
# Q2 2015

euNetworks results

5 August 2015

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# disclosure

**FORM OF DISCLOSURE PURSUANT TO NOTE 2 ON SECTION 2 OF APPENDIX 1 OF THE SINGAPORE CODE ON TAKEOVERS AND MERGERS**

**Warrants issued to the Columbia Concert Party Group**

On 8 August 2011, euNetworks Group Limited (the **"Company")** had allotted and issued, and Columbia Capital Equity Partners V (QP) L.P., Columbia Capital Equity Partners V (Non-US) L.P., Columbia Capital Equity Partners V (Co-Invest) L.P. and Columbia Capital Equity Partners IV (QP) L.P. (collectively, the **"Columbia Warrantholders"**) had subscribed for, an aggregate of 105,000,000 non-listed warrants (the **"Warrants"**), pursuant to a subscription agreement dated 30 June 2011 entered into between the Company and the Columbia Warrantholders (the **"Warrant Subscription Agreement"**).

The Warrants were adjusted with effect from 30 May 2013, as announced on 21 May 2013, as a result of the Company's share consolidation. The number of Warrants and prices referred to below are post-adjustment.

Each Warrant carries the right to subscribe for one new Share (each, a **"Warrant Share"**) at the exercise price of S$1.00 (the "**Warrant Exercise Price**"). The Warrant Exercise Price and the number of Warrants held by a Warrantholder are subject to adjustments from time to time in accordance with the terms and conditions of the Warrants. The Warrants may be exercised in the numbers, and at any time during the periods commencing on and including the dates, as follows:
525,000 Warrants, 8 August 2011;
196,875 Warrants, 31 August 2011;
196,875Warrants, 30 November 2011;
196,875 Warrants, 29 February 2012;
196,875 Warrants, 31 May 2012;
196,875 Warrants, 31 August 2012;
196,875 Warrants, 30 November 2012;
196,875 Warrants, 28 February 2013; and
196,875 Warrants, 31 May 2013,
in each case expiring at 5.00 p.m. on the date five years from the date of issue of the Warrants.

**Details of the Whitewash Resolution**

Prior to the issue of the Warrants, Shareholders independent of Columbia Capital V, LLC and parties acting in concert with it (the "Columbia Concert Party Group") had, at an extraordinary general meeting of the Company held on 5 August 2011, passed an Ordinary Resolution waiving their rights to receive a mandatory general offer from the Columbia Concert Party Group for all the Shares not already owned or controlled by them, in the event an obligation to extend such an offer is incurred pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers (**"Code"**), as a result of the acquisition by the Columbia Concert Party Group of the Warrant Shares pursuant to the exercise of the Warrants (the **"Whitewash Resolution"**).

For the purposes of the Whitewash Resolution, the acquisition of the Warrant Shares by the Columbia Concert Party Group upon the exercise of the Warrants must be completed within five years of the date of issue of the Warrants. Accordingly, the waiver pursuant to the Whitewash Resolution is valid, in relation to the exercise of the Warrants, from 8 August 2011 (being the date of the issue of the Warrants) to 8 August 2016 (being the date five years from the date of issue of the Warrants). Further details of the Warrants and the Whitewash Resolution are set out in the Company's circular dated 20 July 2011.

**Holdings and Interests of the Columbia Concert Party Group**

As at the date hereof, the Columbia Concert Party Group holds or is interested in:
• 171,831,969 Shares, representing 39.27per cent of the 437,517,419 Shares in issue; and
• 2,100,000 Warrants
Save as disclosed, none of the Columbia Concert Party Group holds any voting rights in the Company and instruments convertible into, rights to subscribe for and options in respect of the Shares as at the date hereof.

**Maximum Potential Interests of the Columbia Concert Party Group**

The Columbia Concert Party Group would acquire a maximum potential interest of 39.56 per cent. in the Company's enlarged share capital of 439,617,419 Shares in issue assuming the Columbia Concert Party Group exercises and converts the Warrants (assuming no adjustments thereto) they hold in full and no other holders of instruments convertible into, rights to subscribe for and options in respect of the Shares exercise and convert such instruments, rights and options.

**Cautionary Statement**

Shareholders should note that, having approved the Whitewash Resolution, Shareholders have waived their rights to receive a general offer from the Columbia Concert Party Group at the highest price paid by the Columbia Concert Party Group for Shares in the past 6 months preceding the date of the offer.

Shareholders should also note that, having approved the Whitewash Resolution, Shareholders could be forgoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the Warrants.



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our business

# we believe that bandwidth changes everything

We believe that bandwidth changes everything, allowing businesses unfettered access to the universe. We believe that every business can benefit from bandwidth without limits

We deliver a superior customer experience based on our facilities based network and our commitment to great data, processes, systems and our fantastic people.

We are a horizontally integrated bandwidth infrastructure company that sells bandwidth products to wholesale and enterprise customers.

