

Annual Report 2007

telenet 

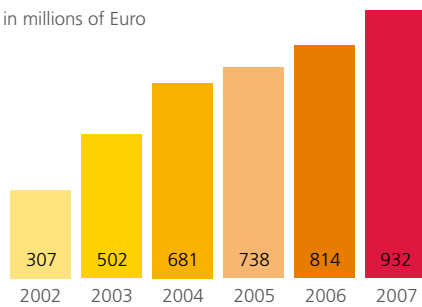
Telenet, at the heart of your digital future



Telenet Key Figures

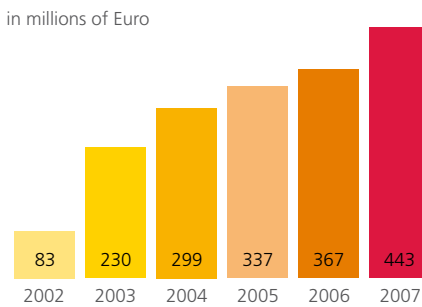
Revenue

in millions of Euro



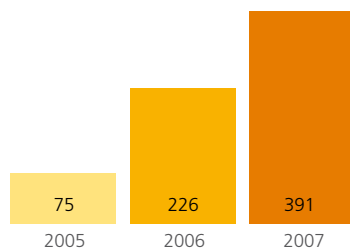
EBITDA

in millions of Euro



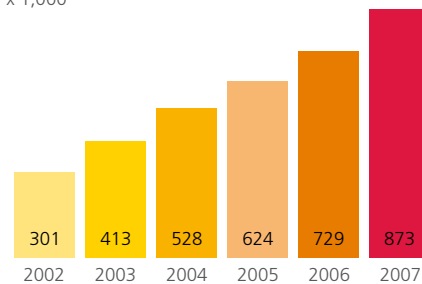
iDTV customers

x 1,000



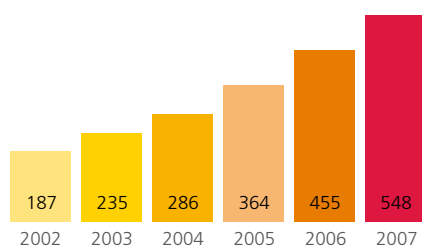
Internet customers

x 1,000



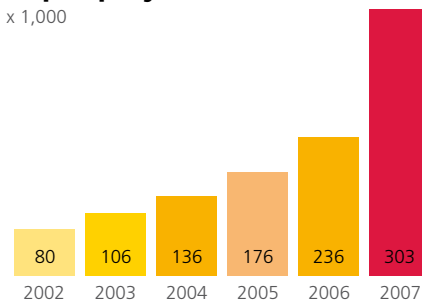
Telephony customers

x 1,000



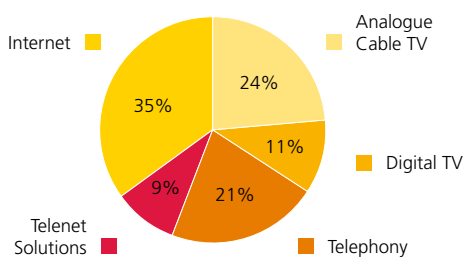
Triple-play customers

x 1,000



Revenue breakdown 2007

932 million Euro



Capital investments

in millions of Euro



Contents



6

INTERVIEW

DUCO SICKINGHE
TALKS ABOUT
TELENET'S FUTURE



18
MEETING
MARKET DEMANDS



24

IMPROVING CUSTOMER
EXPERIENCE THROUGH INNOVATION



28

DEVELOPING THE
FUTURE NETWORK



30
PUTTING THE CUSTOMER FIRST

34

THE TALENTS
BEHIND TELENET



38

WORKING TOGETHER
WITH THE COMMUNITY

Dear Shareholder,

Telenet has completed **a successful year** for its key products. Our fixed telephony base grew by 20% in a very competitive market environment. For internet, more than 100,000 new customers enjoyed our speed-leading broadband services, which grew at a faster pace than the overall Belgian market. At the end of 2007, more than one out of four television customers in our footprint were experiencing our innovative interactive digital TV platform, making it the fastest growing technology compared to the mobile and broadband internet services.

Telenet Solutions, our business-to-business division, delivered strong growth in revenue and a healthy development of the product mix towards IP based services. The public WiFi internet hotspots operated by our company recorded an impressive growth in user sessions, partially fuelled by our new presence at Brussels Airport, allowing travellers and our customers to stay connected with the office or their family.

Our 'over-the-top' service of user generated video content under the brand name '**Garage TV**' has demonstrated that it rivals with world leaders in this segment. Close to year-end we launched **High Definition digital TV**, a further sign of continuous commitment to innovation for our customers.

Our service delivery is becoming an increasingly important part of our value proposition and consequently we have addressed a wide range of investments to service our customers more effectively. We committed to investing in innovations in cable and related technologies. These have allowed us to demonstrate clear leadership in the areas of broadband data and digital TV. And as a result of all this, our customer loyalty has remained very high.

We integrated **UPC Belgium** into our operations, and customers on its footprint could start to benefit from fixed telephony and digital TV. In order to extend our value added service related to internet access, **we acquired Hostbasket** which sells hosting and domain name services.

In November last year, we reached an in-principle agreement with **Interkabel** about the transfer of all television activities, which will allow consumers to enjoy the same interactive digital television product over cable across Flanders. The current achievement of a strong digitalisation in our region is a result of the competition between the cable infrastructure and DSL. Therefore, despite a number of legal actions, we remain convinced and determined to achieve definite integration which will allow everyone in Flanders to have access to a compelling interactive digital TV product and competitive triple play offerings over cable, as well as those already offered by the historical incumbent over DSL.

Our operational results translated into **solid financial results**. Our double digit growth in revenue, the effect of operational leverage as reflected in our expenses and the disciplined use of capital expenditures have delivered a strong free cash flow. Telenet has shown its resilience in leveraging its balance sheet and then unleveraging it at a considerable pace.

In the first half of the year we called our bonds and outstanding credit facility which have been replaced by a new, fully underwritten €2.3 billion facility. The deterioration of the credit markets have not impacted Telenet's financing. Furthermore, our debt has a maturity horizon of some 7 to 8 years with no debt repayment for the next 5 years.

For the first time in our history, we were proud to offer our investors a financial return on their shareholding through a capital reduction of €6 per share.

Telenet, the Telenet Foundation and its employees endeavoured to make many important contributions to **our social environment** both locally and internationally. These activities and financial contributions mark our engagement in line with our corporate values to improve the lives of many people by truly 'opening their world'.

All of the above achievements would not have been possible without **the loyalty and trust of our customers**.

We are much indebted to our employees who showed a passionate and unwavering commitment to making a difference and thereby allowed Telenet to grow. **We also thank our partners and suppliers** for building with us a great platform for current and future digital services.

Yours sincerely,



Duco Sickinghe
Chief Executive Officer



Frank Donck
Chairman



A view on Telenet's

INTERVIEW

Duco Sickinghe
talks about
Telenet's future



Over the past few years, Telenet has built itself a strong position in the media and telecom world. And the future augurs well too. Telenet is anticipating continued excellent growth from its internet, telephony and television activities.

"Our three main pillars of growth are making a strong showing," says CEO Duco Sickinghe. "We are going to grow further while simultaneously simplifying our offer and our company management."

Telenet's success lies in broadband cable. But Telenet is more than just a cable company; it's a brand with a unique story to tell. "That's what makes us so special in Europe," says Duco Sickinghe. "Telenet has always been a pioneer. We were one of the first companies in Europe with broadband. We've invested well, and in doing so we've supported the region's economic development. It's a good story and one we are proud to tell."

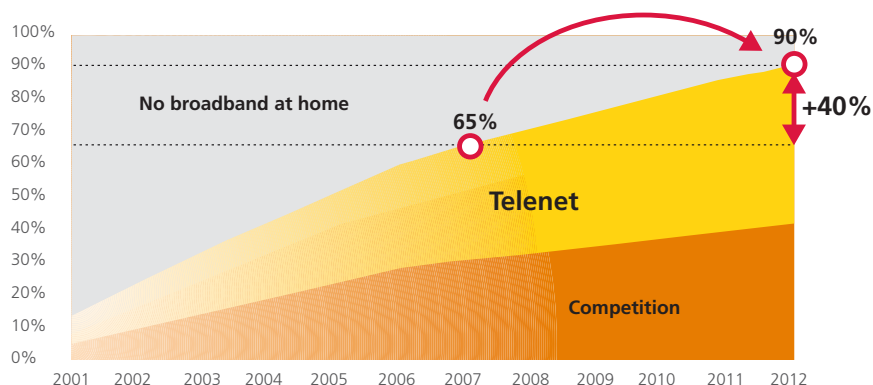
future growth

Broadband was the cornerstone of the company ten years ago, but what are you still expecting from broadband internet for the future?

