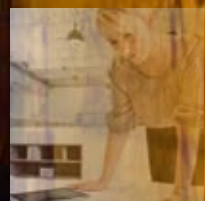


ANNUAL REPORT

2010

Experience life  
in the Digital World



## KEY FIGURES

	2005	2006	2007	2008	2009	2010
// P&L Highlights <span>in million euro</span>						
<b>Revenue</b>	<b>733.5</b>	<b>813.5</b>	<b>931.9</b>	<b>1,018.8</b>	<b>1,197.4</b>	<b>1,299.0</b>
Cost of services provided	(456.7)	(510.7)	(553.5)	(589.3)	(688.9)	(735.8)
<b>Gross profit</b>	<b>276.8</b>	<b>302.8</b>	<b>378.4</b>	<b>429.6</b>	<b>508.5</b>	<b>563.2</b>
Selling, general and administrative expenses	(145.6)	(159.0)	(173.1)	(190.8)	(210.0)	(218.7)
<b>Operating profit</b>	<b>131.2</b>	<b>143.7</b>	<b>205.3</b>	<b>238.7</b>	<b>298.5</b>	<b>344.5</b>
Net finance expense	(193.2)	(101.0)	(211.7)	(191.3)	(153.6)	(197.6)
Share of the loss of equity accounted investees	-	-	(0.3)	(0.3)	(0.5)	(0.4)
<b>Profit (loss) before income tax</b>	<b>(62.0)</b>	<b>42.8</b>	<b>(6.7)</b>	<b>47.1</b>	<b>144.4</b>	<b>146.5</b>
Income tax benefit (expense)	(15.0)	(34.3)	27.4	(62.3)	88.7	(57.2)
<b>Profit (loss) for the period</b>	<b>(77.0)</b>	<b>8.5</b>	<b>20.7</b>	<b>(15.2)</b>	<b>233.1</b>	<b>89.3</b>
// Cash Flow Highlights <span>in million euro</span>						
Profit (loss) for the period	(76.7) <sup>(1)</sup>	5.5 <sup>(1)</sup>	20.7	(15.2)	233.1	89.3
Depreciation, amortization and impairment	206.3	222.9	237.6	261.6	302.8	313.8
Working capital changes and other non cash items	33.8	20.7	20.3	(0.3)	(45.6)	(17.0)
Income tax expense (benefit)	14.9	34.2	(29.8)	62.3	(89.0)	57.5
Net interest expense and foreign exchange loss	170.4	65.8	99.6	158.3	132.8	150.7
Net loss (gain) on derivative financial instruments	(25.8)	8.9	25.5	33.0	20.9	39.0
Loss on extinguishment of debt	13.7	21.4	86.7	-	-	7.9
Cash interest expenses and cash derivatives	(124.0)	(68.0)	(253.2)	(147.7)	(114.2)	(137.4)
<b>Net cash provided by operating activities</b>	<b>212.6</b>	<b>311.4</b>	<b>207.4</b>	<b>352.0</b>	<b>440.8</b>	<b>503.8</b>
Cash capex	(183.0)	(207.9)	(193.9)	(230.8)	(273.9)	(246.0)
Acquisitions of subsidiaries and affiliates, net of cash acquired	(1.4)	(183.6)	(0.3)	(205.1)	(6.4)	(2.3)
Other	0.5	0.1	0.0	2.4	0.7	0.3
<b>Net cash used in investing activities</b>	<b>(184.0)</b>	<b>(391.4)</b>	<b>(194.2)</b>	<b>(433.5)</b>	<b>(279.6)</b>	<b>(248.0)</b>
Net debt redemptions	(212.7)	(60.4)	677.5	77.1	5.0	526.2
Payment of shareholder disbursement	-	-	(654.9)	(0.8)	(55.8)	(249.8)
Other financing activities (incl. finance leases)	249.3	(11.1)	(18.1)	(5.8)	(30.3)	(38.3)
<b>Net cash provided by (used in) financing activities</b>	<b>36.6</b>	<b>(71.5)</b>	<b>4.5</b>	<b>70.5</b>	<b>(81.1)</b>	<b>238.1</b>
<b>Net cash generated (used)</b>	<b>65.2</b>	<b>(151.5)</b>	<b>17.8</b>	<b>(11.0)</b>	<b>80.1</b>	<b>493.9</b>
Cash and cash equivalents at beginning of period	145.2	210.4	58.8	76.6	65.6	145.7
Cash and cash equivalents at end of period	210.4	58.8	76.6	65.6	145.7	639.6
<b>Free Cash Flow <sup>(2)</sup></b>	<b>29.6</b>	<b>103.5</b>	<b>13.6</b>	<b>121.2</b>	<b>166.9</b>	<b>257.8</b>

(1) Net income from continuing operations, i.e. excluding contribution from the Phone Plus Sprl carrier pre-select telephony business.

(2) Free Cash Flow is defined as net cash provided by the operating activities of the Company's continuing operations less capital expenditures of its continuing operations, each as reported in the Company's consolidated statement of cash flows. Free Cash Flow is an additional measure used by management to demonstrate the Company's ability to service debt and fund new investment opportunities and should not replace the measures in accordance with IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable IFRS measure. Free Cash Flow is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G. For related definitions and reconciliations, see the Investor Relations section of the Liberty Global, Inc. website (<http://www.lgi.com>). Liberty Global, Inc. is the Company's controlling shareholder.

## KEY FIGURES

	2005	2006	2007	2008 <sup>(3)</sup>	2009	2010
<b>// Balance Sheet Highlights</b> <span style="float: right;">in million euro</span>						
Non-current assets	2,235.7	2,403.3	2,457.5	2,859.7	2,995.3	2,895.3
Current Assets, excl Cash & Cash Equivalents	125.3	130.0	133.2	110.5	132.2	157.8
<b>Cash and Cash Equivalents</b>	<b>210.4</b>	<b>58.8</b>	<b>76.6</b>	<b>65.6</b>	<b>145.7</b>	<b>639.6</b>
Total assets	2,571.4	2,592.1	2,667.3	3,035.8	3,273.2	3,692.7
<b>Total Equity</b>	<b>709.1</b>	<b>721.7</b>	<b>170.1</b>	<b>170.2</b>	<b>360.1</b>	<b>217.5</b>
Non-current liabilities	1,344.5	1,411.8	2,061.7	2,387.0	2,404.2	2,923.4
Current Liabilities	517.8	458.6	435.5	478.6	508.9	551.8
Total liabilities	1,862.3	1,870.4	2,497.2	2,865.6	2,913.1	3,475.2
<b>Total equity and liabilities</b>	<b>2,571.4</b>	<b>2,592.1</b>	<b>2,667.3</b>	<b>3,035.8</b>	<b>3,273.2</b>	<b>3,692.7</b>
<b>Total Net Debt</b>	<b>1,155.8</b>	<b>1,232.4</b>	<b>1,825.4</b>	<b>1,919.9</b>	<b>1,844.7</b>	<b>1,882.5</b>
Total Net Debt (incl. finance leases)	1,279.2	1,355.1	1,969.7	2,297.7	2,220.4	2,287.8
<b>// Adjusted EBITDA reconciliation</b> <span style="float: right;">in million euro</span>						
<b>Adjusted EBITDA <sup>(4)</sup></b>	<b>339.7</b>	<b>368.3</b>	<b>443.4</b>	<b>506.4</b>	<b>607.7</b>	<b>668.7</b>
Adjusted EBITDA margin	46.3%	45.3%	47.6%	49.7%	50.7%	51.5%
Share based compensation	(2.2)	(1.6)	(0.5)	(4.6)	(5.1)	(9.8)
Operating credits (charges) related to acquisitions or divestitures	-	-	-	(0.8)	(1.3)	(0.3)
Restructuring charges	-	-	-	-	-	(0.3)
<b>EBITDA</b>	<b>337.5</b>	<b>366.6</b>	<b>442.9</b>	<b>501.0</b>	<b>601.3</b>	<b>658.3</b>
Depreciation, amortization and impairment	(206.3)	(222.9)	(237.6)	(262.2)	(302.8)	(313.8)
<b>Operating profit</b>	<b>131.2</b>	<b>143.7</b>	<b>205.3</b>	<b>238.7</b>	<b>298.5</b>	<b>344.5</b>
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Share of the loss of equity accounted investees	-	-	(0.3)	(0.3)	(0.5)	(0.4)
Income tax benefit (expense)	(15.0)	(34.3)	27.4	(62.3)	88.7	(57.2)
<b>Profit (loss) for the period</b>	<b>(77.0)</b>	<b>8.5</b>	<b>20.7</b>	<b>(15.2)</b>	<b>233.1</b>	<b>89.3</b>

