

telenet 

Dynamic. Simple. Shakes. Digital.

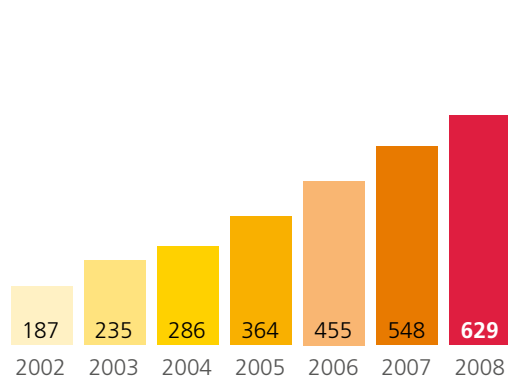
A N N U A L R E P O R T 2 0 0 8



Telenet key figures

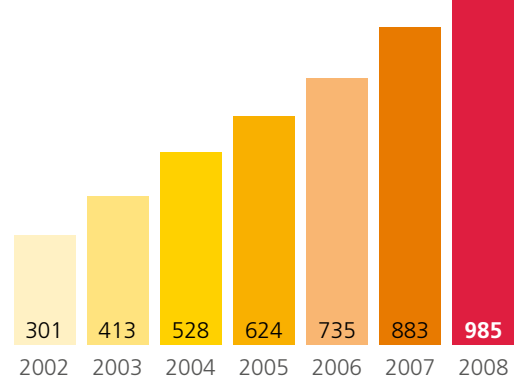
Fixed telephony customers

x 1,000



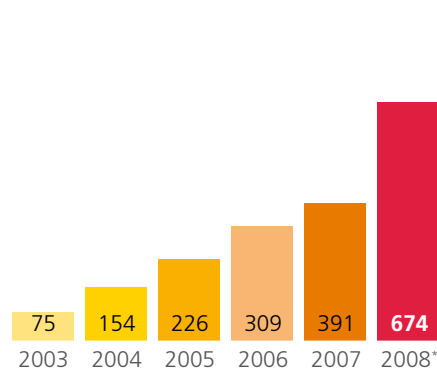
Internet customers

x 1,000



iDTV customers

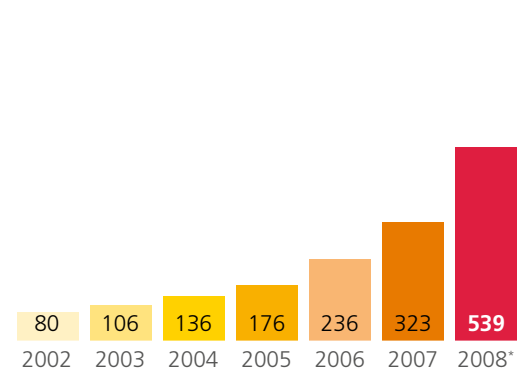
x 1,000



*Including 65,000 INDI customers

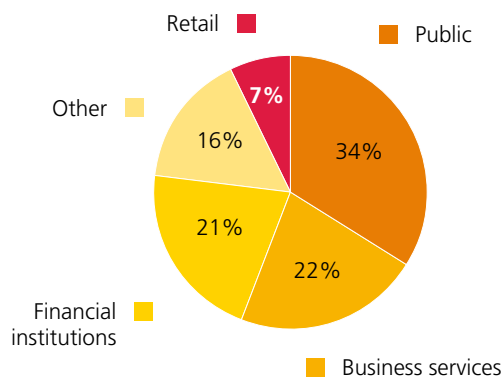
Triple-play customers

x 1,000

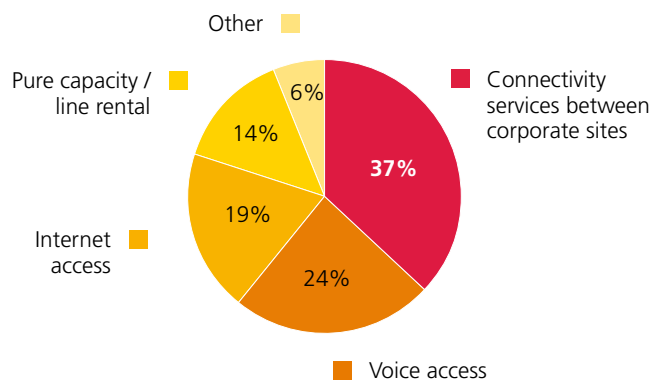


*Including Interkabel acquisition

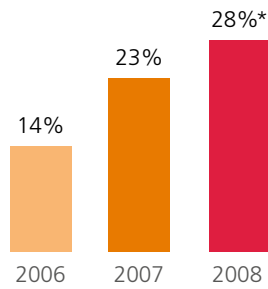
Telenet Solutions Division Customer groups



Telenet Solutions Division Product groups



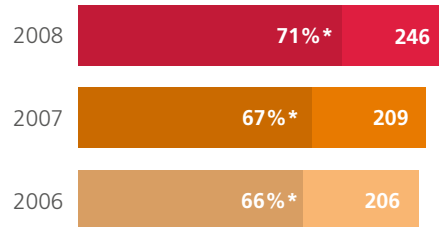
iDTV penetration



*Including Interkabel customers

Capital investments

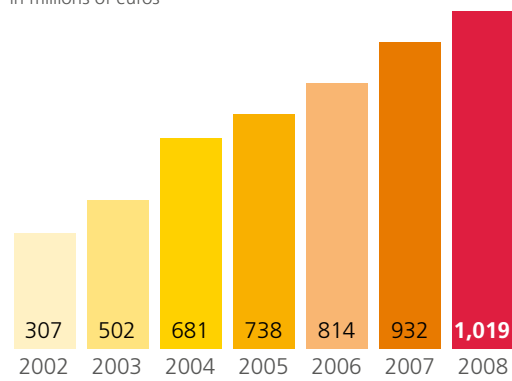
in millions of euros



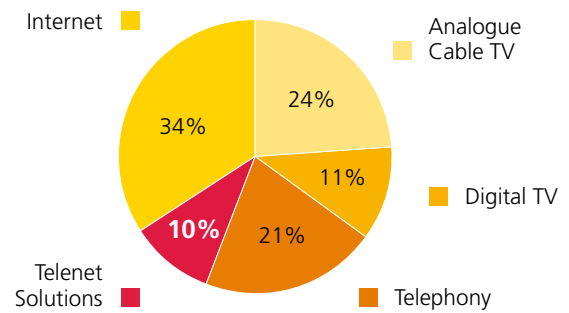
*Percentage of capital investments used for installing new customers on the network and facilitating the installation.

Revenue

in millions of euros

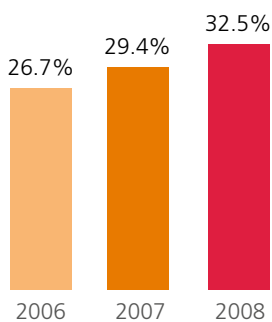


Revenue breakdown 2008



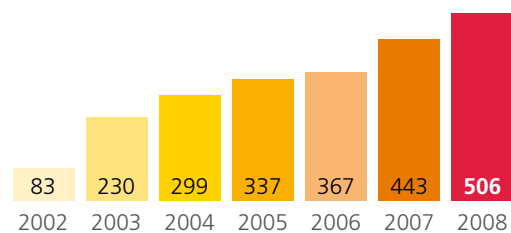
ARPU

(average revenue per user)
in euros per month



EBITDA

in millions of euros





Welcome to Telenet





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make compelling products

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create additional value

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customer experience

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Putting people first

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Building a brighter
future for all



A word from the CEO and the Chairman

Dear Reader,

Telenet has many reasons to look back on 2008 with satisfaction. We delivered on our ambitious goals and also strengthened the company to better face many challenges ahead. Telenet has not yet felt the impact of the economic crisis. The company performs frequent reviews of its operations so it can react if necessary. The board and management of Telenet believe that the financial performance has been very satisfactory.

Demand for all of our products and services remained very robust. In the second half of the year, we saw a clear acceleration in the number of customers ordering triple-play products. Our 'Shake' offerings, launched in September 2008, are another example in the company history of how to translate technology into simple, compelling propositions to consumers.

The successful closure of the Interkabel transaction has finally given Telenet a footprint allowing it to effectively meet the competition on a more equal basis. The almost immediate surge in iDTV consumer demand in the Interkabel areas underlined the added value that Telenet can bring to the market. In the professional market we have been able to broaden our customer base and increase the services we offer.

We lived up to our reputation for **total commitment to innovation.** This focus has been supported by another year of **substantial investments in our network, products and new customers.** Expanded partnerships with local broadcasters, international media companies and technology providers have also contributed to our positive results.

During 2008 **the company engaged in a large number of corporate social projects,** either directly or through our Telenet Foundation. This year we aim to issue our first CO₂ footprint assessment along with plans for reducing our emissions.

A mix of sustained experience and new ideas is the best foundation for the future. To maintain a highly competitive market position, in 2008 Telenet kept its focus on talent management and recruiting the right people at multiple levels in the organization. Throughout 2008 Telenet employees worked hard daily, and often into the night, to deliver the best of themselves and our services. Due to these efforts customer loyalty once again increased. **We thank our people, as well as the many employees of our partners, for their commitment to our customers and our company.**

We do not take anything for granted, not even the business of our most loyal customers. Telenet would not be able to keep growing and innovating without the implicit support of its customers – consumers, companies and public institutions alike. **We thank them for their trust and business and will continue to fulfill their needs every day of the year.**

Yours sincerely,



Duco Sickinghe
Chief Executive Officer



Frank Donck
Chairman



Board of Directors

As of January 1, 2008

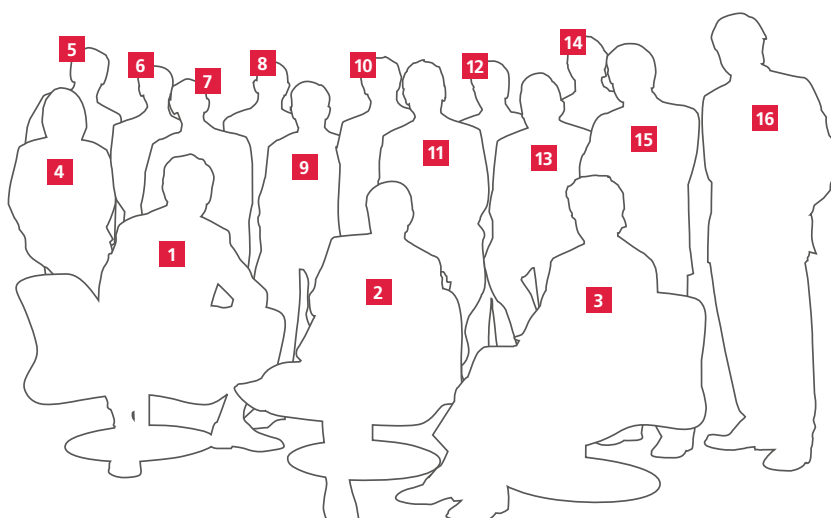
- 1 Duco Sickinghe**
Chief Executive Officer and
Managing Director at Telenet
- 2 Frank Donck**
Chairman
Executive Director at 3D NV
- 3 James S. O'Neill**
Director
President of Chellomedia BV,
Chief Strategy Officer at
Liberty Global Inc.
- 4 Ruth Pirie**
Director
Chief Financial Officer at
UPC Broadband
- 5 Alex Brabers**
Director
Executive Vice President
Technology at Gimv
- 6 Michel Delloye**
Independent Director
Cytifinance NV
Director of companies
- 7 André Sarens**
Director
Grid Participations Manager at
Electrabel
- 8 Niall Curran**
Director
Chief Operating Officer at
Chellomedia BV
- 9 Jim Ryan**
Director
Managing Director Strategy and
Corporate Development at
UPC Broadband
- 10 Friso van Oranje**
Independent Director
Director of companies
- 11 Charles Bracken**
Director
Co-Chief Financial Officer
(Principal Financial Officer) at
Liberty Global Inc.