# contents

# summary. Q2 2015 highlights

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summary

# Q2 2015 highlights

euNetworks delivered a very solid second quarter, with double digit growth across key metrics



## Continued performance trends from Q1, with solid sales and good MISR performance.

We achieved €796k in gross sales, up 1% from Q1 2015 and a new record for the company. As with prior quarters, our strategy remains on selling our focus products to our target customers.

Service installations also reached a new record level in the quarter, accelerated by delivery of large customer builds and enabled by our efficient delivery model. The units installed in Q2 2015 grew, up 7% from Q2 2014.

Disconnections in the quarter were in line with expectations. Management of these disconnections remained strong, with 41% due to service replacements. Average churn was 1.1%, slightly up versus 1.0% in Q1 2015 but in line with the 2014 average. Churn in the quarter was driven by planned euTrade disconnections and the continued reduction in non-focus product revenues. We reiterate our Q1 guidance that churn will rise slightly in H2 2015.

Monthly Incremental Service Revenue for the quarter was €240k, up 15% from Q1 2015 and 69% from Q2 2014. This positions us well for further growth in recurring revenue in H2 2015.

## Strong growth in recurring revenue and Adjusted EBITDA.

Recurring revenue in Q2 2015 was €29.2m, growing 16% from Q2 2014 and 5% from Q1 2015. This followed continued sales growth.

Gross profit increased 19% from Q2 2014 and 5% from Q1 2015, to €22.5m. Gross margin was 77.2% in Q2 2015, improving from Q2 2014 and in line with Q1 2015.

Adjusted EBITDA was €8.2m, improving by 17% from Q2 2014 and 8% from Q1 2015. This was despite adverse foreign exchange headwinds of €234k.

Capital expenditure supporting revenue growth was higher in Q2 2015 at €9.8m, contributing to lower proxy cash flow of €(1.6)m in the quarter.

# lead performance measures.
## sales, installations, disconnections, MISR

02

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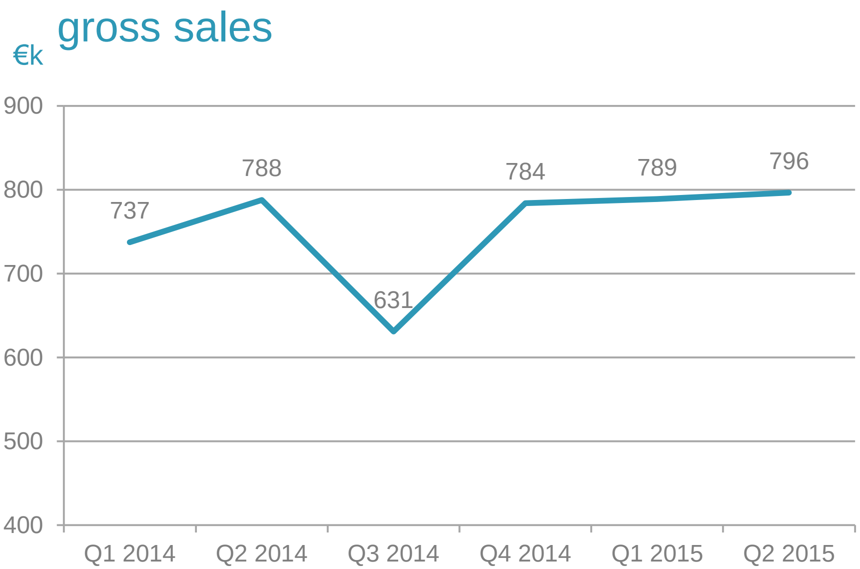
lead performance measures

# our sales performance drives growth

Strong sales momentum continued through Q2 2015 with record level gross sales.




In Q2 2015 we achieved €796k in gross sales, up 1% from Q2 2014, our previous record quarter.

Over the last year we have focused on deepening our relationships with our customers to grow our share of their spend with us. As a result, we have increased the proportion of our sales that are new versus replacements. In H2 2014 and H1 2015, 69% of sales were new.

Additionally, our 180 day new sales pipeline increased by 21% from March 2015 to end of June and by 27% January to June exit this year. As mentioned last quarter, our near term pipeline has given us sales coverage we can feel confident about. As we move into Q3 we have some great customer opportunities in place.

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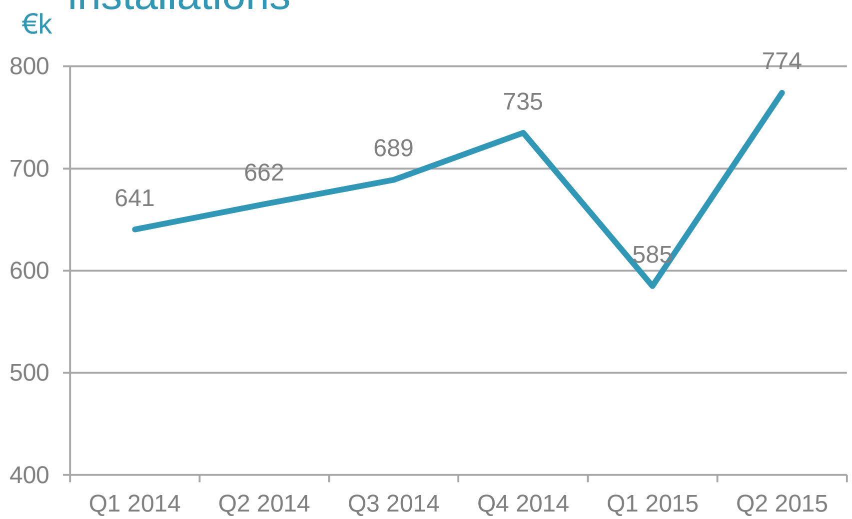
lead performance measures