(3) As re-presented. Adjustments to the preliminary, purchase price allocation for the October 1, 2008 Interkabel acquisition were made retrospectively in 2009 as if those adjustments had been made at the acquisition date. The impact of these adjustments for the year ended December 31, 2008, is reflected as "re-presented" in the consolidated financial statements.

(4) EBITDA is defined as profit before net finance expense, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is defined as EBITDA before stock-based compensation and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets and (ii) due diligence, legal, advisory and other third-party costs directly related to the Company's efforts to acquire or divest controlling interests in businesses. Adjusted EBITDA is an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable IFRS measure. Adjusted EBITDA is a non-GAAP measure as contemplated by the U.S. Securities and Exchange Commission's Regulation G. For related definitions and reconciliations, see the Investor Relations section of the Liberty Global, Inc. website (<http://www.lgi.com>). Liberty Global, Inc. is the Company's controlling shareholder.

(5) Since Telenet's stock market listing on Euronext Brussels stock exchange as of Oct. 10, 2005.

(6) Leverage ratio is calculated as Total Net Debt to Consolidated Annualized EBITDA under the Senior Credit Facility. Total Net Debt is calculated as set out in the Senior Credit Facility and excludes, among other things, capitalized element of finance leases.



	2005	2006	2007	2008 <sup>(3)</sup>	2009	2010
// Total Services <span>in thousands, except for customer relationship information</span>						
Homes passed - Combined Network	2,500	2,531	2,744	2,769	2,794	2,819
Telenet Network	1,699	1,715	1,920	-	-	-
Telenet Partner Network	801	816	824	-	-	-
Analog Cable TV	1,551	1,407	1,340	1,729	1,342	1,033
Digital Cable TV	75	226	391	674	1,001	1,242
<b>Total Cable TV</b>	<b>1,626</b>	<b>1,633</b>	<b>1,731</b>	<b>2,402</b>	<b>2,342</b>	<b>2,274</b>
Broadband internet	624	729	883	985	1,116	1,227
Fixed telephony	364	455	548	629	741	815
Mobile telephony	-	13	56	87	129	199
<b>Total services (excl mobile)</b>	<b>2,614</b>	<b>2,817</b>	<b>3,162</b>	<b>4,016</b>	<b>4,199</b>	<b>4,316</b>
Triple-play customers	176	236	323	539	651	719
Total customer relationships	1,626	1,633	1,731	2,402	2,342	2,274
Services per customer relationship	1.42	1.50	1.60	1.67	1.79	1.90
ARPU per customer relationship (€ / month)	<b>24.8</b>	<b>26.7</b>	<b>29.4</b>	<b>32.5</b>	<b>35.0</b>	<b>38.8</b>
// Per share data <span>in euro, except for shares outstanding</span>						
<b>Share price for the period</b>						
Year-end	10.60 <sup>(5)</sup>	14.39	17.52	10.82	18.08	29.48
Average	11.44 <sup>(5)</sup>	11.97	16.25	12.79	13.84	22.59
High	14.08 <sup>(5)</sup>	14.75	18.07	17.56	18.08	31.74
Low	10.60 <sup>(5)</sup>	10.19	14.42	8.70	10.51	17.88
Weighted average number of shares outstanding (basic)	89,503,387	100,625,547	104,615,436	109,981,494	111,354,953	112,093,758
Weighted average number of shares outstanding (diluted)	89,503,387	104,453,726	108,588,515	109,981,494	111,956,540	113,542,782
Average daily volume of shares traded	582,034	233,222	238,543	267,404	262,794	281,360
Basic earnings (loss) per share	(0.86)	0.05	0.20	(0.14)	2.09	0.80
Diluted earnings (loss) per share	(0.86)	0.05	0.19	(0.14)	2.08	0.79
Operating cash flow per share	2.38	3.09	1.98	3.20	3.96	4.49
Free Cash Flow per share	0.33	1.03	0.13	1.10	1.50	2.30
Shareholder disbursement per share	-	-	6.00	-	0.50	2.23
// Multiples						
Market capitalization at year-end (€m)	949	1,448	1,833	1,190	2,013	3,305
Enterprise value at year-end (€m)	2,228	2,803	3,802	3,487	4,234	5,592
Gross profit margin	37.7%	37.2%	40.6%	42.2%	42.5%	43.4%
Adjusted EBITDA margin	46.3%	45.3%	47.6%	49.7%	50.7%	51.5%
Net margin	(10.5%)	1.0%	2.2%	(1.5%)	19.5%	6.9%
Free Cash Flow margin	4.0%	12.7%	1.5%	11.9%	13.9%	19.8%
Number of employees (full-time equivalents)	1,503	1,552	1,592	1,597	1,887	2,000
Revenue per employee (€)	488,024	524,162	585,362	637,975	634,563	649,497
Adjusted EBITDA per employee (€)	226,022	237,312	278,518	317,111	322,030	334,344
Accrued capex/sales	25.5%	27.4%	24.0%	24.1%	26.5%	24.3%
Leverage ratio <sup>(6)</sup>	3.4	3.4	4.1	3.8	3.1	2.9
Leverage ratio (incl. finance leases)	3.8	3.7	4.4	4.6	3.7	3.5
EV/Adjusted EBITDA	6.6	7.6	8.6	6.9	7.0	8.4
EV/Sales	3.0	3.4	4.1	3.4	3.5	4.3
Free Cash Flow yield	3.1%	7.1%	0.7%	10.2%	8.3%	7.8%





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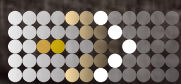
# 1

## Corporate profile





1.1 Telenet at a glance



1.2 Mission Statement

## 1.1 Telenet at a glance





# 1 CORPORATE PROFILE



**From left to right above:** // Jan Vorstermans - Executive Vice President Technology & Solutions // Inge Smidts - Senior Vice President Residential Marketing // Herbert Van Hove - Senior Vice President Product Management // Patrick Vincent - Executive Vice President Residential Sales & Care // Duco Sickinghe - Chief Executive Officer and Managing Director Telenet // Martine Tempels - Senior Vice President Telenet Solutions // Renaat Berckmoes - Executive Vice President and Chief Financial Officer  
**From left to right front row:** // Luc Machtelinckx - Executive Vice President General Counsel // Claudia Poels - Senior Vice President Human Resources // Ann Caluwaerts - Senior Vice President Public Affairs and Media (as from 01/04/2011) // Ronny Verhelst - Executive Vice President Public Affairs and CEO Telenet Mobile (until 01/04/2011).

