



New connections

Annual Report VodafoneZiggo 2017

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Preface

For us, 2017 was a year of new connections. Vodafone and Ziggo had a connection and merged into a new, powerful company. We connected techniques and networks to enable fast and reliable communication. And above all we connected people. We enabled valuable connections between people and for people. We used the power of technology to help people and to make our society stronger, to create a feeling of connection, to exchange ideas, to open doors to new worlds. So people can enjoy and help each other. Our purpose therefore is, enjoyment and progress with every connection.

Last year we offered consumers the best entertainment, like TV programmes, series and films. We threw a party for our customers. They received nonstop free extras like faster cable internet and bigger mobile data bundles. We improved our customer service with, for example, a 'chatbot' and visual support in requests for help. We acquainted children with the technology behind our networks to improve their online awareness, safety and skills. Entrepreneurs were helped towards working more efficiently and getting the most out of their company, so they can focus on what they do best: being an entrepreneur.

Our employees got to know new colleagues and set to work with lots of energy. It took time for everyone to get used to the new organization. 2017 turned out to be year of challenges for all of us. It makes me proud to see how quickly our people settled in and started shaping a positive

and open culture together. In 2018 we will build on that connection, also in a more literal sense, by moving to one central office, right in the centre of Utrecht.

We look back on 2017 with a feeling of satisfaction. But most of all, we look ahead. We want to shape the digital revolution and accelerate the Dutch digitization. That is why we are building an infrastructure designed to help the Netherlands maintain its digital advantage.

In the meantime, boundaries between fixed and mobile are blurring. Our customers will always be online, anytime, anyplace. That is why in 2020 we start offering the 'network of the future'. Customers will hardly be able to tell anymore whether they are connected by cable, Wi-Fi or mobile. Our network will be even more stable, smarter and faster with internet speeds up to 1 Gigabit per second. We are all ready.

Finally I want to thank our customers for their confidence and our employees for their boundless dedication. As long as we stay connected, everything is possible.

Jeroen Hoencamp
CEO VodafoneZiggo



DE KLANT CENTRAAL

> Annual review

> Facts and figures



ONZE HERO PRODUCTEN

1 Highlights 2017

INVESTEREN VOOR DE TOEKOMST

First day as VodafoneZiggo

The brand new company VodafoneZiggo is off to a flying start and we feel great! By combining forces, the fixed network of Ziggo and the mobile network of Vodafone together create a new digital highway in the Netherlands.

[Read more](#)



Journalistic experiment 'De Tweede Kelder'

From the catacombs of Parliament, a group of young people makes a daily TV programme in the build-up to the elections to the Lower House on 15 March. Their activities can be viewed on Ziggo channel 13 and YouTube.

[Read more](#)



'Experience Days' rouse children's interest in technology

Enthusiastic VodafoneZiggo employees introduce children to technology in a playful way during the 'Experience Days'. Each month, they offer pupils a view behind the scenes of our company.

[Read more](#)



VodafoneZiggo kicks off in the Ziggo Dome

On 22 March, more than 7,000 colleagues celebrate the fact that we are now VodafoneZiggo. CEO Jeroen Hoencamp performs the official kick-off. He launches the purpose of our new company: **'Enjoyment and progress with every connection'**. With that in mind we will make a difference for our customers, for the Netherlands and for each other.

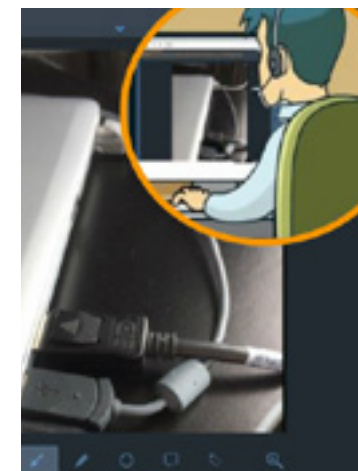
[Read more](#)



Rap app 'Get the Flow' combats stuttering

Children can rap along with hip-hop songs in the Get the Flow app of VodafoneZiggo. It is a playful way to help children reduce their stuttering. With the app they train their diction and boost their self-confidence.

[Read more](#)



Photographs help customers out of a fix

Sometimes a picture says more than a thousand words. Especially when people experience problems at home with their internet connection and try to explain what is wrong. That is why in May 2017, VodafoneZiggo starts with Visual Customer Support. From now on the customer can show photographs of the issue and we can show him in turn how to solve the problem.

[Read more](#)



National coverage for the Internet of Things (IoT)

The launch of an IoT network with nationwide coverage makes us the trendsetter of the digital revolution. IoT connects devices to the internet in an efficient way.

[Read more](#)

JANUARY

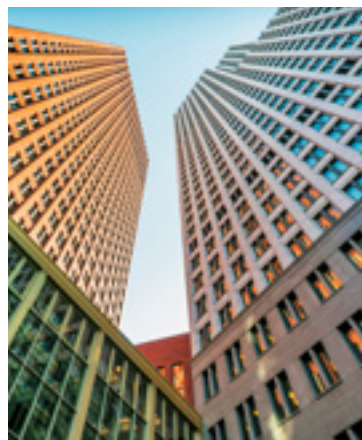
FEBRUARY

MARCH

APRIL

MAY

JUNE



Government does business with VodafoneZiggo

The Ministry of the Interior and Kingdom Relations awards the Kingdom-wide contract for mobile communication services (IWR2017) to Vodafone. With the contract for mobile services, Vodafone helps central government employees in the Netherlands and abroad to work more flexible, thanks to mobile telephony and data. It concerns 180,000 devices in the coming 4 to 7 years..

[Read more](#)

JULY

Campaign 'Freedom works'

Research shows that productivity strongly improves if employees can determine themselves where and when they work. Digital products and services enable this. With the marketing campaign 'Freedom works' Vodafone wanted to inspire its business customers and show them how freedom really works out, to enable them to increase their productivity.

[Read more](#)

Exclusive film screening Game of Thrones

With cinema chain Pathé we offered Game of Thrones fans the opportunity to attend an exclusive screening in one of the Pathé cinemas. Eventually, hundreds of fans watched the finale of the second last season in seven packed cinemas. Together with the highest number of on demand viewers ever, this was one of the highlights of the year for us.

[Read more](#)

AUGUST



Wi-Fi for hurricane victims Saint Martin

Victims of hurricane Irma at Saint Martin can contact family and friends thanks to the efforts of volunteers of the Vodafone Foundation. They set up an emergency location where islanders can borrow a tablet, have access to Wi-Fi and can charge their mobile phones.

[Read more](#)

SEPTEMBER



Faster cable internet for all customers

Our customers will benefit from faster cable internet without having to pay extra. For most packages, internet speeds increase by 33%.

[Read more](#)

Slogan expresses feeling of exciting future

Vodafone says goodbye to its slogan 'Power to You' and introduces 'The Future is Exciting. Ready?' The new slogan expresses more aptly what we want and where we are heading.

[Read more](#)

OCTOBER

CEO calls for national digitization summit

During the VodafoneZiggo Digitization Debate, CEO Jeroen Hoencamp calls on the government to develop an unambiguous vision about digitization and to spread and support this actively and consistently. Otherwise, the Netherlands runs the risk of lagging behind.

[Read more](#)



'Online Masters' familiarize pupils with the digital world

Digital experts show pupils the ropes of the digital world in the free teaching package Online Masters. VodafoneZiggo launches the teaching package during the national Week of Media Literacy.

[Read more](#)

NOVEMBER



Ajax renews sponsorship contract

The football players of Ajax will keep the Ziggo logo on their chest for some time to come. The continuation of the sponsorship is proof of a successful cooperation and mutual trust.

[Read more](#)

Large hospitals choose VodafoneZiggo

VodafoneZiggo provides fixed and mobile telephone to the academic hospitals in Amsterdam, Rotterdam, Leiden, Utrecht, Nijmegen, Maastricht and Groningen. Reliability and safety are the prime considerations for these customers. Once again this proves the added value of the combined forces of Vodafone and Ziggo.

[Read more](#)

DECEMBER



ORGANIZATION

ENJOYMENT: ALWAYS AND EVERYWHERE



Revenues

€ 4,019 million
(-4% compared to 2016)



Operating result

€ 1,692 million
(-6% compared to 2016)



Investments

€ 827 million
(21% of total revenue)



Offices

19



Shops

186




cable customers

3.9 million




mobile customers

4.8 million



7,477

Total number of employees




6,806

Total number of FTE


Male-female ratio

| | |
|------------|------------|
| Female | Male |
| 29% | 71% |



Employment

| | |
|----------------|----------------|
| 37% | 63% |
| work part-time | work full-time |





LIBERTY GLOBAL

50% shareholder VodafoneZiggo

30 countries

24 million customers




vodafone


50% shareholder VodafoneZiggo

26 countries

523.5 million mobile telephony customer



Number of unique hours of content Ziggo Sport & Ziggo Sport Totaal: **approx. 5,500**



7 unique Ziggo TV channels



141 million million Replay TV-streams



22,2 million video on demand-streams on Ziggo GO app



Maximum download speed up to **400 Mbps**



Twice as much data in nearly all mobile bundles

PROGRESS: INVESTING IN THE DIGITAL FUTURE



7.1 million
connected households
connections



Number of new consumer
connections in 2017
60,579 = 7.4% growth



Number of new business coax
connections in 2017
19,479 = 32.4% growth



38,500 km optical fibre cable
(ter vergelijking: de omtrek van de
aarde is 40.000 kilometer)



410,000 km coaxial cable
in The Netherlands
(ter vergelijking: dat is ruim **11x** de
omtrek van de aarde)



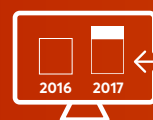
452,031
street cabinets



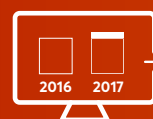
4.700
transmission
towers



Data peak fixed **750 Gbps**
on 28 August 2017 during last
episode of Game of Thrones



Increase download data (fixed):
+35-40%
compared to 2016



Increase upload data (fixed):
+15-20%
compared to 2016



Data peak with mobile:
829 Mbps



Increase data traffic mobile network:
90%

CONNECTIONS: STRENGTHENING PEOPLE AND SOCIETY



Number of downloads
'Get The Flow'-app: **10,000**

Get the Flow part of the
curriculum of **70** speech
therapists



169,535 children were given the
opportunity to improve their digital skills



1,671 children attended an Experience Day at
one of the 6 VodafoneZiggo offices



350 colleagues taught at Online Masters.nl
and/or an Experience Day



13.8 kilo tonnes CO₂ emission



276 GWh energy consumption

A woman with long brown hair, wearing a dark coat and a blue scarf, is looking down at a tablet computer. She is standing on a snowy street at night, with blurred city lights in the background.

> Introduction

> Trends and developments

> How we create value

> Strategy

> Products and services



2 Creating value for customer, colleague and society

VodafoneZiggo is a Dutch company that offers fixed, mobile and integrated communication and internet services to consumers and businesses. As VodafoneZiggo we work hard to offer our customers what they want. Preferably, we exceed their expectations.

By providing a reliable network and by developing services that are always better and faster than before. We call it creating value for our customers.

By the way, not only for our customers. We also want to offer added value to society at large. To make it easier for everyone to fulfil his dreams and ambitions.

Trends and developments

A lot has changed since the advent of cable TV in the Netherlands and since mobile telephony has become a commodity. Older customers can still remember the first time they were able to download videos and music on their computer. Or to send text messages with their phone. Parties like Ziggo and Vodafone were quick off the mark to enable this. Now, twenty years later, that same customer downloads a video in a fraction of time, with speeds up to 1 Gbps. WhatsApp, Snapchat and Twitter overtake SMS left, right and centre.

The pace at which the digital world is developing, is such that we can safely call it a genuine revolution. Machines communicate with each other without human intervention. Because of the increase in automation and the application of artificial intelligence, the content of fifty percent of all jobs will radically change between now and 2030. Or they will disappear altogether. At the same time, this digital revolution leads to enormous prosperity. For the European Union estimates vary from over **60 million** to an impressive

4 billion billion euros a day. That will also change the way in which we work, learn, live and have fun.

VodafoneZiggo is at the heart of this digital revolution. We are fully aware of the great responsibility to implement these changes smoothly, taking all individual and social aspects into consideration. Like protecting privacy and pursuing a sustainable corporate policy. We put a lot of effort into the infrastructure that makes it all possible. We invest in exceptional networks, making sure Wi-Fi works everywhere and combining our fixed and mobile net for an even better connection.

VodafoneZiggo identifies a number of trends that will define the communication landscape in future. Like Internet of Things (IoT) that interconnects digital machines without any human intervention whatsoever. This requires high standards of the networks over which these machines communicate. For example for self-driving cars that need to be on constant alert in traffic. Or in healthcare, where a human life can depend on medical equipment.

Telephones and other appliances have a voice-controlled assistant, often in the shape of a speaker, like the Amazon Echo. You can have it order a pizza, play the next song or give you the weather forecast.

Analogue TV and digital video boxes will disappear from view. Nearly all content is offered 'streaming', meaning that the user can experience the content right away, without having to wait until the file has been completely downloaded. A lot of streaming content uses Wi-Fi SON. SON

stands for Self-Organizing Network, a network in which routers and modems find the best frequency, install themselves and solve any connection problems. Convenience is the name of the game.

Augmented Reality (AR) adds an extra, virtual layer to reality. You can, for example, aim the camera of your phone at a shopping street to see which shop has special bargains. Or catch Pokémon when they pop up in our area. At VodafoneZiggo we conduct research as to how AR can be used to facilitate the work of our technical installers. An additional 'overlay' with information about the product to be repaired shows them what to look for and where to find it. In this way they can help customers quicker.





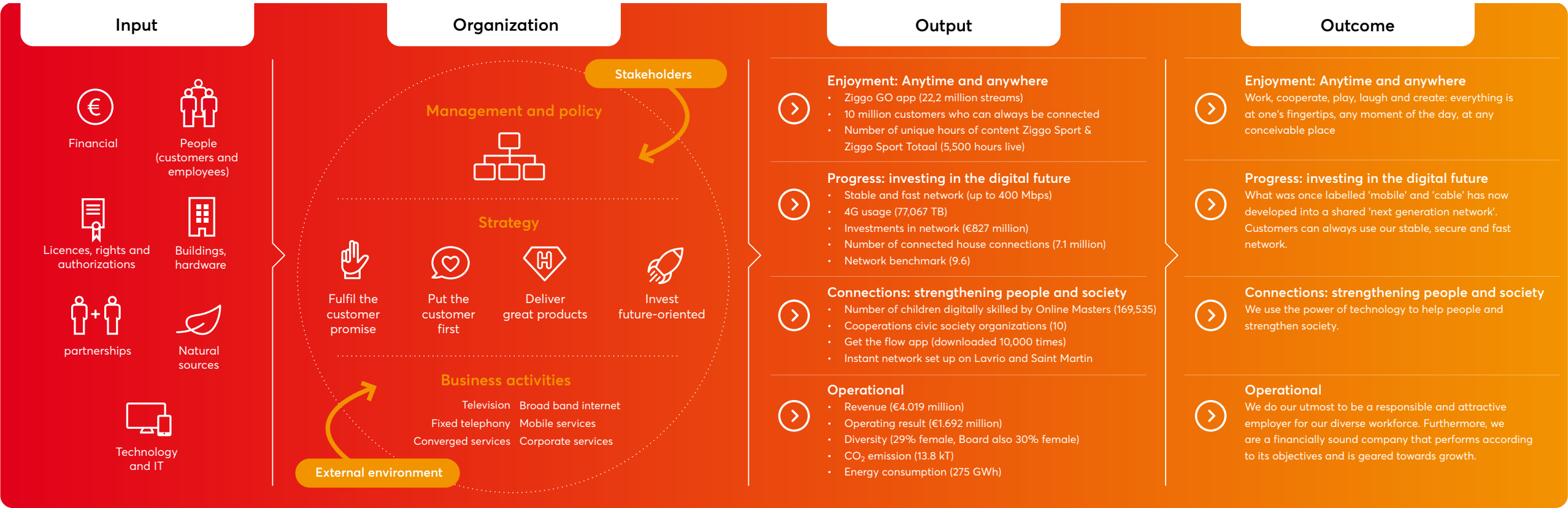
How we create value

As VodafoneZiggo we want to create value for our 'stakeholders': our customers, employees and society. To achieve that, we employ a range of people and resources. Together they form the input for our organization. It enables us to service

our customers, develop products and services and maintain our networks. Everything the organization makes and puts in motion we call output. That represents a certain value for every stakeholder. As a company we operate at the

heart of society. We have an impact on society and society has an impact on us. These external influences have an effect on all elements of our value creation model.