# units installed have increased

Service installations reached a new record level and the corresponding units installed in Q2 2015 increased 7% from Q2 2014.

## installations




Service installations were €774k in Q2 2015, increasing 32% from Q1 2015. This was the highest level of services installed for the company and included delivery of large customer builds. Our cycle time for installations improved from Q1 2015 and was in line with our operating target. This was in spite of a number of complex service installations and the addition of longer equipment procurement lead times for some bespoke solution builds.

The corresponding units installed were up 7%* in Q2 2015 versus Q2 2014. This follows an uplift in installed units of 31% from 2013 to 2014.

(*) Price increases not included

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# we continue to closely manage disconnections

Disconnections increased in Q2 2015 as we anticipated. The impact of these on our churn was countered by growth in our recurring revenue base. Churn in Q2 2015 was 1.1%, up from 1.0% in Q1 2015.

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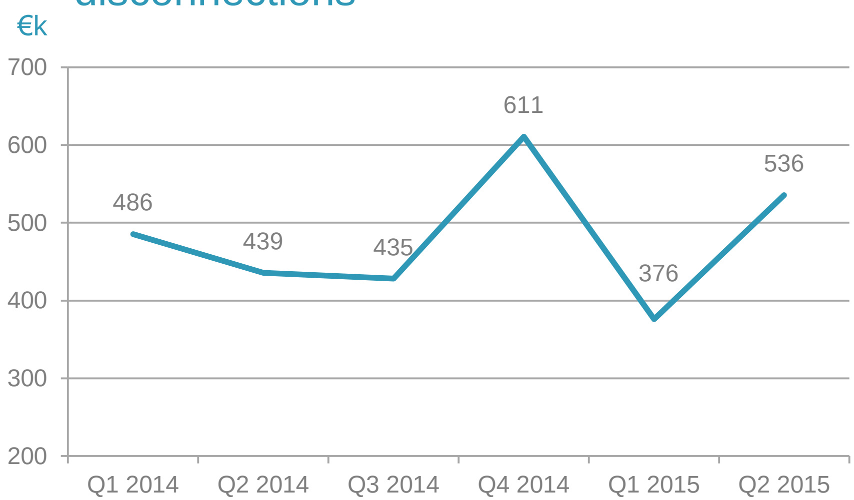
disconnections




Our disconnections were €536k in Q2 2015, up 43% from Q1 2015 and 22% from Q2 2014. 41% of these disconnections were due to service replacements, meaning our customers are upgrading the services they take from us rather than leaving. We also anticipated higher disconnections in Q2 2015. This was from a number of euTrade related disconnections due to changes in customer's trading strategies and also from disconnections related to non-focus products.

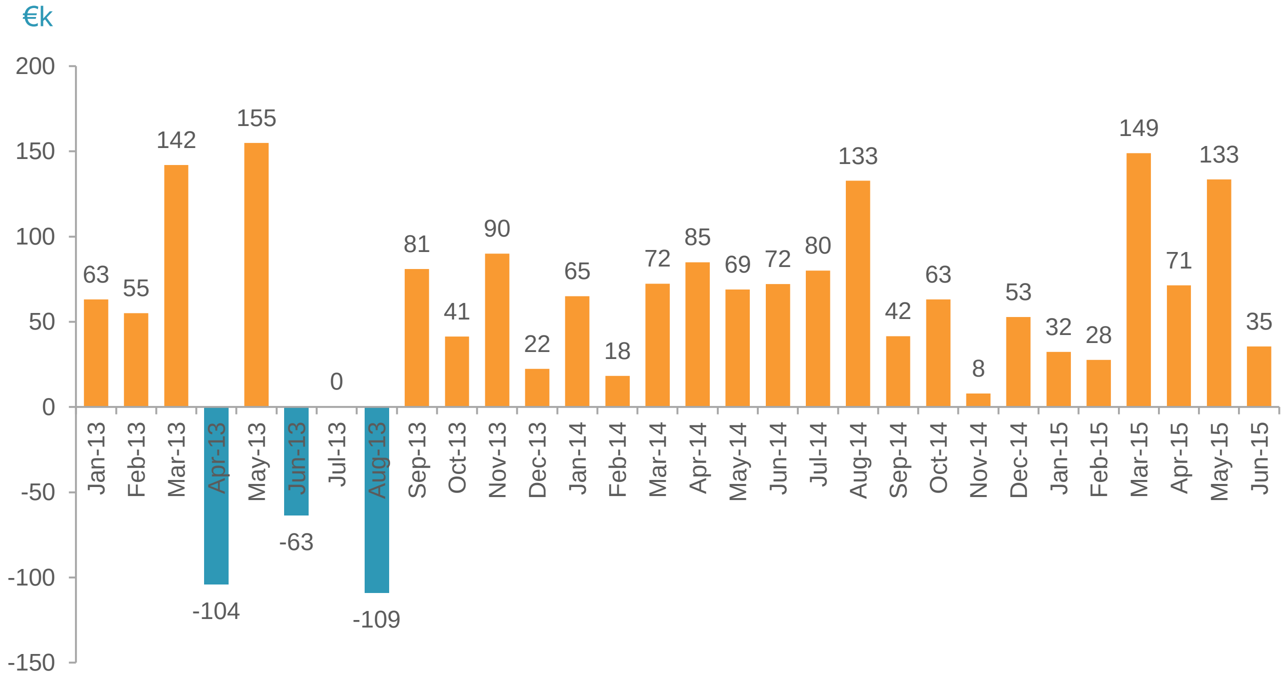
As planned, our Q2 2015 churn averaged 1.1%, up slightly from Q1 2015.