"In Flanders, the region in which we operate, broadband internet penetration is currently at 65%, but research indicates that within 4 to 5 years, it is expected to reach close to 90%. So we believe there are still a few years of continued growth from broadband internet, especially since broadband has become a crucial part of the new digital lifestyle. The majority of our customers, around 80%, go unwaveringly for a fast high-end connection. So it's our aim to continue to invest in our infrastructure in order to offer our customers one of the best internet products on the Belgian market."

What else do you believe will drive Telenet's growth?

"With our triple play offer - internet, telephony and television - we are in any case at a good starting point for continuing our future growth and convergence. In fact, triple play is developing very nicely; at the end of 2007, 19% of our customers enjoyed telephony, television and internet services from Telenet. In 2005, it was just 11%. Of course, a crucial factor in triple play is confidence. You'll only entrust all these services to one supplier if you have confidence in that supplier. This is



Broadband penetration in Flanders

The internet plays a crucial role in our everyday lives. In Flanders, 65% of families already have broadband internet at home. Telenet expects that within 5 to 6 years, close to 90% of families will have a home internet connection and the company will thus invest continually in order to remain one of the best internet providers.

a focal point for 2008. We want to raise quality at all levels, internally as well as externally. Today, we still have more than 50% of our customer base who only take cable television, so we still have plenty of room to build on that 'greenfield' by converting those customers to a triple play service. To drive this growth, we believe that a combination of superior products and good service in an attractively priced bundle will be key. The further growth in digital television is another important element. When an analogue customer switches to digital, we see that the revenue generated by such a customer more than doubles, mainly driven by the use of video-on-demand. For me, this is a clear indication that customers are really pleased by the freedom that Telenet Digital TV offers

“We are going to grow further while simultaneously simplifying our offer and our company processes



“Telenet has contributed to economic growth in Flanders.”

Kris Peeters, Minister President of the Flemish Community.
From his keynote speech at Telenet's 10th anniversary celebrations.

INTERVIEW

Duco Sickinghe talks about Telenet's future

“Telenet is more than just a cable company; it's a brand with a unique story to tell

them as they really can watch whatever they want, whenever they want – and they're making use of that. And a third pillar in our future growth will no doubt come from mobile services, as convergence of fixed and mobile will begin to play an important role.”

A key component in the growth of a company is a satisfied customer, how do you measure this?

“Customer satisfaction is a very important driver for Telenet. We keep track of this on a monthly basis in a very detailed way. Together with an external, independent party, we carry out a survey with a vast number of customers and, for each product, measure whether they would recommend our service, what issues they have and what they think of Telenet in general, to name but a few items. These scorecards are then analysed and published in order to take appropriate action where necessary.

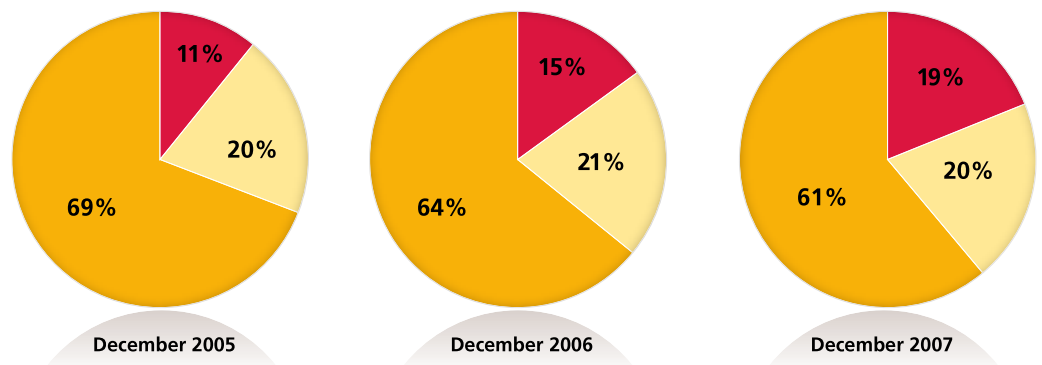
But the most important thing is that customer satisfaction is a driver of the variable compensation package; so in this way we make sure that the customer is on everyone's radar screen.”

What is Telenet expecting from future technologies?

“Convergence will continue to develop based on new technologies and, as was the case with fixed versus mobile telephony, competition will get tougher. Currently it's still a bit too early to make any definitive statements. The technologies are not entirely there yet and we're not going to launch anything that doesn't fully work. There are questions to be resolved regarding the availability and the cost spectrum. We are, of course, following market developments very closely and we're busy working on several projects. Partnering with other players in the market is also something we might be looking at in the future.”

Growth of triple play customers in Flanders
The happier customers are, the greater the trust they put in the company and therefore the bigger the likelihood is that they will buy additional products and services.

- Single Play
- Dual Play
- Triple Play



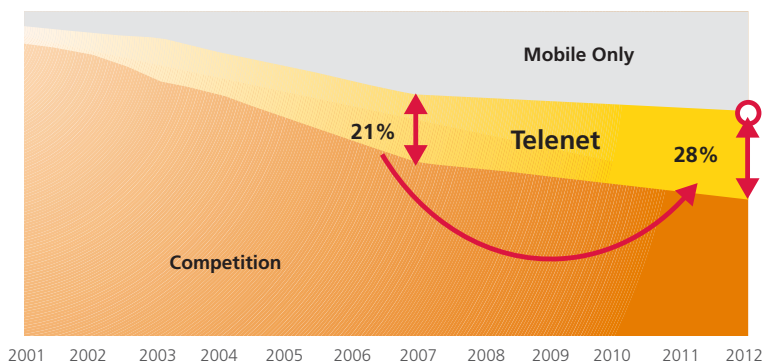


“Telenet’s digital activities open all sorts of possibilities for a local player like Studio100. We can boost our activities thanks to this partnership.”

Gert Verhulst and Hans Bourlon, Studio100

Speaking about convergence, what is the potential of fixed telephony?

“We’ve noticed that if it is well-positioned, the fixed line still represents good value. We were also pioneers in this field. Telenet successfully introduced the first flat monthly charge for fixed telephony. Despite ominous predictions about fixed telephony losing out to the advantages of mobile, our customers actually rediscovered the fixed line as a cheap and reliable alternative to their mobile handset. Since the introduction of our flat fee rate plans, we’ve actually succeeded in growing the total number of fixed line subscribers in our footprint. Telenet currently has a penetration of over 20% of households in Flanders and we expect that to rise further, to around the high twenties by 2012. That’s healthy growth. And a realistic estimate, because we’ve seen that amongst families, middle-aged people and the elderly, the fixed line is something they still value. In addition, we’ve been offering a mobile telephony product for a few years. With the launch of Telenet Mobile Pro, we’ve broadened this offer even further, but we’re keeping it modest for the time being. Today, our core competences remain internet, fixed telephony and digital television. These are our priorities, but mobile will definitely start to play a role over the next few years.”



Does fixed telephony still have a future?

Telenet’s fixed telephony has grown in a shrinking market. At the moment, Telenet has a market share of around 20%. We expect this to grow to around the high twenties by 2012.

We haven’t yet touched on Telenet Digital TV; how do you see its future?