- 12 Julien De Wilde**
Independent Director
De Wilde J. Management BVBA
Director of companies
- 13 Jozef Roos**
Independent Director Telenet
Communications NV
JROOS BVBA
Chairman of the Catholic
University of Leuven
- 14 Diederik Karsten**
Director
Chief Executive Officer at
UPC Nederland
- 15 Michel Allé**
Independent Director Telenet
Communications NV
Chief Financial Officer at SNCB
Holding – Belgian Railways
- 16 Guido De Keersmaecker**
Independent Director Telenet
Communications NV
Abaxon BVBA
Director of companies

Bernie Dvorak (not pictured)
Director
Senior Vice President
and Co-Chief Financial Officer
(Principal Accounting Officer) at
Liberty Global, Inc.

Manuel Kohnstamm (not pictured)
Director
Managing Director Public Policy
& Communications at
UPC Broadband

Gene Musselman (not pictured)
Director
President and Chief Operating
Officer at UPC Broadband





From left to right:

Patrick Vincent, Executive Vice President Residential Sales & Care

Saskia Schatteman, Executive Vice President Residential Markets

Luc Machtelinx, Senior Vice President and General Counsel

Jan Vorstermans, Executive Vice President Technology & Solutions

Duco Sickinghe, Chief Executive Officer and Managing Director Telenet

Piet Spiessens, Senior Vice President - Innovation & Business Development

Ronny Verhelst, Executive Vice President - Corporate Staff

Renaat Berckmoes, Executive Vice President and Chief Financial Officer

Keeping ahead of the market

Telenet's leading position in the market has not come about by chance. Since it was founded twelve years ago, Telenet has kept its challenger's spirit, continuing to differentiate itself as a first-class, innovative video, voice and data services provider. Through sustained investment in its network and in new technologies, and by constantly meeting customers' expectations, Telenet has remained on a successful path.

In 2008

- Largest growth ever in customer acquisition
- Almost 50% of customers subscribed to two or more services
- Over 100,000 new broadband Internet customers
- Approximately 70% of fixed telephony lines lost by the historical competitor were acquired by Telenet
- Digital TV penetration reached almost 35% on Telenet Network
- Telenet Solutions revenue grew by 17%

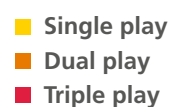
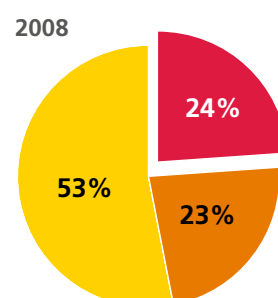
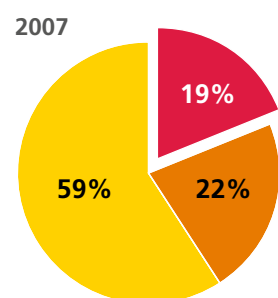
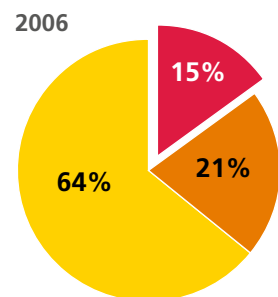
Triple play

Telenet's strategic focus has always been on television, Internet and telephony. In 2008 the company delivered very satisfying results in all three areas via organic growth.

In 2008 Telenet achieved the highest customer growth ever (with the exception of analogue TV customers), demonstrating the success of multi-service packages targeted at different market segments. Telenet's triple-play offering accelerated rapidly with the introduction of "Shakes" in 2008. With this bundled service offering, customers receive up to 30% off the price of individual services. More than 225,000 Shake subscriptions were sold, increasing the number of triple-play customers by 21%. Almost half of Telenet's customer base now subscribes to two or more services and almost all new customers order more than two. Overall, the average revenue per user (ARPU) rose by €4.00 in Telenet's original footprint area.

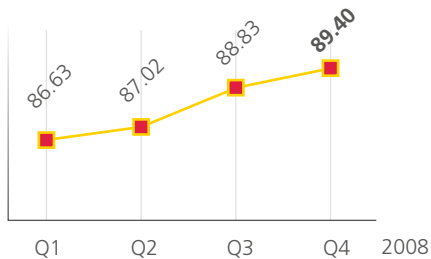


Triple play accelerates



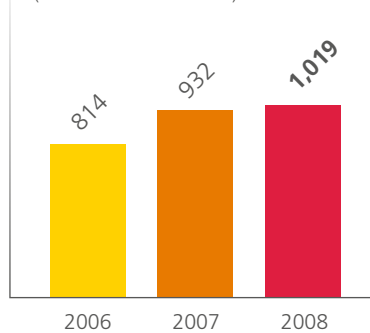
Customer satisfaction close to 90%

The customer satisfaction score is the sum of the customers who are satisfied, very satisfied or extremely satisfied with Telenet services.



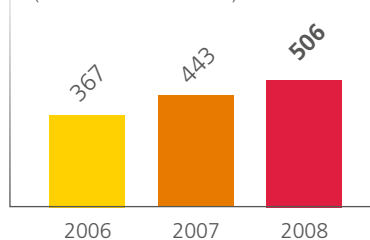
Revenue

(in millions of euros)



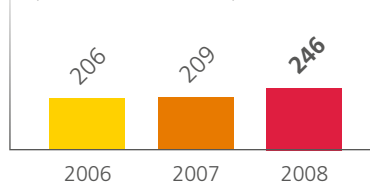
EBITDA

(in millions of euros)



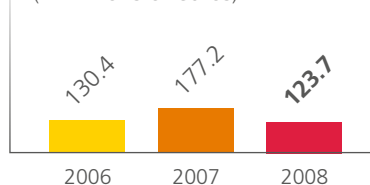
Investments

(in millions of euros)



Free cash flow

(in millions of euros)



Interkabel

Since its foundation, Telenet has been in a partnership with Interkabel, a series of cable networks across Flanders that includes the Antwerp city network Integan, and other networks such as WVEM, PBE, and Interelectra. Telenet sells broadband and fixed telephony services over the Interkabel networks. In October 2008 Telenet acquired Interkabel's cable network assets and customer base (almost 680,000 analogue and about 70,000 digital customers). This has allowed Telenet to compete more effectively in the triple-play services market across Flanders.

Customers first!

The year 2008 saw a focus on new ways to enhance customer satisfaction. While Telenet already enjoys strong loyalty from its customers, any drop in appreciation of the company's products and services could have a significant impact over time. The company therefore adjusted its bonus compensation system, making 40% of the financial compensation dependent on customer satisfaction. To date the new system has been applied to more than 100 managers.

Financial results

Telenet exceeded its guidance for the year. Company revenues grew by 9%. Operating income increased by 16% to €239 million. With a net free cash flow of €124 million, expectations were met. The company also lowered its leverage, demonstrating its capacity to digest the Interkabel acquisition. For the near future the focus will continue to remain on free cash flow. Decreasing interest rate levels will enable the company to preserve even more cash.

Telenet continued to make substantial investments amounting to €246 million. Much of this was devoted to installing and facilitating new customers on the network. Significant investment also was made in research and testing projects, enabling Telenet to launch at least one innovation per month throughout the year. Such investments, sometimes small-scale, are ensuring that Telenet continues to excite its customers. For example, instead of big-bang fiber projects, the company is gradually splitting key network nodes. Over time this will reduce the number of households-per-node from 1,400 to 500 and thus substantially increase network performance.

Current market environment

To date Telenet has experienced no impact on its business from the current uncertain economic conditions. Key performance indicators – including churn, order cancellations, reminders and ageing of receivables – are stable. At the current churn rate customers will remain with the company for more than 12 years, which should produce stable cash flows in the future.

The current debt/EBITDA ratios are well below the levels stipulated in the covenant and offer a comfortable amount of room for manoeuvre. Indeed, in 2008 as before, Telenet showed a notable capacity to de-lever quickly. This is expected to continue in the near future (unless acquisitions or other strategic projects arise).

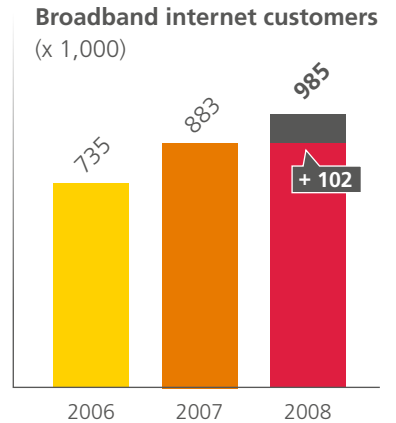
The first debt tranche must be repaid in 2012. Telenet always has an option to refinance some of its repayments provided the new loans become due after 2015. However, even if the credit market conditions do not improve, Telenet expects to be able to repay all of its debt, including the 2014 tranche and most of the tranche due in 2015.

Broadband Internet

As in previous years, 2008 saw the addition of more than 100,000 new subscribers to Telenet's broadband service. During the year Internet speed and volume were increased to meet customer needs. This, combined with superior service, allowed Telenet to further strengthen its leadership position in the market. Telenet continues to focus on anti-spam and anti-virus services for a safer Internet experience. The company also participated in a European-wide "safer Internet" initiative by Liberty Global, which gives parents better information on how to monitor Internet usage by their children.

Telenet will launch next-generation Internet services using ever-faster technologies, such as Euro-DOCSIS 3.0, and will invest in more fiber connections throughout the network. Our stimulating on-line activities attracted more than 4.6 million unique visitors per month in 2008.

Mobile data services will be introduced more broadly in 2009, providing a complementary product offering for fixed-Internet customers.



Telephony

Over the past few quarters the number of fixed telephony lines in Belgium has remained stable. Yet during this period Telenet increased its market share in Flanders to about 20% by acquiring approximately 70% of lines lost by its main competitor. This was achieved by offering competitive tariff plans, including FreePhone Europe, which allows customers to enjoy unlimited phoning to fixed lines across Europe during off-peak hours for virtually no money.



Cuckoo Award
Direct Response TV



Topspot 2008
Viewer's choice



Best of Activation
Award 2008



CAP 2008 Creative
Cable Operators

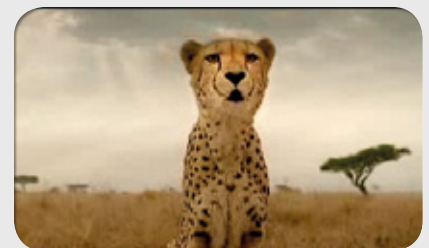


Agile Award
2009

Telenet: the clear choice for customers

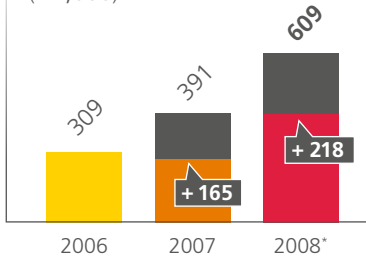
Telenet has won a number of awards throughout 2008 for the innovative way in which it markets its products and services including:

- A Cuckoo Award for its Helping Hand television advertisement
- 3 CTAM (Cable & Telecommunications Association for Marketing) Awards, including bronze and gold creative awards for the 'Cheetah' internet TV spot and 'The Fly' iDTV advertisement, respectively; as well as a branding, positioning award in the category of new product launch for the 'Red Button' iDTV spot.
- VMMA TV publicity and campaign TOPSPOT – the viewer's choice award for the iDTV ad entitled, 'The Liar.'
- The Agile Award 2009. Telenet received this award for the Telenet Advisor Portal Solution that was implemented to better serve the Telenet advisors in the call centers.
- In 2009 the Public Cuckoo Award for the GoldShake campaign.



Digital television customers

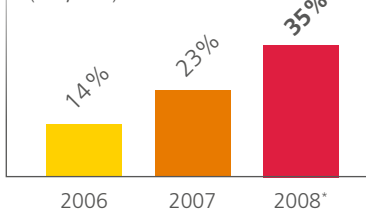
(x 1,000)



*Not including 65,000 INDI customers

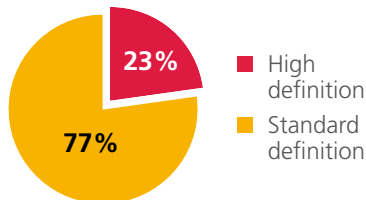
iDTV penetration in the Telenet network

(x 1,000)



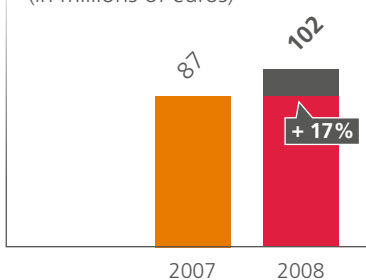
*28% in the combined network

High definition vs standard definition



Telenet Solutions

(in millions of euros)



In Telenet's experience, young families and senior citizens demand fixed telephony services. In addition, service quality and tariffs lower than those of mobile telephony have proved popular in a time of economic uncertainty.