Value creation model



Strategy

Enjoyment and progress with every connection

The world is getting ever more connected. Connectivity and communication are the pillars of our society and economy. But connectivity goes much further than smart connections between networks or the technique we use to make contact. In the end people's life is all about feeling connected. With each other, with loved ones, friends and family. With the things that matter to them. So they can fully enjoy everything the world has to offer. And people, businesses and society can progress. That is why the purpose of VodafoneZiggo is: **enjoyment and progress with every connection.**

Enjoyment: anytime and anywhere

As VodafoneZiggo we make valuable connections, between people and for people. We do so in a society that never sleeps, where appointments are less and less defined by a specific time or place, where communication, media and fun are available 24/7. Work, collaborate, play, laugh and create: everything is at one's fingertips, at any moment of the day, at any conceivable place.

Consumers are offered the best entertainment, like TV, series and films. Entrepreneurs we help towards impactful business operations, enabling them to maximize their company, to work customer oriented and above all, to spend their time on what they love most: being an entrepreneur. Our employees we offer a great workplace with a healthy, positive, open culture.

Progress: investing in the digital future

The pace of innovation is high, developments pop up left, right and centre and sometimes it seems as if machines have the better of man. The turmoil of this time asks for new ways of thinking, new techniques and new combinations. VodafoneZiggo is such a new combination. We are the driving force of the Dutch digitization, but also the builder of the infrastructure that will secure the digital advantage of the Netherlands in future.

As of 2020, we will be offering a 'network of the future', in which mobile and fixed connections are even more converged. From now on, people will be online, always and everywhere. They will hardly notice that their devices switch between fixed internet, Wi-Fi or mobile internet. Our network will be even more stable, smart and fast with internet speeds of up to 1 Gigabit per second. Which is necessary because data needs of the Netherlands will increase exponentially.

Connection: strengthening people and society

Since we connect so many people in so many areas, we love to take responsibility for bringing about a positive impact. We use the power of technology to help people and to make society stronger.

VodafoneZiggo opens doors to new worlds with great opportunities, anticipated by people and businesses with excitement but also with confidence. Furthermore, we help customers acquire digital skills. So they can find their way in the turmoil and gain control over their

digital life. Wherever, whenever: we lead the way towards new ways to experience enjoyment and progress.

Strategic pillars

Excellent products and an excellent customer experience. That is our promise to the customer. To live up to that promise, we work from four strategic pillars. They form the basis of what we do.

1 Live up to the customer promise

Over time our products, processes and networks have become more and more complex behind the scenes. Customers should notice this as little as possible. Which is why we put a lot of effort into improving our processes and cleaning up legacy equipment. Some examples:

- Optimal customer experience: We clearly outline the steps a customer needs to take before he can use a certain product. This journey needs to go well and as smoothly as possible.
- Clean up legacy equipment and simplify portfolio: For example by reducing the number of IT platforms and replacing obsolete broadband modems and media boxes. This makes it easier to implement IT changes and will lead to an improved customer experience.
- Higher network standards: We keep investing in our mobile and fixed network, resulting in an exceptionally high quality standard. We simplify our network architecture,

reduce the number of human errors and boost performance.

- Effective IT and processes: To service our customers as best we can, we need to have solid insights in their wishes and be able to promote the right products. To that end we simplify and improve our information and IT systems.

2 Put the customer first

It seems so obvious: putting the customer first. But there is always room for improvement. The customer has to be our guiding principle in every decision we take and everything we do. We developed a number of initiatives in this area, like:

- The customer in our DNA: We want to be an attractive employer so we can hire and retain the best people. It is essential that being customer-centric is also the focal point in the selection and training of our employees so that this is reflected in their conduct.
- Existing customers first: By responding well to the needs of existing customers, they stay with us longer and use more services. Fixed and mobile customers for example, profit from our converged propositions with extras.

3 Deliver great products

VodafoneZiggo has a strong market position in the Netherlands which we want to retain and expand. We do everything we can to make our products and customer experience as positive as possible. Our approach to achieve this is multi-faceted:

- Best content and viewing experience: It is our ambition to provide the best and most comprehensive range of entertainment and to offer our customers a smooth viewing experience.
- Best internet: VodafoneZiggo has a ramified and first-class infrastructure in the Netherlands, fixed as well as mobile. Nevertheless, our customers believe we can still improve on connectivity.
- Best converged propositions: Converging fixed and mobile products offers a number of benefits to customers, like profitable discounts, additional TV packages and a 'safe online' package. Since we started offering converged subscriptions regarding internet, TV and mobile in April 2017, over 1 million households took advantage of this.
- Internet of Things and Smart City: VodafoneZiggo is at the cutting edge of solutions for Internet of Things (IoT). Especially for our enterprise customers we deliver genuine added value, due to e.g. our IoT network with national coverage and the experience of our parent companies Liberty Global and Vodafone Group.

4 Investing for the future

The speed at which new technologies present itself and existing techniques are developing, is breath-taking. Our customers expect us to be right up to date and keep a close track of the latest developments. Which is exactly what we are doing. They can rely on the most advanced networks and the best entertainment. Both now and in the future.

- Network ready for the future. The current fixed network of VodafoneZiggo is future-proof. Consumers currently have a maximum download speed of 400 Mbps. This speed can be increased to 1 Gbps with further increases to follow. The current 4G network meets most customers' demands, but we have to keep investing. For example by 'network virtualization', a method making the network even better and more reliable than it already is. In the meantime we make plans for next generation networks and technologies.

 [\(also see chapter Progress: investing in the digital future\).](#)

- Advanced customer data analytics: To be able to offer customers the best service, we need to understand their needs and wishes. Using the data we have about them provides us with a clear picture. The customer benefits in several ways. For example because we suggest a nice series or film. Or a cheaper subscription if a customer does not make many calls. It goes without saying that we only use this data after his consent. To achieve all that, we improve the alignment of the activities of our commercial, operational and technical departments.

cial, operational and technical departments.

- Focus on digital in all channels: In our view customer interaction should be more digitalized than it already is. More and more consumers use our self-service app and the majority of subscriptions is sold digitally.



Our customers want to app, watch TV and call, wherever and whenever they feel like it. The distinction between fixed and mobile has since long become irrelevant to them. That is why it was a logical step for Vodafone and Ziggo to merge into one company. Jointly we work on even more quality, reliability and innovation. Perfectly tuned to the wishes of our customers. Both now and in the future.



Robin Kroes

Executive Director Strategy & Integration

Products and services

VodafoneZiggo offers products and services in the field of television, broadband internet, fixed telephony and mobile data traffic to consumers and business customers in the Netherlands.

Television

- A basic TV subscription provides the customer with access to at least thirty television channels and numerous radio channels.
- With a basic subscription the customer can also use video on demand and the electronic programming guide. He can pause and replay programmes.
- Our overall channel programming consists of entertainment, sports, films, documentaries, lifestyle programmes, news, adult, children, ethnic, foreign and premium channels.
- Customers can watch TV where, when and how they want, for instance by using a digital videorecorder, a multimedia modem or a mobile app.
- The smart user interface allows the customer to watch linear ('normal') TV, video on demand or personal media.
- It is possible to view and share media on multiple devices. With the mobile app Ziggo GO customers can watch a second screen.

Broadband internet

- VodafoneZiggo wants to offer customers a good network connection, anytime, anywhere. That is why we invest in our broadband network, mobile services, Wi-Fi solutions and indoor equipment.
- Customers access the network with a cable



modem or a wireless connection through a Wi-Fi gateway. They can choose between several internet speeds up to 400 Mbps.

- Our internet services include email, address book and software for parental controls.
- At a surcharge we offer additional services, like online storage options, more web space and protection against viruses, spyware and spam.
- With Wi-Fi Spots customers even have access to wireless internet when they are outdoors. This service uses customers' Wi-Fi routers without compromising the security of the users.

Fixed telephony

- VodafoneZiggo's fixed telephony line uses the 'Voice over Internet Protocol' (VoIP).
- A basic subscription entitles a customer to a fixed telephone connection with a choice of several options, like unlimited calls within the network, calls to national or international numbers and calls during off-peak hours.
- At a surcharge we offer services like an additional telephone line, a personal call manager to manage incoming and outgoing calls and a unified messaging service to receive messages with different formats in one shared inbox.

Mobile services

- Our mobile services offer customers online connectivity everywhere. We provide good and fast connections with sufficient capacity.
- Our mobile customers can call, text, use the internet, stream music and watch TV where and whenever they like, indoors as well as

outdoors.

- Mobile traffic is handled by our 2G, 3G and 4G networks, all with national coverage.
- VodafoneZiggo offers access to its mobile networks to third parties that sell mobile data services under private label.

Converged services

Our customers can purchase bundled services, combining two, three or four services. This applies to:

- Internet
- TV
- Fixed telephony
- Mobile data traffic

Corporate services

VodafoneZiggo has a package of services tailored to its corporate customers, in six categories:

1. Mobile services, like worldwide calling, texting, mobile data and Internet of Things
2. Telephony services, like Voice over IP telephony, conference calls and exchange solutions for internal use
3. Data services, like internet access, virtual private networks, point-to-point connections and managed Wi-Fi networks
4. Television and internet services for corporate customers to service their customers
5. Additional services, like web hosting, cloud storage and services to enable secure working, for example protection against DDoS attacks
6. Converged fixed and mobile services, tailored to the business customer like Skype for Business





> Introduction

> Integration of Vodafone and Ziggo

> Employees

> Organization structure

> Our policy

> Purchasing policy

> The world around us

3 Organization

Being available anywhere, anytime and having secure access to internet, entertainment and office applications. At home, in the car or at work. That is what customers want. And for us to be able to guarantee that, we need to integrate fixed and mobile services.

With that at the back of their mind, Vodafone and Ziggo decided to proceed as one company from 2017 onwards. To stress the equivalence of both parties, the joint venture received the composite name VodafoneZiggo.

Integration of Vodafone and Ziggo

The new company forms a unique combination of a national cable company and a provider of mobile services. After its merger with UPC in 2015, Ziggo already reached nearly all Dutch households with its fixed network. Vodafone has national coverage with its mobile 2G, 3G and 4G networks.

Together we can bring our existing services to a higher level and develop new services with regard to communication and entertainment, for both the business and the consumer market. In the long run, the integration enables us to continuously invest in innovative applications and the digital infrastructure.

The customer is the big winner of the merger of the two parties. And of course, the Netherlands, with another major telecom and media player on the market.

Making choices

VodafoneZiggo wants to be the best company in the Netherlands with the most satisfied customers. To achieve that we need to make some tough choices and turn the two companies into one, efficiently operating

Treats for the customer

In the previous period, our existing customers could take advantage of the 'Nonstop free extras' campaign which offered special benefits each month at no extra cost.

Like superfast internet, top quality interactive TV and a free security package.

organization. The customer's interests are key in everything we do. This is embodied in how we carry out the integration, continuously improve our processes and motivate our employees. In this way we can save costs, which benefits both the customer and the company. There are several ways in which we intend to achieve this.

One single platform for mobile

We migrated the mobile telephone subscriptions of Ziggo to the Vodafone platform. Approximately 200,000 customers seamlessly made the switch-over. The mobile Ziggo platform is now something of the past for which we no longer incur costs.

Integrated service

The Vodafone and Ziggo shops are merged into one retail concept. In this way we can service our customers in no fewer than 186 shops across the country. Telephone and digital services for our fixed and mobile products are still separate, but will become integrated more and more. The current number of call centres will be reduced



The new central office

An important element of the integration is merging the workforce. We are therefore proud of our new office building in Utrecht, where a great many colleagues (in commercial and staff roles) of the two former companies will work together under the same roof. The central office will accommodate 1,600 employees and has an office floor area of 15,000 square metres. The new building is situated above the main entrance to shopping centre Hoog Catharijne, with an average of 30 million passers-by each year. We are directly opposite the entrance to the Central Station, close to all forms of public transport. This has been an important factor in choosing this location. The office will have a working cafe, two coffee bars, a rooftop terrace, a VodafoneZiggo Shop and our Experience Centre where we can welcome business customers and relations. The move is planned for 1 October 2018.



to fewer centres with more capacity. Eventually, the customer can go to one service point for all products. The new structure will give our employees more opportunities for job development.

Merging IT systems

In 2017, we integrated a number of IT platforms, including the systems for offices, HR services, intranet and internet. The more complex processes will be adapted in the near future, following the guidelines of a 3-year transition plan. This includes, for example, the transition to one invoice for both fixed and mobile products.

One central office

In the next few years we will reduce the number of office locations from seventeen to nine. In 2018 a large part of our employees will move to our new office in the centre of Utrecht.

Restructuring the organization

In order to act efficiently and decisively, we need to restructure our organization. Unfortunately, this also means saying goodbye to colleagues. In close consultation with the works councils and trade unions we have successfully completed the first requests for an opinion. In our redundancy plan we have inserted several conditions to help people towards a new job. When it comes to internal vacancies, employees losing their job have preference over external candidates.

Pursue the same course of action

In 2017, we proved the added value of the merger between Vodafone and Ziggo. In 2018 we will continue on the chosen path, creating even more positive impact for our customers. By launching new products and services, achieving improved

efficiency and bringing the quality of our work to a higher level.

Employees

Our employees are the beating heart of our organization. Over 60% has direct customer contact on a daily basis – in customer contact centres, in shops, at people's homes. Due to the efforts of our colleagues of the commercial, technical and support departments our customers are pleased with us and customer satisfaction in 2017 saw a further increase.

Together we create an open culture with lots of energy and passion for what we do. In this environment employees can continuously improve themselves, together achieving the best for the customer. The culture of VodafoneZiggo is based on three common values that give direction to our choices and actions. These values have been defined by all of us together, so we all know:

- who we want to be as a company
- how we want to realize our strategy
- how we want to engage with each other and our customers



Culture crew

What does the culture of VodafoneZiggo look like? How do we deal with one another, what are our symbols, rituals and traditions? And above all, what are our values? A group of 30 people from across the organization went in search of answers. They constituted the voice of the employees and put into words what the new organization stands for. After all, culture belongs to all of us. It is not implemented top-down but created by all employees together.



Based on the contributions of 650 employees, our 'Culture Crew' developed three core values together with the board:

OPEN UP TEAM UP STEP UP

OPEN UP

Think yes! Be open, honest and positive. Welcome new contacts, ideas and situations. Put yourself in someone else's shoes. Share your experience. Stay curious. And the good thing is: **the more you open up, the more you learn.**

Open attitude

Open up is about renewal, change, improvement. To turn VodafoneZiggo into one organization, we need an open attitude. For our existing employees, but also for new talent. In this way, the merger of Vodafone and Ziggo is a source of inspiration for new ideas. Routines you have been used to do for years, no longer seem self-evident. By adopting an open attitude, 'a different way' is not a threat but an opportunity.

Fresh view

At all levels in our organization we need young people with a fresh view of who we are and what we do. In 2017 we successfully rolled out our management development-programme. We call it 'Discover trainees', since that is what young talents do: discover themselves and their own qualities. Their journey included top-notch speakers in Carré, special guest lectures, study assignments and company visits.

We also enjoy giving students an inside view of our

business operations and offer them the opportunity to join the discussion about strategic issues. To this end we closely cooperate with various universities and universities of applied sciences. We are for example corporate partner of the University of Amsterdam. We give guest lectures and provide internships, and help to improve the alignment of education and employment, for example by developing business cases.

To us, Open Up goes beyond our own organization. It is the way in which we want to cooperate with everybody.





Now that we are one company, we want to experience and show it too. In our culture it is important that everyone enjoys his or her work, feels highly engaged and proud. To shape this, we – together with employees – went in search of what ties us together and which values we find important. This resulted in three core values: 'Open up', 'Team up' and 'Step up'. Meaning 'continuous learning and being open', 'cooperating' and 'setting the bar higher', respectively. Challenging yourself and improving is therefore very important. It provides energy and makes us proud of what we accomplish for our customers.

Anja Maassen van den Brink

Executive Director HR



TEAM UP

Stand by each other. Boost each other. Trust each other. Value the differences. Join forces. Use the energy. Stick to your word. Keep each other alert. Celebrate success together. And the good thing is: **the more we cooperate, the more we accomplish together.**

Inspiring workplaces

In order to cooperate effectively, we create optimal working conditions. Our offices in Amsterdam, Maastricht, Eindhoven and Utrecht have an inspiring design that encourages collaboration, creativity and productivity.