Telenet is the largest provider of cable services in Belgium.

Telenet focuses on the provision of broadband, fixed and mobile telephony services and cable television, to residential customers in Flanders and Brussels. Professional communications services are also provided to corporate customers in Belgium and Luxembourg under the Telenet Solutions brand name.

As a telecommunications company, Telenet finds innovation and development extremely important, including the constant optimization of existing applications, the continuing expansion of the technological possibilities and the enlargement of the product and service offering. A convincing marketing approach, a creative product mix and efficient customer service ensure that Telenet is always able to appeal to new target groups.

As a growth company, Telenet is highly conscious of its increasing responsibility in the community. Telenet has managed to significantly decrease its ecological footprint through a number of initiatives. Telenet has also demonstrated great social engagement, which is not only reflected in the socially-engaged product range, but also in the efforts of the Telenet Foundation to further close the digital gap between social groups.

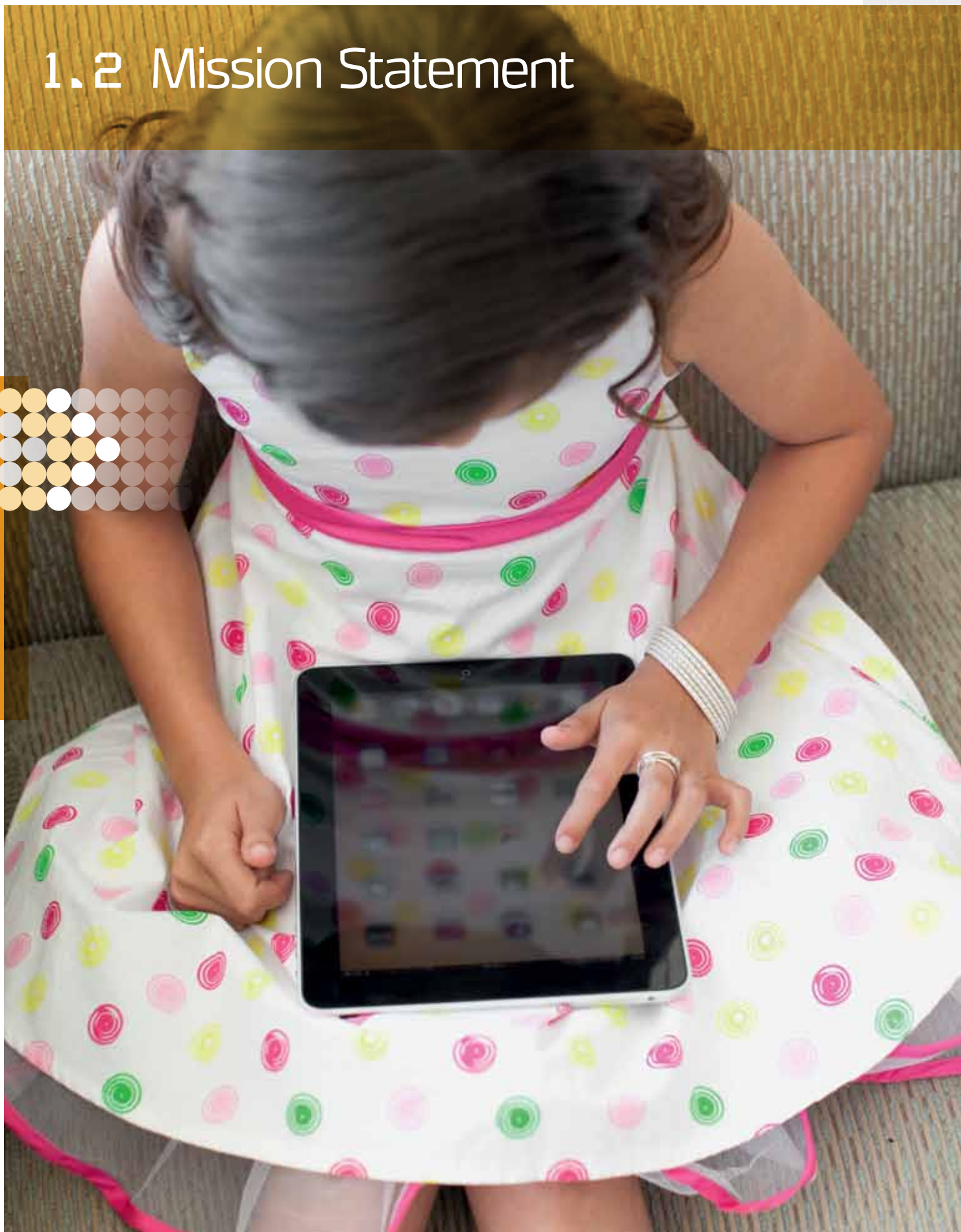
Telenet's main office is located in Mechelen, with contact centers in Herentals, St-Truiden and Aalst, Telenet-shops in Mechelen, Leuven, Schaarbeek, Hoboken and regional sites in Flanders to provide technical assistance.

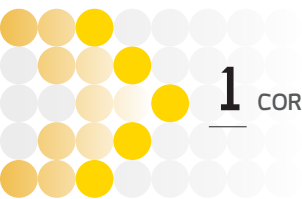
In 2010 Telenet employed 1,898 people in total and generated turnover of 1.3 billion euros.

Telenet is listed on Euronext Brussels in the Bel 20 index.



## 1.2 Mission Statement





Telenet wishes to contribute to the positive social development of people and companies through innovative, accessible networks. Today and tomorrow.

Telenet wishes to enrich the daily life of its customers with products and services that combine great technological performance and high entertainment value.

Telenet has targeted a leading role for itself at the intersection of television, internet and telephony.

Telenet has set itself the goal of being an honest and reliable partner for all customers, residential and corporate, as well as other target groups, through great quality consciousness and a focus on maximum customer satisfaction.