Sales in mobile telephony were modest, but nevertheless encouraging. The sheer volume of Telenet's fixed-line business and the partial use of its distribution channels prevented the company from achieving its full potential. The renewal of the partnership with Mobistar will, however, provide additional flexibility in terms of pricing and product development and should lead to improved results toward the end of 2009.

Television

In just three-and-a-half years, Telenet has achieved digital penetration of almost 35% on its network – one of the fastest adoption rates of any recent network technology. The company's rental model has contributed significantly to this trend by reducing the barrier to move to advanced digital services.

Video on demand (VoD) proved highly successful both for movies, and for local content made available by Telenet's local broadcast partners. In addition, high definition television (HDTV) is offering impressively crisp images to a rapidly growing number of customers.

Telenet's Interactive Digital TV (iDTV) platform has been successful because the company also supported and invested in a large number of broadcasters and media production companies, helping them develop iDTV applications. This spirit of partnership and openness of our platform stimulates creativity and is enabling easy access for customers.

Professional communication services

With its Telenet Solutions division, Telenet focuses on various market segments. Large accounts are served by direct sales and support teams, while the needs of SMEs are addressed through a number of channels. Network capacity is also offered in the carrier market.

Telenet Solutions realized a revenue growth of 17% and a solid increase in customer numbers. This achievement was due to innovation and a strong focus on meeting the expectations of businesses clearly looking for state-of-the-art voice and data services. Customers were impressed with Telenet Solutions' advanced product mix, leading to high satisfaction and loyalty.

Telenet is confident that new technologies will allow further inroads into this market. These include SIP (Session Initiation Protocol) trunking, for voice traffic over the Internet at attractive prices, and Euro-DOCSIS 3.0, the new coax standard for super-fast Internet with guaranteed service levels. We believe that coax will have a significant impact in mid- to high-end professional services.

In 2009, the company will focus on the introduction of coax-based products, with special attention on the lower end of market, i.e. small offices, home offices (SoHo) and SMEs and the introduction of HostBasket products to existing customers. Also important will be the collaborating with system integrations working in the healthcare sector (patient entertainment systems, bedside terminals, ...).

Growth prospects

Cross-selling and up-selling to the current customer base is key for Telenet's strong ARPU growth. In 2008, half of the customer base subscribed to two or more Telenet services. This trend should continue, allowing Telenet to grow without necessarily expanding geographically. The great success of the Shakes offering confirms this potential.

Telenet sees growth in each of its key product markets. Fixed telephony penetration in residences is currently in the 70% range. With 20% of this market already captured in Flanders, we anticipate growth of a further 10% over time. Having succeeded in converting Telenet's TV customer base to iDTV at a rate of 10% per year, we are on a steady course to see this adoption continue and possibly accelerate. Internet currently has a penetration of 66% in Belgium. Based on statistics from other countries this could reach 90%.

Once a challenger, always a challenger

Throughout its twelve-year history Telenet has always challenged the market, differentiating itself through attractive prices, superior technology, innovation and high service levels. The company also constantly challenges itself to maintain its innovating role. The values of a challenger are firmly embedded in Telenet's culture; a number of internal checks and balances ensure the company lives up to this ideal.

These values stand behind the Telenet brand, one that is nurtured every day by the corporate culture. Daily effort by the Telenet team is part of an ongoing commitment to continually improve the Telenet brand and everything it stands for.

Our CO₂ footprint

In 2008, Telenet's carbon footprint was measured. We want to make it as small as possible. As we hardly produce anything ourselves, we don't create much in the way of CO₂ emissions in this respect. However, we have paid extra attention to the amplifiers in our network as well as to our customers' modems and set-top boxes. We are now working closely with the relevant suppliers to reduce the energy consumption of these appliances. Thanks to the splitting of our network nodes which is currently underway, we are also reducing our reliance upon network amplifiers.

All departments within Telenet have devised "green plans" for 2009. The company's progress on reducing CO₂ output will be published regularly.

Promising future

In the coming years, we foresee a greater range of services and expanding markets. Our aim for Internet is to maintain superior speed and improve value-added services, such as hosting and security. In telephony we will continue to launch innovative, best-in-class rate plans. And conversion from analogue to digital TV should achieve more than 10% per year. We plan to launch new mobile propositions that fully exploit mobile virtual network operator (MVNO) opportunities. Meanwhile, Telenet Solutions will focus further on SME customers and coax solutions. These ambitions will be supported by strong talent. Telenet has an open and informal culture imbued with solid values, high integrity, strong commitment and an emphasis on decision-making agility.

Key product growth

- 20% of fixed telephony market captured, 10% more growth forecast
- 10% of TV customer base converting to iDTV annually
- Today's 66% Internet penetration in Belgium could reach up to 90%

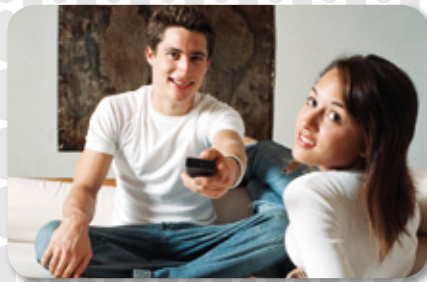


Innovating all year long



January

Red Button: The creation of an iDTV 'red button' application allows television stations to deliver additional content to digital TV viewers.



February

iDTV Rental: Customers can sign up for Telenet Digital TV for just four euros per month.



March

Zita 3.0: Telenet launched a new version of the Zita portal using content aggregation tools to allow personalization.



April

TIP: The Telenet Incentive Plan enables companies to offer their employees Telenet services at home as part of their employment package.



May

Thalys WiFi: Via a partnership Telenet customers can access the Internet on all Thalys trains.



June

'The Summer of Sports': Major sports events, such as the Olympic Games, Tour de France, and the European Soccer Championships, are broadcast live in HD.



July

Self installation: Customers can opt to install their own Telenet products, saving both time and money.



August

Telenet Shakes: Launch of the new bundle concept providing competitive prices and enabling greater convergence of services.



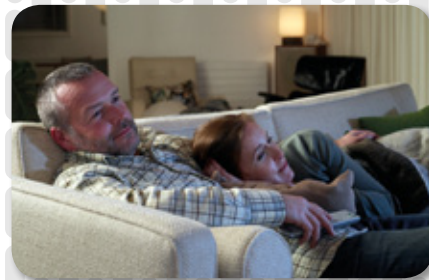
September

Studio 100 TV: The first Flemish music TV channel for children is available exclusively on Telenet Digital TV.



October

FreePhone Europe: Customers can make free international calls during off-peak hours.



November

TeleSenior: Telenet is serving senior citizens in Kortrijk by allowing them to communicate via iDTV.



December

TV.BE: An innovative TV guide combines social networking with TV and content information.

14 Pioneering partnerships make compelling products



Telenet has gained and maintained its competitive position in the market in all areas of its business by offering superb quality and better service. More importantly, it not only keeps up with market demands but stays ahead of them, partly via its win-win partnerships. The company constantly strives to make sure that its offerings add real value to people's personal and professional lives.

In 2008

- More than 985,000 broadband Internet subscribers
- Public hotspot usage rose by 66%
- Over 629,000 telephony customers
- More than 674,000 iDTV viewers
- Over 117 interactive applications available on Telenet's iDTV platform
- Telenet Solutions achieved an impressive 17% revenue growth



Fixed and mobile internet



Internet interest increases

With a significant increase in the speed of broadband it offers and the introduction of 'Shakes' to suit individual needs, Telenet also experienced a substantial rise in the uptake of its Internet services and in turn its market share in 2008. By March, it had recorded more than 900,000 broadband Internet subscribers, a number that rose to more than 985,000 by the end of the year. The growth in Telenet's business was a result of a number of campaigns to improve brand awareness, as well as more specific initiatives, such as activities around improving Internet safety. Telenet also now better segments its campaigns and has seen increased uptake as a result. Maintaining its leadership position in the market remains a priority for 2009. Stimulating the demand for converged services and continuing to increase customer satisfaction are also key.

Sustained focus on product innovation and added-value services

In 2008, Telenet upgraded the product specifications of all its broadband products on a stand-alone basis and created new variations with the Telenet Shakes. The current broadband products constitute a diversified portfolio ranging from 1 Mbps to 25 Mbps, including a full set of features such as free customer service, anti-virus and anti-spam services. Customers received more value for their money than ever before, which contributed to an increase in customer satisfaction, from 83% to 89%.

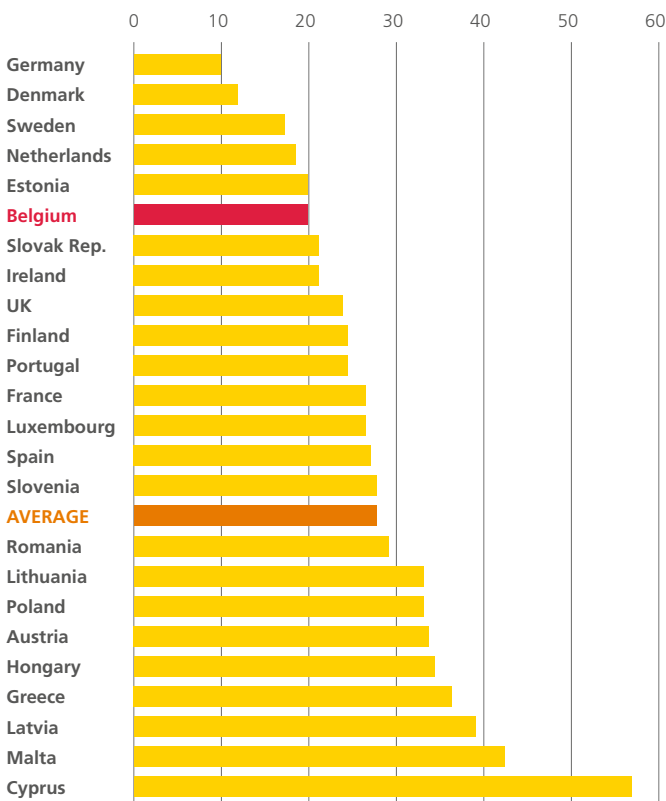
Telenet customers have benefited from broadband price drops.



With the bundled service offering, customers receive up to 30% off the price of individual services.



**Average price for entry-level broadband:
in € (according to ppp*)**



*ppp: purchasing power parity – Source: Organisation for Economic Co-operation and Development (OECD)

**Attractive pricing
and benefits**

Telenet reduced its pricing for broadband access per Mbps considerably. Its most popular broadband product, ExpressNet, dropped in price per Mbps from €10.49 to €2.86, almost five times less. Additionally, in August 2009, citizens with low income and social security ‘Omio’ benefits will be able to enjoy Internet access through Telenet’s BasicNet service at a reduced price rate of €13 per month. Telenet introduced similar social tariffs for television and telephony earlier. Other measures to bridge the digital gap include the Telenet Foundation and Telenet’s free Internet training. In 2008, more than 5,682 senior citizens participated in a free Telenet course.

**Telenet remains
speed leader**

Telenet remains the leader in broadband speed in Belgium, and the company has done much to make Belgium one of the leaders in Internet speed worldwide. No less than 90% of Belgium broadband customers enjoy a broadband



In terms of speed the Belgium broadband market turns out to be one of the most dynamic markets.