Connected working

Our working environment is designed to make all forms of activities and consultation as easy as possible for our employees. We want to bubble and keep moving as a company. To that end we make optimum use of all the human and technical qualities we have, like video conferencing, Skype and a cloud environment that enables colleagues to cooperate easily and efficiently at all locations. At VodafoneZiggo every employee has the freedom and the responsibility to cooperate effectively.

Our way of working is based on two principles: managing results and mutual trust. This enables

us to cooperate smoothly and effectively in a world that is becoming more and more dynamic, demanding and complex. We rely on everyone's ability to bear this responsibility and support our employees in this as well as we can.

Mutual trust and managing results is also about mutual flexibility. We require our employees to be flexible to, if necessary, shift up a gear and be available. Our employees want to be able to work flexibly and welcome support to achieve a healthy work-life balance.

Getting to know colleagues

We put a lot of effort into bringing our teams together. For example in the so-called 'all hands' sessions, in which we get to know each other and share knowledge about products, services, customers, processes and systems. This enabled us to make huge progress in the first year. By means of a new intranet, weekly updates, video messages and roadshows we involve all employees in the development of our company. Together, all colleagues celebrated the kick-off of VodafoneZiggo in the Ziggo Dome at the end of March, where we shared our vision for the future and strategy. As a result, we worked to achieve the same goal, right from the start. We rang out the year in style with a winter visit to the Efteling for all employees and their families. With this kind of initiatives we celebrate our successes and promote the Team Up spirit.

STEP UP

Get out of your comfort zone. Set the barrier high. And higher. Dare to renew. Take initiative and your responsibility. Put quality first. Each day. For every customer. And the good thing is: **the more we accomplish, the more customers value us.**

Flying start

In 2017, we started integrating the two organizations into a new one. On 1 January we appointed seventy senior leaders who, in order to create a close-knit team, participated in a leadership programme we will roll out to our other management layers in 2018. In the meantime, most units have been merged or will be integrated in the very near future. In doing so, we reached an important milestone. We also presented our future location policy ([also see 'The new central office'](#)).

Promote the values

To promote the values of the new organization, all seventy senior managers travelled across the country to exchange ideas with employees about issues that matter to VodafoneZiggo. These 'Shaping our Future' sessions were organized by the Culture Crew and gave all employees the opportunity to discuss and contribute to the development of the values. Managers on location were trained how to apply the values in their daily operations. Not

only with regard to the corporate values but also their personal values and how these can reinforce each other. Because good leadership is shared leadership.

Measure engagement

Of course we are interested to know how our employees feel and how engaged they are towards VodafoneZiggo. To this end we carry out an engagement survey three times a year, measuring that engagement. It also gives us the chance to ask how they experience working with their colleagues and managers. Based on the results of this – anonymized – survey managers have the opportunity to make adjustments to their team or, for example, put more emphasis on certain things. Next to engagement we also measure the level of employee satisfaction regarding our products and service portfolio. This is represented by the Net Promotor Score.

Open up to everyone: diversity

Our people are driven professionals, eager to learn and with an open-minded view of the world. They want to learn from each other, irrespective of the other person's background or beliefs. Because together, people from different origins and with different perspectives make for richer ideas and better results. We are convinced of that. We therefore set great store by differentiation and treat everyone equally.

LGBT+

We have an open attitude towards people from the LGBT+-community. We are a member of Workplace Pride, a permanent partner that helps us with the yearly organization of the





Pride Week in Amsterdam, in which we have proudly participated for several years now. In 2017, we gave priority to linking up with the LGBT+ community and we rolled out one shared VodafoneZiggo's LGBT & Friends Network.

Women

We are convinced that a stable gender balance in the top and the entire organization leads to better decision-making and contributes towards more innovation. In addition to that, we also address a greater talent pool which will make us more successful. In 2017, 30% of our top management was female. The organization Talent to the Top recognized VodafoneZiggo as a diversity model by award-

ing a Diamond award 2017. Our vision and our results clinched it.

People distanced from the labour market

We find it important to offer job opportunities to people at a distance from the labour market. We have been putting a lot of effort into this for several years now. Each year, the independent research institute TNO (Netherlands Organization for Applied Scientific Research) reviews the results of our policy in this field. Their findings are presented in the [Performance ladder of Social Businesses](#), a measurement tool that shows how well companies score as to social entrepreneurship. The higher the position on the ladder, the better the company performs. Next year we want to make it to 'step 1'.



OUR PEOPLE

Fte 6,806 Employees 7,477

Male-female

Women 29% Men 71%



Board male-female

Women 30% Men 70%



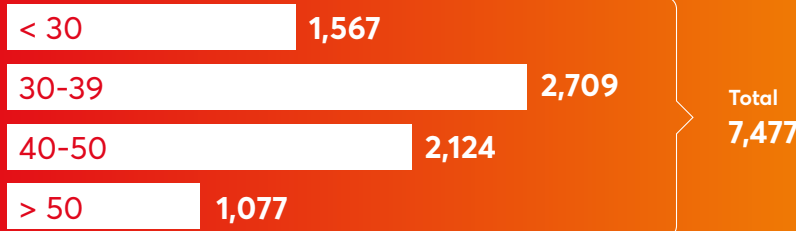
Employment

Part-time 37% Full-time 63%



Age

Number





Organization structure

VodafoneZiggo is a joint venture of the Dutch divisions of Vodafone Group and Liberty Global, Vodafone Netherlands and Ziggo, respectively. The parent companies are the shareholders of VodafoneZiggo and have an equal equity interest.

The official formation of the company took place on 31 December 2016, after the approval by the European Union and the works councils of the former Ziggo and Vodafone companies. VodafoneZiggo is governed by the management board and the supervisory board.

Management board

The board oversees the daily management of the company and is responsible for developing a long-term vision and defining the corporate strategy.

The board constitutes of the CEO, CFO and eight board members representing the following business units:

- Strategy Insights & Integration
- Consumer Business
- Enterprise Business
- Commercial Operations
- Technology
- HR
- Legal & Regulatory
- External Affairs
- Finance

The supervisory board appoints the CEO, the CFO and the CTO.

> [See appendix 1 for more information about the board.](#)

Supervisory board

The supervisory board (SB) advises and supervises the management board. The board is made up of eight members:

- Three members appointed by Liberty Global
- Three members appointed by Vodafone Group
- Two independent members appointed by the works councils of the former Vodafone and Ziggo companies

The SB met on seven occasions in 2017 and discussed various topics, including:

- telecom trends
- strategy
- progress of the integration
- human resources policy
- financial results
- developments of the main programmes

> [See appendix 1 for more information about the supervisory board.](#)

Behaviour

The company has committed itself to the [Corporate Governance Code](#), in which the Dutch government describes the rules of good

management. The rules are intended to protect all stakeholders of the company. VodafoneZiggo endorses the rules and ensures they are adhered to in its daily operations.

Our policy

Safety

The new organization has a strong safety culture that has the security and protection of our customers' data as its main objective.

Security team

The responsibility for the protection and safety of customer data lies with our security team. The team members look after the protection of our mobile and fixed networks, IT infrastructure and services, inside as well as outside the organization. To that end, they continuously carry out risk analyses.

The team is supported by our overseas colleagues at Vodafone Group and Liberty Global. 'Cyber Defense Operations' departments monitor the infrastructure and online activities of VodafoneZiggo seven days a week, 24 hours a day. Any incidents are immediately reported to the security team.

Fraud and malpractice

A specialized team at VodafoneZiggo is responsible for the protection of our customers against fraud and malpractice, identifying and preventing phishing and malware as well as protecting customers against (imminent) identity fraud. In addition, VodafoneZiggo has another team

focusing on the preventing of internal fraud, theft or malpractice.

We operate a zero tolerance approach to fraud and take disciplinary actions against employees or third parties committing such acts. In severe cases we collect evidence to be able to prosecute the persons in question.

Transparency about anti-terror legislation
Due to the increased terrorist threat, there is an ongoing discussion, also in the Netherlands, about the balance between privacy and safety. We urge the government to enable effective monitoring during activities that are related to this. Vodafone Group has published a report about Law Enforcement with an approach tailored to each individual country.

> Read the report

Health

Health, safety and well-being are an integral part of our corporate culture. All employees understand the rules of safety. As a result, employees can identify risks to take responsibility for their own health and those around them. In that way we try to minimize health risks and prevent accidents.

Colleagues on a business trip use 'TravelTracker'. The app guarantees contact between

VodafoneZiggo and its employees, especially in crisis situations. In case of an emergency we can quickly ascertain if our people are safe and supply them with important information.

Purchasing policy

Guidelines for suppliers

VodafoneZiggo sets great store by sustainability, reliability and safety. At the end of 2017 we introduced the [code of sustainable and ethical purchasing](#), based on international standards. The code focuses on topics like child labour and sourcing of minerals. Every employee purchasing products or services, understands the rules of this code and acts accordingly.

We also expect suppliers to comply with the code. It is part of the agreement we have with our suppliers, enabling them to meet our requirements with regard to ethics, health, safety, the environment and social issues. The new purchasing conditions describe this in more detail. They were written in 2017 and came into force on 1 February 2018.

Review of suppliers

Twice a year we assess the performance of our suppliers, based on questions regarding sustainability, health, safety and fighting corruption. Based on the results, we can, if necessary, embark on an improvement plan with suppliers. We then assess their performance once again. If a supplier shows no improvement several times in a row, we end the relationship.

The world around us

Our stakeholders

VodafoneZiggo enables communication between individuals, organizations, public authorities, businesses and various population groups – everyone who is part of our society. In doing so, we serve a great social interest and we are fully aware of the responsibility that comes with it. Our commitment to society is therefore beyond question.

Representatives of society

We engage in talks with various stakeholders to understand what is going on in the world around us and which role they attribute to VodafoneZiggo. Based on that knowledge we try to align our strategy and choices with their wishes and values where possible.

VodafoneZiggo distinguishes between three categories of stakeholders, together representing a large part of society:

1. general public (customers and non-customers)
2. employees
3. professional stakeholders

This last group can be subdivided into:

- politics
- ministries and regulators
- industry
- influencers and experts
- [social organizations](#)



VodafoneZiggo operates at the heart of society. With our platform of products and services we connect people. That is not only important to our customers, but to the entire society. We value good relationships with our stakeholders. With politicians, policy makers, experts, journalists and many other organizations. Together we want to help the Netherlands move towards a future full of new possibilities.

Marieke Dekker

Executive Director External Affairs

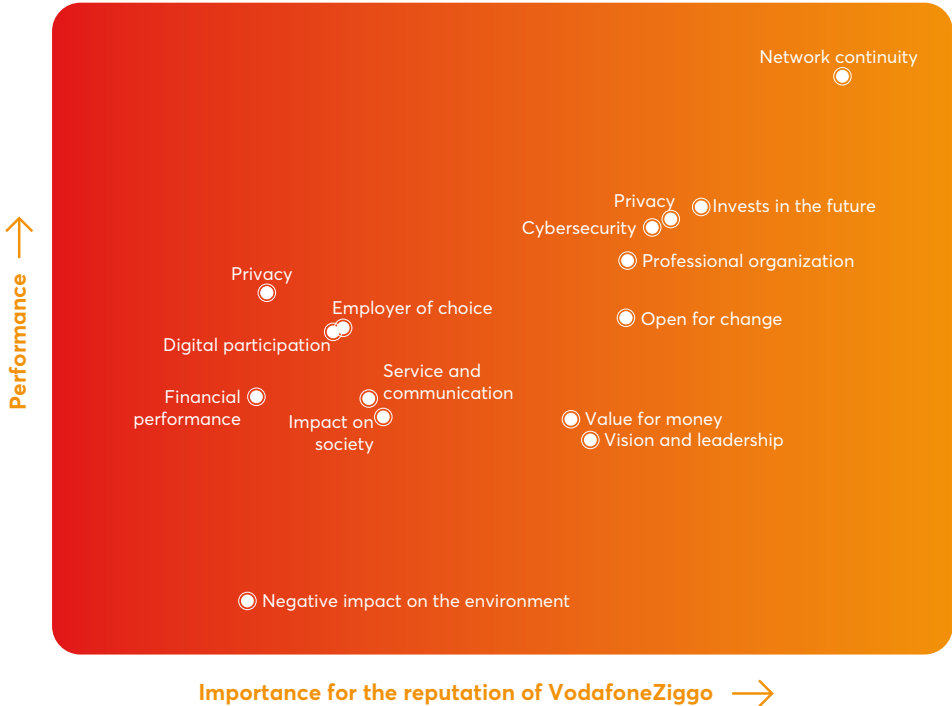




Social themes

By means of stakeholder dialogues we receive information from our stakeholders on an ongoing basis. The External Affairs department collects all this data and reports regularly to the management board that determines which action we need to take.

In surveys and personal interviews we asked our stakeholders questions about a number of important social issues. We asked them how important these are, in their view, to our reputation and how they rate our performance.



We want to highlight a few topics:

Reliable network

Consumers, businesses and public authorities depend on fixed and mobile networks to communicate with each other. VodafoneZiggo has the responsibility to keep its networks reliable, fast and in perfect working order. Both now and in the future.

[Read more about our networks](#)

Consequences of digitization

The increasing digitization has more and more impact on nearly all aspects of our lives. To handle the exponential growth of data and new applications, enormous investments in our networks are needed.

[Read more about digitization](#)

Negative impact on the environment

The services provided by VodafoneZiggo have a limited negative impact on the environment. For that reason our stakeholders consider the subject to be less important for VodafoneZiggo. What they do find important is what we can do to help the environment, for example by reducing the CO₂ emission caused by ICT. By 2030, that emission can be reduced by 20%.

[Read how our customers reduce CO₂](#)

Continuous dialogue

We continue to invest in the relationship with our stakeholders. We enter into a dialogue not only by means of surveys and interviews, but also in other ways.

Communication and Reputation Council

Four times a year our Communication and Reputation Council lists the issues that need attention. The council mainly consists of board members. They define what we can do to fulfil the needs and expectations of the outside world.

Public debate

We love to engage in a public debate about the

present and future world of communication. Last year we organized a broad digitization debate in which a large number of key stakeholders participated.

[Read more about the digitization debate](#)

Politicians

During the year we had politicians from various parties visiting us. At these visits we demonstrated the technique behind our products. We talked about our ambitions with regard to digitization in the Netherlands. We also gave a demonstration of the possibilities of the 5G network to journalists, civil servants, members of parliament and political assistants.

Laws and regulations

Privacy and the protection of personal data

We take the privacy of our customers and end-users very seriously and handle the personal data of our customers with great care. In our Privacy policy we have described which data we store and to which purpose and in which way we use them. It goes without saying that we comply with legislation and regulation with regard to the protection of personal data including the European General Data Protection Regulation.

Anti-bribery and anti-corruption

With regard to bribery VodafoneZiggo operates a zero tolerance policy. We comply with laws and regulations and inform our employees through our policy and training sessions which behaviour we expect from them when they receive or intend to give gifts or invitations.

Competition

We aim to work in a way that is in accordance with the applicable competition legislation and regulations. To avoid anticompetitive behaviour we regularly organize face-to-face training sessions for board members and selected teams. In these sessions we highlight the guidelines and the policy regarding competition law compliance.

Next to the rules regarding privacy, anti-bribery

and competition, there are other regulations and laws that influence our activities. Some of them were amended in 2017. We will list the most important ones:

Net neutrality

As a provider it is our job to provide everyone with access to all information on the internet. We are not allowed to favour or discriminate, for example by allocating top speed to our own website and very low speeds to those of our

competitors. This is called 'net neutrality'. The Netherlands Authority for Consumers & Markets (ACM) prohibited providers to offer free streaming services, since, according to the ACM, this was regarded as price discrimination and therefore constituted a violation of net neutrality. A court ruling of 20 April 2017 overturned this, stating the one does not exclude the other. Since then rate differentiation is allowed.

Equal tariff for roaming in the EU

As of 15 June 2017, a customer has to be able to use mobile voice, text and data anywhere in the EU at the customer's domestic rate. The EU rules protect telecom providers against malpractice, by allowing them to put a maximum to someone's data traffic abroad, for example, if the customer has a very cheap subscription with an unlimited data bundle at home.

On 1 June 2017, VodafoneZiggo introduced one tariff for data roaming in the entire EU. We were the first Dutch provider to do so. We called this service 'Roam Like at Home'.