“In digital TV, our aim is that every year approximately 10% of our analogue customer base will start to enjoy the digital TV experience. Happily, that’s about right. Our level of penetration is already over 25%, so we’ve passed the stage of early adopters who see digital TV as a ‘must have’. We’re now starting the next phase of marketing this product: moving from a purchase to a rental model where, for just a few extra euro, you can get digital TV on top of broadband. This has dramatically lowered the threshold, and means that customers can keep up with the evolution of digital TV in a flexible and affordable manner. Having said that, a lot of people have

“Customer satisfaction is a very important driver for Telenet

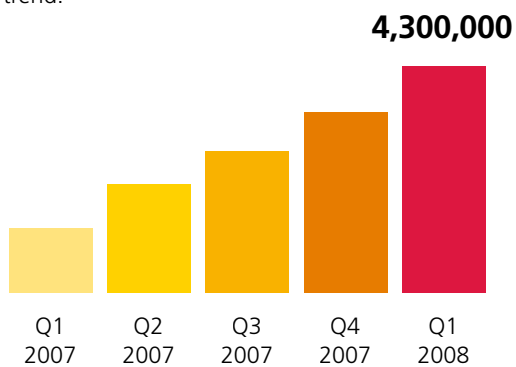


BEN X

Ben X is the first film with virtual actors in an online role-playing game. It was through Telenet that the film's director came into contact with those responsible for developing the computer game.

Video On Demand

In 2006, Telenet had about 4.9 million video on demand requests. One year later this had climbed to some 11.4 million. More and more people are getting into the swing of interactive. Taking part in popular programmes or quizzes seems to be a popular trend.





“The majority of the staff in our Antwerp office don’t realise that the servers they work on aren’t in the same building, but in Hasselt. That’s the best proof of the quality of the data network.”

Koen Vandecruys, Network Manager and Mark Janssens, IT Operations Manager, Concentra

adjusted very quickly. In 2006, we had 4.9 million downloads for video-on-demand; in 2007, that had already risen to 11.4 million. Our customers have also started to explore the interactive applications more heavily. The ‘red button’ for example, which you can use to vote during your favourite programme, has now become number two after SMS-voting. People are also taking more and more advantage of applications such as train timetables, job searches and yellow pages that they can simply access through their set-top box. At the end of 2007, we also launched the first step in the further evolution of television, high definition (HD). For the time being it’s no more than that, because the HD market still needs time to develop. It is only when more consumers have an HD screen in their homes and there is more local content that HD will become more important. We also don’t want to change our TV product too much at the moment. The introduction of digital TV was a revolution itself and we want to give consumers time to become confident with this new medium.”

What interest does Telenet have in mobile television?

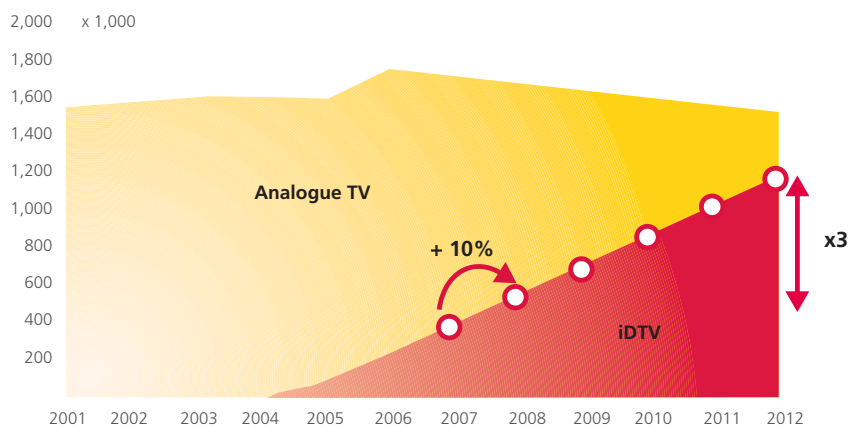
“We would very much like to link mobile TV to a portal and build further on the experience we have gained on the internet with Garage TV (our local YouTube) and Zita (our portal). It’s not

just about the channel, but also about the content. With the development of the DVB-H standard, we also believe that making our on-demand content available on the mobile platform could certainly boost the user experience of mobile TV. That’s where our added-value to the customer lies.”

Is Telenet big enough to be an innovator?

“Taken as a whole, Telenet Digital TV is a highly innovative product for which we have developed a lot of new in-house services. And we’ll be adding many more interactive services that make our customers’ lives easier. We made a conscious decision to go for a TV platform with an open source format.

Telenet Solutions delivered results which were above the market average



The future for Telenet’s iDTV

Currently, approximately 25% of customers have iDTV cable television. An increasing number of people are discovering the possibilities that Telenet interactive digital TV offers. It is expected that over the next five years this number of customers will triple.



“In 2007 the bank decided to link all its hundred branches via a Telenet MPLS (Multi Protocol Label Switching) network. This delivered a marked improvement in standard connection speed and enhanced company security.”

Marc De Winne, member of the VDK Spaarbank management board

INTERVIEW

Duco Sickinghe talks about Telenet's future

We were the first to introduce MHP technology as a flexible solution for our set-top box middleware. Cable operators in the United States decided to launch a similar platform, OCAP. It's a solid guarantee for growth because American companies will bring a number of applications onto the market, that we'll be also able to adopt. In comparison with other European players, the development of interactive applications for Telenet Digital TV is already well advanced. Indeed, we're seeing that other players are increasingly evolving towards the open standard that we pioneered here in Belgium. However, we have to say that it's not only the platform that has made digital TV a success so far, but also the unique relationships we have built with our local public and commercial broadcasting partners. The Garage TV video site is a good example of content innovation. In a very short time, this service has grown into a local competitor for YouTube. Our on-demand services on Telenet Digital TV have also shown healthy growth and demonstrate that consumers are really picking up on the digital lifestyle.”

It delivered results which were above the market average and we expect it to continue its growth, particularly in the SoHo, SME and public sectors. Unlike our competitors, who have merged their B2B segment with large system integrators, we are proud to be offering our customers the freedom to choose, as we are partnering with multiple system integrators and value-added resellers. We are also very happy with the acquisition of Hostbasket. It supports our strategy of targeting SMEs and offering additional services through connectivity products.”

Looking back, Telenet has grown very fast in the past, not only in financial terms but also in terms of subscribers, employees, products, etc. Doesn't that have implications for your business?

“Over the past few years we've enjoyed enormous growth, we've been extremely creative and have taken many different initiatives. At a certain point, the wide range of products, packages and combinations all became too much for the customer. A lot of promotions were attractive, but too complicated. This resulted in a lot of pressure on our customer service and after sales. During the second half of last year, we increased the number of people in customer service and we will now focus on simplifying things. We'll concentrate on growing our core activities, on the quality of our

Telenet is also active in the business-to-business segment, do you believe that the same growth applies here as well?

“Absolutely. Our special business division, Telenet Solutions, is growing steadily.



Telenet moved its infrastructure into Brussels in 2007.



Patrick Gillis, Managing Director Hexacom

“Together with Telenet Solutions, we can offer outstanding solutions in which the co-ax network forms one of the key elements in our Voice over Broadband services. To give you an immediate practical example, we’ve equipped all our staff with Telenet’s TIP program.”

services, and on being simpler in our communications and marketing.”

How is your relationship with your shareholders?

“We try for a very transparent form of communication with our entire investor base as we are trading on the open market. Every quarter, we consistently provide a full update of our operational and financial performance and actively engage in roadshows across Europe and the US to discuss our results and strategy with existing or potential investors. We have a very strong relationship with our majority shareholder, Liberty Global, Inc., and are very happy with the extensive, international expertise in the cable industry that they bring into our company.”

Given this dynamic environment, how do you manage to keep all your staff empowered?

“There’s no doubt that Telenet has transformed itself over the past ten years, from a start-up into a serious market challenger employing more than 1,600 people directly and another 1,500 indirectly. Today, it’s a constantly changing and evolving environment while remaining a young and dynamic results-driven organisation. We aim at offering our people ample career opportunities. For example, every year, we rotate about 200 people to make sure they get the



broadest view of the business. To help to keep our people empowered, we have introduced several new decision boards that deal with specific issues and solutions, and are composed of people across all levels and divisions, but with a direct impact on the topics discussed. In this way, decisions are being made across the organisation, and no longer just at the top. That’s how we drive leadership and keep our people passionate about the customer. Because all of our customers and our people are the cornerstone of Telenet, and without them we would never have been the success that we are today.”