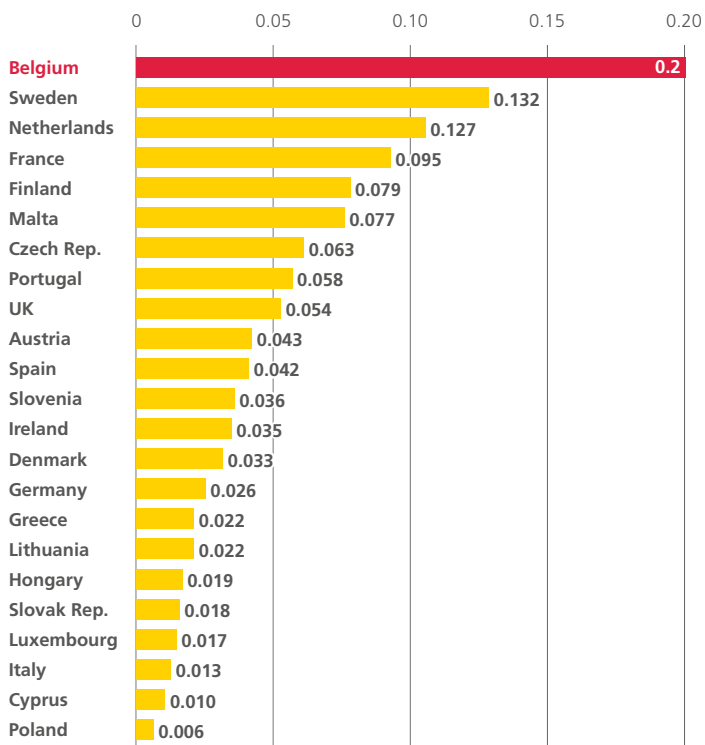
connection with speeds of 2 Mbps or more, and 78% of Telenet's customer base is connected through a broadband product with a download speed of 10 Mbps or higher. Independent websites such as ISPmonitor.be confirm on a daily basis that the possible speeds actually delivered by Telenet Internet exceed those of the competition.



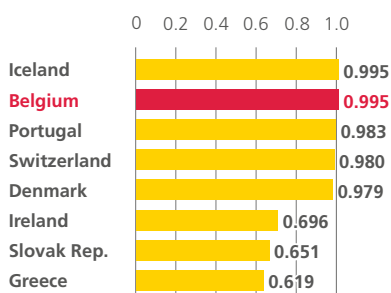
Broadband penetration in Belgium

Various studies show that Belgium scores well on the Internet price/quality ratio, with Telenet contributing significantly to this result as it continues to combine attractive pricing with substantial investments in its products. The price/quality ratio has been a major driver for broadband penetration in Belgium. Belgium has the second highest BEI (Broadband Efficiency Index), an index that compares theoretically expected broadband penetration to its actual penetration. In Flanders, penetration per household has reached almost 70% while overall penetration for Belgium is at 66%.

Average download speed



Broadband Efficiency Index



Source: Phoenix Center for Advanced Legal & Economic Public Policy Studies



Beyond broadband acces

Telenet Online Media leverages the Group's strengths in TV, broadband and mobile to develop innovative cross-platform applications. These become known as separate media brands in their own right. Such interactive touch points help build one-to-one relationships with media consumers that are converted into marketing opportunities, adding real value to the Group. With an extensive consumer base and a large number of opt-in relationships with its customers, Telenet is ideally placed to launch such innovative applications. The results help advertising customers, as well as its own marketing department, to increase revenue. And with leveraged assets already in place, Telenet Online Media is well positioned to take advantage of the company's new mobile strategy.

Zita.be

A new version of Telenet's Zita portal, one of the most popular portals in Belgium, was launched in 2008. The new site uses widgets to allow users to personalize their homepage to match their interests and meet their needs in a secure way. For the 'technically-challenged',

customization will be made easier with the launch of a number of templates in 2009.

Telenet Foto

Telenet Foto, an online service launched in 2006, allows users to upload and share photographs with family and friends. In 2008, an HD-ready version for digital television was released. The Telenet Foto HD application is one of the most actively used interactive services on Telenet's digital TV platform.

T-VGAS

In December 2008, Telenet acquired the assets of VGAS, the number one gaming media publisher in Belgium, to create T-VGAS. The new company houses the 9lives gaming website, as well as GUNK magazine, the GUNK TV brand and a new digital TV entertainment channel, launched in May 2009. The new channel is aimed at capturing the new trend of gaming as mainstream entertainment and is the first of its kind in the country.

Garage TV

Garage TV, a user generated content site, continued its immense

popularity during 2008, clocking up more than 65,000 unique visitors per day. In September, a proof of concept iPhone version of the site successfully underwent a pilot phase and will be officially launched in 2009.

TV.be

Telenet developed a new TV guide concept in 2008 that mixes basic TV information with Web 2.0 and social networking. Users can create their own profile on the site detailing their viewing preferences. They can also receive recommendations of programs they may enjoy. The site was tested in June 2008 in a beta version and launched fully in September to the wider public.

Vandaag.be

In March, Telenet launched the innovative 'vandaag.be' site in cooperation with Concentra. The site offers the day's top news stories from around the world in a dynamic and interactive way.



Partnership in online advertising

To increase scale and better position itself in the market, Telenet Media, Telenet's interactive advertising house for subscribers to the Group's digital platforms, has externalized its activities by joining forces with Flemish media group Concentra and VAR – the advertising house of public broadcaster VRT – to create Pebble Media. Building on a strong network of well-selected media brands, Pebble Media assures quality and scale and is set to become the reference in the digital advertising environment. Its mission is to offer



pebblemedia

innovative interactive advertising solutions developed by and for local media. This will help avoid disintermediation and encourage local media entrepreneurship in the digital and global economy.

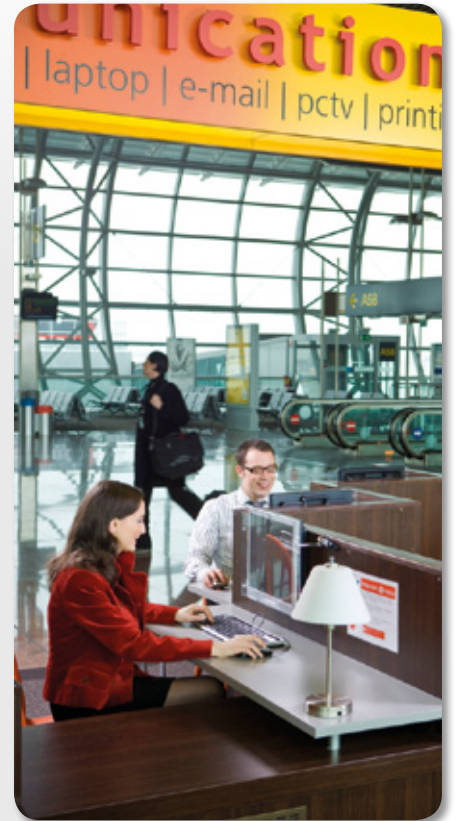
Pebble Media's portfolio already reaches more than 600,000 unique visitors per day, returns six million daily page impressions and includes a database of more than two million unique e-mail addresses covered by 'opt-in'. The new organization also offers conversion marketing services to clients and will shortly extend its services into the iTV arena too. Pebble Media officially starts its activities in January 2009 and continues to dialogue with potential new partners in order to further expand its offerings.



Making the Internet a safer place

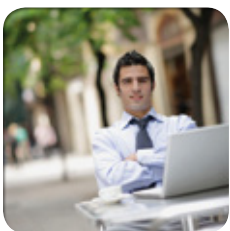
As an Internet services provider, Telenet takes its responsibility for helping make the Internet a safer place for children extremely seriously. At a 'Safer Internet Day' in February, it launched a comprehensive Internet Safety Toolkit provided to schools across Belgium, offered at events and made available to parents on request. The kit contains critical information for both parents and children to help improve understanding of potential online dangers. Telenet's efforts toward improved Internet safety also included enhancing antivirus protection and being a first-line defense against malware. It also launched a website providing tricks and tips to educate customers and help them mitigate risk. As a result, customer satisfaction around this crucial topic increased by more than 10 points. Further initiatives to continually educate customers and improve Internet safety will be introduced in 2009.





Easier access to the US

In January 2009, Telenet granted free access to the ESTA (Electronic System for Travel Authorization) website at Brussels Airport for travellers who had not yet registered their trip to the US, in accordance with changes to the law. This assisted the US Embassy in making travel to the US possible for those unaware of the change. The US Embassy formally thanked the company for its efforts.



Public hotspots prove their convenience

In 2008, Telenet continued focusing its hotspot strategy on two sectors; hospitality and mobility. An additional 19 locations were acquired throughout the year, including the Brussels South Airport in Charleroi and a number of well-known hotels such as the Thon Residence Florence in Brussels. Some hotels have indicated a desire to include the use of Telenet hotspots as part of the room fee and agreements enabling this were signed.

Planning for the future

In 2008, Telenet proactively extended the contracts on a number of already acquired locations to ensure mobile users can enjoy comprehensive coverage for the future. Unique user usage of hotspots rose by 66% in 2008, compared to the previous year. On average, hotspots were used for over 120,000 hours per month.

At home and away

The company has carried out pilot projects to offer free hotspot access (in exchange for viewing ads and regular interruptions to service). Results show that business users, the primary users of Telenet hotspots, would prefer to pay in exchange for good service. The hotspot

service was also made more visible via a summer campaign to alert travellers of the possibility of using Telenet's hotspots when holidaying in Belgium.

In 2008, Telenet also introduced an agreement for inbound roaming whereby hotspot customers of providers from other countries can access Telenet hotspots when in Belgium. An agreement for outbound roaming, allowing Telenet customers to access hotspots in more than 100,000 locations in 80 countries will be concluded this year.

Telenet on the move

One of the most notable additions to Telenet's hotspot offerings was the Thalys project. Telenet worked with Nokia Siemens Networks and 21Net to provide Internet access on the entire fleet of Thalys trains across four countries.



More interest in Telenet hotspots

An agreement with MyPoi World, a Dutch organization that sells cards of points of interest (POIs) for GPS systems, has led to Telenet hotspots being included on the cards as POIs. This makes locating a Telenet hotspot much easier.

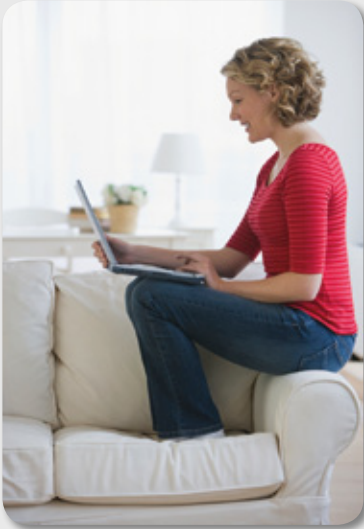
Hotspots help Belgium's doctors

Telenet is also customizing its marketing and testing of hotspot services with specific target groups. A test was undertaken with doctors making home visits to allow them direct access to book appointments with specialists, no matter what the day or time. With this sort of application in increasing demand and the price of devices providing mobile access decreasing, Telenet expects usage of hotspots to continue to rise substantially.



Quadruple play

In 2008, Telenet's telephony business – both mobile and fixed line – continued its upward trend. The company's renegotiated partnership with Belgian telecommunications operator Mobistar is allowing it to provide a truly quadruple-play offering to the market.