lead performance measures

# delivering solid MISR performance

MRR is the lead indicator for growth in our monthly recurring revenue (MRR)

## MISR performance in Q2 2015 was strong and positions us well for revenue growth in H2 2015.




MISR was €240k in Q2 2015, up from €209k in Q1 2015. This reflects strong sales and our continued focus on managing our disconnections.

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# our Q2 product performance demonstrates execution of our strategy

| | Q2 2014 recurring revenue (€M) | Q1 2015 recurring revenue (€M) | Q2 2015 recurring revenue (€M) | QoQ growth % |
|---|---|---|---|---|
| Focus Products | 16.9 | 19.4 | 20.5 | 6.0% |
| *Fibre* | *4.6* | *5.8* | *6.1* | *5.2%* |
| *Wavelengths* | *7.1* | *8.2* | *9.0* | *9.2%* |
| *Ethernet* | *5.1* | *5.3* | *5.4* | *1.9%* |
| Non-Focus Products | 6.2 | 6.2 | 6.1 | (1.5)% |
| **Focus & Non Focus Products** | **23.0** | **25.4** | **26.6** | **4.7%** |
| **Power, Monthly Amortised Revenue, Other** | **2.1** | **2.2** | **2.6** | **18.2%** |
| Recurring Revenue | 25.1 | 27.8 | 29.2 | 4.9% |

## Focus products continued to drive solid revenue growth in the business, with strong growth from Wavelengths in the quarter.

76% of new sales were from focus products in Q2 2015, slightly down from 80% in Q1 2015. Overtime, we forecast that these products will represent >85% of our sales.

Ethernet sales are growing, improving this products' performance over prior quarters. Metro DC Connect and Cloud Connect investment and subsequent sales success is driving this growth.

Solid demand from customers for our high bandwidth solutions continues to drive the performance of our Wavelengths product line.







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# financial performance. revenue, gross margin, adjusted EBITDA, capital expenditure

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# there was continued strong performance in Q2 2015

| €M | Q2 2015 | Q2 2014 | % change | Q1 2015 | % change |
|---|---|---|---|---|---|
| Total Revenue | 29.2 | 25.1 | 16.2% | 27.8 | 4.9% |
| *Recurring Revenue* | *29.2* | *25.1* | *16.2%* | *27.8* | *4.9%* |
| Gross Profit | 22.5 | 18.9 | 19.2% | 21.5 | 4.5% |
| Gross Profit Margin % | 77.2% | 75.3% | 2.6% | 77.5% | (0.4)% |
| Adjusted EBITDA | 8.2 | 7.0 | 16.6% | 7.6 | 7.8% |
| Capital Expenditure | 9.8 | 6.9 | NA | 9.2 | NA |
| Proxy Cash Flow | (1.6) | 0.1 | NA | (1.6) | NA |

Adjusted EBITDA means EBITDA before the deduction of share option expense.
Proxy cash flow is calculated as Adjusted EBITDA less capital expenditure

**Recurring revenue** grew 16% year on year and 5% from Q1 2015. Following continued strong sales and MISR performance in Q2, we believe we can achieve 11% growth in revenue in 2015, above the 3-5% European market bandwidth growth expected for the current calendar year.

Gross profit improved 19% from Q2 2014 and 5% from Q1 2015. Gross margin was 77.2% in the quarter, improving from Q2 2014 and in line with Q1 2015.

**Adjusted EBITDA**, the key driver of value in our business, was €8.2m, up by 17% from Q2 2014 and 8% from Q1 2015. This was despite the continued adverse foreign exchange headwinds of €234k.