Telenet has transformed itself over the past ten years, from a start-up into a serious market challenger employing more than 1,600 people

Board of Directors

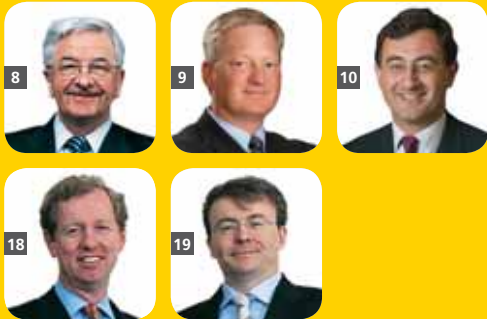
As of December 31, 2007



- 1 Frank Donck**
Chairman
Executive Director 3D NV
- 2 Michel Allé**
Independent Director Telenet Communications NV
Chief Financial Officer SNCB Holding – Belgian Railways
- 3 Alex Brabers**
Director
Executive Vice President ICT, GIMV
- 4 Charles Bracken**
Director
Co-Chief Financial Officer, Principal Financial Officer
Liberty Global Inc.
- 5 Niall Curran**
Director
Chief Operating Officer Chello Media BV
- 6 Guido De Keersmaecker**
Independent Director Telenet Communications NV
Abaxon BVBA
Director of companies
- 7 Michel Delloye**
Independent Director
Cytifinance NV
Director of companies
- 8 Julien De Wilde**
Independent Director
De Wilde J. Management BVBA
Director of companies
- 9 Bernie Dvorak**
Director
Senior Vice President and Co-Chief Financial Officer
(Principal Accounting Officer of Liberty Global, Inc.)



Advisors to the Board of Directors



10 Diederik Karsten

Director
Managing Director UPC Nederland

11 Manuel Kohnstamm

Director
Managing Director Public Policy & Communications UPC Corporate

12 Gene Musselman

Director
President & Chief Operating Officer UPC Corporate

13 James S. O'Neill

Director
President Chello Media BV,
Chief Strategy Officer Liberty Global Inc.

14 Ruth Pirie

Director
Chief Financial Officer UPC Corporate

15 Jozef Roos

Independent Director Telenet Communications NV JROOS BVBA
Chairman of the Catholic University of Leuven

16 Jim Ryan

Director
MD Strategy & Corporate Development UPC Corporate

17 André Sarens

Director
Grid Participations Manager Electrabel

18 Duco Sickinghe

Chief Executive Officer & Managing Director Telenet

19 Friso van Oranje

Independent Director
Director of companies

1 Yvan Dupon

Advisor (Electrabel)

2 Serge Gysolle

Advisor for the Mixed Intercommunales

3 Patrick Moenaert

Advisor for the Mixed Intercommunales

4 Paul Van de Castele

Advisor for the Mixed Intercommunales

5 Freddy Willockx

Advisor for the Mixed Intercommunales

Enabling the Digital Age

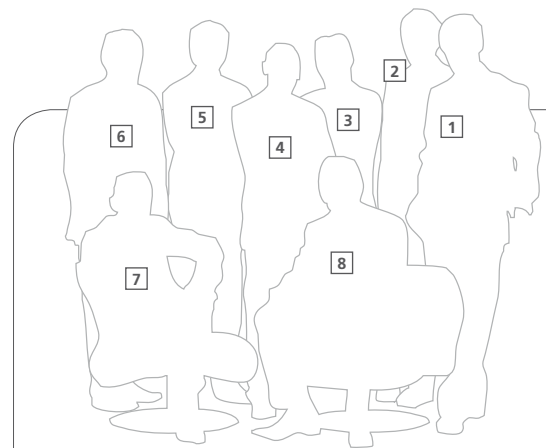
Three main factors are driving the digital market today: the number of people connected to the internet, the number of connected devices, and the transport and storage capacity of the network.

More people than ever before are using Telenet internet. The mass adoption of digital technologies is clearly underway with **more than 65% broadband penetration** in our footprint, and **over 25% penetration of Telenet Digital TV**. These results have largely been achieved through Telenet's sustained focus on innovation: we pioneered broadband technology for telephony and internet in Belgium, launched iDTV and are currently among the European leaders in High Definition Television (HDTV).

Telenet added new subscribers to its network throughout the year. **We welcomed 100,000 new internet subscribers**. Fixed telephony is a declining market segment, but 2007 turned out to be a good year for us: **93,000 telephony users decided to join Telenet**. Overall, Telenet's fixed telephony customer base grew by 20%. The number of iDTV customers increased to 391,000, with 2 out of 5 using a Digicorder with recording facilities as their set-top box. By the end of 2007, Telenet had 1,598,000 analogue television subscribers, not including former UPC customers. Customer retention was satisfactory with churn under control in analogue TV. Towards the end of the year, Telenet targeted former customers through a Win Back programme, with considerable success.

Demand for network capacity was and continues to be up. Customers are integrating digital services more intensely into their daily lives, and this is leading to increased network use. **Telenet continues to invest in its IP network and infrastructure to meet future demands**, and to maintain its leadership position in terms of internet speed.

Bundles were at the centre of Telenet's residential market strategy. **Bundling was tailored to the different needs of specific market segments**. The bundle strategy led to a healthy increase in the number of double and triple play customers, with triple play growing to a satisfying 19% of all Telenet customers. Bundles helped to control churn.



Telenet Executive Team

- 1 Duco Sickinghe**
Chief Executive Officer and Managing Director
- 2 Piet Spiessens**
Senior Vice President
Innovation and Business Development
- 3 Renaat Berckmoes**
Executive Vice President
and Chief Financial Officer
- 4 Ronny Verhelst**
Executive Vice President - Corporate Staff
- 5 Jo Van Gorp**
Executive Vice President - Residential Markets
- 6 Jan Vorstermans**
Executive Vice President
Technology, Infrastructure and Telenet Solutions
- 7 Luc Machtelinckx**
Senior Vice President and General Counsel
- 8 Patrick Vincent**
Executive Vice President
Residential Sales and Care



Products and Services

Meeting Market Demands

Telenet is a young and dynamic company that strives to respond swiftly to market needs in order to take advantage of new opportunities. In recognition of our efforts, Data News named us 'Telecom Services Provider Of The Year', ahead of our competitors.



datanews

AWARDS
FOR EXCELLENCE 2008



TELENET INTERNET

Telenet attracted 40% of all new customers in the Belgian internet market, and market penetration of homes in our footprint exceeded 32%. We were able to secure this position through continuous development of our company's core product (we doubled internet speed and increased download volumes), through the introduction of new packs and through a strong marketing focus on our leadership in internet speed. We remain committed to our strategy of offering superior products and services at the right value point. A renowned local consumer organisation, Test-Aankoop, conducted a survey of broadband products available in Belgium and concluded that all of Telenet's core internet products were the 'Best Buy' in their category. Telenet offers free internet training to new customers, and is committed to promoting safety and responsibility on the web. Together with our principal shareholder, LGI, we participated actively in a European Commission project to support a safer internet environment in early 2008.

In Belgium, Hostbasket is the specialist in hosting and domain name registration. Hostbasket offers a complete range of hosting, infrastructure and applications outsourcing for companies and individuals who want

a presence on the web or want to do business over the web. The quality of the services it offers is best illustrated by a subscription renewal rate of 90%. Hostbasket has more than 30,000 customers, manages 50,000 domain names, more than 15,000 shared websites as well as 800 dedicated servers and around 150 co-rented servers. At the end of June 2005, Microsoft named Hostbasket 'EMEA Hosting Provider of the Year'. This award is designed to reward those Microsoft Partners who have played a pioneering role in providing Windows-based professional solutions, in this case for advanced hosting solutions.

Telenet continued to explore selected mobile data opportunities. We did this in specific areas such as the hospitality

sector, and in high traffic areas such as Brussels Airport and the Thalys high speed train service areas. Telenet's top location for WiFi was Brussels Airport. We now offer 100% coverage in all of the airport's public areas. On average, over 4,000 people per day use the WiFi facilities there. Its success is based on our choice of market-leading roaming partners, our excellent service level and the quality of our network.

Telenet's internet Products are 'Best Buy'
Test-Aankoop



'Over the top' services

Telenet is making broadband internet access more attractive through a range of additional and very well-received services. These are offered by Telenet's own online media department.

Telenet's Zita portal

Telenet's Zita portal continued to grow in 2007 and is consistently listed amongst the three most popular portals in Flanders. We now have around 4 million unique visitors per month. In 2008, Telenet will introduce new features to keep the Zita portal fresh and to maintain its leading position.