Fixed and mobile telephony



Fixed lines still in favour

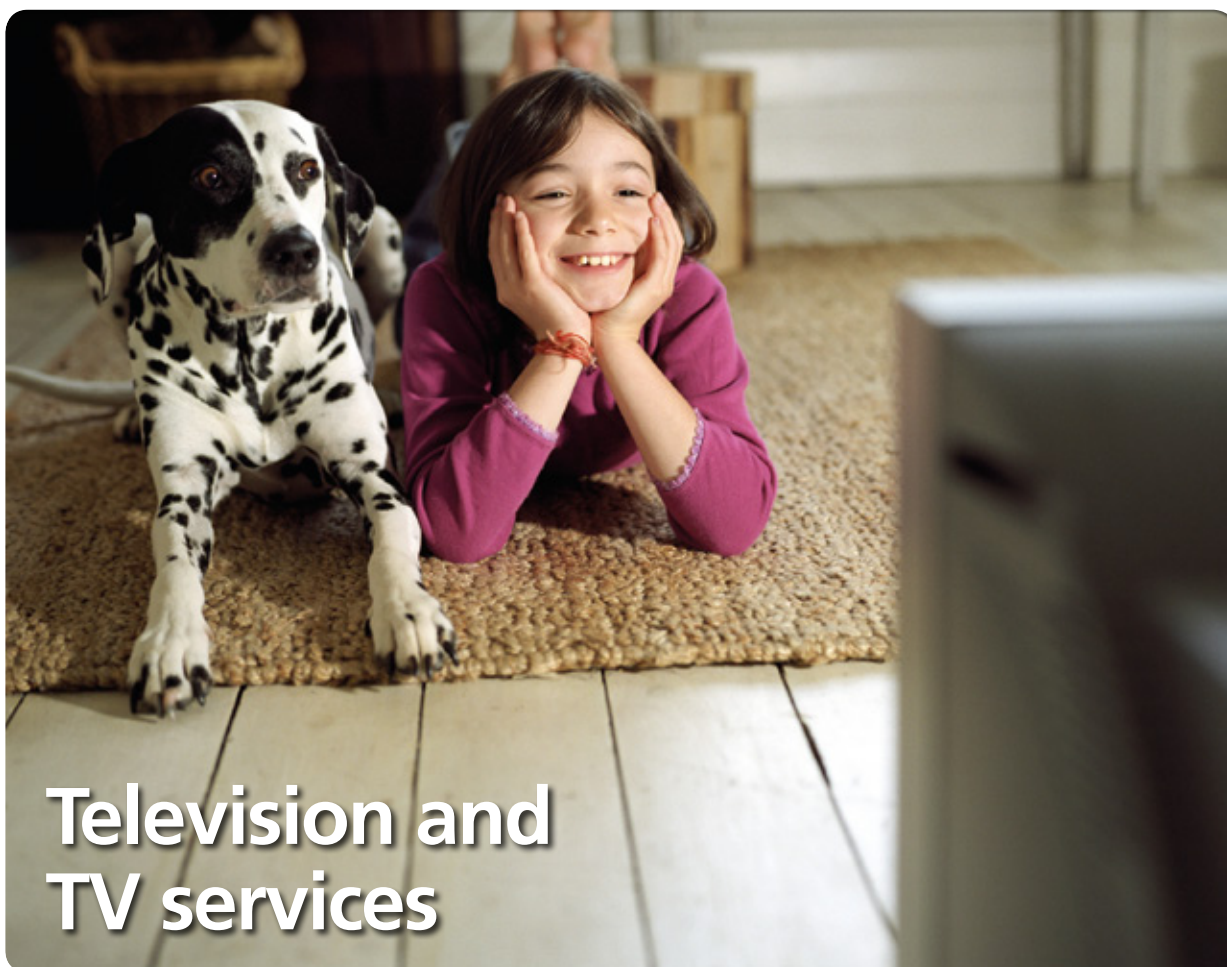
Telenet enjoyed a record year in the uptake of fixed-line telephony by customers. This was mainly due to new rate plans, including FreePhone, FreePhone 24, and FreePhone Europe. With the latter, clients enjoy unlimited phoning to fixed lines across Europe during off-peak hours, at a low set price per month. The formula was effective: the number of international minutes called by these customers almost quadrupled. Meanwhile, around 90% of fixed telephony customers opted for a FreePhone formula. Here also Telenet was a trendsetter that changed habits. By year-end, Telenet had converged more than 80% of its installed base to a flat-fee rate plan. In October, the company recorded its 600,000th fixed-line customer. And customer satisfaction soared: 94% of customers indicated 'satisfied' or 'very satisfied' with Telenet telephony.



Making more of mobile

Telenet's mobile telephony business grew by 87,000 customers throughout 2008. This occurred exclusively via cross-selling activities with no marketing effort: customers spontaneously saw Telenet as a mobile provider. The formula's success is simple: you pay no fixed cost and only for what you use. In February 2009, the company renegotiated its partnership with Belgian telecommunications firm Mobistar. The new three-year deal represents a full MVNO (mobile virtual network operator) agreement, meaning that Telenet will invest in its own MSC (mobile switching center) to strengthen the go-to-market of fixed-mobile convergent services. Via the agreement, Telenet will significantly extend its mobile voice and data offer and make it a main business focus for 2009. As a result, its mobile offering will be included in the Shake packages to make a quadruple-play offering.

New rate plans led to a record year in the uptake of fixed-line telephony.



Television and TV services

Taking TV to new heights

Although Telenet introduced high definition (HD) television in 2007, the real uptake of this service was seen in 2008 during which almost 60% of the new digital television customers opted for an HD box, taking advantage of the best HD offering on the Belgian market. In just one month of active sales following the launch of Telenet Digital TV in the Interkabel region, more than 30,000 customers from the area became subscribers.

Win-win partnerships better serve customers

In addition to offering a multitude of foreign channels, Telenet continued its partnership model with both national and international broadcasters to ensure its customers enjoy an extensive variety of programs. It encourages national and regional stations to develop their own applications focusing on interactivity. During the year, broadcasters pushed the usage of interactive television to make more services available to consumers. One

example is iWatch, the Vlaamse Media Maatschappij's VoD service that allows viewers to watch VTM, ZBE and JIM programs before they are even broadcast or later if they missed them when they were aired. Viewers can also consult an archive of TV programs and films, offering them total control of what they watch and when they watch it.

As a result of such interactive initiatives, Telenet experienced an increase in uptake for its digital TV platform. By the end of the year, 117 interactive applications were available on the platform. In September, Telenet launched Studio 100 TV, an all-local music channel for children, which is only available to its customers. It has already become the second most popular digital children's channel in Belgium.

Video on Demand

Telenet's video on demand (VoD) service continued to grow in popularity, helped by a new agreement with Disney that makes the studio's hits available on Telenet's Digital TV service. The number of

VoD transactions in 2008 doubled to reach 20 million by the end of the year, with over 600 movies available. Telenet is now able to offer Warner movies 'day and date', meaning that movies are available to Telenet customers on the same day they are released for rental from video stores. One of the biggest hits was Dark Knight, the most recent Batman movie. Day and date movies performed twice as well as others in the catalogue.

PRIME record

As from December 31, 2008, Telenet had a record number of more than 180,000 subscribers



The number of VoD transactions in 2008 doubled to reach 20 million by the end of the year.

25



to its PRIME services. With more subscribers signing up for Telenet's exciting content every day, Telenet broadened the content of its television offerings. The result was the launch of three new PRIME channels in December: PRIME Star, PRIME Series and PRIME Family, and the rescheduling of content on the existing Action and Fezztival channels to fit more effectively to various segments. Telenet also expanded its PRIME a la carte service to allow PRIME customers to watch more than 300 movies or episodes of their favorite series for free whenever they want. In 2008, Telenet also launched PRIME Digtex that revamps the look of teletext and allows users to rate movies, share opinions and see when films are scheduled to air again. By optimizing its services, Telenet aims to ensure that its customer base continues to expand.

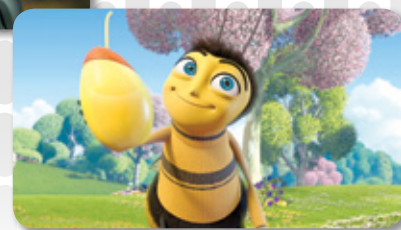
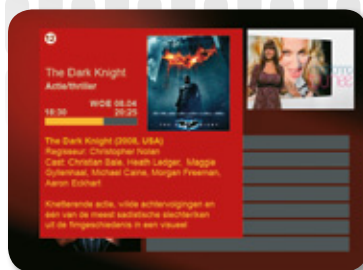
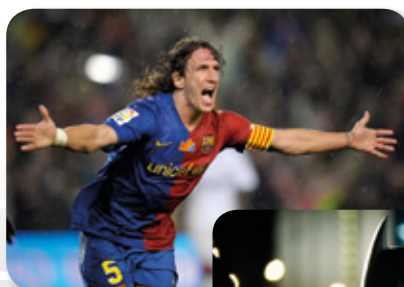
Special events take PRIME place

For PRIME Sport, Telenet renewed its agreements in order to continue to air the most notable sporting events live. In 2008, it showed more than 600 live matches of the major European soccer competitions, the NBA and the NFL. Many of them were aired in HD. Every week one European soccer match is offered to its entire subscriber base for free.

Notably for film lovers, Telenet signed a three-year deal to bring the Oscars back to Belgium, allowing the red-carpet event to be broadcast live via PRIME. For this exclusive live broadcast in 2008, Telenet invited a number of celebrities to attend an Oscar evening in Brussels. A special PRIME Sport event was organized to coincide with the Super Bowl. Belgian NFL teams and leagues in Ghent were invited to watch the live game and a special programme was broadcast for all PRIME subscribers.

Keeping pace with technology

In addition to upgrading content and services, Telenet also made its products more technically advanced with the introduction of functions such as PVR (personal video recording) to allow customers to watch what they want when they want. With the inclusion of two tuners rather than just one in its set top boxes, customers can record two channels while watching an already recorded program.





Telenet Solutions Department

Convincing companies with a personal approach

Accounting for 10% of total turnover, Telenet Solutions serves business customers throughout Belgium and Luxembourg using its own glass fiber and coaxial networks, wireless connections and DSL connections. It offers customers data, voice, video and Internet solutions. These include virtual private networks, teleworking solutions, security and surveillance solutions, and high-speed LAN interconnections. Added to this are digital telephony, marketing numbers, fast and secure Internet

access, and hosting and housing solutions.

Telenet's business division relies on several pillars: corporate clients, SMEs and carrier services. Large companies are usually looking for good connectivity and strong availability with a high level of service. They then develop their own applications and solutions. Smaller companies want a ready-to-use solution. For them Telenet solutions provides bundled services, such as Internet plus e-mail hosting. The acquisition of HostBasket, one of the Belgian market leaders in hosting services, is already making this possible.



Telenet Solutions significantly expanded its customer base in 2008 and increased satisfaction with existing accounts.





Coax solutions offer strong advantages to companies. We not only provide high bandwidth, but also the service guarantees required for crucial applications.

Telenet Solutions management, headed by Martine Tempels



The coax advantage

Telenet Solutions possesses a very extended and robust coax network in Flanders and Brussels. Coax is a good solution for companies needing high bandwidth and service guarantees for crucial applications. In the future many new initiatives will be launched. One example is voice over IP, via the coax network. As more and more customers replace their traditional PABX telephone exchange with modern IP-PBX, the demand for voice-over-IP services will only increase.

**Data News
Award for
Excellence 2008**

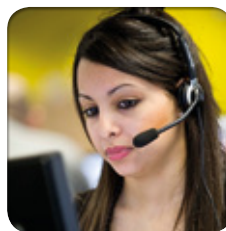
*Telecom Services
Vendor of the Year*

Personal approach

Last year Telenet Solutions enjoyed a growth of 17% (including the HostBasket takeover), outperforming the Belgian B2B market average. Among the contributing factors was Telenet's personal approach. The business division numbers 120 employees, offering individual assistance to customers, from offer to invoicing. Companies know they

will always be dealing with the same contact person.

This personal approach appeals to companies. It shows up in the quarterly customer satisfaction studies that Telenet Solutions conducts. In the fourth quarter of 2008 the business division achieved a 91% score. The trade journal Data News chose Telenet as the Telecom Services Vendor of the Year at the presentation of the Awards for Excellence 2008. And in an ICT survey published by the magazine Smart Business Strategies, Telenet received the highest customer satisfaction score for fixed telephony and Internet in the business market.



Further SME focus

Having already achieved success with carriers at the high end of the market, Telenet Solutions plans to focus even more on SMEs. In exploring the ample opportunities for growth within this segment, what is certain is that Telenet's personal approach will remain key.



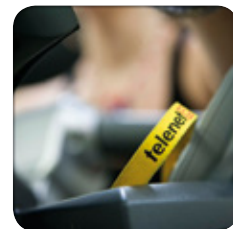
Success story

Belgian Red Cross Flanders has 46 locations: 5 regional offices, 4 centers for blood transfusion and donation, 11 centers for asylum seekers, and more. Because Telenet has the best price/performance ratio available, it installed a 2-gigabit datalink between the Red Cross headquarters in Mechelen and Leuven Gasthuisberg Hospital. This redundant fiber connection to Gasthuisberg led in turn to a number of side projects with other hospitals. Because the offer complies 100% with the needs of Red Cross Flanders, Telenet recently acquired the contract for datalinks between all 46 locations – for at least three years.

28 Remaining competitive through innovation



Telenet invests significantly in research and development and in partners with appropriate expertise. This helps ensure that clients continually benefit from advanced applied technology solutions. By having a structured and coordinated approach to innovation, Telenet is able to bring pioneering products and services to market quickly to the benefit of its customers.