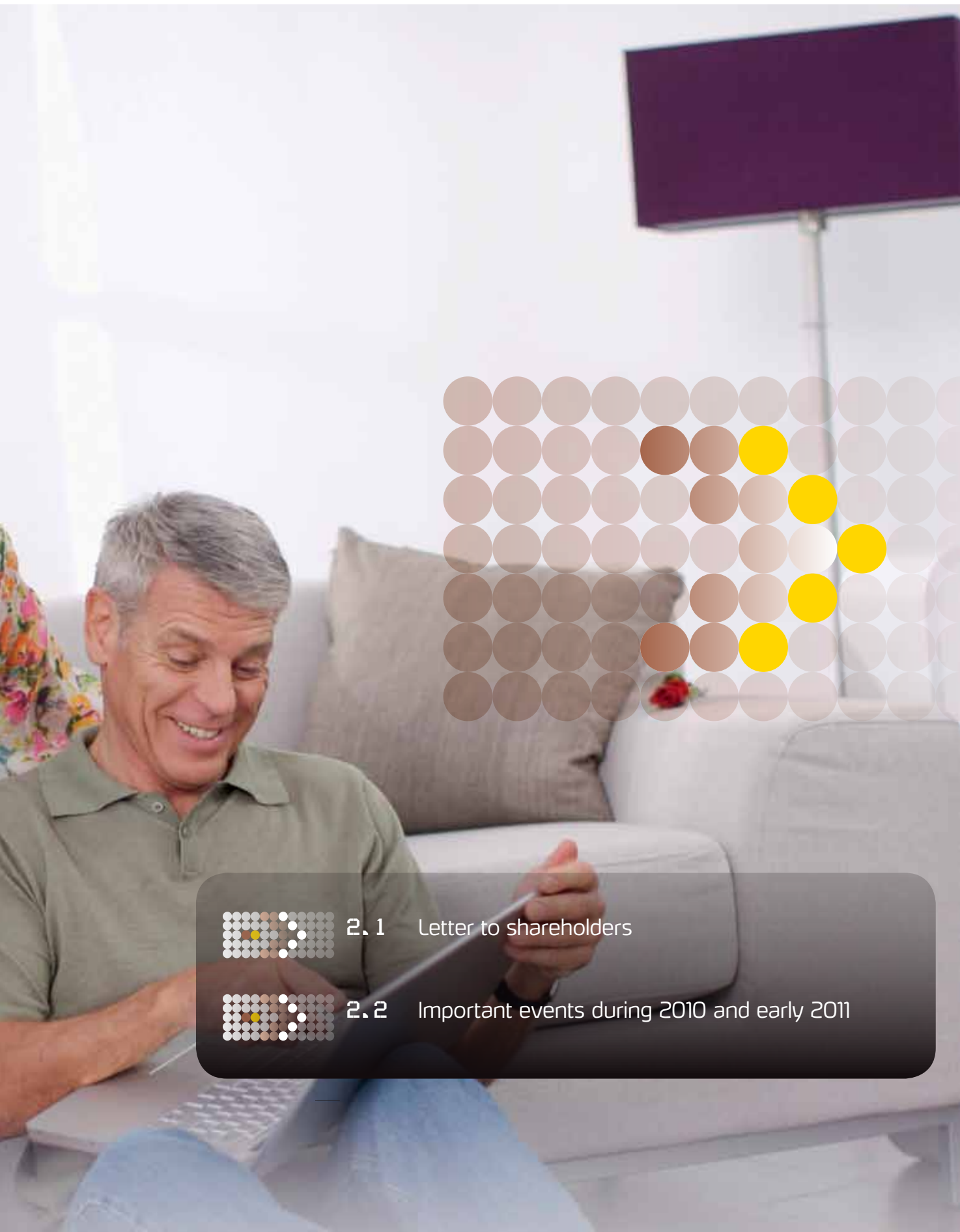
Telenet wishes to achieve its objectives by leveraging the commitment and motivation of a valuable team of inspired employees who are given opportunities to develop and improve their job skills.











2.1 Letter to shareholders



2.2 Important events during 2010 and early 2011

## 2.1 Letter to shareholders



Dear shareholder,

The financial year just ended was an exceptionally successful one for Telenet. One in which we took another big step forward in terms of both operations and results.

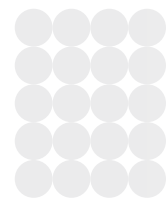
2010 was again characterized by sustained strong demand for our trend-setting products for residential customers and growing interest from the market in our B2B solutions. 2010 saw an increase in the total number of residential subscribers across the board, including Telenet Digital TV, broadband internet and fixed telephony. Our success is driven by our constant focus on customer service, strong product innovation, a host of network improvements and sustainable product pricing based on perceived value for money. Customers are increasingly showing their appreciation for these qualities, which has driven up the average revenue per user by 11% compared with 2009. And there is still plenty of room for further growth, bearing in mind that 40% of our customers are subscribed to only one product.

The strong increase in the number of both residential and business customers resulted in very solid financial progress. Operating income rose by 8% to €1,299 million and adjusted EBITDA was up 10% to €669 million, which improved our margin by 51.5%. In 2010 we invested 22% of turnover in attracting new customers and making further improvements to the network. Thanks to our increasing profitability, there was a 54% hike in free cash flow in 2010 to €258 million.

Telenet continues to invest in product innovations that will lay the foundations for sustainable growth. We are very enthusiastic about our revolutionary new TV platform Yelo, which allows customers to watch TV on mobile devices. It is just the first step in the creation of a whole new customer experience. Our broadband internet offering was upgraded again at the beginning of 2011 with the commercial launch of a whole string of EuroDocsis 3.0-based Fibernet products. Our cable network offers broadband speeds up to 100 Mbps; as a result we offer the most advanced, extensive and reliable internet services on our markets. With Digital Wave 2015, a project to split optical nodes, we want to offer our customers unequalled speed, quality and service in the future.

All these innovations, in combination with sustained growth, strengthen our conviction that Telenet will take a big leap forward in 2011, in both operational and financial terms. We are therefore proud that over the past 15 years Telenet has blossomed into an impressive business with strong local roots. The acquisition of the intercommunal network in 2002, the IPO in 2005 and the launch of Yelo in 2010 – to name but a few – would not have been possible without a strong partnership with the local actors. Thanks to the many investments, over the past 15 years Telenet has grown into a provider of basic telephony and internet services, a multimedia service provider in the whole of Flanders and part of Brussels. We now have more than 3,000 direct and indirect employees who proudly deliver products and services that exceed customer expectations on a daily basis.





Telenet is convinced that with its own growth comes only greater responsibilities in terms of sustainable enterprise. As a business in the heart of society Telenet can also be a lever for social change. In 2010 a general strategy was developed to combine the main points of a modern sustainability program into an overall business strategy and approach. The purpose of the LEAP project (Linking Environment And Profit) is integrating Telenet's sustainable nature as a business and a brand to a great degree and encouraging its employees to make a positive commitment.

Since its formation the Telenet Foundation has spent over one and a half million euros on creating equal digital opportunities. Between 2006 and 2010 the Foundation helped 90,000 people, mainly in the younger age groups, to get online.

As a socially responsible business we are more committed than ever to helping everyone to access a rich digital experience at the best price. Telenet's entry-level broadband internet product is one of the cheapest in Belgium and the price of basic TV is among the cheapest in Europe. Our sector is more dynamic than ever before. In recent years we saw various new players and platforms come on stream, resulting in a high degree of innovation. With that in mind, Telenet is surprised that the fast-evolving TV market is to be regulated and is consequently in dialogue with the various regulatory bodies.

Telenet achieved success in the year under review thanks to the loyalty of our customers. The enthusiasm and drive of our employees were very important too. We would also like to thank our operational and technical suppliers, and our media partners. We strive to provide the unique Telenet experience year after year.

We look forward with great ambition and hope to make 2011 another big success for you all – customers, employees, partners and shareholders.