Compensation in case of network failure

If a network failure lasts more than twelve hours, telecom users are entitled to compensation, according to a new law that came into effect on 1 July 2017. This applies to disruptions of national, regional and local networks.

Availability emergency number

Everyone wants to be able to dial 112 at all times. In practice, however, the emergency number turned out to be unavailable during lengthy power failures.

That is why the telecom industry, together with the Ministry of Economic Affairs and Climate Policy and the Ministry of Justice and Security, looks at ways to improve the availability during power cuts.

Auction of frequencies

The Ministry of Economic Affairs and Climate Policy is preparing an auction of the 700, 1400 and 2100 MHz frequencies. This auction is scheduled for 2019.

Subscription with device

Selling a phone subscription in combination with a mobile phone might be seen as a form of consumer credit, according to the Supreme Court in 2014 and 2016. Since 9 December 2016, VodafoneZiggo therefore has a licence from the Dutch Authority for the Financial Markets to provide consumer credit and complies with the rules for consumer credit.



At VodafoneZiggo we feel very strongly about privacy. We are always working on protecting the privacy of our customers and employees. Fortunately, they notice that too. Our reputation survey shows us that they have a lot of confidence in how we handle their personal data. We work hard to be worthy of their trust, also in 2018 when stricter privacy legislation will come into force. We will keep meeting society's demands and our own high requirements in this area.

Barbara Jongerden

Executive Director Legal & Regulatory



Environment

VodafoneZiggo has a strong commitment to society. This means that we pay a lot of attention to one of the big issues of our time: how to manage the environment in a sensible way.

We chose three focal points where we can be most effective as VodafoneZiggo:

- CO₂ emission
- Circular economy
- Energy consumption

The first point has our highest priority because here we can have the biggest positive impact on climate change.

'Planet Tomorrow'

Our own business operations constitute approximately 10% of the overall environmental impact of our products and services. We developed the environmental programme 'Planet Tomorrow' to change this in a structural way. To this end, we defined three targets:

- Improving our operational activities
- Enabling our customers to become more environmental friendly
- Inspiring our employees to work and live in an environmental-friendly way.

Improving our operational activities

The production and transportation of ICT equipment has by far the biggest impact on the environment. That is especially the case in the production of ICT terminal equipment (like smartphones), the production of network equipment (like data centres) and the transport of these products to the Netherlands. That is why we find it important to use fewer devices and use

the devices already at our disposal more efficiently.

We try to reduce waste flows by discouraging wastage. Among other things by using a lot less paper and recycling as many materials as possible.

A special task force was established to curb energy consumption. For example by closing entrance doors of a number of shops in winter-time and automatically turning off the light in rooms when there are no employees present.

A few years ago we switched to green power. At the moment this power consists partly of Dutch wind energy and partly of 'green certificates'. Our ambition is to replace the latter by wind energy as well.

Enabling our customers to become more environmental friendly

We stimulate and help our customers to work environmental friendly. We buy their used phones back which we then [give a second life](#). We sell



technology that enables people to work anytime, anyplace. For example by using our Internet of Things network with national coverage. Customers can avoid at least another 20% of their CO₂ emission by applying other smart technologies.



[Read how VodafoneZiggo reduces CO₂ emissions by using ICT](#)

Inspiring our employees to work and live in an environment-friendly way

In the Netherlands, transport is the biggest factor in CO₂ emission. That is why we encourage our employees to use public transport more often or work from home.

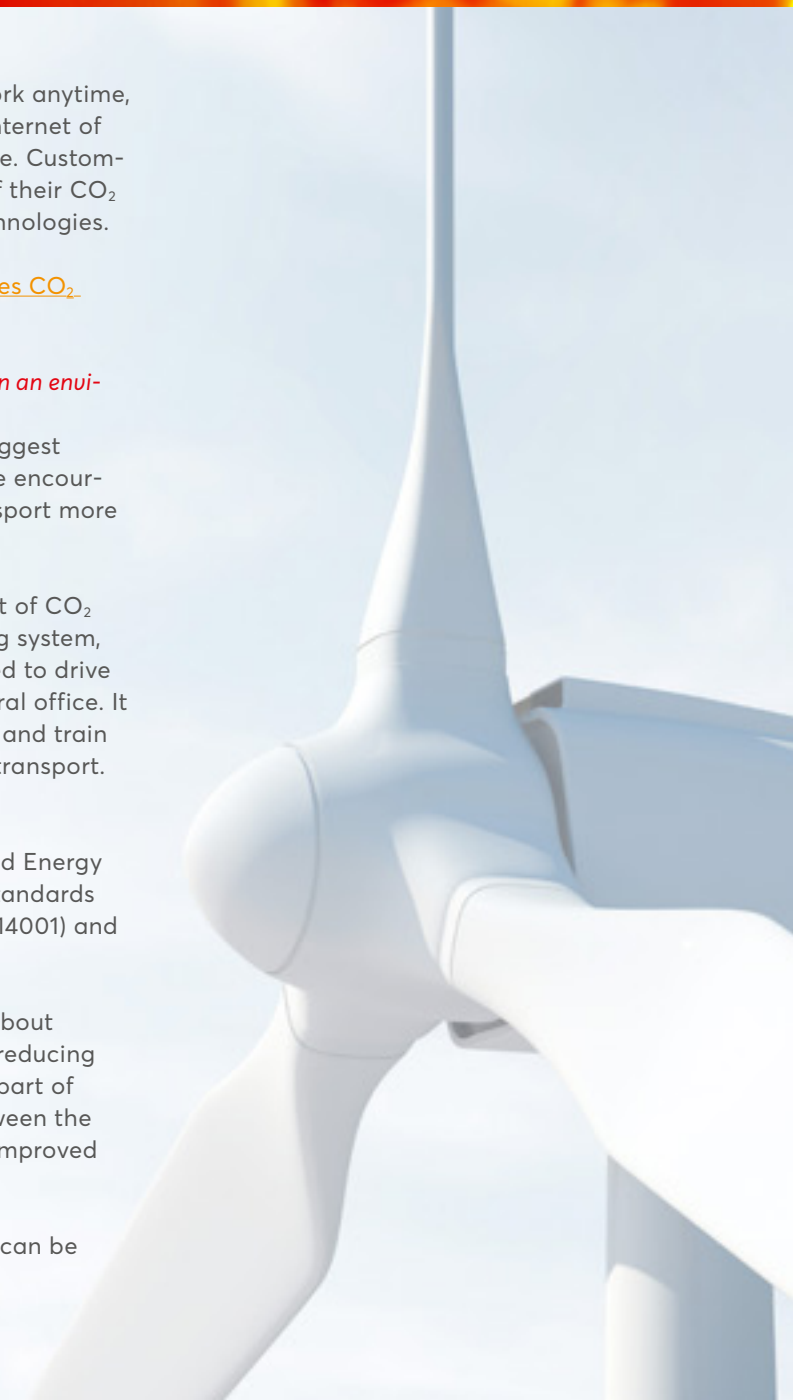
Other initiatives to reduce the amount of CO₂ are the introduction of a new planning system, as a result of which our engineers need to drive less, and the building of our new central office. It will be located in Utrecht, nearby bus and train stations, ideal for traveling by public transport.

Certification and reporting

The programmes Planet Tomorrow and Energy work according to the international standards for environmental management (ISO 14001) and energy management (ISO 50001).

We report yearly to the government about our energy use, the effects of energy-reducing measures and their efficiency. This is part of the long-term agreement (MJA3) between the government and the ICT industry on improved energy efficiency in the Netherlands.

The CO₂-footprint of VodafoneZiggo can be found in [appendix 2](#).



- > Introduction
- > How do we watch TV?
- > The best content
- > Our special events
- > The power of a good connection



4 Enjoyment, anytime and anywhere

Our society never pauses. Communication, media and entertainment are always within easy reach, at any moment of the day, at any conceivable place. So we can work, collaborate, play, laugh and create whenever we want.

VodafoneZiggo provides the connections and the selection that the Netherlands enjoys. By offering amazing, innovative TV formats, movies and series for example, that you cannot only watch on your wide-screen television in your living-room, but also on a mobile device. And the latest technological developments enable you to stream your favourite film faster than ever. Or by organizing special events and sponsoring the latest trends in gaming.

The connections we make, enable people to keep in touch with others and carry out their work. With as much convenience and pleasure as possible.

How do we watch TV?

The way people watch TV has completely changed over the past few years. Channel programming no longer dictates our evening and that has been the case for quite a while now. Viewers go back in time to watch programmes with 'replay TV' or binge-watch their favourite series in one weekend. With 'on demand' TV they can watch series and films without the annoying interruptions of the commercial slots. Viewers have more freedom to choose what and how they want to watch than ever before.

Our customers watch TV with a Ziggo Media box. We made the menu structure user-friendlier, improved performance and increased the number of apps.

In the meantime we are making preparations for the next step in watching TV: 4K. This technique offers an image that is four times sharper than the existing Full HD image. The EOS Media box – the successor of the Ziggo Media box – will make this possible.

Watching TV is not necessarily restricted to your couch at home. More and more often, our customers watch TV on their smartphone, tablet or laptop, wherever they want. Ziggo GO enables this. They can watch linear or replay TV and have access to our complete library of movies and series. The Ziggo GO app is the best rated TV app.

Last year we made some improvements to the Ziggo GO platform, which is now easier, faster and more reliable to use. Customers using Ziggo GO on their PC or laptop no longer need a special 'plug in' to watch TV with browsers like Firefox, Chrome and Edge. The menu at the bottom of the screen is now more conveniently ordered and user-friendlier. The home page offers users direct access to their favourites and the most popular content. At the end of 2017, Ziggo GO received a 'makeover' with a fresh new design, and Touch ID, screen in screen, widgets and Force Touch were added. In the coming time we will keep making improvements to Ziggo GO.



For me it is easy to be enthusiastic about our TV and series offer, since I'm a huge fan myself. At home we watch 'normal' TV less and less. Nearly everything we watch is 'on demand'. When it suits us. With a wide range of quality films and series in all categories to choose from. It is these viewing habits that we see in our customers as well. The old way of watching TV loses more and more ground to new ways of watching.



Marcel de Groot

Executive Director Consumer market

The best content

The quality and the amount of content make or break the success of our entertainment offer. That is why we are constantly broadening and improving our selection.

In total we have over 170 channels of which more than 50 in HD. Next to the comprehensive standard TV package, we also have a number of internationally renowned channels like Travel Channel, Discovery Science and E! Entertainment available in the Ziggo Movies & Series XL package.

To offer our customers the most diverse content we work with the largest and best content providers at home and abroad, such as Viacom, Disney, CNN, BBC, Studio 100, and National Geographic.

Ziggo Sport

Soccer

We also broadcast our own unique content, like with our sports channel Ziggo Sport. We added Champions League matches and renewed the contract with the Spanish football competition 'La Liga', as a result of which our viewers can enjoy the skills of Messi, Ronaldo and other football heroes for another few years. We launched the TV programme Rondo, in which Jack van Gelder reviews the key sports moments of the weekend, together with heavyweights of Dutch football.

Formula 1

We pay a lot of attention to Formula 1. During the racing season Ziggo Sport broadcasts the format Formula 1 Cafe each Friday night. We give our viewers an inside view of the Formula 1 world and show them what goes on off and on the racetracks.

Other sports

Ziggo Sport also broadcasts sports that we think deserve more attention. For example, the Dutch field hockey competition, the World Championships handball for women, international golf tournaments and basketball games from the NBA. And we are the only Dutch party to broadcast kick-boxing matches of the Glory competition.



We also manifest ourselves outside traditional media. In September, for example, we launched the weekly YouTube series Binge. In ten-minute videos presenters Simon Zijlemans and Abbey Hoes meet creative producers with whom they analyse the world of movies and series.

Movies & Series

The immense success of series like Game of Thrones, the popularity of public's favourites like Westworld and several Disney smash hits prove there is a huge market for high-quality 'on demand'-content. That is why we added a substantial amount of new content to our film and series packages, always striving to make popular series and films available as soon as

possible, preferably right after their release in America.

On 1 January 2017 we launched three new packages in Movies & Series:

- Ziggo Movies & Series
- Ziggo Movies & Series L
- Ziggo Movies & Series XL

The L and XL versions both offer additional content like exclusive HBO series on top of the standard package. Prior to this, the entire catalogue of HBO Originals was not available in the Netherlands. We are proud to be able to offer this exclusively to our customers, with classics like Band of Brothers, Ballers and The Sopranos.



Naturally, we will also exclusively broadcast all new series and new seasons of HBO.

Our customers highly appreciate the selection we offer. Their reactions said as much and we also noticed it during the season finale of the hit series Game of Thrones, which resulted in the highest peak ever on our on demand platform.

Next to overseas content, we also offer Dutch top of the bill content with which we distinguish ourselves. We introduced the Flemish series Chaussée d'Amour, comparable to the successful Dutch crime series Penzoa. In November and December the series was streamed more than 188,000 times, making it the most viewed title of our Movies & Series selection in that period.

The fact that customers appreciate the diversity and quality of our range is shown by the monthly increases in customer satisfaction. We aim to add even more original movies and series to our content selection in the coming years, boosting customer satisfaction.

Our special events

As far as we are concerned, experiencing the VodafoneZiggo feeling does not stop at the screen of our customers' TV, smartphone or tablet. We offer amazing experiences on other moments too, for example by organizing special events.

With cinema chain Pathé we offered Game of Thrones fans the opportunity to attend an exclusive viewing in one of the Pathé movie theatres. In the end, hundreds of fans watched the finale

of the last but one season in seven packed movie theatres. Together with the highest number of on demand viewers ever it constituted one of the highlights of the year for us. In 2018 we will work with Pathé again to launch some amazing fan events.

Sponsoring

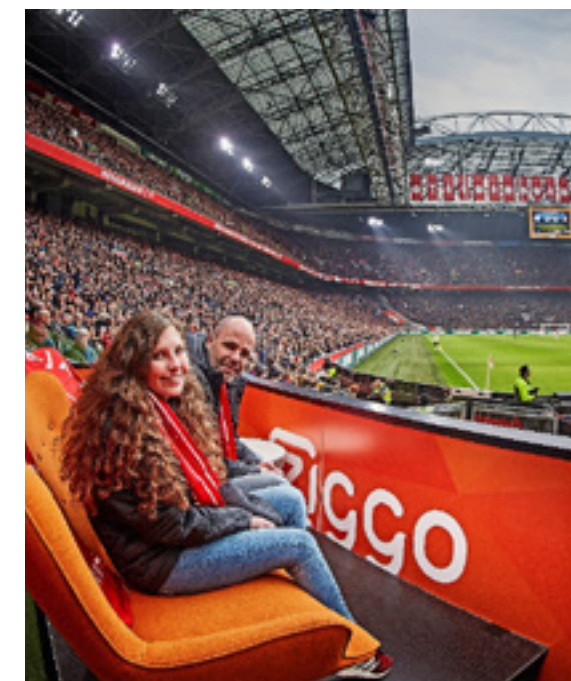
In our entertainment offer it is all about experience and amusement. We try to catch that with our motto: 'The fun of Ziggo'. With our sponsorship goals we underline this, aiming to create even more 'fun' for our customers.

Ajax

Ziggo sponsors Ajax, the most popular soccer team in the Netherlands. This enables us to offer many extras to viewers with a passion for the club. The weekly TV magazine Inside Ajax on Ziggo Sport gives viewers an exclusive view behind the Ajax scenes. We held a competition and the two winners were rewarded with a 'once in a lifetime' experience. The night before the classic against Feyenoord, they stayed in a small Ziggo home, specially erected for the occasion, in the Amsterdam Arena. They could witness the match from their own 'front garden' in the stadium, with the pitch right under their nose.

Ziggo Dome

We are – the name speaks for itself – the main sponsor of the Ziggo Dome in Amsterdam. This concert hall is located directly next to the Amsterdam Arena and has a seating capacity of 17,000 spectators. We hold exclusive competitions for our customers with the chance to win Ziggo Golden Seats. This entitles them to attend any concert and event in the Ziggo Dome during one year, at no cost at all, where they will have their own luxury seats in the VIP section.





In 2017 we surprised Ziggo customers with an exclusive, intimate concert by pop hero Ed Sheeran, prior to his sold-out shows in the main arena. Hundreds of thousands of customers saw the winter concert by Guus Meeuwis, which was broadcasted live on the Ziggo service channel. Customers who attended the show in person could also enjoy the sound-check in the afternoon – a unique opportunity.