Picking the right partners

Telenet has had a mobile voice offering since 2006 although it was not a main business focus until now. With the extension of its partnership with Belgian telecommunication firm Mobistar in February 2009, Telenet has taken a step forward to becoming a full MVNO (mobile virtual network operator). By building a core mobile network Telenet can be much more flexible in product development, as well as enabling it to provide fixed-mobile convergent services and present a truly competitive quadruple-play offering to the market. Telenet has also explored the potential of

In 2008

- Extension of Mobistar partnership
- Successful video telephony tests
- Potential of mobile TV explored



Telenet has already explored the potential of mobile TV.



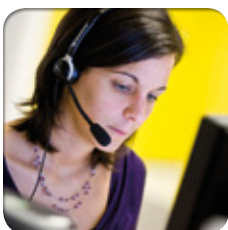
a 200 Mbps service, four times the maximum speed possible under the current standard. Quality will also improve. Successful technical trials were carried out in 2008. Telenet has also undertaken an R&D project involving femtocells, tiny 3G base stations that connect to a broadband connection to boost network coverage inside consumers' homes, often referred to as 'Wifi for GSM'. Telenet also tried out video telephony during 2008 with a small sample of its customer population.



mobile TV, with successful tests carried out on the Telenet campus and in Ghent.

In addition, the company's partnerships with Belgium's national broadcasters for television and its support for the development of interactive services have enabled it to provide customers with a much broader range of innovative offerings.

While not all tests result in tangible products and services being offered to the market, they enable Telenet to explore new technologies and examine what might be possible for the future. In 2009, it will continue its impressive program of innovation with several trials of new iTV, Internet and telephony developments.



New coax technologies for fiber-like speeds

Moving to Euro-DOCSIS 3.0 to extend network capacity will enable Telenet to provide customers with



Telenet has undertaken successful mobile TV tests on its campus and in Ghent.

30 Network investments create additional value

Investments in Telenet's infrastructure, networks and technology have led not only to an increased number of customers, but are helping to ensure that those customers enjoy more rapid internet, state-of-the-art television and even greater reliability of voice services. The result is not just more customers, but more happy customers.

In 2008

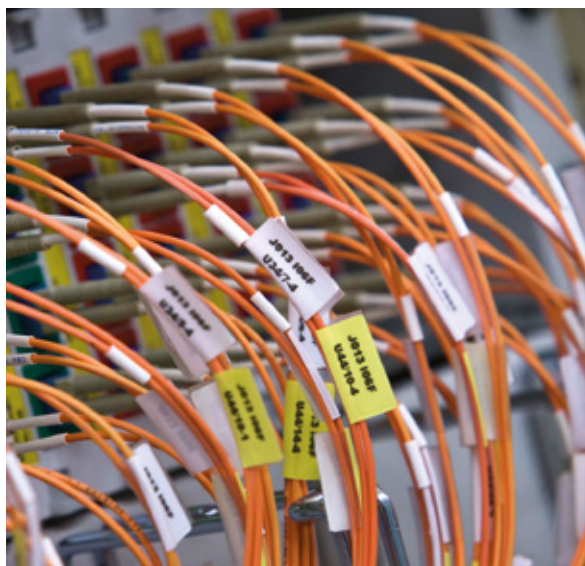
- All amplifiers now 600 MHz capable
- Upgraded Video on Demand (VoD) service
- All voice systems replaced with VoIP services



Expansion and improvement

Extensions to its HFC (Hybrid Fibre Coax) network in 2008 mean that over 401,000 new customers now take advantage of Telenet's innovative and competitive offerings. The integration of the infrastructure included in Telenet's acquisition of Interkabel has also run smoothly with customers fully migrated to Telenet's services as of October.

Following the introduction of ExpressNet and Mach 3, the iDTV network enhancements and optimized procedures and structural preventive maintenance,



At the end of the year, the introduction of new equipment enabled higher Internet product specifications, allowing for the so-called 'Shakes' to be implemented, the popularity of which had a substantial positive impact on Telenet's business.

The design and implementation of a new IT vision and application architecture mean Telenet will enjoy even greater business agility in the future and be able to bring innovative new products and services to market more quickly. Complexity in its offerings can also be further reduced.

The design and implementation of a new IT vision and application architecture mean Telenet will enjoy even greater business agility in the future and be able to bring innovative new products and services to market more quickly.

improvements were made to the HFC network. This means both new and existing customers enjoy greater stability of service. Indeed, the number of CNOs (Critical Network Outages) reached an all-time low. In addition, improvements to Telenet's IP network allow it to cope with increased traffic.

Not only did these changes lead to a halving of calls concerning technical issues, but they also helped boost customer satisfaction.

Getting even better

Performance and infrastructure were also enriched as a result of application server upgrades and system stabilization projects. All amplifiers are now 600 MHz capable and almost half of the 1550 nodes now operate at this speed with the remainder due to be completed by the end of 2009. Services will then operate at a higher speed.



Better quality viewing

One of the biggest evolutions was the full launch of the HD set-top box range early in the year, enabling customers to enjoy advanced picture and sound in their homes and leading to greatly increased traffic. A new low-cost SD Digibox was also made available to replace the previous generation. In addition, Telenet's popular Video on Demand (VoD) service was upgraded to offer better quality, and a fiber project has enabled a tripling of the interactive bandwidth per customer, leading to much faster and more efficient service. All Telenet's MVNO (mobile network virtual operator) activities were insourced during the year, leading to better quality and better cost efficiency.



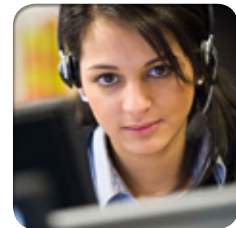
Speak out

In terms of its voice network, Telenet's focus has been on growing line capacity. All systems have been replaced with VoIP services which are most cost-effective and offer greater reliability. Two thousand and nine will also see the full launch of SIP-T on fiber and coax, enabling PABX connectivity via IP for Telenet's business customers. With improved coax, Telenet also expects to be able to serve its business customers more effectively, particularly small- and medium-sized enterprises, which will be a focus point for 2009.

32 Perfecting the customer experience



Attaining high levels of customer satisfaction is one of Telenet's principal objectives. The company works hard to ensure it has the right systems, policies and procedures in place to enable employees at all levels and across all departments to serve customers optimally. The effort paid off in 2008 with an impressive growth rate of customer satisfaction.



Customer satisfaction plays a central role

Two thousand and eight was very much the year of the customer at Telenet. Customer satisfaction was one of the company's top KPIs (key performance indicators). The organization's strategy in this area was threefold:

- To significantly increase customer satisfaction levels.
- To create a learning organization that is continuously correcting and learning from its mistakes and implementing best practice.
- To enrich the customer relationship via cross-selling and loyalty and retention programs.



In 2008

- First-ever Telenet shop opened
- 360° portal for customer-facing divisions
- Separate contact center for French-speaking customers
- Additional 160 technicians hired
- Self-installation now possible

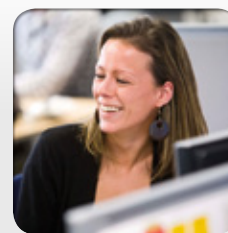
**First time right**

A key principle of the strategy was 'first time right', which included a number of initiatives aimed at enhancing the way contact center advisors handle customer calls. These included improvement loops, daily meetings, revision of KPIs and more. All actions are aimed at helping ensure they find solutions to issues as quickly as possible. This avoids escalation and helps improve customer satisfaction and retention levels.

A new 360° portal was introduced for customer-facing divisions to provide a comprehensive view of the profile of the customer. By understanding exactly what services and products the customer currently enjoys and having access to information about past contact with Telenet, advisors are better placed to offer a more personalized service. They can also more proactively

cross-sell additional services that the customer may like to take advantage of. It is expected that 2009 will see a sharp increase in cross-selling success as a result. The portal will be further enhanced during 2009 to expand its content.

During the year, Telenet also investigated and invested in the improved segmentation of its customer base. This means the company better understands the needs of different target groups and is able to offer services of specific interest to them. Using the best mix of channels has enabled the company to substantially improve sales, resulting in the firm's best year ever with 900,000 new lines for 700,000 customers. More than one third of sales now happen via eSales and the customer care division. Customer satisfaction rates have also been greatly augmented.

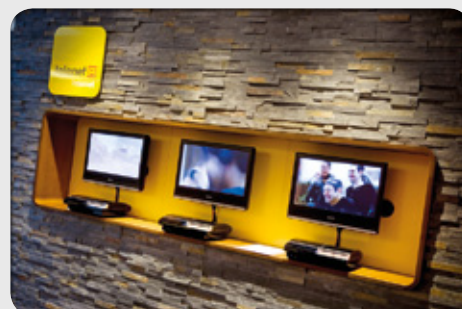
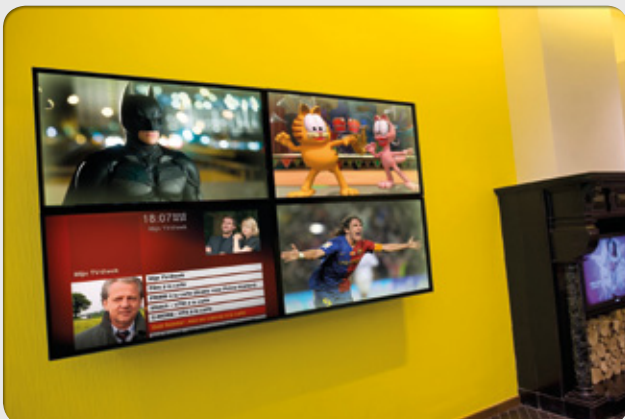
**Getting everyone involved**

In 2009, a new 'klantenbrevet' (client certificate) scheme is being introduced. This initiative means that employees not in daily contact with customers will spend one day with customers. Their involvement can be either making courtesy calls, working in Telenet shops or service centers, working with an installer or in one of the company's call centers. This will help ensure that everyone at Telenet truly understands what the company's customers expect from them.



The face of Telenet

The first-ever Telenet shop was opened in 2008 in Leuven. The shop has been meticulously designed and laid out to offer a 'wow' effect and an exclusive all-round Telenet experience. Feedback on the opening and initiative has been extremely positive. The shop complements the 42 Telenet Centers (up from 14 at the end of 2007) in providing an additional face to the Telenet brand. Like the centers, the shop allows customers to talk with Telenet representatives in person. It also provides a location where they can discover how offerings converge and try out Telenet's innovative services and products. And just as in the Telenet Centers, customers can pick up or drop off set-top boxes or other devices at the shop. Offering face-to-face service in this way, research shows, has significantly contributed to improved customer satisfaction levels.



Telenet agents can more proactively cross-sell additional services that the customer may like to take advantage of.



Speaking your language

With the take-over of UPC Belgium, Telenet gained a foothold in seven Brussels municipalities that are predominantly French-speaking. While the company initially supposed that the queries and issues of customers in this region could be handled by the contact center in Mechelen, it quickly realised that native French speakers would be preferable. A separate contact center to answer the calls of French-speaking customers has been created. Callers feel they are dealing not only with someone who truly speaks their language, but who also fully understands their culture. This has helped encourage the uptake of Telenet products in this area and increase customer satisfaction.



Rebalancing in- and outsourcing

Following results that suggest that Telenet's own advisors returned higher closing, better first-time-right figures and improved customer satisfaction rates, Telenet reviewed its contact center strategy. The decision was taken to rely less on third-party suppliers and bring

more advisors back in house. This process began in 2008. A search was undertaken for locations to establish new centers closer to potential employees and reachable by public transport, rather than at the Mechelen headquarters. This helps to limit employees' need to commute, helping to improve their work/life balance and reduce the company's carbon footprint. The first new contact centers were set up in Aalst and Sint-Truiden staffed with new, thoroughly trained advisers. This thorough training was available to all contact center staff.