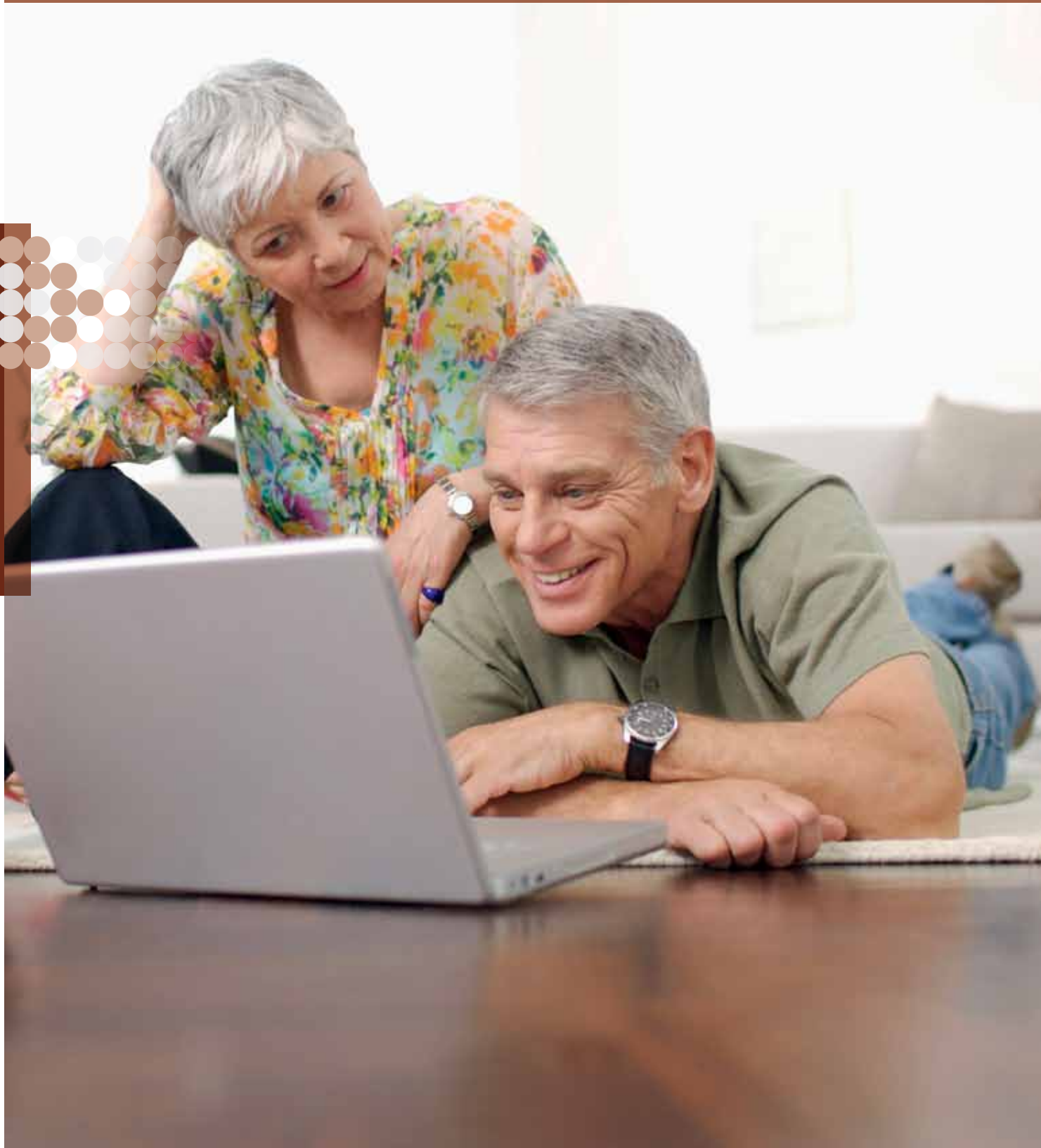
Sincerely,

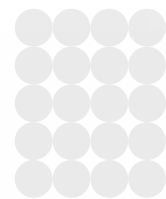
Duco Sickinghe  
Chief Executive Officer

Frank Donck  
Chairman



## 2.2 Key events during the financial year 2010

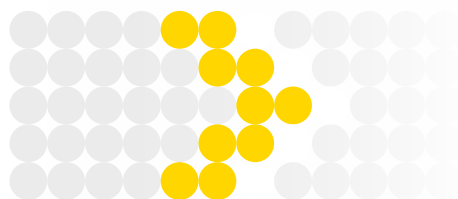




February 2010

## Fibernet

Telenet launched Fibernet, a new generation of broadband internet, with speeds of up to 100 Mbps. In addition to the higher connection speed, Telenet also offers a higher download volume to more than one million internet customers.



# 2010



## Norkring Belgium

Telenet concludes an agreement with Norkring Belgium for the use of capacity on the Norkring television network infrastructure. This gives Telenet the opportunity to offer its customers in Flanders and Brussels digital television and radio through an antenna/dish as well as through a cable. The deal means that Telenet is able to follow its customers, offering them the opportunity to receive digital TV and radio in remote homes, caravans, cars, vessels and holiday homes.

March 2010

## Digital Wave 2015

Telenet presented its future vision at the European Cable Congress in Brussels. As announced in its Digital Wave 2015 program, Telenet will work further to build the fastest, most robust network yet to open the way to new applications in the near future, such as high-tech video, 3D TV and remote medical support. Through this ambitious program Telenet is actively contributing to the continued digitization of Flanders.



May 2010

## 4G

Telenet becomes the first mobile virtual network operator in Belgium to start tests to study and evaluate the new possibilities of 4G or LTE (Long Term Evolution). Telenet obtains the requisite test licenses from the Belgian Institute for Postal services and Telecommunications (BIPT) for coverage of the city of Mechelen and the E19 motorway between Mechelen North and Mechelen South.

## Netbook promotion

After the success of its smartphone campaign, Telenet Mobile launches a promotional campaign giving Telenet customers the opportunity to buy a netbook for one euro. Through the initiative Telenet hopes to stimulate the increased penetration of mobile internet in Flanders.

## Start2Surf@home

Through federal ICT minister Van Quickenborne's Start2Surf@home project the federal government wishes to contribute to bridging the digital gap and to give everyone the opportunity to learn to use computers and internet. An attractively priced computer and internet package is offered as part of the initiative. Telenet extends its Start2Surf@home project until the end of 2010 and offers consumers a wider choice of computers in combination with an entry-level internet package.



June 2010

## C-CURE

Telenet acquires C-CURE, an internet security expert working out of Mechelen. Through the acquisition Telenet wants to integrate security solutions in its internet services for businesses and enlarge its product range to include managed security services.

## Disney Channel

Telenet introduces a new family channel for its analog TV cable customers in Flanders, Disney Channel. The new channel is another step in Telenet's permanent strategy to broaden its analog offering to cater to the widest possible audience and adapt the digital offering to the wishes of customers.





July 2010

## Electric cars

Telenet joins Toyota's test project and announces its intention to conduct extensive tests on the Toyota Prius Plug-in, a hybrid car that can run on both gas and electricity, for three years. The move is closely aligned to Telenet's efforts to significantly reduce its ecological footprint, a goal for which an extensive program to drive down the company's carbon emissions has already been implemented.



September 2010

## Business Fibernet

Telenet beefs up its offering to small and mid-sized businesses, the self-employed and liberal professionals with the introduction of Business Fibernet. Telenet's goal is to provide businesses with access to super-fast internet while responding to the specific needs of business customers.

August 2010

## K.U.Leuven research contract

Telenet signs a three-year research contract with the Neuro and Psychophysiology Laboratory of the K.U.Leuven Medical School. Telenet wants to study the effect of 3D TV images on the human brain in association with K.U.Leuven. The partnership between Telenet and K.U.Leuven is part of Digital Wave 2015, the innovative project through which Telenet wishes to strengthen the leading role played by Flanders in a world that is digitizing at high speed.

## Executive Team

Telenet strengthens its Executive Team. The move takes account of the fast-evolving digital landscape and a desire to respond to breaking trends and customer demands faster. The repositioning of the Executive Team will speed up the adoption of an innovative, proactive approach to the challenges facing the industry, including increasing convergence between products and services on the one hand and between residential and corporate market on the other, with cable as unique and dominant technology.