Gaming

For years, the gaming sector has led the way in digital innovation. Which is why VodafoneZiggo feels a natural connection with this industry. The combination of Ziggo and eSports – virtual sports games – is therefore in our view quite an obvious one.

Ziggo organized the first official match of the virtual soccer game FIFA 17 eBattle between Ajax and PSV. We made a deal with Ajax eSports to be able to connect even stronger with the younger fans of the Amsterdam club. We organized a Formula 1 competition for gamers, in which the winners of the qualifying rounds could race in a virtual Grand Prix against former Formula 1 driver Robert Doornbos.



Ziggo organizes eBattles for Formula 1 fans





Due to the integration of Vodafone and Ziggo we have become an even more prominent player in the business market. Mid-sized companies, large corporates and important parties like academic hospitals and public authorities opted for our converged services. We saw a substantial increase in customer numbers in the small business segment as to fixed and converged services. We offer them a complete range of fixed, mobile, and cloud products to choose from, offering a full-service solution. They can also come to us for innovative technologies like Internet of Things. Customer confidence is growing, as you can see in the customer satisfaction figures.

John van Vianen

Executive Director Business market



The power of a good connection

Fun also means making contact, feeling connected, giving your gran a call or saying hello to a friend who is traveling. Such simple contacts can work magic and bring a smile to someone's face. That is the power of communication and making connections.

In 2017, VodafoneZiggo enabled the communication of millions of Dutch people. Whether they made calls with a fixed line or their mobile, worked in the office or at home, or were doing something online, traveling or from home.

Internet

More speed at no extra cost

Ziggo increased the speed of a number of consumer internet subscriptions to 400 Mbps. No fewer than 1.6 million customers received higher internet speeds without a price increase. The speeds of a number of business internet subscriptions were also increased without any costs. Ziggo now offers the highest business upload speed of 50 Mbps to customers opting for a Max subscription. The download speed of this subscription is a hefty 500 Mbps. In this way we respond to what surveys teach us: Superfast internet is an important factor for customers when choosing a subscription.

These are steps towards the internet of the future, when speeds of 1Gbps will be a common thing.



Read more about the future of our networks

Mobile

Update of subscriptions

Demand for mobile data keeps increasing in the Netherlands. It has become quite common to stream music and films on your mobile or tablet, set up a video call with friends and keep track of your social media. Sufficient reason for Vodafone to refresh the current range of mobile subscriptions. We doubled the amount of mobile data for part of the bundles. We also simplified our range, making it easier for customers to take it all in, while still offering plenty of choice. For all mobile business subscriptions we increased the data bundles and the number of call minutes.



Vodafone renews subscriptions with more data

Supplier of the government

In 2017 Vodafone was commissioned to take care of all mobile communication services of the central government. In doing so, Vodafone will help central government employees work more flexibly, with mobile telephony and data. Vodafone has been a provider of mobile communication for the government for more than 15 years now.

More fun by flexible working

Flexible working is no longer a wish but something many employees expect. They certainly enjoy their work more in this way. Companies capitalizing on that are rewarded by extra productivity. Research by Vodafone into flexible working shows that 4 out of 10 (43%) companies in the Netherlands offer the possibility of flexible working, with 37% of their employees effectively availing themselves of that opportunity. By far the majority of employees experiences flexible working as a change for the better. Employees who are able to choose for themselves where and how they work, not only feel more productive (49%), but also more engaged. Of employees who can work flexibly, 80.9% feels engaged, compared to 68% of employees who do not have that possibility.

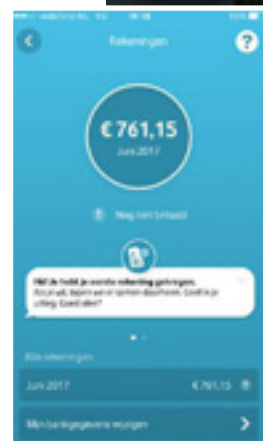
VodafoneZiggo is one of the largest parties in the Netherlands enabling flexible working.



The technique is there, we now need a culture change

Fixed telephony

Enjoyment from communication can come at unexpected moments. A service employee quickly solving a problem, not being accidentally thrown out of a queue by the helpdesk, or a call with flawless voice quality. In short, if the service provision is exactly as you want it to be. Fixed telephony still plays an important part in this.



Virtual explanation of invoice

On each invoice we present cost items as transparently as possible. Nevertheless, for new customers the information often remains inscrutable. Which is why we have implemented a chat option in the My Vodafone app, helping customers understand their invoice. The first time a customer receives his monthly bill, a message appears in his Vodafone app offering to go through the items together. The customer in fact communicates with a chatbot, a virtual contact that explains the main cost items. The chatbot also gives advice about data usage and connects another data bundle – if that suits the customer better – to prevent high costs. We tested the functionality in the second half of 2016 and in 2017. In 2018 we are extending the pilot to our websites.



Reliable service numbers

Ziggo was commissioned to put the government's service numbers on the right track. Two important telephone numbers in this contract are the Tax Information Line (0800-0543) and the Information Central Government Desk (1400). The contract is for a period of three to six years. It concerns high volumes of voice traffic with millions of calls a year. Reliability of the provision of services by these numbers must obviously be of the highest degree.

VNG (Association of Netherlands Municipalities)

Ziggo signed a contract for fixed communication with the Association of Netherlands Municipalities. As of 2018, about 200 municipal services will be provided with fixed data, fixed voice and internet under the new contract, which will be for a period of 5 to 11 years maximum.

Visual Customer Support

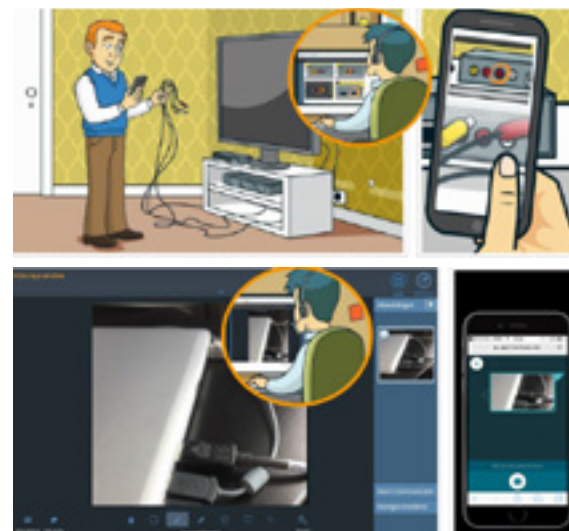
We believe our customers should also be left with a great feeling after contacting our own helpdesk. That is why we introduced Visual Customer Support for instance, an innovative way to help customers. Instead of lengthy explanations where it goes wrong and what the problem looks like, the customer takes a picture of the situation. He then sends it to us over a secure connection, after which one of our helpdesk employees gives him instructions by phone or indicates on the photograph what the customer needs to do. By circling a cable, for example, that is not properly connected. In 2017, since its introduction in May, customers shared over 50,000 photographs with us. Customer satisfaction increased and engineers were needed less often than usual. VodafoneZiggo was the

first Dutch company to employ this innovative tool.

Customer-friendliness is one of the key values we look at when assessing our employees' performance and measuring customer satisfaction. That is why we pay a lot of attention to the quality of our customer service.



'We aim at customer satisfaction, not speed of sales'



Artificial Intelligence proves to be a great way to provide customers with advice. This year we introduced a chatbot, a virtual employee answering customers' questions in chats. Tests showed that most customers really appreciate this new service. Not surprisingly, because help is provided faster and sooner. For VodafoneZiggo a chatbot is a way to provide support in a more efficient way. So, everyone profits.



Robin Clements

Executive Director Customer Operations



- > Introduction
- > Mobile network
- > Fixed network
- > Impact on customer and society
- > Looking at the future



5 Progress: investing in the digital future

Our customers expect the network they use to be fast, safe and without disruptions. VodafoneZiggo believes they should be able to rely on that, without any worries. Both now and in the future. It is therefore our mission to offer the most reliable network of the Netherlands, which meets the highest international standards.



What did VodafoneZiggo do in 2017?

In future, there are two things that make a network – cable or wireless – stand out:

- Sufficient capacity to offer all existing and new services
- The guarantee that connections always work, without disruption or downtime

To fulfil this we are on top of the latest developments. Last year we invested in expansions and technological improvements of our fixed and mobile network.

Mobile network

To prepare our mobile network for the future, our efforts in 2017 were – among other things – aimed at:

- Renewing, expanding and innovating our network
- Increasing 4G capacity and coverage
- Enhancing 4G+ (superfast standard for mobile communication) availability
- Developing and introducing new products and services for our consumer and business customers

Some highlights:

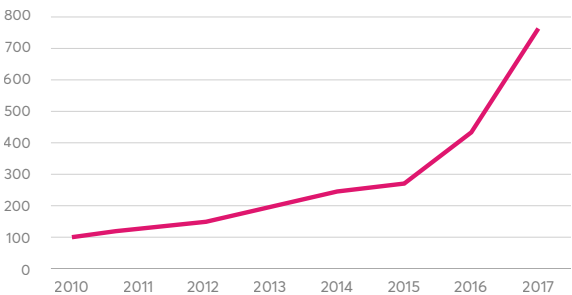
Increasing network capacity

VodafoneZiggo expects its current 4G network to reach its limits at the end of 2018, to begin with at the busiest locations and times. To anticipate that moment, we are increasing our network capacity in many places. For example by using a technique we call ‘carrier aggregation’, which enables us to bundle capacity of the different

frequency bands. Added up, they deliver more capacity and more speed. In that way, more customers can simultaneously use a fast internet connection with speeds of up to 1 Gbps.

The table below clearly shows the exponential growth in mobile data demand with a record growth of 90% in 2017 (compared to 2016).

Data usage mobile network in Terabyte
2010 = 100%



3G will go off the air

Over 90% of mobile data traffic and more than 30% of our customers’ voice traffic is handled by the 4G network. That trend will continue in the coming years. This will render the 3G network obsolete over time. VodafoneZiggo intends to free up the space which 3G is taking up now to create more bandwidth for 4G and 5G. We are already doing that on a small scale by allocating part of the 3G bandwidth to 4G at the busiest locations. The part we were not using yet, in the 2100 MHz frequency.



Data traffic is growing like never before. In 2017, our mobile network processed nearly twice as much data as the year before. Our customers expect us to be able to handle such growth and expect their connections to be fast, secure and without disruptions. Our technical people work day and night to enable that. They take care of maintenance and continuous improvements in the existing network. Thanks to their efforts our customers can enjoy a flawless digital experience.

Eben Albertyn

Executive Director Technology



Voice over 4G and Wi-Fi

When you call someone, you want to be sure of a good and reliable connection. No-one is waiting for a telephone outage or a dropped call. Nevertheless, there are situations where mobile coverage is sometimes disrupted. Like when you are in a building with thick concrete walls or steel constructions that block the signal. We

want to remedy situations like this by equipping smartphones with techniques for better indoor coverage, like ‘Voice over 4G’ and ‘Voice over Wi-Fi’. The first technique, also known as ‘Voice over LTE’, automatically chooses the best available network for the call. That can be a voice network or a 4G network. With the second technique, ‘Voice over Wi-Fi’, you can opt for



a Wi-Fi network to set up the call, should your telephone connection fail.

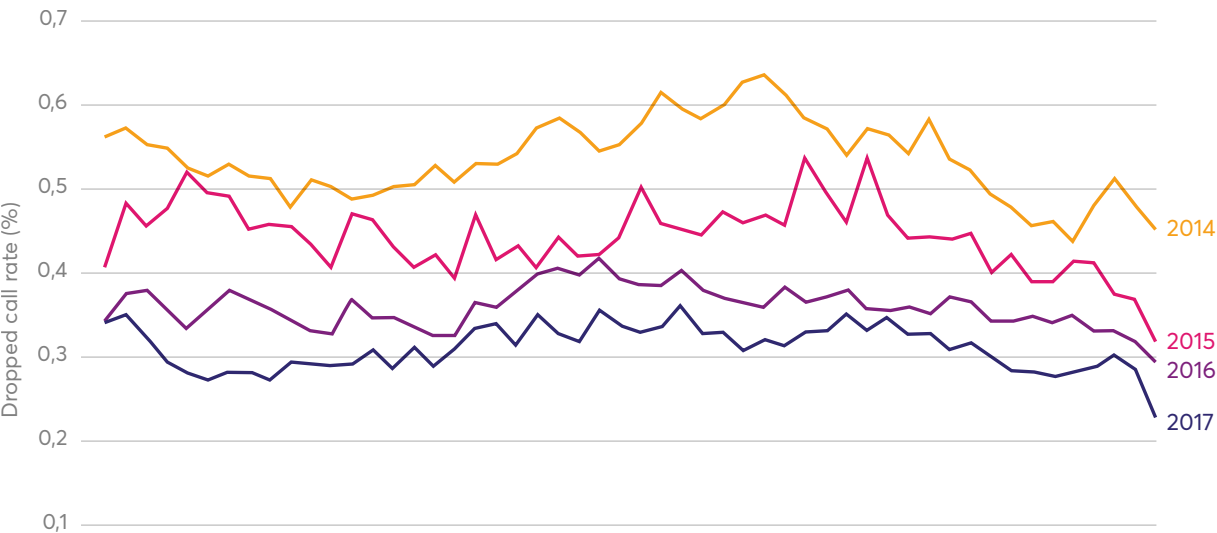
More satisfied customers

Our efforts to make our mobile network as good and reliable as possible lead to improved customer satisfaction and loyalty. As represented by the Net Promotor Score (NPS).

Fixed network

We are continuously improving our fixed network. In 2017, we laid the foundation for high-quality products and services with less disruptions. We simplified our IT systems, networks and processes. In this way we not only contributed to a good customer experience, but also to reducing costs – which is good for customers and the company.

Dropped call rate, combined GSM, UMTS and VoLTE



Customers assess the quality of a mobile network based on, among other things, the number of times a call is suddenly cut off before one of the speaking parties had hung up. This is the 'dropped call' rate.

Stable connections

To guarantee a good and stable connection we invest – next to expanding our networks and platforms – in new technologies that are self-learning and able to use bandwidths smarter and detect failures faster. Examples are cloud solutions, SDN/NFV, edge-computing and fiber deep. Thanks to these technologies and network improvements we managed to further reduce the number of network incidents and disruptions.

Exploiting unused potential

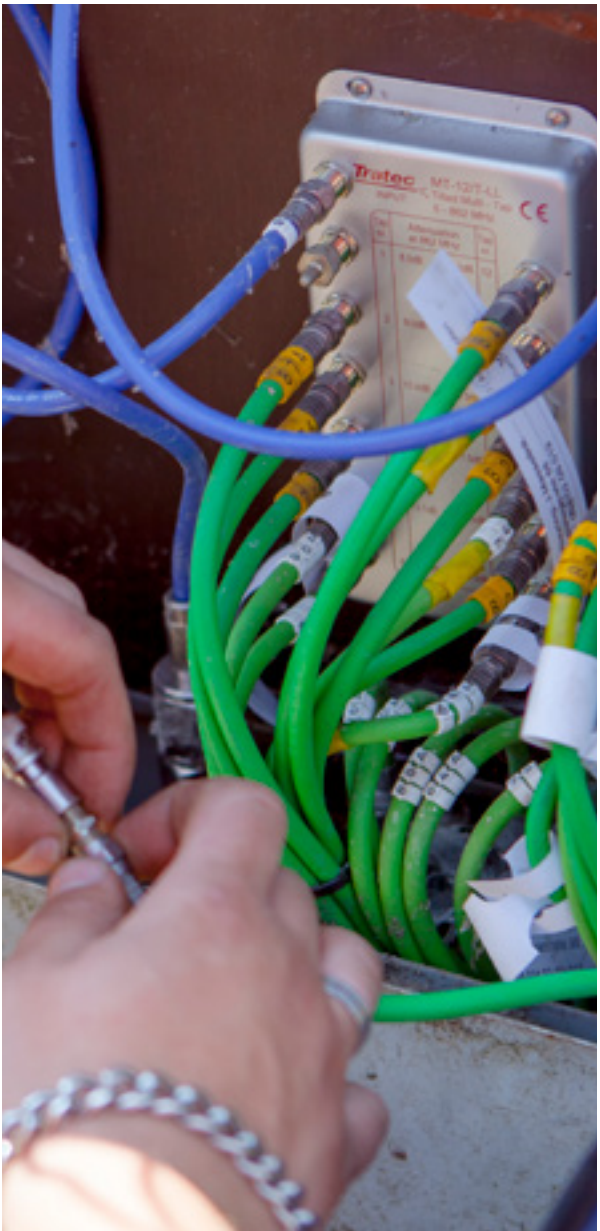
Data traffic using cable increases with an average of 30% each year. That is why we need more and more space to transport that data. Creating more space can be done in two ways. First of all by using new techniques like DOCSIS 3.1 ([see also 'New standard for data traffic'](#)) and secondly by freeing up other frequencies. The latter is done by discontinuing analogue channels, disabling obsolete digital protocols and replacing amplifiers.