**Capital expenditure** of €9.8m in Q2 2015 was higher than in Q2 2014 and supported customer related projects and network development initiatives in line with our strategy.

As a result, **proxy cash flow** was €(1.6)m, in line with Q1 2015 and down from €0.1m in Q2 2014.

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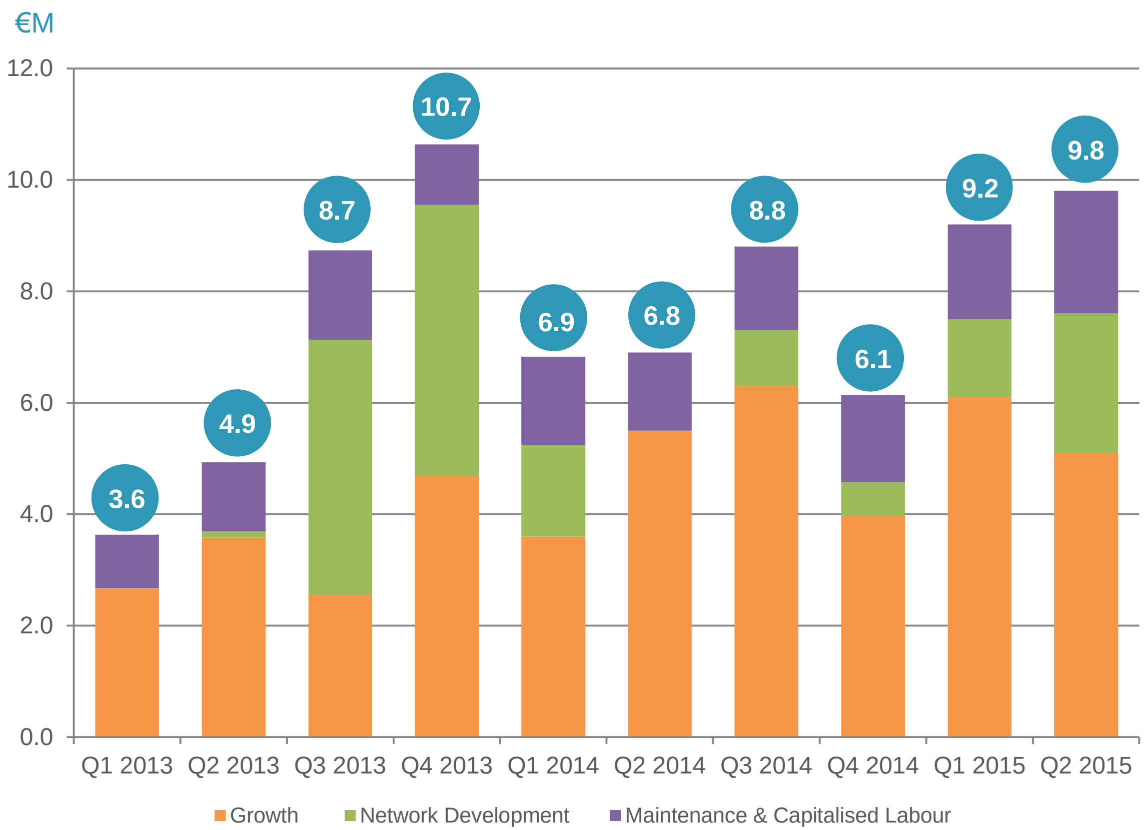
# capital expenditure for growth




## Capital expenditure of €9.8M in Q2 2015 supports revenue growth.

Success based customer projects accounted for 53% of this spend, and ongoing network developments a further 25% in the quarter. Both of these areas underpin our revenue growth.

Maintenance and capitalised labour typically accounts for 20% of capital spend in a quarter.

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# **appendix.** H1 2015 performance, full profit & loss, balance sheet, cash flow, delisting

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appendix

# H1 2015 financial performance

| €M | H1 2015 | H1 2014 | % change | H2 2014 | % change |
|---|---|---|---|---|---|
| Total Revenue | 56.9 | 50.5 | 12.7% | 52.9 | 7.7% |
| *Recurring Revenue* | *56.9* | *49.6* | *14.8%* | *52.9* | *7.7%* |
| Gross Profit | 44.1 | 37.6 | 17.3% | 40.4 | 9.2% |
| Gross Profit Margin % | 77.4% | 74.4% | 4.1% | 76.3% | 1.4% |
| Adjusted EBITDA | 15.8 | 13.5 | 16.5% | 14.8 | 6.6% |
| Capital Expenditure | 19.0 | 13.8 | NA | 14.9 | NA |
| Proxy Cash Flow | (3.2) | (0.3) | NA | (0.1) | NA |

Adjusted EBITDA means EBITDA before the deduction of share option expense.
Proxy cash flow is calculated as Adjusted EBITDA less capital expenditure

**Recurring revenue** in the half year of €56.9m increased 13% year on year and 8% from H2 2014. With the strong sales and MISR performance seen year to date, we believe we can achieve 11% growth in revenue in 2015, above the 3-5% European market bandwidth growth expected for the current calendar year.