## Train-bike@work

Telenet launches the Train-bike@work project. Sixty commuters are given the loan of a bike for their journeys between Mechelen station and their workplace. Through the initiative Telenet wishes to encourage more employees to switch from cars to public transport and so drive down its carbon footprint even further.







December 2010

## Yelo

Telenet launches Yelo, a new multimedia platform enabling digital TV customers to watch their favorite shows and movies on iPad, iPhone and, in the future, computers and other smartphones. With Yelo Telenet brings yet more innovations to how the inhabitants of Flanders can watch TV.

October 2010

## Mobile telephony tariff plan

Telenet launches a new tariff plan for mobile telephony. Walk & Talk 45 is the first such plan to include a 200 MB data allowance. The plan is Telenet's response to two closely related trends: higher smartphone penetration and increased mobile internet use in Belgium.



## Optimization of the capital structure

The Telenet Group Holding NV announces the first new issue of € 350 million under the terms of its existing credit facility (the "senior credit facility"). The second issue of € 100 million was successfully completed in November. After a voluntary debt exchange and the extension of the terms, these transactions are the next step in the continued optimization of Telenet's capital structure.

2011

## Cable regulation

Belgian regulator BIPT and the regional media regulators (including the VRM for Flanders) wish to present draft decrees to provide additional operators with access to digital TV by cable and IPTV and for the resale of analog TV and broadband internet. Telenet is surprised by the intention to impose stricter regulation on cable operators and is convinced that four networks provide consumers with access to a wide range of TV, media and broadband internet services on various platforms and from various providers without the need for further regulation of the Belgian TV and internet landscape.







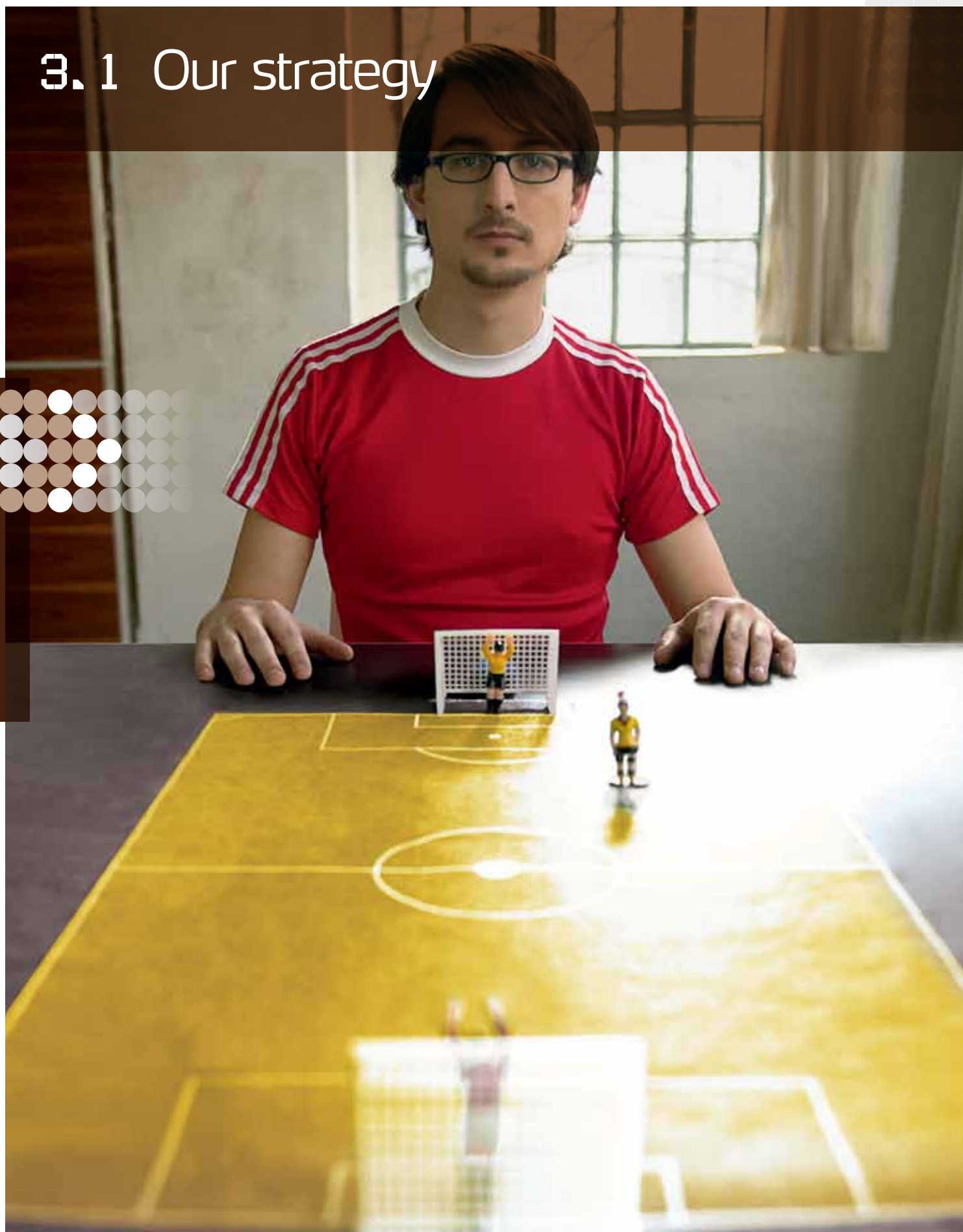
3.1 Our strategy



3.2 Strategic prospects for 2011



## 3.1 Our strategy



Telenet's strategy has been characterized by a large degree of stability over the years. Telenet still wants to be the intersection of TV, internet and telephony.

We continue to believe in this strategy totally, but we have shifted our focus slightly. TV is no longer tied to a single appliance; it is now watched on mobile devices too. Telephony is increasingly shifting in the direction of smartphones and internet is getting faster and faster, with Fibernet at the vanguard.

Telenet not only aspires to be the best-in-class and preferred provider of digital television, broadband internet and telephony services, alongside it integrates business services, while improving revenues, profitability and cash flow. To accomplish this, Telenet is committed to constantly improving the quality of its network and marketing cutting-edge technologies and services. The key components of Telenet's strategy are:

## More products to customers

Driving continued revenue and profit growth by leveraging its superior products and multi-play bundles. Telenet has achieved significant growth in digital TV, broadband internet and telephony. The next step is to enlarge the subscriber base further in these services and its multiple-play bundles through product positioning, attractive pricing and a strong focus on customer care.

Telenet has launched several successful product and marketing initiatives to further increase bundle uptake and migrate subscribers to its product bundles. At December 31, 2010, 58% of Telenet's residential customers subscribed to multi-play packages. 32% of this 58% were triple-play subscribers (719,200), a 10% increase compared with 2009. Telenet will continue to upsell bundles to improve ARPU per customer, cut customer acquisition costs, reduce churn rates and lower maintenance expenses.

## Increased digitization

Further converting Telenet's basic analog cable TV subscriber base to digital TV. Telenet continues to migrate its subscriber base to the digital TV platform, which boasts much richer content, an extensive video-on-demand (VoD) library and interactive applications through a set-top box, which can be rented. On average, ARPU is significantly increased via supplementary services, including additional content packages, VoD and interactive applications. In 2010 Telenet upgraded all set-top boxes to run its next-generation user interface, enhancing the user experience of digital TV customers, and launched online set-top box programming.