TelenetMedia

TelenetMedia offers advertisers a full 360° marketing tool. The brand and house style was heavily promoted in 2007 so that all of Belgium's advertising agencies, media brokers and top advertisers are now aware of what TelenetMedia can offer them.

TelenetMedia Innovations in 2007 included a Video Top Topical on the Gearbox.TV, Vacature TV's Walled Garden application, the introduction of a home banking test with ING Bank and the establishment of Telenet's own web TV video-cms system with High Definition web TV capabilities.



Garage TV

Garage TV, Telenet's YouTube equivalent, grew explosively in 2007. It is currently one of the most popular video portals with over 50 million downloads and around 1 million visitors per month. In May and June 2007, its election coverage attracted considerable attention. Members of the public viewed over 150,000 'politics'-tagged videos. Two traditional TV stations included Garage TV screenshots in their election specials.



9lives.be

9lives.be, Telenet's online gaming site, was launched in June 2007 and has become the country's Number 1 online gaming site with over 20,000 users per day.





TELENET TELEPHONY

Telenet Telephony achieved a household penetration of 21% in Flanders. We reduced our tariffs for fixed line telephony in 2007, and we also made our FreePhone fixed line offer more attractive by advancing the start time of free calling to 4 p.m. This strategy enabled us to attract more customers than ever before. In terms of net addition we achieved the best year ever, and we expect further growth. The fixed line remains a valuable tool, especially amongst families, middle-aged people and the elderly. In addition to the fixed line, Telenet has offered a mobile telephony solution for almost 2 years now. We position it as an add-on feature to our bundles and are not actively marketing the solution.

TELENET TELEVISION

Telenet Digital Television introduced a new way of watching television, with easier access to favourite programmes and friendly programme and video on demand search facilities. Digital television customers enjoy great sound quality. Image quality is better too, particularly in the new High Definition format. The choice of channels, both local and international, is more extensive when compared with analogue television. And


with on-demand content and personal video recording facilities, customers can watch their favourite programmes whenever they want. Digital television customers also have access to internet-like services on their television, including Yellow Pages, Job Opportunities and e-mail.

Video on demand became more popular. Both the number of users and the frequency of use rose. Customers used a greater variety of on demand products than before, including free videos, studio films and programmes from local broadcasters. We reached 11.4 million transactions in 2007. Telenet has developed partnerships with broadcasters and production companies to offer more local content. We extended our television on demand offer with RTL à la carte, Karaoke à la carte, History à la carte, NTV à la carte and Videocast à la carte.

Telenet modified its basic digital television pack. Al-Jazeera in English replaced Sky News; The History Channel replaced Adventure One; we added EXQI and Vitaliteit. Telenet expanded its Kids & Music pack with the Karaoke Channel, and we turned our Family Pack into a Plus Pack with 31 channels for the monthly rate of € 12.95. The Telenet Plus Pack now also includes three channels from the new Entertainment Pack: 13th Street, The Sci Fi Channel and MGM Movie Channel.



net gemist



ooit gemist





Watching what they want, when they want

Thanks to digital TV, everyone can watch their favourite programmes in digital quality. Broadcasters are continuously extending their offering. Using the Ooit gemist service from Eén, Canvas and Ketnet, people can watch recent programmes, top favourites and classics from the distant past. Ooit gemist is a pay-per-view service. Conversely, Net Gemist is a subscription service. For a limited monthly fee, subscribers have unlimited access to programmes from the last seven days.

iWatch is the Flemish Media Company's (Vlaamse Media Maatschappij) video on demand service. Viewers can watch VTMT, KANAALTWEE or JIM programmes in preview, before they're transmitted, or at a later date if they've missed them. All Flemish VT4 and VIJFtv programmes are available via C-more.



iDTV innovations multiplied in 2007

We offered popular voting for 'Sterren op de dansvloer' ('Stars on the dance floor') and other television programmes, additional information to accompany 'De Perfecte Keuken' ('The perfect kitchen'), Digitext for VTM and VT4, and various games. Telenet PRIME introduced many new series and top films including Lost, Weeds, Deadwood and all the 2007 Oscar winners. We launched Kids à la carte and Academy à la carte. We were the first in Europe to work with the Day&Date concept: all Warner film titles were available for downloading via Telenet Digital TV on the day of their DVD release. At the end of the year, we introduced HDTV. And with Telenet's new dual recording function, viewers can now record two channels simultaneously while watching another, previously recorded programme. In 2007, we began the move towards a rental model for our TV services. The rental scheme offers customers a low point of entry into the future of television.





Telenet's analogue television offer remains competitive. When compared with other European countries, Telenet's price per channel is in the lowest range. The basic pack that we offer our customers includes a wide range of channels that can be received on up to four television sets in the home. Reliability is another strong benefit of the analogue cable television offer.

TELENET SOLUTIONS

Telenet Solutions performed above average in the business market. Telenet's business division sells integrated and customised solutions for data, internet and voice to large corporations, the public sector, and the Small and Medium Enterprise (SME) market in Belgium and Luxembourg. We also serve the carrier market, leasing our network capacity to competitors. Several factors helped us to achieve the best annual revenue growth of the past years in the business market. Our strategy of targeting separate segments of the business markets worked well. And the density of the Telenet network allows us to reach out to an increasing number of customers looking for competitive prices and reliable services for voice and data. We also saw that interest in particular products, such as Telenet Solutions' IP VPN, was still rising.



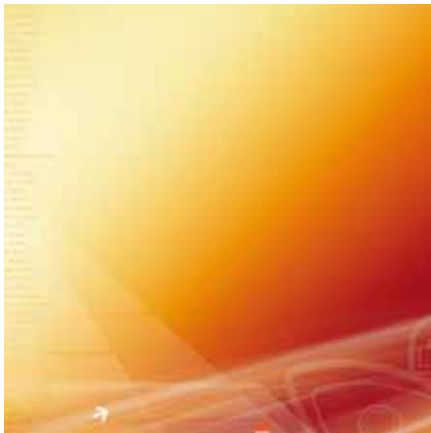
The Telenet Incentive Plan was revamped considerably. We initially developed this plan as a way for larger employers to offer their employees a broadband connection at home for business use. Telenet successfully resolved the legal and fiscal issues surrounding this product. The Telenet Incentive Plan can now be combined with standard Telenet triple play packages, and a plan for Small and Medium Enterprises is currently under development. It now outperforms other extra-legal benefits such as a laptop, internet subscription or insurance plan. For every € 100 spent by their employer, employees receive a benefit worth € 183. Fortis Bank was among the companies that introduced the new Telenet Incentive Plan to its employees in 2007.



New business customers were welcomed throughout the year

In 2007 VDK Spaarbank, Concentra and the 'Neutrale Ziekenhuizen' joined Telenet's customer base, as well as Antwerp's Social Services department (OMCW). We also began to provide telephony services to the University of Antwerp (UA).





Telenet was one of the first providers in the country to launch HDTV, at the beginning of December 2007. Viewers who rent an HD Digicorder can now choose from two HD channel packages with a unique range of films, sport, documentaries and cultural programmes. Telenet anticipates a healthy take-up for this service as the market for HDTV sets grows and broadcasters provide more HD content.

Docsis 3.0 products will become available as an official standard in 2008, to meet the increased need for network capacity. Docsis (Data Over Cable Service Interface Specification) will make a further increase of download speeds possible. Telenet is ready to lead the market by starting tests of 100 Mbps speeds during 2008. The new capacity will improve the transmission of large files to the home.

Speed and network capacity are also central to ReDeSign. ReDeSign is an EU research project that investigates the ways in which cable operators might need to evolve in order to offer the higher speeds that customers will need in the future. Telenet is a participant in the project.

MADUF (Maximising DVB-H Usage in Flanders) is a three year mobile television project that addresses the need for mobile solutions. The project started in 2006 and entered its trial phase in Ghent and Mechelen last year, with the installation of DVB-H (Digital Video Broadcast via Handheld) antennae in both cities. The service has good potential, as can be seen from the Italian market where three suppliers have been offering mobile TV services since 2006. Tests in Ghent involved three waves of thirty testers who used both mobile phones and laptop computers to receive Telenet broadcasts. These tests provided valuable feedback about the future development of this project, as well as about network deployment and the projected costs.