**Gross profit** of €44.1m improved 17% from H1 2014 and 9% from H2 2014.

**Adjusted EBITDA** was €15.8m, up by 17% from H1 2014 and 7% from H2 2014 despite the adverse foreign exchange headwinds of €545k.

**Capital expenditure** of €19.0m in H1 2015 supported customer related projects and network development initiatives in line with our strategy.

**Proxy cash flow** was (€3.2m), down from H1 2014 and H2 2014. This reflects spend on capital expenditure initiatives in H1 2015.

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appendix

# full profit & loss

| All figures in €m | Quarterly Performance | | | | | Half Year Performance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 Act 2015 | Q2 Act 2014 | 2015 vs 2014 Var | 2015 vs 2014 Var % | Q1 Act 2015 | H1 Act 2015 | H1 Act 2014 | 2015 vs 2014 Var | 2015 vs 2014 Var % | H2 Act 2014 |
| **Revenue** | **29.2** | **25.1** | **4.1** | **16%** | **27.8** | **56.9** | **50.5** | **6.4** | **13%** | **52.9** |
| MRR | 26.7 | 23.0 | 3.6 | 16% | 25.4 | 52.1 | 45.6 | 6.5 | 14% | 48.2 |
| **NetEx** | ***6.6*** | ***6.2*** | ***(0.4)*** | **(7%)** | ***6.2*** | ***12.9*** | ***13.0*** | ***0.1*** | **1%** | ***12.5*** |
| **Gross Profit** | **22.5** | **18.9** | **3.6** | **19%** | **21.5** | **44.1** | **37.6** | **6.5** | **17%** | **40.4** |
| *Gross Margin %* | 77.2% | 75.3% | 2.0% | *3%* | 77.5% | 77.4% | 74.4% | 3.0% | *4%* | 76.3% |
| **OpEx** | **14.3** | **11.9** | **(2.5)** | **(21%)** | **14.0** | **28.3** | **24.0** | **(4.3)** | **(18%)** | **25.6** |
| NetOpEx | 6.9 | 5.9 | (0.9) | (16%) | 6.6 | 13.4 | 12.0 | (1.5) | (12%) | 11.3 |
| Staff Costs | 5.8 | 5.2 | (0.6) | (12%) | 5.8 | 11.6 | 9.8 | (1.8) | (19%) | 11.8 |
| Other SG&A | 1.7 | 0.8 | (0.9) | (114%) | 1.6 | 3.3 | 2.3 | (1.0) | (42%) | 2.5 |
| **a/ EBITDA** | **8.2** | **7.0** | **1.2** | **17%** | **7.6** | **15.8** | **13.5** | **2.2** | **17%** | **14.8** |
| *a/ EBITDA %* | 28.1% | 28.0% | 0.1% | *0%* | 27.3% | 27.7% | 26.8% | 0.9% | *3%* | 28.0% |
| **n/ a/ EBITDA** | **8.8** | **6.6** | **2.3** | **35%** | **8.0** | **16.8** | **12.6** | **4.3** | **34%** | **14.2** |
| **EBITDA** | **9.3** | **6.3** | **3.1** | **49%** | **9.3** | **18.6** | **12.2** | **6.5** | **53%** | **17.6** |
| Depreciation & Amortisation | 6.9 | 7.0 | (0.1) | (1%) | 7.4 | 14.3 | 13.9 | 0.4 | 3% | 14.6 |
| **Operating Result** | **2.4** | **(0.7)** | **3.1** | **n.a.** | **1.9** | **4.3** | **(1.8)** | **6.1** | **n.a.** | **3.0** |
| Finance Costs | 0.8 | 0.5 | 0.3 | 50% | 0.3 | 1.0 | 1.0 | 0.1 | 8% | 2.1 |
| **Profit Before Tax** | **1.7** | **(1.2)** | **2.9** | **n.a.** | **1.6** | **3.3** | **(2.7)** | **6.0** | **n.a.** | **0.9** |
| Tax | 0.2 | (0.1) | 0.3 | n.a. | (0.1) | 0.1 | (0.1) | 0.2 | n.a. | (0.6) |
| **Net Profit After Tax** | **1.4** | **(1.2)** | **2.6** | **n.a.** | **1.7** | **3.1** | **(2.7)** | **5.8** | **n.a.** | **1.5** |