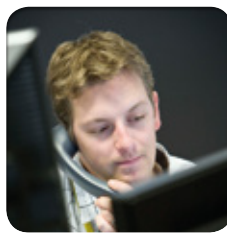
A better bill

Further transparency of Telenet services was achieved via the introduction of a new unified customer bill in 2008 that lists all Internet, telephone and television services provided during a given period. The new bill allows customers to better understand the services they receive and pay for, as based on the results of an ergonomic analysis of Telenet's invoices undertaken in 2007. The new bill also means customers can now pay for their television services on a monthly rather than a yearly basis. It is also much easier to read than the previous version. A partnership with Zoomit allows customers to receive their invoice electronically and pay directly via ebanking.

Installation available 24/7

Following the introduction of the 'Shakes' and the acquisition of Interkabel, leading to a huge upswing in customer demand, installation times for Telenet customers became overly extended. To help diminish these times and to offer customers additional flexibility, Telenet introduced the possibility of self-installation. Once they have selected and ordered the products and services they require, customers eligible for self-installation (those with a modem already present), can simply pick up their set-top box and a comprehensive self-installation starter pack applicable to their region at a Telenet service center. They can then install it at home in their own time. Not only do they avoid having to wait for an appointment and a technician, meaning they can benefit from Telenet's impressive array of offerings much more quickly, but they also save money with no installation fee to pay.

The self-installation option has proven enormously successful and the number of self-installers jumped from just a few hundred to 12,000 a month. An online help service is available for customers choosing the self-installation option. The self-installation service was further enhanced toward the end of the year so that customers who had moved were also able to move their Telenet installation themselves. In 2009, the service will be improved once more with a new modem on offer that customers can also install themselves.



At your service

Telenet hired and trained an additional 160 technicians to help decrease waiting times and extend its installation capacity. An SMS action was also launched that involves calling or sending a text message to customers awaiting a technician the day before their appointment to remind them of the scheduled time. Results show that customers are highly appreciative of this new service.



Superior service from day one

Telenet works with 12 partners to ensure the efficient installation of its products and their effective repair. Contracts were renewed in April 2009 for a new two-year contract period. Telenet creates win-win arrangements to help encourage motivation and superior service. It therefore proactively proposed an improved and uniform contract to recognize the company's higher service expectations. With 12 partners, Telenet has access to more than 900 installers and repairers whose services it calls on as required – since last October, all service providers have been employed full time. Installers and repairers are not only selected based on their language and technical abilities, but also – and more importantly – for their cultural fit with Telenet and their attitude toward customers. They are after all often the only face of Telenet the customer ever encounters. Before beginning work, each individual undergoes extensive training, including a full day on customer interaction. Once they have become Telenet 'certified', they are continually monitored via customer feedback and inspectors to ensure they continue to maintain the highest levels of service. They also attend monthly reviews to discuss issues and keep up-to-date with new products, services and procedures. As a result of Telenet's intensive efforts to assure a first-rate customer experience, service providers enjoy



a customer satisfaction rate of a huge 91%. Efforts are recognized by the company with an annual event for all installers and repairers which helps continue the high level of team spirit and encourage them to continue to go that extra mile for customers.



Save your voice, go online

With more than 80% all of contact between Telenet and its clients happening online – there are more than 300,000 visits to My Telenet weekly – and to maximize its use of existing channels, the company invested in improving its online services. This included the addition of a web forum containing the answers to a large number of predetermined questions. Currently more than 200,000 questions are clicked on in the forum each week. Not only can customers proactively consult the questions, but when a client sends a question to Telenet, the software searches for defined fields and suggests where the client may find the right answer, saving both client and Telenet time and effort. This means customers can find answers to issues 24/7.

Introducing Webcare



To help improve customer care further still, Telenet proactively monitors online blogs and forums to discover what customers are saying about the company. To answer queries and issues found and provide a 'voice' for Telenet, the company created Charlotte. By no means a real person, Charlotte is basically a web address manned by a number of Telenet staff who proactively answer issues brought up online. This innovative form of webcare has been well received, as proven not only by positive feedback and thanks received, but also the increase in number of people pointing others with issues toward 'Charlotte' for assistance. Telenet will increase the number of forums it monitors in this way in 2009.

To further encourage customers to contact Telenet via the website and reduce the 100,000 calls made to its contact centers each week, an innovative 'Save your Voice' campaign was launched. The campaign explained all available online services. Campaigns to encourage customers to take more control of their Telenet subscription online will continue in 2009. The result is expected to be a further increase in this sort of self-service. One example will be changes in the application to enable customers who search for a product or service to be directed to Telenet's e-shop to purchase that product or service immediately. In addition, My Telenet will be further advanced with customers better able to manage their telephone and television services, as well as Internet. The online support forum will also be revamped to have the same look

and feel as My Telenet, helping to further develop ease-of-use.

Telenet's immense focus on the customer during 2008 has proven to be extremely successful, with customer churn well under control, particularly in the area of analogue TV. The introduction of the Shakes had a significant impact in this area. The company continuously measures key criteria to assess progress and ensure it is always improving. This will continue for the future. With Telenet's customer retention specialists joining the customer care division in 2009 and new ways being sought of disseminating information across the company, it will become easier to resolve customer problems more effectively.

38 Putting people first



In 2008 Telenet kept its focus on recruiting the right talent to maintain a highly competitive market position, and ensuring they have the right skills to maximize customer satisfaction. In addition to a number of innovative recruitment initiatives, people processes were also refreshed to be fully in line with the needs of both the organization and its employees - today and in the future.

The number of employees rose in 2008 to 1,716 at year end and in 2009 Telenet will continue its rigorous recruitment drive. The average employee age at Telenet was 38.1 years, with males at 39.5 and the females at 35.3.

A calling for contact centers

With customer satisfaction a key pillar of its strategy, Telenet focused on and invested heavily in its contact center staff in 2008. In line with the company's objective to decentralize its contact centers and rebalance the ratio of internal and external advisors, Telenet employed an additional 200 agents. One of Telenet's principal recruitment efforts was for a new contact center in Aalst. Fifty people were required by the end of April 2009. Another new contact center was established in Sint-Truiden with 90 staff.

In 2008

- 1,716 employees at year end
- Named 'Top Employer'
- New contact centers close to the customer
- More training for 'Get it right first time'
- Telenet's headquarters won bronze at the 2008 IFMA Awards



HR business partners and staff, headed by Claudia Poels

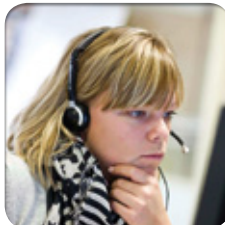
Rather than create the new centers near its Mechelen headquarters, Telenet decided it would be more strategic to create centers in other locations to avoid employees having unnecessarily long commutes, thereby improving work/life balance and helping Telenet decrease its carbon footprint. It also helps to offer customers a more personalized service by enabling them to speak with someone familiar with their locality. Further recruitment campaigns will be carried out in other locations where Telenet is seeking to establish more contact centers.



Making time for training

New training models were created to help agents learn more effectively and the amount of e-learning opportunities expanded. Overall, 1,000 training hours were spent, 30% more than 2007. The result made a clear contribution to the company's 'Get it right first time' policy, helping to improve quality of service and as a result customer satisfaction and retention levels.

In 2009, training activities will be further enhanced with a focus on attitudes and behaviors.



Finding out what you think

An employer branding survey revealed that current employees consider Telenet to be a young and dynamic company and an attractive employer that offers a high level of job satisfaction and good prospects for internal promotion. Indeed, wherever possible open positions are filled via internal promotion. Responses to the survey given by current employees (the survey also polled ex-employees and potential candidates) were confirmed with Telenet being named 'Top Employer' by CRF, an international survey company, in conjunction with Hay Group and Jobat. Telenet obtained the maximum score on working conditions, training and development and working atmosphere. A survey that polls employees on a number of criteria concerning their

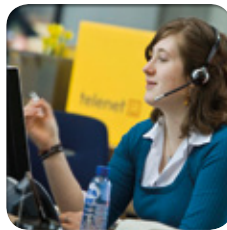
It's good to talk

In 2009, Telenet will be looking at how employees communicate with one another and across the company and how it can make better use of interactive media, such as videos and surveys, on the company's intranet, TINE. The result will be a more comprehensive internal communications system that is not only highly functional but also fun to use.



wellbeing within their professional lives, carried out within the company every three years, was undertaken in 2008. Comparing results with those of 2005, there has been a significant improvement in terms of the team, the organization and the working environment. Also positive was a substantial reduction in employees' perception of stress at work and harassment. This last result also held true when looking at industry benchmarks. Telenet is perceived by its employees to have an open culture where people can confidently offer ideas and input. The survey revealed a number of areas that do require attention and company-wide initiatives to tackle these are being developed and will be implemented by the end of 2009.

Attracting the best talent remains a priority for Telenet.



A view from the outside

While those in the outside world know the brand Telenet as an Internet, TV and telephone services provider, the employee branding survey, which also polled potential candidates, revealed that the company was not well known as an employer. Respondents were unaware that Telenet is a growing

company and a leader in applied technology, and that it offers a pleasant work environment and challenging positions, as well as abundant development opportunities. Based on this, Telenet initiated a corporate branding campaign using all recruitment media channels in order to create a much stronger employer brand. 'Je kunt meer' (I can do more) was the tagline of the highly innovative campaign which resulted in the number of CVs received by Telenet significantly increasing. Telenet also had a stand at the fourth edition of the popular Talentum job fair in October. The stand was voted the best at the event by the 6,500 visitors.



Telenet's innovative corporate branding campaign used all recruitment media channels to create a much stronger employer brand.





To further strengthen its recruitment process, Telenet has researched and selected a number of internationally recognized selection tools, which will be used as of 2009. The company will also refresh its highly successful employee referral process to ensure it meets the requirements of the evolving organization. A new interactive jobsite taking full advantage of Web 2.0 will also be launched.

New talent

With an eye on the future and looking to help ensure enough talented newcomers to the field of applied technology, Telenet has helped to encourage the study of relevant subjects at schools. In 2008, Duco Sickinghe, the company's CEO, visited schools to talk about the sort of careers the study of ICT could lead to. Telenet also developed a game for students aged 14 to 18 to play online that involved the design of intelligent clothing. The game, entitled, 'I Love IT', was supported by a number of workshops, led by Patricia Ceysens, Flemish Minister for Economy, Enterprise, Science, Innovation and Foreign Trade. The workshops enabled would-be game players to learn more about the technologies that they could use in their design and how they work. All demonstrated technologies are employed in Telenet's products and services.



Getting to know the company

All new hires at Telenet receive a comprehensive introduction day and training, helping to provide them with the confidence that they have selected the right company to work with. Already in the months before they begin work, they have access to a vast database of Telenet information. A dedicated website, similar to the company's intranet, has been created for recruits who have signed a contract but not yet begun work.

Learning to lead

The company also believes in the importance of true leadership and its in-depth Genuine Leadership program provides individuals new to a management role with a view on basic management skills. Twenty-eight managers took part in the program in 2008. A training program aimed at middle managers, combining more advanced management skills with the ability to deal with change and gain employee buy-in for business transformation, will be launched in 2009. All programs come under the umbrella of the established Telenet Leadership Model.

Facility
awards2008



Hard work pays

With customer satisfaction at the top of Telenet's agenda, the company announced a bonus to be paid to all employees if the company reached its ambitious 90% target. Forty percent of a manager's bonus is already based on customer satisfaction. A huge employee effort led to a significant increase in customer satisfaction which was recognized and rewarded. A new 'klantenbrevet' (client certificate) scheme has been introduced in 2009 which calls for all employees not in daily contact with customers to spend one day with customers either making courtesy calls, working in Telenet shops or service centers, working with an installer or in one of the company's call centers.

A winning work environment

To help employees who wish to stay physically fit, Telenet added a state-of-the-art gym facility at its Mechelen premises. As part of 'Telenet Fit' a 'start to run' club was initiated with a group of employees regularly running together around Mechelen during lunchtimes. This has been joined with 'start to swim', 'start to cycle' and other similar initiatives introduced under the same umbrella. Full changing and shower facilities, as well as a drying room, are available for all employees. For those wishing to relax in other ways a games room was created that offers a selection of leisure pursuits. In addition, Telenet provides its employees access to a laundry service and as of 2009 a pilot scheme for childcare during the summer holidays will be added. The building itself won bronze in the 2008 IFMA (International Facility Management Association) facilities awards for putting people – both employees and the local community – first.