Leader in speed and connectivity

More than 95% of Dutch households have access to an internet connection with speeds in excess of 100 Mbps. This makes the Netherlands the European frontrunner in connectivity. VodafoneZiggo is the largest provider of high-speed connections. Over 95% of the VodafoneZiggo users have potential access to a connection offering a speed of 400 Mbps. That makes us the national 'speed leader'.

Higher speeds over existing network

The future requires even higher speeds and demand will be exponential the coming years.



To be ready for the next step in the digital economy, we will shortly launch DOCSIS 3.1, a new cable modem technology enabling Gigabit speeds over the existing cable networks.

Integration of fixed and mobile network

More and more services and products become integrated. Everything should fit into one device which has to be as mobile as possible, and, obviously, work with a wireless network connection. All aimed at enhancing efficiency and convenience in our daily life.

Our mobile phone is the best example of that advanced integration. The times in which mobile phones were only used for making calls are long gone. Nowadays, it is used to read maps, check the weather forecast, bank, chat, post pictures – you name it.

To meet this increasing demand, we look for solutions that enable as many people as possible to use the bandwidths of the existing networks. One of the ways to achieve that is work towards one single technology and one single protocol, in other words one single way for all devices to interconnect. This makes the underlying architecture more manageable and easier to adapt to changing needs.

The IP protocol makes this possible. This is a worldwide standard used by all manufacturers. It is more versatile than the old protocols and enables watching TV and video on demand on tablets and smartphones. Inevitably this means we will be saying goodbye to other protocols and obsolete systems. At the moment we are using four different protocols to watch TV, com-

parable to old software versions on a computer. To simplify maintenance and free up space for data we want to dispose of them.

Safety and reliability

Consumers, businesses and public authorities using our networks want to be sure that everything remains in good working order, under all circumstances. They also want the safety of their privacy and data guaranteed. There are several ways in which VodafoneZiggo ensures that societal requirements are met, both now and in the future.

Data centres

These past few years VodafoneZiggo has invested in three large, high-security data centres in Eindhoven, Arnhem and Schiphol-Rijk. They function as each other's back-up and can take over traffic when needed. As a result, the smaller network switches across the country are no longer necessary. In 2017, we closed the data centres in Venlo, Eindhoven and Breda with the Rotterdam location following in 2018. The locations in Amsterdam, Utrecht and Houten are expected to close in 2022.



Protecting data

Protecting our customers' data has the highest priority. That is why VodafoneZiggo has a strong security culture. The responsibility for the protection and security of our customer's information lies with our security teams. They work closely with their colleagues at Vodafone Group in Great Britain and Liberty Global in the United States. The security teams employ many different processes to guarantee our high standards with respect to safety. In that way, they are not only able to respond to security incidents fast and adequately, but also to predict and anticipate high-risk situations, which enables them to take timely action.

Working according to the highest standards

VodafoneZiggo has designed its security organization according to the requirements of ISO 27001, the worldwide standard for information security. We are currently in the process of getting certified with regard to our communication services for our business customers. Meeting the ISO 27001 standard requires, among other things, all employees and partner companies to report any possible security or privacy problem. To guarantee the safety of data we also work according to international guidelines, best practices in our industry and local legislation and regulations.

Reporting centre for hackers

Together with five other telecom providers and the trade association Nederland ICT, VodafoneZiggo launched the reporting centre 'Responsible Disclosure'. Here, ethical hackers can report – anonymously if preferred – potential security issues and vulnerabilities in the ICT systems of telecom providers.

Impact on customer and society

The pace of technological progress is quickening. We see new technologies left, right and centre, all aimed at making our life more convenient and our work more efficient. VodafoneZiggo keeps a close track of developments. We make sure our products and services stay aligned with the wealth of new possibilities. In the meantime, the quality of what we offer has to remain at the same high level. That is what our customers expect from us. And in 2017 we worked hard to meet those expectations.

Perfect Wi-Fi throughout the house

More and more people see a fast Wi-Fi connection as a basic need. They use several mobile devices that are connected by Wi-Fi. Fixed devices like televisions and desktops are no longer connected by cable but by a Wi-Fi connection. In such cases you definitely want your Wi-Fi connection to be in perfect working order. That is why in 2017 VodafoneZiggo introduced the Ziggo Power Promise, a package that guarantees a perfect Wi-Fi connection throughout the customer's home or business location.

Top quality 4G network

With its extremely high degree of coverage and data speeds VodafoneZiggo's 4G network is ranked among the very best in the world. That is shown by benchmark reports comparing telecom providers all over the world ([benchmark P3](#)). Of course, we want to maintain that high level. That is why our network developers work around the clock to expand, modernize and refine the network. In the coming years we will be expand-

ing our 4G and 4G+ network in order to realize further enhanced coverage. The result will be improved coverage in border regions, rural areas and nature conservation areas. Furthermore, we are investing in 'small cells', a close-knit network of small transmitter masts that raise the quality level of 4G.

National coverage for the Internet of Things

In future, most devices, appliances, products and food packaging will be able to communicate with each other because of a chip connected to the internet. Together they form the Internet of Things (IoT). A smart fridge indicates that there is no milk, the grocer automatically brings a new supply. And the heating is turned on the minute you enter your town. Since September 2017, VodafoneZiggo has a network with national coverage for this: the Narrow Band protocol for the Internet of Things (NB-IoT), that meets the international standard.

In the second quarter of 2018, we will be introducing the LTE-M technology nationwide, which will result in the most complete radio network for IoT services in the Netherlands. This technology enables us to use more bandwidth than the existing NB-IoT and supports voice over 4G (see above). This is important, for example, for products and services using voice, like automatic barriers and 'talking' elevators.

Superfast internet for everyone

We are working on a future in which customers can rely on a fast, unfailing and secure connection. Everyone, wherever they are, will have a download speed of 1,000 Mbps with a very low latency. Within this programme we apply the

latest technologies which we test in our infrastructure. The high speeds will be realized in the coming years by using 4G, 5G and DOCSIS 3.1 technology ([see 'New standard for data traffic'](#)).

Looking at the future

To anticipate new technological developments in time, we have to build a picture of the near future. We anticipate by investing in our network and hiring people with the required expertise. What does the world of TV, internet and telecommunications look like in five to ten years? With the pace of current technological developments, that is hard to say in great detail.

What we do know, however, is that the amount of data exchanged in the coming years will be exponential. Data usage per device is bound to rise, as is the number of devices communicating with each other over the IP protocol. In order to service all its customers well, VodafoneZiggo will keep investing in its networks. We have to build now in order to realize the digital future.



Watching digital TV everywhere

The transition from 'watching the old way' to 'watching the new way' is in full swing and with it the changes in the network. In the coming years analogue TV will be replaced by digital TV. Consumers will have a sharper image and we say goodbye to an obsolete technology. Besides, an increasing number of people now watch TV on a tablet or smartphone. That is why we invest in expanding and improving our data distribution. We no longer store data in a central location but in multiple locations in the network, closer to the customer. In this way we avoid massive latency in one spot and the customer can freely pluck his data from a local server.

Creating space for 5G

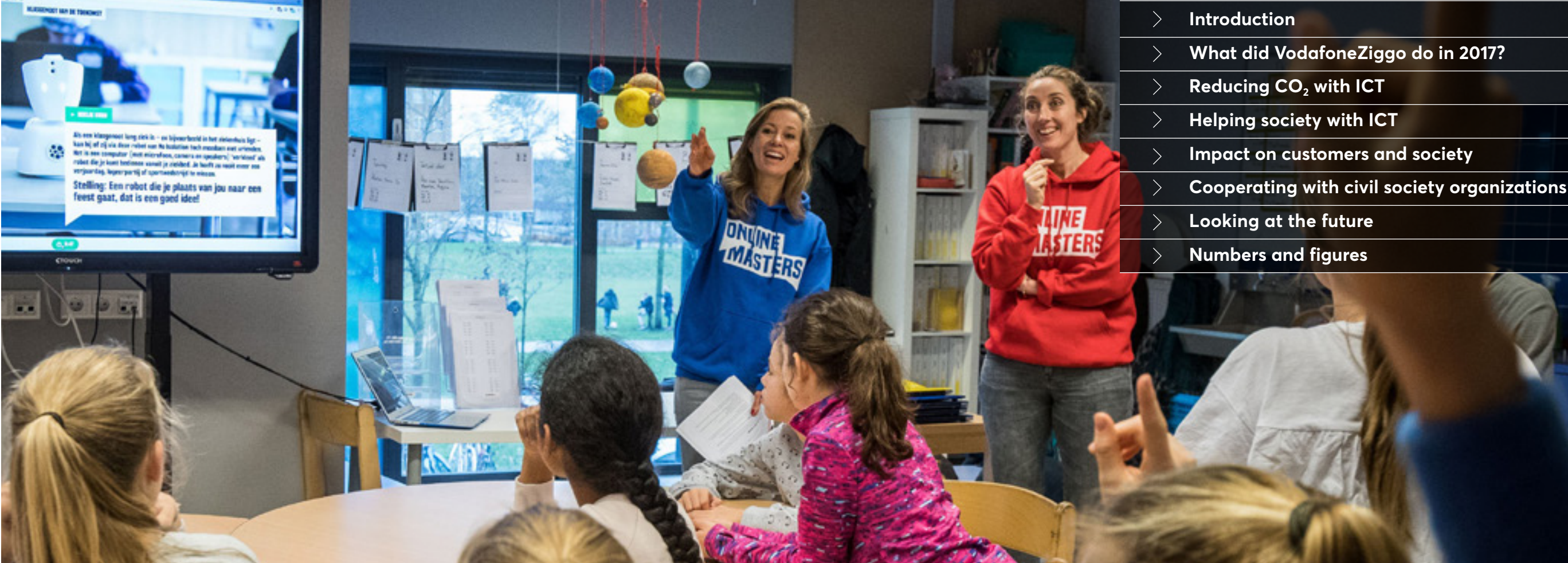
The air is getting busier and busier. To accommodate the increase in mobile data traffic, we have to use the current and future frequencies as efficiently as possible. The upcoming frequency auction is therefore very important. Prior to the auction, VodafoneZiggo would like to see the government give substance to a number of preconditions:

- Make the entire 3.5 GHz band available for mobile communication, and lift the restrictions on use that now apply due to usage by Defence and the intelligence services.
- Grant licences for 25 years, enabling market parties to invest in their networks with confidence.
- Stipulate that 5G becomes available in the entire Netherlands and leave it up to providers themselves to decide how they will accomplish that.

New standard for data traffic

Cable companies across the world apply the DOCSIS standard in the provision of internet data, voice and video services over the existing cable TV systems. To respond to the need for higher data speeds, VodafoneZiggo is currently testing DOCSIS version 3.1. This technology offers a huge jump in download and upload speeds, up to 10 Gbps and 2 Gbps respectively. Since the 3.1 version is also compatible with the older 3.0 version, current applications remain intact and the transition to the new standard can take place seamlessly. Consumers will therefore experience no problems when purchasing a DOCSIS 3.1 modem. Everything will remain in working order and they are ready for the next step in internet speeds.





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- > What did VodafoneZiggo do in 2017?
- > Reducing CO₂ with ICT
- > Helping society with ICT
- > Impact on customers and society
- > Cooperating with civil society organizations
- > Looking at the future
- > Numbers and figures

6 Connections: empowering people and society

The digital society offers people a wealth of opportunities, with plenty of room for self-fulfilment. It enables people to connect and exchange ideas, how and whenever they like. Wherever you live, whoever you are. Together, even if your co-workers live on the opposite side of the planet, you can create solutions to problems, and in doing so contribute to a better society.

When you are digitally skilled, the world is at your feet. That is why we want to help people develop their digital skills. To enable them to participate in the digital world with confidence and reap its benefits. VodafoneZiggo believes in the positive impact of ICT and digital media, because they are instrumental in enabling people to meet, inspire, enjoy, learn and understand each other. It is our intention to see to it that digital technology benefits everyone.

Of course, we do not turn a blind eye to the downsides of the digital society. Newspaper and social media are full of it. Less personal contact due to social media, online bullying, the pressure to score as many 'likes' as possible... Some even talk about 'sociobesitas': a harmful addiction to social media. The social debate pays a lot of attention to this problem, and rightly so. VodafoneZiggo concurs with this social concern, which is why we actively contribute to finding solutions. VodafoneZiggo wants to create social impact by on the one hand, stimulating the positive effects of the digital society and on the other, limiting its negative effects. This translates into the following goal for the next few years:

By the end of 2020, VodafoneZiggo will be known as the company that enables society to utilize the possibilities of the digital world in a responsible way.

What did VodafoneZiggo do in 2017?

In 2017, we chose three focal points to fulfil our social ambition:

- Increasing digital skills
- Reducing CO₂ with ICT
- Utilizing ICT to help society

Increasing digital skills

VodafoneZiggo wants to improve the digital skills of the Dutch population. In 2017, we mainly focused on young people. We think it is important they familiarize themselves with technology from a very early stage, in order to be able to use all the possibilities in a competent, safe and conscious way. In the Netherlands, however, digital skills are not yet part of the teaching curriculum. This is why we make every effort, together with other parties, to get this theme high on the national agenda through several national initiatives. In the meantime, we have developed various initiatives to familiarize youngsters with technology.

Online Masters

Online Masters is a free teaching programme in which digital experts – the 'online masters' – explain how the digital world works. In short video clips, vloggers, professors and internet entrepreneurs explain how they experience the digital era. The teaching package is designed for the senior section of primary schools and the lower years of secondary education. [Online Masters](#) also involves parents through homework assignments.



Digital skills: the ability to utilize the possibilities offered by technology duly and competently.

VodafoneZiggo developed Online Masters in cooperation with [Veilig Internetten](#) and [Mediawijzer](#). We launched the teaching package during the national [Week van de Media-wijsheid](#) (± Safer Internet Week) which took place from 17 to 23 November 2017. During that week, 250 VodafoneZiggo employees provided introduction lessons in more than a hundred Dutch municipalities. In 2017, a total of approximately 38,000 pupils at a thousand schools were introduced to the programme.

Experience Days

VodafoneZiggo wants to show children how they can handle technology in a competent, safe and conscious way, in the hope of enthusing them for

The teaching programme consists of 4 modules:

Digital Master

The pupil learns about digital technology.



Creative Master

The pupil learns how to work with virtual reality, robots, design, programming languages and vlogs.



Safe Master

This module demonstrates safe ways to function online.



Social Master

This module provides young people with an understanding of the impact and effects of online behaviour.



engineering and technology. On the one hand because they will almost certainly find a job and also, to be honest, because VodafoneZiggo will always be needing technically skilled people.

To this end we organize monthly Experience Days at a number of locations, a fun way for young people to experience technology and to get an inside view of VodafoneZiggo. Pupils from group 7 and 8 in primary schools and the lower years of secondary education attend workshops given by enthusiastic employees who teach them how to program and how to strip cables, i.e. remove the plastic sheathing from electrical cables with a specialized stripping tool. In 2017, 1673 pupils attended the Experience Days.

The Experience Days primarily focus on children from socioeconomically disadvantaged neighbourhoods, who have few role models to inspire them. In this, VodafoneZiggo collaborates with [JINC](#), an organization that helps these children get a better understanding of the labour market and their own talents. The workshops prove to be useful and, judging from the enthusiastic reactions of the children, a lot of fun.

Social debate

VodafoneZiggo is explicitly involved in the debate about the impact of digitization on our society. How do we arrive at a digital society in which everyone participates? How can the Netherlands stay the digital leader in Europe? What goals do we have for digitization in the Netherlands?

In 2017, VodafoneZiggo organized the Digitization Debate, in which captains of industry, digi-experts, politicians and other stakeholders tackled these questions. VodafoneZiggo put the cat among the pigeons by stating that the Netherlands is lacking in vision and a coherent approach to enable the digital transformation. As a result, the Netherlands runs the risk of lagging behind other countries that do have this in place.