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appendix

# balance sheet

| Balance Sheet<br>All figures in €m | Quarterly Performance | | | | | Half Yearly Performance | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Q2 Act 2015 | Q2 Act 2014 | 2015 vs 2014 Var | 2015 vs 2014 Var % | Q1 Act 2015 | H1 Act 2015 | H1 Act 2014 | | 2015 vs 2014 Var | 2015 vs 2014 Var % | H2 Act 2014 |
| *Assets* | | | | | | | | | | | |
| Property, Plant and Equipment | 208.3 | 188.8 | 19.5 | 10% | 202.4 | 208.3 | 188.8 | | 19.5 | 10% | 200.3 |
| Intangible Assets | 11.6 | 13.0 | (1.4) | (11%) | 11.9 | 11.6 | 13.0 | - | (1.4) | (11%) | 12.3 |
| Goodwill | 26.4 | 21.7 | 4.7 | 22% | 21.7 | 26.4 | 21.7 | - | 4.7 | 22% | 21.7 |
| Deferred Tax Asset | 4.9 | 4.9 | - | 0% | 4.9 | 4.9 | 4.9 | - | - | 0% | 4.9 |
| Other Non-Current Assets | 2.7 | 2.0 | 0.7 | 35% | 1.7 | 2.7 | 2.0 | - | 0.7 | 35% | 1.7 |
| **Non-Current Assets** | **253.9** | **230.4** | **23.5** | **10%** | **242.6** | **253.9** | **230.4** | **-** | **23.5** | **10%** | **240.9** |
| Cash and Cash Equivalents | 21.7 | 8.4 | 13.3 | 158% | 10.1 | 21.7 | 8.4 | - | 13.3 | 158% | 13.4 |
| Trade Receivables | 12.3 | 9.6 | 2.7 | 28% | 12.4 | 12.3 | 9.6 | - | 2.7 | 28% | 9.7 |
| Other Receivables and Prepayments | 5.6 | 6.1 | (0.5) | (8%) | 5.9 | 5.6 | 6.1 | - | (0.5) | (8%) | 5.9 |
| Assets held for sale | 0.2 | 0.2 | - | 0% | 0.3 | 0.2 | 0.2 | - | - | 0% | 0.2 |
| **Current Assets** | **39.8** | **24.3** | **15.5** | **64%** | **28.7** | **39.8** | **24.3** | **-** | **15.5** | **64%** | **29.2** |
| **Total Assets** | **293.7** | **254.7** | **39.0** | **15%** | **271.3** | **293.7** | **254.7** | **-** | **39.0** | **15%** | **270.1** |
| ***Liabilities & Equity*** | | | | | | - | - | - | | | - |
| Share Capital | 291.9 | 291.9 | - | 0% | 291.9 | 291.9 | 291.9 | - | - | 0% | 291.9 |
| Treasury Shares | (6.5) | (6.5) | - | 0% | (6.5) | (6.5) | (6.5) | - | - | 0% | (6.5) |
| Employee Share Option Reserve | 11.2 | 23.5 | (12.3) | (52%) | 17.6 | 11.2 | 23.5 | - | (12.3) | (52%) | 19.4 |
| Cumulative Translation Reserve | 0.7 | 0.7 | - | 0% | 0.7 | 0.7 | 0.7 | - | - | 0% | 0.7 |
| Retained Profits | (108.8) | (113.4) | 4.6 | (4%) | (110.2) | (108.8) | (113.4) | - | 4.6 | (4%) | (111.9) |
| **Total Equity** | **188.5** | **196.2** | **(7.7)** | **(4%)** | **193.5** | **188.5** | **196.2** | **-** | **(7.7)** | **(4%)** | **193.6** |
| Trade Payables | 3.5 | 3.7 | (0.2) | (5%) | 3.9 | 3.5 | 3.7 | - | (0.2) | (5%) | 2.4 |
| Income Tax Payables | 0.2 | 0.5 | (0.3) | (60%) | 0.1 | 0.2 | 0.5 | - | (0.3) | (60%) | (0.2) |
| Finance Lease Liabilities Current | 1.1 | 1.3 | (0.2) | (15%) | 1.2 | 1.1 | 1.3 | - | (0.2) | (15%) | 1.3 |
| Deferred Revenue Current | 4.9 | 3.4 | 1.5 | 44% | 5.0 | 4.9 | 3.4 | - | 1.5 | 44% | 5.5 |
| Other Payables and Accruals | 17.3 | 13.0 | 4.3 | 33% | 16.2 | 17.3 | 13.0 | - | 4.3 | 33% | 18.7 |
| **Current Liabilities** | **27.0** | **21.9** | **5.1** | **23%** | **26.4** | **27.0** | **21.9** | **-** | **5.1** | **23%** | **27.7** |
| Interest Bearing Loans | 50.0 | 14.9 | 35.1 | 236% | 23.8 | 50.0 | 14.9 | - | 35.1 | 236% | 20.8 |
| Finance Lease Liabilities Non-Current | 2.6 | 3.9 | (1.3) | (33%) | 2.9 | 2.6 | 3.9 | - | (1.3) | (33%) | 3.2 |
| Deferred revenue non-current | 15.7 | 8.4 | 7.3 | 87% | 14.6 | 15.7 | 8.4 | - | 7.3 | 87% | 16.1 |
| Deferred Tax Liabilities | 4.5 | 5.0 | (0.5) | (10%) | 4.6 | 4.5 | 5.0 | - | (0.5) | (10%) | 4.7 |
| Non-Current Provisions | 5.4 | 4.4 | 1.0 | 23% | 5.4 | 5.4 | 4.4 | - | 1.0 | 23% | 4.0 |
| **Non-current Liabilities** | **78.2** | **36.6** | **41.6** | **114%** | **51.4** | **78.2** | **36.6** | **-** | **41.6** | **114%** | **48.8** |
| **Total Liabilities & Equity** | **293.7** | **254.7** | **39.0** | **15%** | **271.3** | **293.7** | **254.7** | **-** | **39.0** | **15%** | **270.1** |

## Non Current Assets

PPE increased due to acquisitions and the ongoing build out of network assets less depreciation.