Telesenior was another project driven by customer needs. The Telesenior project allows participants to consult their doctor or 'visit' their families using a webcam and a telephone connection. The test that we ran in Kortrijk demonstrated that 47% used Telesenior primarily for medical consultations while 53% used it mostly for talking to friends and family. Telenet will use the results in further developments based on 'Beeldbellen' (Picture call).



” We would very much like to link Mobile TV to a portal

2007: One Innovation per Month

Telenet is a creative, innovative player and strives to use every opportunity to improve customer experience. In 2007, we came up with an innovative idea or application every month.

January

Open Stadion: Every week a free top football match for all iDTV customers



April

The distinction between upload and download volumes dropped



June

Digtex: New, digital version of old Teletext for iDTV customers

February

Telenet Centers: Customer service centres in major cities



March

Mobile Data Card: WiFi/3G/HSDPA data card with seamless handover



May

Telenet Packs: Launch of internet-Telenet-iDTV product bundles at lower total cost



September

Universal Music video clips on Garage TV



December

High Definition TV:
Launch of HDTV

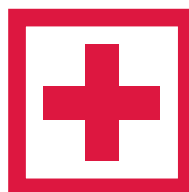
August

Anti-Spam: Significant reduction of e-mail spam



October

E-care and E-sales platform: New online support and sales tools



November

Ideal Bill: New, simplified bill layout

July

BasicNet: Low-cost broadband internet at € 20 per month

Developing the Future Network

Telenet's network architecture is based on high capacity coax cable and fibre. This so-called HFC (Hybrid Fibre Coax Cable) network provides us with a significant capacity advantage when compared with the twisted pair copper architectures used by our competitors. iDTV has increased demands on the network and will continue to do so in the future.





Telenet Expressnet was completely upgraded in 2007. Customers are now surfing at twice the previous speed, and they have been ready for triple play services since the summer of 2007.

Investments in our network and infrastructure are aimed at keeping pace with the growth in demand for capacity, as more and more people use services such as video on demand, HDTV and video sharing sites.



This is why we have devoted a lot of attention to developing a new digital network, the Mach 3 network. Through the adoption of EuroDocsis 3.0, it will become possible to raise internet speeds to 200 Mbps downstream and 30 Mbps upstream via this network. The entire network is expected to run on 600 MHz by 2008. Users will then be able to surf 5 times faster than they do today and up to 4 times faster than with comparable technology from our direct competitors.



Agreement with the Pure Intercommunal Cable Operators

In 2007, Telenet received and accepted a proposition from the Pure Intercommunal Cable operators ('Zuivere Intercommunales') for a clearly delineated transaction. The in-principle agreement stipulates that consumers in the area of the Pure Intercommunal Cable operators will gain access to Telenet's complete interactive television offer and to Telenet packs with internet, telephony and television. The agreement stipulates that Telenet will pay € 350 million to the Pure Intercommunal Cable operators, while the cable infrastructure remains their property and will be used by them operationally. Telenet will pay for operational investments, and has offered guarantees with regard to the pricing and structure of the digital television offer, and with regard to compensation for operational personnel costs for a period of 38 years. Telenet will start executing the agreement as soon as it can.

Customer Care

Putting the Customer First

Telenet's customer satisfaction evaluation call campaign at the end of 2007 involved 1,000 staff members calling 10 customers each to ask about their experiences with the company's iDTV service.





The objective of the campaign was to raise awareness of customer needs among staff members not normally involved in customer care issues. It demonstrated just how important good customer care is, and what a difference it can make. The campaign generated valuable feedback and raised awareness effectively within Telenet.

The integration of our customer-facing units was another milestone in 2007. It was part of our drive towards a more customer-focused approach. Sales and Customer Care divisions were brought together and, in 2008, Training divisions will also be integrated. This integration will give the company a uniform global overview of customer needs and desires. As part of this process, a new Customer Interaction Management system was introduced. This cross-divisional platform helps to direct all customer enquiries efficiently to the most appropriate resource within the company.

Adopting a decentralised customer service strategy was another important move for Telenet in 2007. Sixteen new Telenet Centers were established in collaboration with Telenet's independent dealers who will take over those customer care functions that benefit from a more local touch. These functions include box repair and replacement services, as well as advising

customers who prefer face-to-face communication. The number of Telenet Centers will increase over the next year in order to establish full local reach.

Telenet improved its e-business. A new e-care online platform was introduced with a new search engine to make it easier for customers to find answers to their questions. Telenet customers now have 24/7 support for questions of all kinds. By the end of December 2007, the e-care service had provided answers to over 2.4 million requests, a 300% increase when compared with 2006. The e-sales website was redesigned because some customer segments were clearly more interested in e-sales than others. The redesign doubled e-sales. In 2008, Telenet intends to improve the process with better fulfilment. Advertising campaigns will also direct people more regularly to the e-sales channel.

Sales through Customer Care was promoted. Customer care advisors need to find the best solution to a customer's problem and will offer supplementary services to solve it. An additional 200 staff in the call centre should ensure that Telenet has the capacity to address customer concerns in the shortest possible time.

A record number of 500,000 installations were made in 2007, and we focused on cutting delays. In terms of quality of installation, the company scored a customer satisfaction rating of over 90%. In 2008, the company is planning to roll out its self-installation service for those customers who prefer this option.

Telenet redesigned its invoice. Invoice layouts in any service industry can be confusing and lead to a significant number of customer enquiries and a great deal of dissatisfaction. In an attempt to reduce this problem, Telenet worked with Humantics, a spin-off from the University of Leuven. Humantics analysed how customers read invoices and, as a result of this research, the Telenet invoice was redesigned to be more ergonomically friendly. This new invoice design has cut invoice queries dramatically. In collaboration with Zoomit, who manage an invoicing platform for all the banking groups in Belgium, Telenet has also developed an online invoice.

Our customers are key



Telenet's two-way call centre

Telenet believes that customer care is a two-way street. Many companies only hear from their customers when there's a problem. This conventional model is one which the company has rejected in favour of a pro-active approach. The customer call campaign at the end of last year is just one example of this. Telenet has also unified all its customer-facing units into one department so that they can offer support from the moment people first become Telenet customers, help them with any enquiries about adding products to their account and resolve any problems they may encounter along the way. This approach is designed to provide Telenet customers with service of irreproachable quality at all times and in all circumstances.





Simplifying business so that we can improve our commitment to excellence

Telenet's revenue grew by 15% in 2007. This led to an increase in the number of backlogs. We also faced some issues with regard to the stability of our iDTV home equipment, the quality of customer data, software releases, promotions, billing and guidelines. We addressed these issues in 2007 through several measures. Our call centre grew by 200 people; we introduced Telenet Centers; we released new editions of our Digibox and Digicorder; we solved cabling problems, expanded IT capacity, focused on IT maintenance and improved the quality of our customer data. To improve customer relations further, Telenet will simplify its business and its offers. Our aim is to remove the complexity from the customer experience at all stages. The straightforward rental model for iDTV set-top boxes is a first step. Rather than being asked to purchase a box, the customer can simply rent a box for a small fee. We will further simplify customer experience at all stages by reducing the number of promotions, bundles, regional differences, orders and types of installation, for example.



Telenet People

The talents behind Telenet

The number of Telenet employees has grown substantially over the last few years. This has brought several significant changes for Telenet staff.





Telenet is a young company, both in terms of the staff (average age of 35) and the company itself. This means that the company culture is a rather open and informal one, and is imbued with strong family values. Opportunities for promotion and advancement have doubled since 2001. The human resources department tries to open up as many opportunities for Telenet staff as it can. Talent is recognised and rewarded, and in 2007 there was an average of one promotion for every two new staff members.

Self-development is important to Telenet, and we nurture our staff through a wide variety of training programmes designed to promote personal development. The Telenet leadership model has led to a 360° model being developed which people can use to assess themselves and their bosses. This was used to evaluate Telenet's top 50 managers in 2007 and to provide them with guidelines on how to improve their performance further in all areas of their jobs. The genuine leadership Programme has been specifically designed for recently promoted managers, to help them to understand what their new responsibilities entail. It uses a number of specific 360° activities to develop skills.

A new e-learning platform was introduced to help employees maintain

their knowledge and choose a more flexible way to train.

The integration of UPC was a major event in 2007. Close collaboration with UPC over the course of the previous year ensured that this potentially sensitive event took place smoothly. The human resources department had an important role to play in helping to promote Telenet's culture to incoming UPC staff and to ensure that the conduct of all staff is consistent with the company's values. From the Telenet perspective, the company has had to adjust to the fact that it now has a small, but significant minority of French speakers for the first time.