44 Building a brighter future for all



Telenet has rapidly grown into a significant and highly competitive player in the field of applied technology. It has ensured that this growth has been accompanied by an equally notable increase in its responsibility toward helping improve the lives of others, both at home and abroad. It also works to limit its potential negative impact on the environment, in terms of both products and services, and internal processes.



Getting greener still

Telenet has created a comprehensive and coordinated approach toward limiting its potential negative impact on the environment. At the very least, the company complies fully with all national and European legislation. But Telenet takes its environmental concern much further. In 2008, Telenet changed its energy supply contract so that all electricity purchased is 100% green. A carbon audit was also carried out in 2008 to provide a more detailed picture of Telenet's total emissions. Actions based on the results are planned for 2009. For example, all non-essential equipment in the network will be decommissioned

**In 2008**

- 100% green energy
- 20% energy savings in set-top boxes
- 90% less energy consumption in Services Operations Center
- Training and digital access to more than 46,000 underprivileged people
- My Zone extended to 7 hospitals
- A new school and education center for Dakar



In its Services Operations Center (SOC), responsible for monitoring all networks and services, a rear projection video wall display was introduced that cuts the SOC's energy consumption by 90%, as well as providing a clearer 360° view on every network connection and service to allow problems to be immediately detected.

to help reduce energy usage. All new constructions will be made environmentally-friendly, such as Telenet's server farm that will use 'free-cooling'. A longer term-project involves a reduction in the number of amplifiers on the network, which will not only save electricity, but also increase bandwidth per customer. Telenet will also look into a better use of solar and wind energy.

For its set-top boxes, Telenet is working on a technology to ensure the devices switch themselves off at certain times to reduce energy consumption. This will allow customers to save up to 20% in energy consumption.

Everyone can contribute

The company also conducted an internal survey, asking staff for their ideas on how to limit environmental impact. More than 120 responses were given, including more selective collection of waste, the introduction

of a printing policy to reduce paper and adaption of the company car policy. These will again be acted upon this year with department-wide targets put in place by May 2009.

A 'Friday Bike Day' was introduced with employees encouraged to cycle to work where possible every day (not just Fridays) between May and September. In 21 weeks, staff rode a huge 35,444 kms, almost the distance of the earth's circumference, helping to reduce Telenet's carbon burden by 11.5 tons. This year, staff that travel to work by train will have the option to have a bike supplied by the company to travel between the office and Mechelen central station in order to cut down on their use of public transport. This will help further diminish Telenet's carbon footprint. Carpooling will also be encouraged as will the take-up of CO₂-friendly cars. The company will also further investigate the possibility of increasing home working.

Setting higher standards for suppliers

Electricity consumption plays a crucial role when selecting suppliers. The company expects all suppliers to declare their CO₂ impact in future tenders as of this year.

Many of the suggestions resulting from the internal survey are being included in the company's innovative Climate Challenge program. The program is an initiative from Liberty Global, Telenet's mother company, aimed at proactively lessening everyone's environmental impact, both at work and at home. It involves a number of activities that will take place throughout the year to raise awareness.

These actions and the many more to come in the future will set Telenet well on the path to reaching its target of 20% CO₂ and 20% energy reduction, using 20% renewable energy by 2020.



Telenet Foundation: addressing the digital divide

Telenet Foundation, an autonomous fund that grants financial awards to projects that help familiarize socially underprivileged people with interactive communication technology, continued its efforts to encourage digital inclusion. Since it began, more than 600 projects have applied for funding. Today, the Telenet Foundation supports a total of 53 projects across Belgium and abroad – nine were granted funding in 2008. All projects help raise awareness of and provide solutions to the issue of digital inclusion for all levels of community, especially children. By the end of 2009 the Foundation will have helped to provide digital access and sustainable training to around 46,000 individuals.

Going back to school

The theme ‘Brede school’ (literally broadschool) was introduced in 2008 to focus activities on non-profit projects that address the so-called second level of the digital divide. Winning projects use an

existing or create a new learning establishment to provide IT education to socially disadvantaged and marginalized individuals in the local community. The first award went to Educentrum that operates an IT-huis (IT-house) in Ghent. Part of a KlasCement initiative from the Flemish Government, IT-huis makes ICT accessible and understandable to underprivileged families via four channels (iSchool, iBib, iThema, and iThuis).

Engaging employees

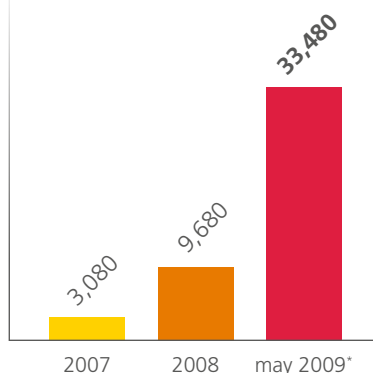
Two thousand and eight also saw a push to increase Telenet employee involvement in the Foundation. In 2008, one award of financial aid, the so-called Telenet Home prize, went to a project promoted by a Telenet employee. This award was given to the AnySurfer project aimed at making websites more accessible for disabled people. Employee voting was also introduced with employees invited to vote for one of three projects shortlisted by Telenet Foundation’s own Board of Directors. More than 600 employees voted, resulting in the Leonardo Lyceum CDO Middelheim in Antwerp receiving €20,000. The project trains socially underprivileged people to work in the ICT environment as digital installers to enable them to more easily find work in this dynamic area.

The Brede school theme will continue in 2009 and all projects to be considered for support by

Telenet Foundation

Total spent on projects to help close the digital divide: €818,649

Number of people helped



*end 2009 estimated total 46,000



Telenet Foundation must fit into this focus area. The Foundation also partnered with Digitale Week, an annual Flemish initiative by non-profit organization LINC that places the digital gap in the spotlight via the promotion of local initiatives. Telenet created and distributed a TV advertisement to support the campaign and provided a key speaker for the event. In addition, all Telenet Foundation projects opened their doors to the public.

rolled out in other hospitals where Cliniclowns are present. In 2008, My Zone expanded the My Zone scheme to Sint-Truiden to bring the total number of hospitals benefiting from this innovative scheme to seven. As a result, My Zone benefited 13,000 children throughout the year.



Bring on the Clowns... My Zone

My Zone, a Telenet initiative aimed at making hospital stays for Belgium's sick children easier by providing safe access to the Internet, launched an innovative webcam project, Hotel de Cuberdonske. The new service, developed in-house by a Telenet technical team, enables patients to reserve and enjoy a secure webcam session with their favourite Cliniclown. Given the limited number of Cliniclowns available, this pioneering new service enables the Cliniclown organization to extend its recuperative benefits further. The service is available in Mol and in the future will be



Adding more Christmas cheer

My Zone takes every opportunity to raise money for its worthy cause of easing the lives of children suffering from long-term illnesses. Its innovative 2008 Christmas card campaign was no exception. Telenet created an online card and encouraged recipients to send the card on to friends and family with a promise to donate €0.50 for every card sent. The card was sent 10,850 times, raising €5,425, which was presented to the Cliniclown organization.



Music for Life

Telenet firmly believes in not simply allowing but facilitating charitable deeds initiated by employees as much it can. One example in 2008 was the organization of a Christmas lunch in the company restaurant. All money paid for the lunch – a total of almost €5,000 – was donated to Music for Life, a charitable initiative from Belgian radio station Studio Brussel carried out in conjunction with the Red Cross.

Hotel de Cuberdonske, a Telenet webcam project, extends the recuperative benefits of Cliniclowns further still.





Bonjour Afrique

Wholly initiated and driven by staff, Bonjour Afrique relies on the free time and enthusiasm of Telenet employees to help raise funds and undertake projects. In 2008, volunteers gave a total of 3,902 hours to the organization and were awarded with the 'Social Award' at a Telenet Marketing Offsite Event. All projects have been realized in Senegal to date and the concern's main fundraising activity per year calls on local Senegalese culture as its base. Activities in 2008 included the setting of a world-record number of djembe (a type of hand drum) players in one location, which took place on a beach in Zeebrugge and brought 1,401 djembe players together; a film festival of African films in Ghent; an employee quiz evening; and the donation of one day's salary by Telenet employees to the aid organization.

Education for all

A total of €89,421 was raised throughout the year, with which Bonjour Afrique was able to replace a primary school in Medina Gounass in Dakar with a brand new structure that will have the capacity to teach 160 children. It represents the first community school in the region. The first lessons were given on January 5, 2009, to the 40 children currently enrolled. Telenet also funds four teaching staff at the school and supplies a coach to the education center attached to the school. Telenet provided 30 PCs for the education center and has created a cyber café next to it which offers Internet access at attractive rates.

All Bonjour Afrique projects are undertaken in conjunction with a local NGO and based on research to ensure they truly meet the needs of local people.



Making life sweet

Bonjour Afrique works with a honey producing concern close to Dakar, providing expert advice and opportunities to help the three villages the concern supports improve the quality of their product, create additional markets and ensure their livelihood for the future.



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; potential adverse competitive, social, economic or regulatory developments; our ability to successfully finalize the integration of the recently closed Interkabel Acquisition; 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; 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 and our ability to complete our proposed shareholder distribution in 2009 and to sustain or increase such distributions in future periods. 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, 2007 and 2008 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 2008 consists of the Annual Review 2008 and the Consolidated Annual Report 2008. The Consolidated 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 2008 and the Consolidated Annual Report 2008 together to form the Annual Brochure 2008. Even though both documents can be consulted separately, the Annual Review 2008 is inextricably interlinked with the Consolidated Annual Report 2008 and must always be considered in conjunction with Consolidated Annual Report 2008.

Printed copies of the Telenet Annual Brochure 2008 are available upon simple request at Telenet. The Annual Brochure 2008 can also be consulted and downloaded from the Telenet website at www.telenet.be.

In 2008...

- Largest growth ever in customer acquisition
- Almost 50% of customers subscribed to two or more services
- Over 100,000 new broadband Internet customers
- Approximately 70% of fixed telephony lines lost by the historical competitor were acquired by Telenet
- Digital TV penetration reached almost 35% on Telenet Network
- Telenet Solutions revenue grew by 17%

- More than 985,000 broadband Internet subscribers
- Public hotspot usage rose by 66%
- Over 629,000 telephony customers
- More than 674,000 iDTV viewers
- Over 117 interactive applications available on Telenet's iDTV platform
- Telenet Solutions achieved an impressive 17% revenue growth

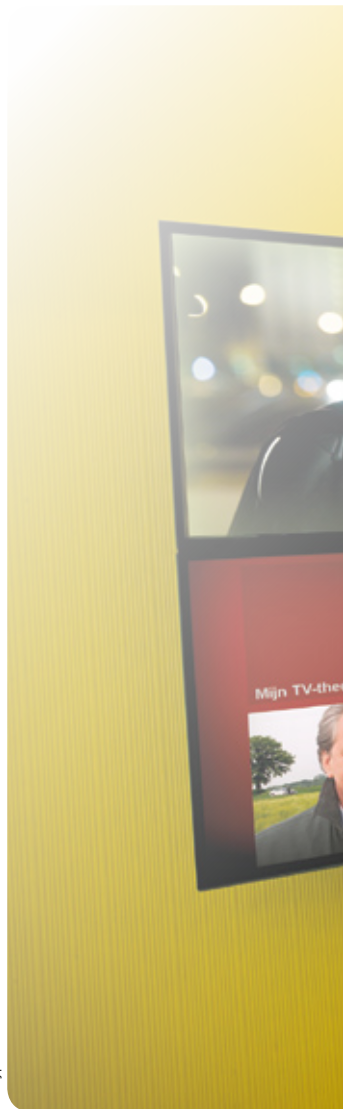
- Extension of Mobistar partnership
- Successful video telephony tests
- Potential of mobile TV explored

- All amplifiers now 600 MHz capable
- Upgraded Video on Demand (VoD) service
- All voice systems replaced with VoIP services

- First-ever Telenet shop opened
- 360° portal for customer-facing divisions
- Separate contact center for French-speaking customers
- Additional 160 technicians hired
- Self-installation now possible

- 1,716 employees at year end
- Named 'Top Employer'
- New contact centers close to the customer
- More training for 'Get it right first time'
- Telenet's headquarters won bronze at the 2008 IFMA Awards

- 100% green energy
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- A new school and education center for Dakar



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