## Liabilities

Deferred revenue, current and non-current, together increased by c€8.8m as a result of acquisitions.

Interest bearing loans have increased by €35m as a result of drawdowns from our debt facility and re-financing.

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appendix

# cash flow

| *All figures in €m* | Quarterly Performance | | | | | Half Yearly Performance | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operating Cashflow :** | Q2 Act 2015 | Q2 Act 2014 | 2015 vs 2014 Var | 2015 vs 2014 Var % | Q1 Act 2015 | H1 Act 2015 | H1 Act 2014 | 2015 vs 2014 Var | 2015 vs 2014 Var % | H2 Act 2014 |
| Cash from Operations | 8.2 | 7.0 | 1.2 | 18% | 9.1 | 17.3 | 13.4 | 3.9 | 29% | 14.7 |
| Working Capital movement | (3.6) | (1.6) | (2.0) | (127%) | (6.4) | (10.0) | (4.8) | (5.2) | (109%) | 6.0 |
| **Total from Operations & WC movement** | **4.6** | **5.4** | **(0.8)** | **(15%)** | **2.7** | **7.3** | **8.6** | **(1.3)** | **(16%)** | **20.7** |
| **Tax Expense, FX & Other** | **(0.4)** | **0.1** | **(0.5)** | **n/a** | **(0.1)** | **(0.7)** | **-** | **(0.7)** | **n/a** | **(0.2)** |
| **Investing Activities :** | | | | | | | | | | |
| CapEx | **(10.3)** | **(6.7)** | **(3.6)** | **(53%)** | **(7.9)** | **(18.1)** | **(14.7)** | **(3.4)** | **(23%)** | **(17.6)** |
| Net cash outflow on acquisitions | **(7.5)** | **-** | **(7.5)** | **n/a** | **-** | **(7.5)** | **-** | **(7.5)** | **n/a** | **-** |
| **Total Investing Activities** | **(17.8)** | **(6.7)** | **(11.1)** | **(166%)** | **(7.9)** | **(25.7)** | **(14.7)** | **(11.0)** | **(75%)** | **(17.6)** |
| **Financing activities :** | | | | | | | | | | |
| Debt raised | 26.2 | - | 26.2 | n/a | 3.0 | 29.2 | - | 29.2 | n/a | 6.0 |
| Interest paid and finance lease repayments | (1.0) | (0.8) | (0.2) | (26%) | (1.0) | (1.8) | (1.7) | (0.1) | (5%) | (3.8) |
| **Total Financing activities** | **25.1** | **(0.8)** | **25.9** | **n/a** | **2.0** | **27.4** | **(1.7)** | **29.1** | **n/a** | **2.2** |
| **Cash movement** | **11.6** | **(2.0)** | **13.6** | **n/a** | **(3.3)** | **8.3** | **(7.8)** | **16.1** | **n/a** | **5.1** |
| **Opening balance** | **10.1** | **10.5** | **(0.4)** | **(4%)** | **13.4** | **13.4** | **16.3** | **(2.9)** | **(18%)** | **8.4** |
| **Closing cash balance** | **21.7** | **8.4** | **13.3** | **158%** | **10.1** | **21.7** | **8.4** | **13.3** | **158%** | **13.4** |

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appendix

# delisting from the SGX

Continuing to develop the business and focusing on our operating region of Europe

## The process

**17 November 2014 -** EUN Holdings, LLP, acquired 17.3% of the company and launched a mandatory general offer at S$1.16 per share, representing a premium of 95% to the average trading price of euNetworks shares over the previous 12 months.

EUN Holdings is a consortium put together by Columbia Capital, our largest shareholder and brings a number of new investors to euNetworks including Greenspring Associates and QIC.

The offer was well received, with the free float of the company reducing to less than 6%. Columbia Capital and EUN Holdings now own more than 70% of euNetworks. As a result of the success of the offer, euNetworks has been able to delist from the Singapore Stock Exchange. Trading of shares was suspended on **13 March 2015** when the offer closed and the company's shares were delisted on **20 March 2015**.

euNetworks is now an unlisted public company in Singapore.

As a Western European bandwidth infrastructure provider, euNetworks is committed to providing scalable bandwidth solutions to its customers across its footprint.

euNetworks continues to deliver solid growth and is investing in the network and technology platforms in line with customer demand.

euNetworks' investors are committed to the company to drive value creation in line with the business model in place.

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