## Even greater customer satisfaction

Enhancing customer satisfaction and loyalty. Telenet has improved its operations, upgraded customer care and billing systems, and implemented management incentive schemes to enhance customer satisfaction. Telenet has invested in customer care at all customer touch points to improve satisfaction and so retention. Satisfaction with products and processes is monitored in monthly surveys conducted by an independent party. Telenet believes investments in customer care and a sustained focus on customer satisfaction are key to its ability to maintain current low churn levels.

## Innovation

Exploring additional growth opportunities. Telenet believes business-to-business is a growth segment where it can leverage its existing network and EuroDocs 3.0 technology to meet the needs of small and mid-sized businesses. Telenet plans to reposition and market its B-to-B offering more aggressively going forward to capture market share. Telenet believes its ability to provide telephony and high-speed broadband services over its existing cable network leaves it well-positioned to provide cost-effective voice and data services to meet the needs of Small Business without significant capital investment.

Telenet will also continue to defend and grow its market share by exploring balanced growth opportunities in mobile broadband and mobile voice. Although mobile voice is already a highly penetrated market, Telenet believes its ability to offer combined fixed and mobile products will prove an important differentiator as converged service offerings start to develop. In addition, given the immature mobile broadband market in Belgium, Telenet believes its position in fixed broadband gives it the competitive edge needed to capitalize on future growth when it comes. In 2010 Telenet launched Yelo, a revolutionary new multimedia platform enabling digital TV customers to watch shows and videos anywhere, on a variety of mobile devices, not just TV. It also offers a range of convenient services, such as an electronic program guide, remote programming of your set-top box and VoD. Yelo is the first step in a new world where Telenet will be able to develop relationships with individuals rather than households.

## Healthy financial growth

Focusing on cash flow growth. Telenet has a solid adjusted EBITDA margin and cash flow generation profile and is committed to taking advantage of growth opportunities to generate a high incremental return on investment. Telenet believes that it has the requisite scale of operations to invest in new products and services and harness revenue growth to achieve improved profitability and cash flow.

## 3.2 Strategic prospects for 2011





Telenet's goal for 2011 is to continue its tried and tested growth strategy, which has driven its past successes. The sustained migration of customers subscribed to just one product to a product bundle subscription remains the main value driver. Telenet believes that its product leadership in broadband internet and digital TV, combined with its constant focus on customer service and loyalty, has laid the foundations for another year of strong operational and financial growth.

At the end of 2010, 42% of customers were subscribed to a single service, mostly analog TV, which generates the lowest average revenue per user of all products. This group therefore has potential when it comes to the sale of additional services and bundles, which would significantly boost the average revenue per user and lower the risk of customers terminating their subscription contracts. Telenet remains convinced that the projected growth of broadband internet will be achieved, bearing in mind that only around 75% of households in the Telenet geographical market have broadband internet and given the unique positioning of the recently introduced Fibernet products. In addition, the continued migration of customers with an analog TV subscription (still 45% of the total number of customers with a TV subscription) to a digital TV subscription will drive up turnover further, because the average revenue per user with a digital TV subscription is on average twice as high as the average revenue per user with an analog TV subscription.

The mobile products will help grow Telenet's general revenue alongside its core business offering, which comprises fixed-connection products. Telenet's unique position on the mobile telephony market, the Telenet brand, the distribution channels and an increasing focus on smartphone users in the higher segment will drive this growth.

Based on selected major contracts entered into in 2010 and the integrated offering of connectivity, data services, security and hosting solutions, Telenet also expects its B2B activities to continue to perform well in 2011.

- For 2011 Telenet expects healthy growth of about 6% of its revenue, primarily driven by further growth in the residential and business segments.
- Telenet expects the adjusted EBITDA margin to remain stable in 2011. Telenet will achieve this by implementing a number of innovative efficiency improvements to its sales, customer service and installation processes, in combination with an unrelenting focus on controlling costs.



- In 2011 the accrued capital expenditures are expected to account for approximately 21% of operating income. Telenet will continue to invest in its network, based on the growth of its customer base and upgrades to technology. These upgrades are part of the long-term Digital Wave 2015 project, through which Telenet will develop a next-generation network that meets the evolving needs of customers and is ready for new online applications and future services and technologies. One of the cornerstones of Digital Wave 2015 is Pulsar. This project, which entails splitting optic nodes, will enlarge Telenet's network capacity through the increased use of glass fiber and more nodes in the network.
- Telenet expects free cash flow to exceed € 250 million in 2011. In 2011 free cash flow will be impacted by additional financial interest liabilities as a consequence of the refinancing transactions in 2010, which improved Telenet's debt servicing profile considerably and ensured greater cash flow flexibility. That being said, Telenet does expect the rise in the interest liabilities to be compensated by the continued growth in profitability.

## // Prospects for financial year 2011

Revenue growth	<b>Approximately 6%</b>
Adjusted EBITDA margin	<b>Stable relative to financial year 2010</b>
Capital expenditures <sup>(1)</sup>	<b>Approx. 21% of operating income</b>
Free cash flow	<b>Over € 250 million</b>

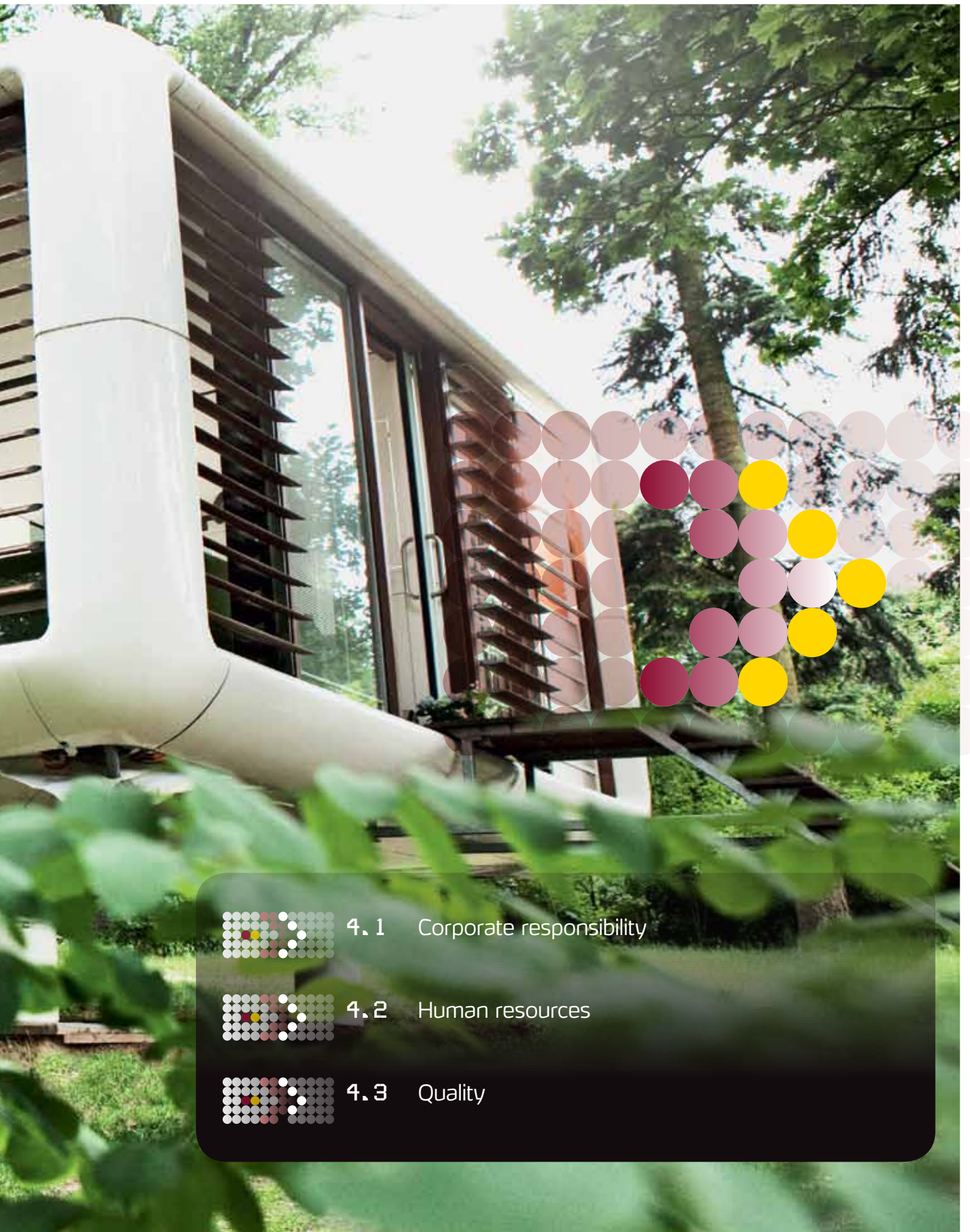
(1) Accrued capital expenditures, including non-financial expenditures under financing leases and rented set-top boxes