Telenet's recruitment efforts were mainly concerned with new Call Centre staff. The company's wide-ranging activities mean that it also recruited people to work on its TV business, on content creation and content management, as well as the Prime, Zita, Garage TV and 9lives websites. For the coming year, Telenet will continue to recruit people who are creative, entrepreneurial and who thrive in the dynamic and exciting atmosphere that characterises the company.

Telenet's new headquarters were inaugurated in 2007. The move to the new building was necessary because

of the strong growth in the number of Telenet staff. The company also chose the concept of 'working differently', central to which is a flexible working environment. Telenet staff can sit wherever they choose or work together anywhere in the building. The new building is not only flexible, it is also extremely spacious, full of light and invites creativity and teamwork, two of Telenet's core values.

Work locations were refurbished. Some people moved to the new headquarters building in Mechelen, while other offices, such as those in Wijnmaal and Roeselare, were thoroughly renovated. The average number of square metres per employee is now 9, well above the square metre average in our sector. Customer care personnel in particular have far more working space than that usually offered by similar departments in other companies. We also opened a new fitness room with new and additional showers.

The flexible desk concept was introduced because many Telenet staff work on a variety of different projects, and the notion of being tied to a fixed working space seems rather outmoded in this context. With a few exceptions, such as the Call Centre which obviously needs a dedicated area, people can work almost anywhere in the building that suits their



Het Gouden Bedrijf 08



The new headquarters came into use in 2007

With the opening of the new building, an entirely new way of working was introduced. Thanks to the Flexible Desk Concept, in principle almost everyone can work in the location best suited to their current task. A lot of attention has been paid to light and space. The numerous coffee corners, seating areas and relaxation rooms have been extremely well-received by the staff, and the new restaurant is very much to their taste. Telenet received the 'Gouden Bedrijf 2008' (Golden Company 2008) award in the telecom category after a large-scale survey organised by Job@t.





task of the moment. The entire building is a hotspot, so access to e-mails and the internet is available anywhere. This freedom of movement has created far more interaction between Telenet staff. Coffee areas are situated in the middle of working spaces, so that they can be used as informal meeting spaces where staff can gather to discuss business issues or exchange information.

The democratic approach to offices and parking space is one of Telenet's main characteristics.

Everyone has a place to park, but there are no reserved spaces, not even for top management. Although top managers do have their own offices, these are available for anyone to use for meetings when they're unoccupied. The company's dining area is another flexible, multi-functional space. Between 12h00 and 14h00, it is a restaurant with a wide choice of hot and cold meals. Outside these hours, different sections within the dining area can be used as meeting spaces. The new building also has upgraded sports facilities and an entertainment area where people can relax, chat and play games, and people seem to like it.

Our new way of working has generally been a success, but it required quite a fundamental change of attitude which some people have found easier than others. An integral part of the 'Flexible Desk' concept is a 'clean desk' policy, which means that people have to put their work-related material and personal belongings into their lockers at the end of each day. The offices are also

far quieter now than they were a year ago, as visitors no longer have the free access that they used to have. The vast majority of meetings with external visitors take place in rooms near the reception area which minimises disruption for the rest of the staff.

Leadership structure

Telenet's leadership structure comprises four main teams, the Executive Team, the Management Council, the Strategic Business Review Teams and the Management Leadership Forum. Each of these teams has its own clearly defined roles and schedule of meetings.

The Executive Team has 8 members who meet twice a month. They ensure that the company's corporate strategies and objectives are implemented throughout the organisation. In addition, they monitor day to day operations, provide direction and report back on them.

The Management Council (MC) comprises 30 members and meets 6 times a year. Its responsibilities can be split into seven main areas. The first is to foster a culture of leadership, customer focus and outstanding performance. The MC also anticipates potential internal or external problems with a view to ensuring that the company meets its operational and financial goals. The third area is to define high-level short and medium-term plans for Telenet's products and projects. The MC also helps to define and implement Change projects. Each member of the MC protects the corporate strategy in his or her area of responsibility.

Customer satisfaction and reliability are key to Telenet's success and the MC maintains a focus on the company's governance objectives for these.

Finally, the MC controls the implementation of critical plans, action items and remediation.

Corporate responsibility

Working together with the community

Telenet aims to ensure that people can enjoy its products and services responsibly. It offers parental control software for the internet, social tariffs and promotes responsible spending on iDTV. Telenet fosters a wide variety of CSR programmes.





Telenet's Corporate Social

Responsibility (CSR) core values are mobility, environmental responsibility, partnership and security. The company's CSR initiatives and programmes are designed to promote these values. For 2008, the company has launched a new initiative to determine its carbon footprint and find ways of reducing it.

A wide variety of programmes reflects Telenet's core CSR values.

Many are aimed at children and at helping the underprivileged and less fortunate members of society, both in Belgium and abroad. Others are designed to make the company's products and services safer and more comfortable to use.

The Telenet Foundation

The Telenet Foundation is an autonomous foundation with its own directors. The Foundation is dedicated to narrowing the digital divide in Belgium and overseas. Twice a year it invites applications for funding and supports up to 30 projects. These include three projects outside Belgium and one suggested by Telenet employees. Since it was established, the Foundation has awarded grants of close to € 600,000 for a wide variety of projects. For 2008, the funding allocation will change slightly as the Foundation concentrates its funding on one major project, whilst still supporting other

smaller initiatives. This year's principal project will be one supporting education for socially deprived children between 3 and 12 years old. The objective is to make a sustainable difference to their lives and emancipate them by providing them with internet services.

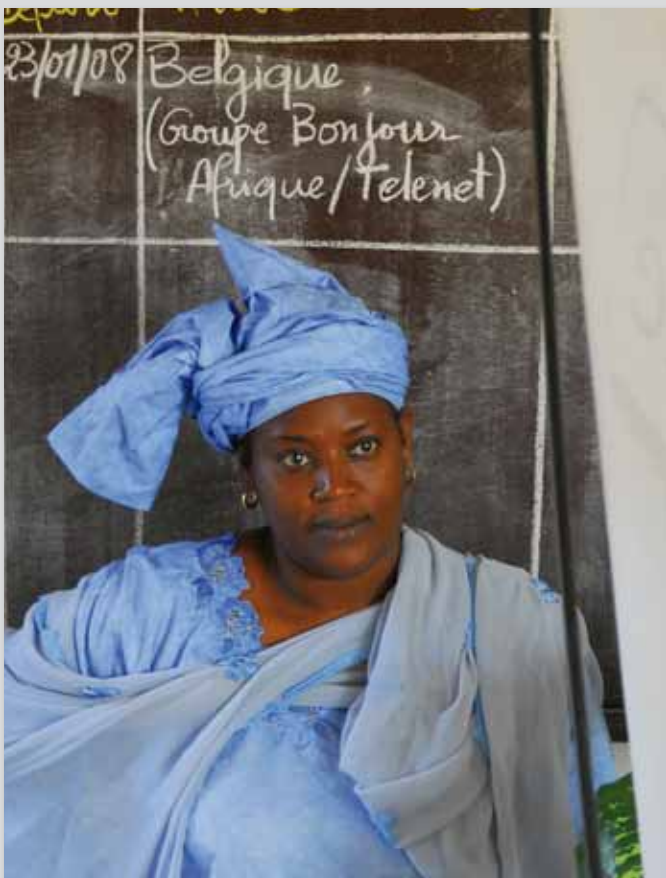
My Zone

My Zone is another Telenet CSR initiative which aims to improve children's lives. Under this scheme, Telenet provides children who are in hospital with a free laptop computer and internet access. In 2007, the number of hospitals which benefited from this Telenet scheme rose

“Education lays the foundations for the future and that future is a digital one. This is why the Telenet Foundation is turning its attention to ‘extended schools’. Associations and schools use this educational concept to help bridge the digital gap not only for children from underprivileged groups, but also for their parents and the neighbourhood at large.”

Tessa Vermeiren







from 4 to 8, and in 2008 a further 2 will be added. The hospitals which Telenet supports are those which have dedicated paediatric departments for treating children with conditions requiring longer term hospital care. As part of its improved service in 2008, My Zone will offer a Clinicdowns webcam service for the first time.