This gave rise to a debate in which the participants discussed ways for politics, education and the business world to cooperate, which infrastructure the Netherlands needs to stimulate digitization and how we can encourage the young and the old to develop their digital skills, to name but a few topics.



Alderman Sven de Langen visits VodafoneZiggo for an Experience Day



With the teaching packages [SafeenSocial.nl](#) (Vodafone), [Slimonline.nl](#) (Ziggo) and [Online Masters](#) (VodafoneZiggo) we improved the digital skills of 169,535 children in 2017.



Reducing CO₂ with ICT

To fully grasp what we as a company can do to reduce CO₂ emission, we joined forces with the [Foundation for Nature Conservation and Environmental Protection](#), an organization that actively labours for a more sustainable society. Together, we determine how we can minimize our carbon footprint.

What has VodafoneZiggo achieved so far? By using Dutch wind energy, part of the electricity needed by VodafoneZiggo is entirely green. We have taken various measures to minimize our impact on the environment. For example, we reuse 95% of the media boxes for digital TV and sustainable purchasing has become an important element of the new purchasing conditions. After all, the biggest environmental impact is caused by the chain, by suppliers as well as customers.

Watch the video about the digitization debate



Smart use of ICT

VodafoneZiggo's key impact on the environment is caused by the energy consumption of its

offices, use of devices and travel of its employees. This is offset by a smart use of ICT which leads to a reduction of CO₂ of twice the amount that is needed to produce, supply and use that same ICT. For example, because we enable people to contact each other through app, internet and skype, there is no need to travel to see each other. They can work from home, in the train or at a convenient location nearby. The kilometres they avoid commuting are environmental gains. One fifth of the Dutch people working from home use a mobile phone or laptop for which VodafoneZiggo provides services.

Facilitating the Internet of Things (IoT) results in even more environmental gains. IoT enables devices to exchange information without human involvement. Like with navigation devices, where technology connects the navigation system with the traffic information service, which automatically suggests alternative routes in order to avoid traffic jams.

Room for improvement

Despite these environmental gains we are far from satisfied. The scale still tips the wrong way. We are still responsible for a larger CO₂ footprint than we would like. Appendix 2 shows the exact figures of our company's environmental impact.

In the next few years we will take additional measures to further decrease our CO₂ emission. There is a huge potential. If we exploit the opportunities offered by ICT to the full we could save an impressive 74 million tons of CO₂ in 2030, comparable to nine coal-fired power stations. This is shown in research by the Global e-Sustainability Initiative (GeSI), a worldwide cooperation

of large ICT companies with the aim to accelerate sustainability.

Inspire towards action

The possibilities are endless. That is why we aim to inspire other parties to take up the challenge. To this end, the Foundation for Nature Conservation and Environmental Protection investigated how the use of ICT can result in a reduction of CO₂ at a number of enterprise customers of VodafoneZiggo. We conducted a marketing campaign titled 'Less CO₂ with ICT' to motivate companies to take action about their CO₂ policy. In the end 500,000 professionals saw the campaign with which we won the [Digital Communication Award](#) for best digital CSR campaign in Europe.



[Read about the initiative 'Vodafone for Ready Cities'](#)



Helping society with ICT

ICT can be of enormous societal value. That is why VodafoneZiggo encourages the use of ICT in solving social issues. In that context we developed a number of initiatives in 2017, two of which we would like to highlight, Instant Network and Get the Flow.

Instant Network

Instant Network is an initiative, of the global Vodafone Foundation, enabling VodafoneZiggo volunteers to set up telecommunications in crisis situations all over the world.

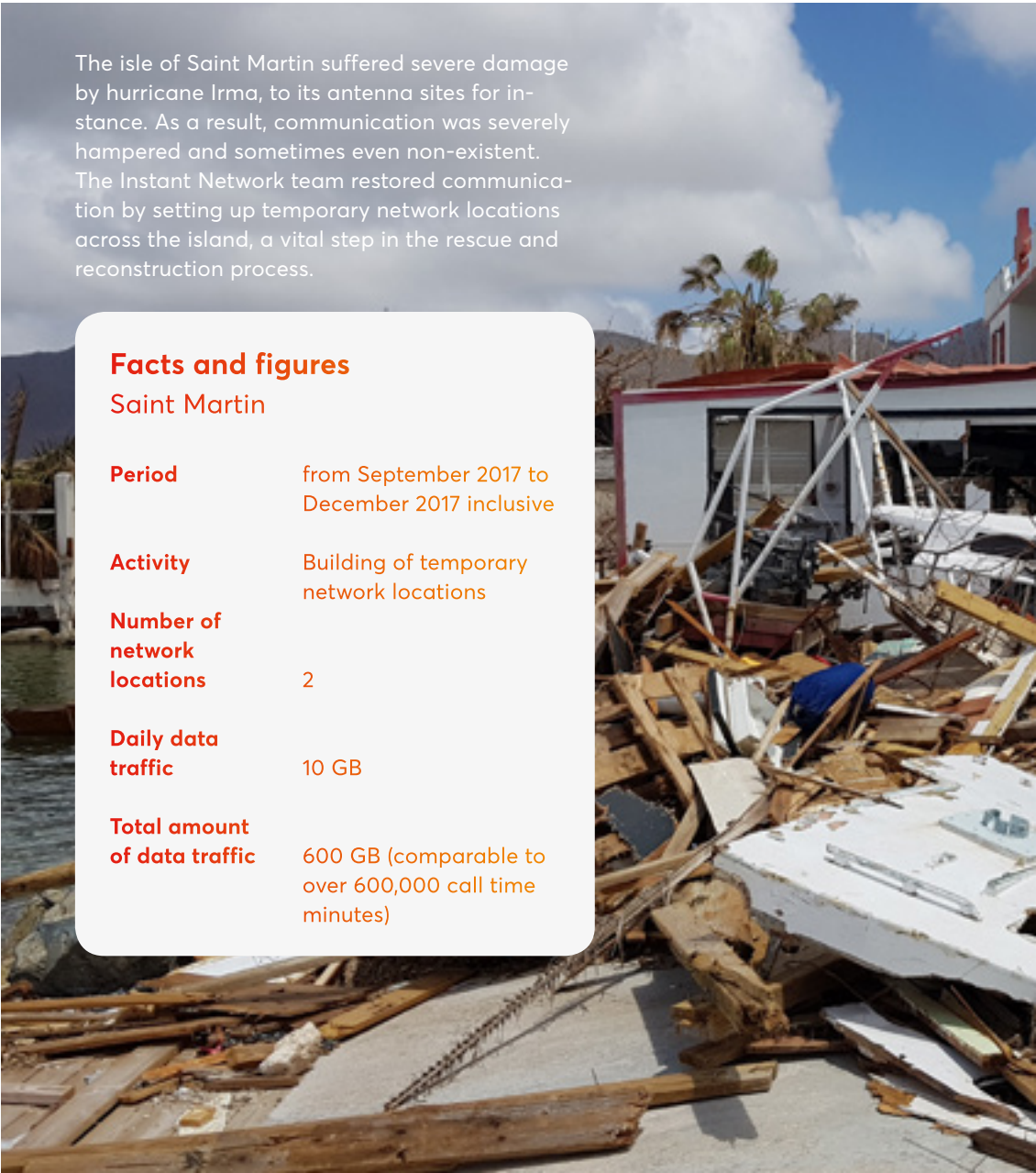
In the Greek town of Lavrio, not far from Athens, VodafoneZiggo employees installed a secure Wi-Fi network in a refugee camp. The people living there used it to contact their family, for schooling and for making arrangements for their future



The isle of Saint Martin suffered severe damage by hurricane Irma, to its antenna sites for instance. As a result, communication was severely hampered and sometimes even non-existent. The Instant Network team restored communication by setting up temporary network locations across the island, a vital step in the rescue and reconstruction process.

Facts and figures
Saint Martin

| | |
|------------------------------|---|
| Period | from September 2017 to December 2017 inclusive |
| Activity | Building of temporary network locations |
| Number of network locations | 2 |
| Daily data traffic | 10 GB |
| Total amount of data traffic | 600 GB (comparable to over 600,000 call time minutes) |



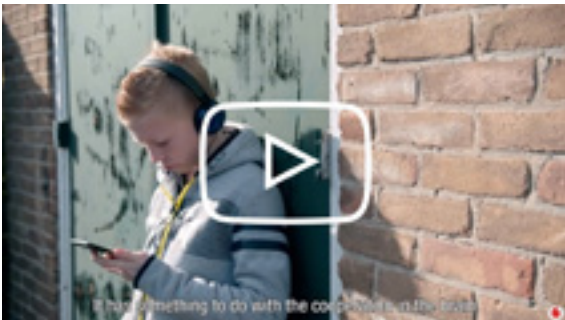
Photographs of colleague Harm Kanters, member of the Instant Network-team at Saint Martin



Get the Flow

Around 5% of Dutch children stutter. Vodafone wants to offer these children a method to contact each other not only through social media, but also through speech. To this end we developed an app, called Get the Flow, together with agency DDB & Tribal Amsterdam, the Dutch Stuttering Foundation and stutter ambassador and singer Sanne Hans. The app helps children speak more fluently by rapping. The app provides specially developed cool rap exercises, aimed at training their speech and boosting their self-confidence. The app helps children to contact each other through the app, for example by rapping with each other in pairs.

Watch what rapping can mean to children who stutter



Outstanding results

- Get the Flow was downloaded 10,000 times
- The average rating was 4.1 out of 5
- Get the Flow won several communication awards, i.e. 5 Cannes Lions, 8 Eurobest Awards, 3 European Excellence Awards and 1 Epica Award
- 70 speech therapists added Get the Flow to their curriculum

Impact on customers and society

VodafoneZiggo develops projects with a social impact, since we believe it is how we can contribute to a better society. The social relevance of our work, however, is not always quite visible. Surveys tell us that our customers are primarily interested to know whether our products work well and whether we do a good job. That goes without saying. It is also our number one priority. But the social relevance of what we do, is very important to us as well and actually quite a crucial part of our work. It is why we enjoy telling you about it, without feeling the need to shout it from the rooftops.

The core of our products and services is enabling communication, an essential element of our soci-

ety. Without communication there is no contact and we cease to be human beings. Our projects demonstrate how we can create a better society by offering smart technological solutions. This way, we can really make a difference. And that makes us proud.

Some examples to show you how this takes shape in practice.

Election TV with 'De Tweede Kelder'

Building a studio in two months' time, setting up a political programme with a daily broadcast on TV. That is far from easy. It was an opportunity VodafoneZiggo offered a group of twenty young people with a passion for learning. At their disposal they had professional equipment, a national channel and a studio in the basement of

the Binnenhof. A team of journalistic professionals trained and coached them. The newly-appointed programme makers managed to get celebrities like Mark Rutte, Thierry Baudet and Alexander Pechtold before the camera and elicit surprising statements from them during interviews conducted in a game setting. In producing 'De Tweede Kelder' they developed their talents and added some 'cool' experience to their curriculum vitae – preparing for the labour market. Exactly what we had in mind with the project.



Read the whole story on vodafoneziggo.nl



Partnerships with civil society organizations

In order to fulfil our social ambitions, we cooperate closely with several partners and we support a number of national as well as local initiatives. An overview of our partnerships:

SOCIAL INITIATIVES



Samen Digiwijzer

'Digital literacy' is a precondition to participate in the world of today and tomorrow. To this end, Samen Digiwijzer wants to offer all children in the Netherlands equal opportunities to develop their digital skills. VodafoneZiggo is a core partner of the organization.

In cooperation with CodePact, Mediawijzer.net, Kennisnet and the Ministry of Economic Affairs and Climate Policy.



Techniekpact

Surveys show that choosing a technical study almost certainly leads to finding a job. Techniekpact aims to increase the number of young people taking up technical studies and focuses on an improved alignment of education and employment. VodafoneZiggo is part of the national organization as well as the Rotterdam branch.

In cooperation with public authorities, educational institutions and the business community.



Schuldaiserscoalitie

In the Netherlands, 700,000 households have problematic debts, often linked to poverty. A coalition of companies works together to prevent such problematic debts and make up payment arrears.

In cooperation with, among others, Aegon, Brabant Water, CZ, Delta Lloyd, KPN, Nuon, OHRA and ABN AMRO.



Expertisebureau Online Kindermisbruik (EOKM)

VodafoneZiggo supports the Registration centre for Child Pornography of the EOKM, which fights against and prevents (online) sexual abuse and sexual exploitation of children.



Missing Chapter

Missing Chapter encourages child inclusion: they involve children in decisions taken by companies and public authorities. Especially with regard to subjects that directly impact their life. Each year, children are invited to think along with VodafoneZiggo regarding a social issue.



Johan Cruyff Foundation

Sport brings children together and stimulates their development. That is why the Johan Cruyff Foundation makes it possible for a great many children to become active, especially children for whom this is not self-evident. For example, because they cannot spare the money or because they have a disability. VodafoneZiggo sponsors the foundation.



Fonds Gehandicaptensport

Drawing more attention to disability sports, making sport accessible for everyone with a disability and improving the range of sport options. That is what Fonds Gehandicaptensport stands for. VodafoneZiggo is partner of the fund.



Natuur & Milieu

To guarantee a beautiful and sustainable world in future, the Foundation for Nature Conservation and Environmental Protection helps to make sustainable policy and sustainable choices easy and more attractive. Together with the Foundation, VodafoneZiggo designed the campaign 'Less CO₂ with ICT'.



JINC

Every child should have equal opportunities, according to JINC. That is why the organizations helps children aged between 8 and 16 to make a proper start on the labour market. Children learn about various trades, discover which line of work fits their talents and learn how to apply for a job (see box on the next page).



Vodafone Foundation

Since 2002, the Vodafone Foundation aims at improving the lives of people in a vulnerable position through mobile technology. We want to fight social exclusion by teaching them digital skills and making digital solutions accessible, enabling everyone to participate in the digital society. The foundation also organizes volunteer activities for employees on a regular basis.

Learn what you like

'When it comes to choosing a career, you first have to know what there is to choose from. And that knowledge is what many children lack. Especially when you grow up in poverty, the road to the labour market is often hard to find. And unfortunately, even in the Netherlands, the place where your cradle stands, still determines how successful you can be. JINC wants to help change that. We aim at equal opportunities for every child. Cooperating with businesses is vital in this respect. Together with VodafoneZiggo we managed to reach out to a great many children that attended a so-called Experience Day at VodafoneZiggo, a great result. I am pleased that VodafoneZiggo is our partner again in 2018, which enables us to broaden the horizon of a great many more children.'

Daniël Roos, oprichter en directeur van JINC.



right direction. We always look where we can improve ourselves and we want to improve our social impact. For example by decreasing our CO₂ emission and by making solid agreements with our partners in the chain. We sponsor social initiatives, especially when they are aimed at digital skills. We account for everything we do in a transparent way. Like in our annual report.

Looking at the future

VodafoneZiggo wants to make the Netherlands digitally skilled. That is our ambition. Digitally skilled means you are aware of the possibilities technology offers, you can use them safely and in a way that contributes to society. Every citizen who is digitally skilled, offers added value to society. Because technology connects.

This was the path we set out on in 2017. We will continue on this path in 2018, focusing on three themes:

Teaching digital skills

We activate digital skills on local and national level and widen our attention to new target groups. This will be achieved through e.g. the Online Masters.

Offering digital solutions

We demonstrate which social issues can be (partly) solved by digital technology. We inspire the Netherlands by showing innovative applications and their social value.

Taking responsibility

We want to give society a boost, especially those groups that could use a little push in the



Numbers and figures

In 2017 we achieved some amazing results. Some of the highlights in figures:

LEARNING DIGITAL SKILLS



With the teaching packages SafeenSocial.nl (Vodafone), Slimonline.nl (Ziggo) and Online Masters (VodafoneZiggo) we improved the digital skills of **169,535 children** in 2017.



1,000 schools indicated they wanted to use the Online Masters education kit.



1,671 children participated in an Experience Day at one of our office locations.



350 colleagues acted as teachers during an Experience Day or the Online Masters.



85% of our colleagues want to continue doing so in 2018.

TEACHING DIGITAL SOLUTIONS



The volunteers of Instant Network made it possible for the inhabitants of Saint Martin and for refugees in Greece to receive and send **606 GB of data traffic**.



7 million Dutchmen have heard of Get the Flow, which has already helped hundreds of young people with their speech development.



