subscription revenue includes revenue from subscribers for ongoing broadband internet, video, and voice services offered to residential customers and the amortization of installation fee. Consumer cable non-subscription revenue includes, among other items, interconnect, channel carriage fees and late fees.
11. Consumer mobile revenue is classified as either service revenue or non-service revenue. Consumer mobile service revenue includes revenue from ongoing mobile and data services offered under postpaid and prepaid arrangements to residential customers. Consumer mobile non-service revenue includes, among other items, interconnect revenue, mobile handset and accessories sales, and late fees.
12. B2B cable revenue is classified as either subscription revenue or non-subscription revenue. B2B cable subscription revenue includes revenue from business broadband internet, video, voice, and data services offered to SOHO, small and medium to large enterprises. B2B cable non-subscription revenue includes, among other items, revenue from hosting services, installation fees, carriage fees and interconnect.
13. B2B mobile revenue is classified as either service revenue or non-service revenue. B2B mobile service revenue includes revenue from ongoing mobile and data services offered to SOHO, small and medium to large enterprise customers. B2B mobile non-service revenue includes, among other items, interconnect revenue, mobile handset and accessories sales, and late fees.
14. Our fully-swapped third-party debt borrowing cost represents the weighted average interest rate on our aggregate variable- and fixed-rate indebtedness (excluding finance leases and vendor and handset financing obligations), including the effects of derivative instruments and commitment fees, but excluding the impact of financing costs.
15. Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Our Homes Passed counts are based on internally maintained databases of connected addresses, which are updated monthly. Due to the fact that we do not own the partner networks, we do not report homes passed for partner networks.
16. Our mobile subscriber count represents the number of active subscriber identification module (SIM) cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (mobile broadband or secondary SIM) would be counted as two mobile subscribers. Our mobile subscriber count includes both prepaid and postpaid plans. Prepaid customers are excluded from our prepaid mobile telephony subscriber counts after a period of inactivity of 9 months.
17. Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. We count RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premises is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs.
18. Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premises is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers. Subscribers to enhanced video services provided by our operations over partner networks receive basic video services from the partner networks as opposed to our operations.
19. Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network.
20. Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers.
21. Other revenue includes, among other items, programming and advertising revenue and revenue related to certain personnel services provided to Vodafone and Liberty Global.
22. The capital expenditures that we report in our consolidated statements of cash flows do not include amounts that are financed under vendor financing or finance lease arrangements. Instead, these expenditures are reflected as non-cash additions to our property and equipment when the underlying assets are delivered, and as repayments of debt when the related principal is repaid.
23. Other debt represents handset financing obligations.
24. Net third-party debt is not a defined term under U.S. GAAP and may not therefore be comparable with other similarly titled measures reported by other companies.
25. Total covenant amount of third-party gross debt is the euro equivalent of the nominal amount outstanding of our third-party debt less (i) vendor financing, (ii) finance lease obligations, (iii) other debt and (iv) the projected principal-related cash flows associated with our cross-currency derivative instruments. These projected cash flows are presented for illustrative purposes only and will likely differ from the actual cash receipts or payments in future periods. A reconciliation of total third-party debt to total covenant amount of third-party gross and net debt is provided under the *Covenant Debt Information* section of this release.

Additional General Notes:

Certain of our B2B revenue is derived from SOHO, Small Business and Multiple Dwelling Units subscribers. SOHO subscribers pay a premium price to receive enhanced service levels along with video, internet or telephony services that are the same or similar to the mass marketed products offered to our residential subscribers. Small Business customers receive video, internet or telephony services that are similar to our SOHO product offerings with additional optional functionality such as static IP addresses, hosted VoIP, or Multi Wifi. The Small Business product offerings come at a premium price compared to the business products we offer to our SOHO customers. All mass marketed products provided to SOHO and Small Business customers, whether or not accompanied by enhanced service levels and/or premium prices, are included in the respective RGU and customer counts of our broadband communications operation, with only those services provided at premium prices considered to be "SOHO RGUs" and "Small Business RGUs" or "SOHO customers" and "Small Business customers". To the extent our existing customers upgrade from a residential product offering to a SOHO or Small Business product offering, the number of SOHO or Small Business RGUs or SOHO or Small Business customers will increase, but there is no impact to our total RGUs or customer counts. We report Multiple Dwelling Units subscribers and revenue under our B2B segment as these contracts are managed by the B2B management team. With the exception of our B2B SOHO, Small Business and Multiple Dwelling Units subscribers, we generally do not count customers of B2B services as customers or RGUs for external reporting purposes.

While we take appropriate steps to ensure that subscriber statistics are presented on a consistent and accurate basis at any given balance sheet date, the variability in (i) the nature and pricing of products and services, (ii) the distribution platform, (iii) billing systems, (iv) bad debt collection experience and (v) other factors add complexity to the subscriber counting process. We periodically review our subscriber counting policies and underlying systems to improve the accuracy and consistency of the data reported on a prospective basis. Accordingly, we may from time to time make appropriate adjustments to our subscriber statistics based on those reviews.