Good corporate citizenship is a key concern and starts at home, with Telenet's immediate neighbours. One example of this is that Telenet provides parking spaces on the new site in Mechelen for people living in the immediate vicinity. Telenet also actively supports cultural events in Mechelen in its quest to be a good neighbour, as well as being the main sponsor of the KV Mechelen football club. The club is not only literally next door, but also shares Telenet's corporate colours of yellow and red.

Social tariffs for certain customers ease the pressure on precarious family budgets, and we promote responsible spending on our iDTV services. Another way in which the company makes its customers' lives easier is by filtering out spam e-mails. This rigorous filtering policy ensures that 94% of all spam e-mails never reach a Telenet customer.

Carbon footprint reduction efforts encompass a more environmentally sound

car policy, a mobility plan supporting the use of public transport, bikes, carpooling and teleworking. Efforts will increase in 2008. Telenet will encourage its employees to be ecologically aware. Awareness campaigns will focus on issues such as paper waste and sensible office lighting. Suppliers will be asked to incorporate CO₂ effects when submitting a tender, and this will be a factor in the selection procedure. New corporate measures include the switch to renewable energy for the network and offices in 2008. We have planned a test with ten network amplifiers running on solar energy and with solar panels on the roof of our headquarters in Mechelen. Telenet also supports the Flemish Government's 'Pendelplan' (commuter traffic plan) to reduce car use by 10% by 2010.



Bonjour Afrique

Bonjour Africa is a project in which Telenet employees take an active role. In 2007, 10 Telenet staff visited Dakar as part of Telenet's support for the 'Bonjour Africa' project, distributing reconditioned PCs and toys to schools in Dakar.



Telenet's Safer internet programme

Telenet's Safer internet programme acknowledges that its products and services have a huge potential for doing good and for emancipating people when used responsibly and properly but have potential dangers too, especially in regard to the internet for younger users. It offers services such as parental control which allows parents to bar access to sites they consider unsuitable for their children.

To that end, the company is working with the Federal Computer Crime Unit to establish methods for doing so, as well as defining responsibilities in this regard.

The European Commission declared February 12th 2008 as Safer internet Day, and Telenet was delighted to contribute by distributing brochures about safer surfing to schools, staff and customers.

Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995: Various statements contained in this document constitute "forward-looking statements" as that term is defined under the U.S. Private Securities Litigation Reform Act of 1995. Words like "believe," "anticipate," "should," "intend," "plan," "will," "expects," "estimates," "projects," "positioned," "strategy," and similar expressions identify these forward-looking statements, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted whether expressed or implied, by these forward-looking statements. These factors include: potential adverse developments with respect to our liquidity or results of operations; our significant debt payments and other contractual commitments; our ability to fund and execute our business plan; our ability to generate cash sufficient to service our debt; interest rate and currency exchange rate fluctuations; our ability to complete the integration of our billing systems; the impact of new business opportunities requiring significant up-front investments; our ability to attract and retain customers and increase our overall market penetration; our ability to compete against other communications and content distribution businesses; our ability to maintain contracts that are critical to our operations; our ability to respond adequately to technological developments; our ability to develop and maintain back-up for our critical systems; our ability to continue to design networks, install facilities, obtain and maintain any required governmental licenses or approvals and finance construction and development, in a timely manner at reasonable costs and on satisfactory terms and conditions; our ability to have an impact upon, or to respond effectively to, new or modified laws or regulations. We assume no obligation to update these forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Financial Information: The audited consolidated annual financial statements of Telenet Group Holding as of and for the years ended December 31, 2006 and 2007 have in each case been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU GAAP") unless otherwise stated.

The Telenet Annual Brochure 2007 consists of the Annual Review 2007 and the Financial Statements 2007. The Annual Report consists of the consolidated and the abridged individual financial statements of Telenet Group Holding NV and the reports related hereto. Both documents are presented in a separate printed format and provided to investors in conjunction, in a folder containing the Annual Review and the Annual Report together to form the Annual Brochure 2007. Even though both documents can be consulted separately, the Annual Review 2007 is inextricably interlinked with the Annual Report 2007 and must always be considered in conjunction with Telenet Annual Report 2007.

Printed copies of the Telenet Annual Brochure 2007 are available upon simple request at Telenet. The Annual Brochure 2007 can also be consulted and downloaded from the Telenet website at www.telenet.be.

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"Against the background of increasing competition in all major product lines, Telenet has delivered another year of solid operational and financial results, building on a balanced mix of strong subscriber growth through the introduction of cheaper new products and through the improvement of existing product offerings and tight control of costs and capital expenditures. Furthermore the balance sheet has been optimised, shareholder returns have been increased and the long term financing of the company has been secured."



Renaat Berckmoes,
Executive Vice
President and Chief
Financial Officer

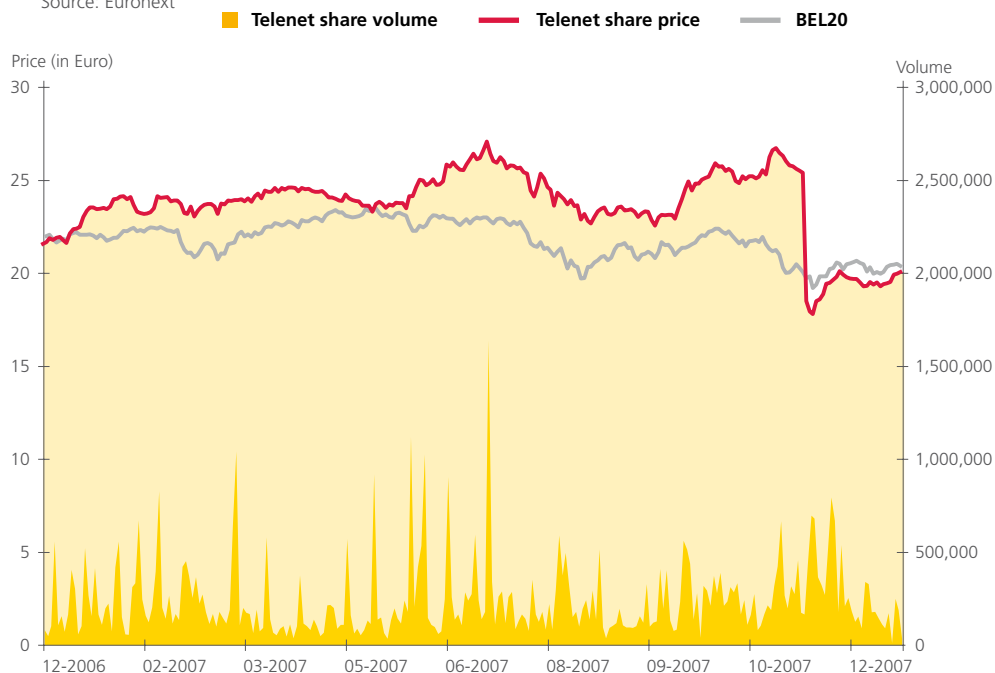
"An open communication with the market and our core shareholders has always been a key element for the Investor Relations team. During 2007 we have successfully stepped up our Investor Relations efforts which have led to higher visibility for our company and increased broker coverage, now up to 19. Every quarter we consistently provide our existing and potential investor base and analysts with an extensive update of our operational and financial performance so they have a transparent view of the company's progress. We also try to encompass as many dialogues as possible with our financial partners, mainly during our quarterly roadshows across all key financial markets in Europe and the United States. For management, this is a unique opportunity to discuss our strategy, industry and business performance in a much broader context."



Vincent Bruyneel
Director Investor Relations

Telenet share performance

Source: Euronext



Consolidated profit and loss account

in millions of Euro, EU GAAP

	For years ending December 31,	
	2007	2006
Revenue	931.9	813.5
Costs of services provided	(553.5)	(510.7)
Gross profit	378.4	302.8
Selling, general and administrative	(173.1)	(159.0)
Operating profit	205.3	143.7
Finance costs, net	(211.7)	(101.0)
Share of the loss of associates accounted for using the equity method	(0.3)	-
Net profit before income tax	(6.7)	42.8
Income tax	27.4	(34.3)
Net income from continuing operations	20.7	8.5
Discontinued operations		
Loss from discontinued operations	-	(3.0)
Net income	20.7	5.5

telenet 