20 students produced the 'Tweede Kelder', a TV format about the election.

TAKING RESPONSIBILITY



Our CO₂ emission in 2017 was **13.8 kilo tonnes**



We donated **€ 350,000** to charity in 2017.

7 Financial results

2017 was an intense year for our company. We achieved huge strategic and operational progress by merging Vodafone and Ziggo. The integration required a lot from our people and the organization, but together we laid down a solid foundation to build on. In these sometimes hectic times we managed to fully meet our company's objectives for this year.

Revenue and operational result

Within 4 months after the start of VodafoneZiggo we began with offering our customers new converged propositions (the so-called Nonstop Free Extras). In short, “converged” means that a customer combining a Vodafone mobile subscription with a Ziggo internet product, receives benefits like twice the amount of data, a discount on his mobile invoice, an HBO or Sport TV package and an internet security package. This generated good momentum, proved by the fact that already 880,000 of our 3.9 million cable customers have become converged customers, using a total of 1.25 million mobile subscriptions. More than 20% of all our fixed cable customers and more than 60% of our Vodafone-branded mobile customers experience the benefits of this new proposition. Purchasing a combined VodafoneZiggo subscription leads to a much higher level of customer satisfaction and, as a result, a strong decrease in churn, which underlines our strategic focus on convergence.

We realized growth in our fixed cable business yet again, supported by the increase of 63,000 new internet customers in 2017, of which 24,000 in the fourth quarter. Our best result so far and partly due to our Ziggo Power Promise Wi-Fi campaign.

We notice that our strategic investments in content (like Ziggo Sport and HBO) and innovative products like Replay TV and Ziggo GO are starting to pay off and increasingly so,

since an increasing number of customers opt for more than our basic TV product. On average, we provide 2.5 products per household; a combination of TV, internet and fixed telephony. We also notice that the decrease in the number of TV customers was practically nil at the end of 2017, our best result in over 6 years.

Total revenue compared to 2016 decreased by 4% to € 4,019 million. Revenue from cable services in the consumer segment remained stable and we recorded a nice growth of 4% in the business market.

In our mobile business we saw a decline of 8% in the consumer segment and 12% in the enterprise segment. Half of this decline was caused by new regulation with respect to e.g. roaming and mobile call termination services.

Our operational result or Operating Cash Flow (“OCF”) decreased by 6% to € 1,692 million, mainly caused by the afore-mentioned decline in revenue. However, additional operational costs of € 24 million in 2017, necessary to realize the integration also had an impact on the operational result.



VodafoneZiggo wants to create value for its customers. They need to be able to rely on our services implicitly. That is why we invested over 800 million euros in these services last year. I am convinced that these investments will pay off in satisfied customers. They can use the best infrastructure of the Netherlands. It truly connects people in our society. As CFO I am proud to be able to contribute to this.



Ritchy Drost

CFO

Investments

Also this year we chose to invest in the long term, especially in improving and expanding our fixed and mobile network. We also invested in the new Connect Box modems and Wi-Fi boosters, to fulfil the Ziggo Power Promise: delivering the best possible Wi-Fi connection at home. In all we spent nearly € 830 million on long-term investments, approximately 21% of our revenue.

Conclusion

VodafoneZiggo is satisfied about the financial year 2017 and sees it as a year of:

- Successful continued integration
- Strong results from fixed-mobile convergence
- Increased revenue from fixed services (partly offsetting the decline in mobile)

Outlook

Last year's developments give us confidence in the future, in a market that is still fiercely competitive. We expect a further increase in the number of converged customers because of the very attractive combined fixed/mobile propositions that are highly valued.

Competitive pressure is expected to stay high in the near future, especially in the mobile business market. However, underlying performance of our mobile activities in the consumer market is improving. We expect our operational result for 2018 to stabilize compared to 2017, because of our ongoing good performance in the cable segment and the expectation that we can further leverage the integration of Vodafone and Ziggo.

The following table reflects preliminary unaudited selected financial results for the three months and year ended December 31, 2017, as compared to the pro forma results for the three months and year ended December 31, 2016. The financial figures contained in this release are prepared in accordance with U.S. GAAP.

- 1 For the complete financial statements, including definitions and measuring methods we refer to the VodafoneZiggo website VodafoneZiggo-website.

VODAFONEZIGGO GROUP B.V.

Profit and loss statement¹**Total revenue****Consumer cable revenue**

| | | | |
|------------------------------|---------|---------|--------|
| Subscription revenue | 2,095.2 | 2,104.9 | -0.5% |
| Non-subscription revenue | 26.9 | 32.8 | -18.0% |
| Total consumer cable revenue | 2,122.1 | 2,137.7 | -0.7% |

Consumer mobile revenue

| | | | |
|-------------------------------|----------------|----------------|--------------|
| Service revenue | 751.9 | 816.4 | -7.9% |
| Non-service revenue | 128.9 | 137.9 | -6.5% |
| Total consumer mobile revenue | 880.8 | 954.3 | -7.7% |
| Total consumer revenue | 3,002.9 | 3,092.0 | -2.9% |

B2B cable revenue

| | | | |
|--------------------------|-------|-------|--------|
| Subscription revenue | 338.6 | 321.9 | 5.2% |
| Non-subscription revenue | 24.7 | 27.6 | -10.5% |
| Total B2B cable revenue | 363.3 | 349.5 | 3.9% |

B2B mobile revenue

| | | | |
|--------------------------|--------------|----------------|--------------|
| Service revenue | 529.1 | 609.3 | -13.2% |
| Non-service revenue | 77.5 | 82.4 | -5.9% |
| Total B2B mobile revenue | 606.6 | 691.7 | -12.3% |
| Total B2B revenue | 969.9 | 1,041.2 | -6.8% |

| | | | |
|----------------------|----------------|----------------|--------------|
| Other revenue | 46.3 | 39.7 | 16.6% |
| Total revenue | 4,019.1 | 4,172.9 | -3.7% |
| OCF | 1,691.6 | 1,792.2 | -5.6% |

OCF as a percentage of revenue

OCF Reconciliation

| | | |
|--|----------------|----------------|
| Operating income | 192.6 | 301.0 |
| Share-based compensation expense | 5.3 | 11.1 |
| Depreciation and amortization | 1,486.1 | 1,466.4 |
| Impairment, restructuring and other operating items, net | 7.6 | 13.7 |
| OCF | 1,691.6 | 1,792.2 |

2017 2016 Difference
Pro Forma
in millions, except % amounts

Consolidated balance sheet

VODAFONEZIGGO GROUP B.V.

Consolidated balance sheets¹

| Current assets: | 2017 in millions | 2016 |
|--|---------------------|-----------------|
| Cash | 274,5 | 59,9 |
| Restricted cash | — | 2,979.4 |
| Trade receivables, net | 226,2 | 293,1 |
| Related-party receivables | 20,6 | 16,0 |
| Value-added taxes (VAT) receivable, net | — | 119,4 |
| Prepaid expenses | 59,0 | 44,2 |
| Inventory held for sale, net | 25,7 | 32,2 |
| Derivative instruments | 45,9 | 20,4 |
| Other current assets, net | 33,0 | 24,2 |
| Total current assets | 684,9 | 3,588.8 |
| Property and equipment, net | 5,431.7 | 5,462.9 |
| Goodwill | 7,375,5 | 7,310,4 |
| Intangible assets subject to amortization, net | 7,171.5 | 7,879,7 |
| Other assets, net | 49,5 | 309,3 |
| Total assets | 20,713.1 | 24,551.1 |

| Current liabilities: | 2017 in millions | 2016 |
|---|---------------------|-----------------|
| Accounts payable | 370,8 | 322 |
| Related-party distribution payable | — | 2,844.0 |
| Accrued and other current liabilities: | | |
| Third-party | 325,0 | 331,6 |
| Related-party | 11,5 | 14,9 |
| Deferred revenue and advance payments from subscribers and others | 192,2 | 205,6 |
| Derivative instruments | 65,4 | 189,2 |
| Accrued interest | 151,0 | 122,7 |
| VAT payable | 122,1 | 51,8 |
| Current portion of debt and capital lease obligations: | | |
| Third-party | 750,4 | 275,3 |
| Related-party | 200,8 | 201,6 |
| Total current liabilities | 2,189.2 | 4,558.7 |
| Long-term debt and capital lease obligations: | | |
| Third-party | 9,718.4 | 10,388.5 |
| Related-party | 1,600.2 | 1,801.0 |
| Deferred income taxes | 1,385.4 | 1,514,5 |
| Other long-term liabilities | 697,3 | 349,3 |
| Total liabilities | 15,590.5 | 18,612.0 |
| Total owners' equity | 5,122.6 | 5,939.1 |
| Total liabilities and owners' equity | 20,713.1 | 24,551.1 |

8 About this report

With this annual report we provide information to our stakeholders about the main developments, performance and themes of 2017, the year in which Vodafone and Ziggo merged. We draw an honest picture of things that went well and provide insight in the challenges ahead of us. In addition we refer to our corporate website www.vodafoneziggo.nl, which is regularly updated with new information about the latest developments and projects.

Design and contents

The annual report was partly realized thanks to the efforts of the internal working group Reporting. This was made up of eleven senior managers, each of whom was responsible for the content of at least one chapter. Together with the ten board members, they agreed on the design of the report and provided all the qualitative and quantitative data for the report. The complete board reviewed the draft text of the annual report and agreed on the final version. The Societal Value department is responsible for the composition, final editing and publication of this annual report

The [VodafoneZiggo financial statements of 2017](#) have been audited by KPMG. We did not request assurance regarding the other information in this report.

Our ambition

Last year's efforts were mainly focused on integrating the two organizations, leaving us little time to develop KPIs. This will be a goal for the coming period. We will start working according to the GRI Standards, the international guidelines for non-financial reporting.

Our goal is to produce an even more transparent and extensive annual report, in which we focus on themes our stakeholders attach the most importance to. To understand our impact on the world around us in more detail, we will be commissioning regular impact studies in the years to come.

Eventually we will publish an integrated annual report, drawn up according to the rules of the International Integrated Reporting Council (IIRC), in which we will explain how we create value with our business operations, both now and in the future.

In case of any questions regarding this annual report or VodafoneZiggo please send an email to pers@vodafoneziggo.com

colofon

Photography cover
Marieke Odekerken

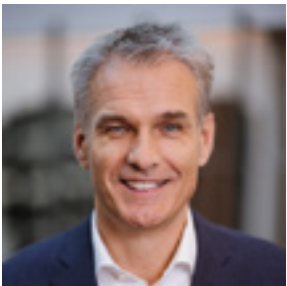
Text
Rob Vissers

Design
Marco van Buren



Appendix 1
Composition of the board

The management board consists of the following members:



Jeroen Hoencamp
(1966, Dutch)
*Chief Executive Officer (CEO)
and statutory board member*



Ritchy Drost
(1974, Dutch)
*Chief Financial Officer (CFO)
and statutory board member*

Additional positions: director of
Vodafone Financial Services B.V.,
member Supervisory Board Alzheimer
Nederland, director at the
Amsterdam Uitmarkt foundation



Robin Kroes
(1975, Dutch)
*Executive Director Strategy &
Integration*



Marcel de Groot
(1967, Dutch)
*Executive Director
Consumer market*

Additional position:
director of Vodafone Financial
Services B.V



John van Vianen
(1969, Dutch)
*Executive Director
Business market*



Robin Clements
(1971, Dutch)
*Executive Director Customer
Operations*

Ruben Uppelschoten
Director COPS
Left the organization in March 2017. Sjors de Visser held the position ad
interim, with Robin Clements filling the vacancy as of June 2017



Eben Albertyn
(1975, South African)
Executive Director Technology



Anja Maassen van den Brink
(1968, Dutch)
Executive Director HR

Additional position: committee
member WENB employers' associa-
tion for the energy, waste & environ-
ment, cable & telecom industry



Barbara Jongerden
(1975, Dutch)
*Executive Director Legal &
Regulatory*

Additional position: director of
Vodafone Financial Services B.V



Marieke Dekker
(1972, Dutch)
Executive Director External Affairs

Additional positions: Chairman
Supervisory Board Today's Art,
Chairman Vodafone Foundation



Appendix 1

Composition supervisory board

The Supervisory Board consists of the following members:

Diederik Karsten (Chairman)
(1956, Dutch)
*Executive Vice President and
Chief Commercial Officer Liberty Global*

Ahmed Essam (Vice Chairman)
(1976, Egyptian)
CEO Europe Cluster Vodafone Group Plc

Charlie Bracken
(1966, British)
*Executive Vice President and
Chief Financial Officer for Liberty Global*

Nick Read
(1964, British)
Chief Financial Officer Vodafone Group Plc

Baptiest Coopmans
(1965, Dutch)
SVP Technology Operations Liberty Global

Warren Finegold
(1957, British)
*Former Group Business
Development Director
Vodafone Group Plc*

Carla Mahieu
(1959, Dutch)
*Global Head Human Resources and
Executive Vice President Aegon N.V.*

Huub Willems
(1944, Dutch)
*Professor Corporate Litigation at the University of
Groningen and former chairman of the Netherlands
Enterprise Court at the Amsterdam Court of Appeal*

The supervisory board has two committees:

- **the Audit & Risk Committee**
Charlie Bracken (Chair), Nick Read, Baptiest Coopmans and Ahmed Essam
- **the Remuneration & Nomination Committee**
Ahmed Essam (Chair), Charlie Bracken, Warren Finegold and Diederik Karsten

The supervisory board met in 2017 on 27 January, 3 March, 13 April, 5 May, 30 June, 29 September and 20 November.

Appendix 2

CO₂ footprint

VodafoneZiggo is aware of the global climate issues. In the past, Vodafone and Ziggo already measured their CO₂ footprint, defining measures for reduction. To be able to manage future reductions in CO₂ emissions, the joint CO₂ footprint was determined for the calendar year 2017.

What is a CO₂ footprint?

A CO₂ footprint represents the entire climate impact of all elements of business operations together: the CO₂ equivalent of all emissions of greenhouse gases added up. It concerns greenhouse gases released by burning fossil fuels for heating or transportation for example, but also by the consumption of purchased electricity and leakage of coolants.

CO₂-footprint of VodafoneZiggo

The joint CO₂ footprint of VodafoneZiggo during the period January-December 2017 amounted to 14 kton CO₂ eq in scope 1 and 2. The highest emission (73%) was caused by mobility (company cars). By using green power VodafoneZiggo had no CO₂ emission from consumption of electricity.

| Scope | Element | 2017 | 2016 |
|-----------------------|------------------------------|---|---|
| | | CO ₂ -emissions (kton CO ₂ /year) | CO ₂ -emissions (kton CO ₂ /year) |
| Scope 1 | Offices | 1.0 | 1.1 |
| | Shops | 1.3 | 1.1 |
| | Network | 1.0 | 0.8 |
| | Mobility (own fleet of cars) | 10.0 | 11.6 |
| | Coolants | 0.1 | 0.1 |
| Scope 2 | Offices (purchase of heat) | 0.3 | 0.4 |
| Scope 3 | Paper consumption | 2.8 | 0.0 |
| | Mobility (commuting*) | 13.4 | 14.5 |
| | Other | 0.5 | 0.4 |
| Total scope 1 + 2 | | 13.8 | 15.0 |
| Total scope 1 + 2 + 3 | | 30.5 | 30.1 |

* commuter traffic consists of the use of private cars, public transport and business flights.

KPIs

The following KPIs provide insight into the development of specific elements of the joint footprint of Vodafone and Ziggo:

| KPI | Unit | 2017 | 2016 |
|---|---|--------|--------|
| Mobility-related emission | ton CO ₂ /FTE | 3.44 | 3.52 |
| Emission offices | kg CO ₂ /m ² | 13.61 | 14.00 |
| Total emission scope 1 and 2 | kton CO ₂ | 13.84 | 15.02 |
| Total scope 1 and 2 emission per active customer - mobile network | kg CO ₂ /connections and SIM cards | 3.31 | 3.48 |
| Total scope 1 and 2 emission per TB traffic - mobile network | kg CO ₂ /TB | 179.52 | 343.72 |
| Total scope 1 and 2 emission per consumer service -fixed network | kg CO ₂ /RGU | 1.43 | 1.55 |

The CO₂ footprint of VodafoneZiggo is drawn up by Royal HaskoningDHV. In case of any questions please contact us by sending an email to mvo@vodafoneziggo.com.

VodafoneZiggo
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www.vodafoneziggo.nl