# 4

## Corporate culture





4.1 Corporate responsibility



4.2 Human resources

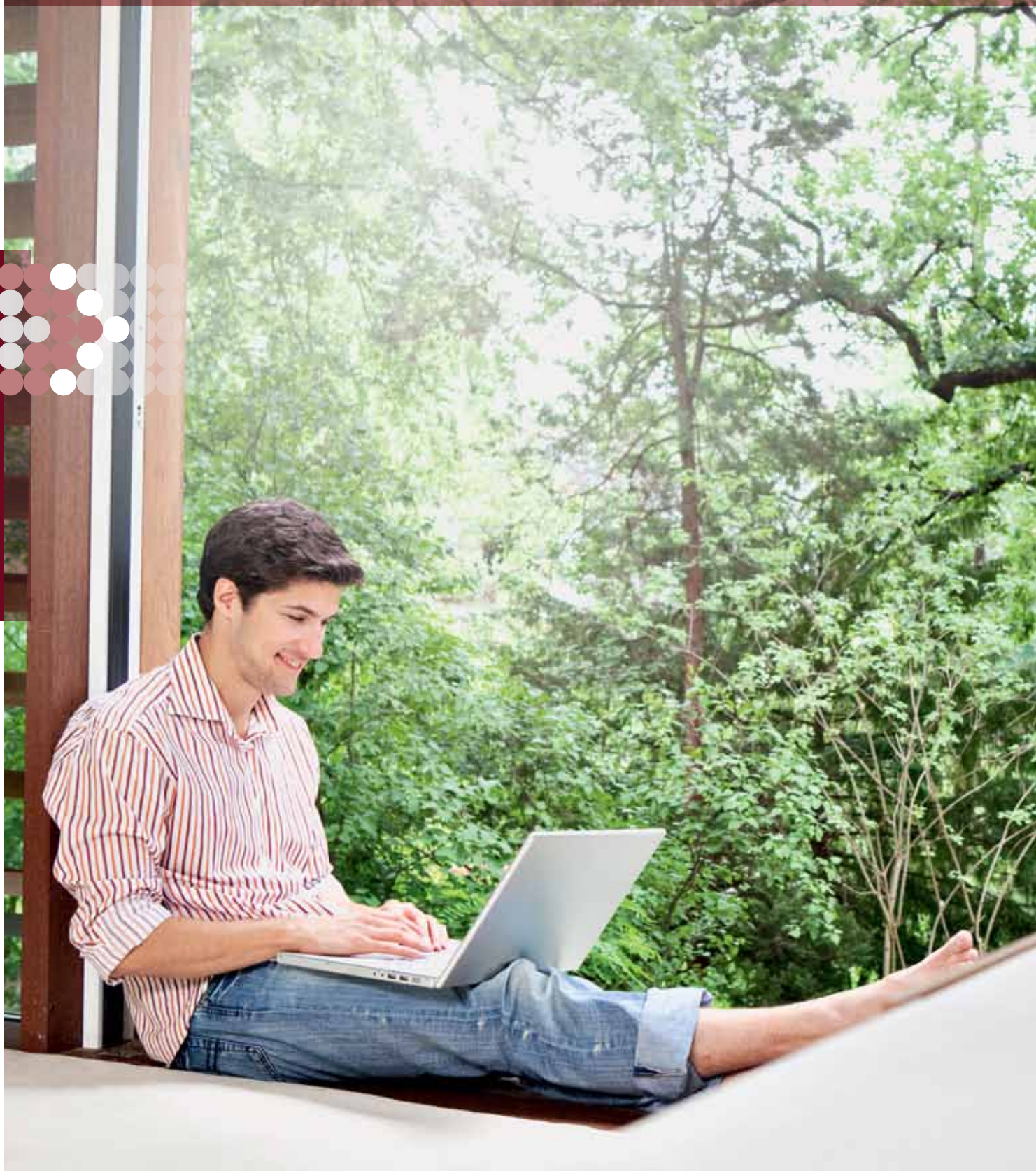


4.3 Quality





## 4.1 Corporate responsibility





Telenet concludes that its own development, which has taken on remarkable proportions since the company was first formed in 1996, brings with it greater responsibilities in terms of sustainable enterprise. This is also demanded by developments in society. Corporate responsibility was expressed in two clear directions as per tradition. The first was the Samen Groen program to minimize Telenet's ecological impact. The group also launched numerous initiatives to expand its role as a socially responsible company.

- **Care:** Telenet bears responsibility for the community in which it operates and wishes to give attention in the long term to the social needs of all stakeholders, including employees, customers and others.
- **Cascade:** Telenet is a pioneer in corporate responsibility and as such wants to contribute to the integration of sustainability in the daily life of its main stakeholder groups.

## LEAP

New for 2010 was the development of an overall strategy gathering together the various focus points of a modern sustainability program to produce a general corporate direction and approach. The purpose of LEAP (Linking Environment And Profit) is to establish Telenet's sustainable character as a company and a brand to an even greater degree and promote the positive commitment of its employees.

LEAP is built around the following three themes:

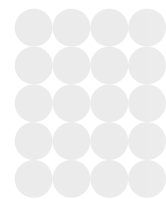
- **Connect:** creating digital opportunities is the keystone of Telenet's social commitment. Everyone must have the opportunity to access the new telecom possibilities resulting from the creativity and technological development facilitated by Telenet.

These principles have been put into practice in action plans, the performance of which is assessed against stringent KPIs. They are expected to help Telenet achieve its ambitious objectives by 2015:

- **Committed employer:** Telenet wants to score in the upper quartile of the Dow Jones Sustainability Index (DJSI) with regard to social performance.
- **Environmental stewardship:** Telenet wants to further reduce its carbon emissions to the level at which it can call itself a carbon-neutral business.
- **Enhanced customer loyalty:** a 20% improvement in Telenet's citizenship score.

The LEAP objectives have been set out in a charter signed by the entire Executive Team.





## Environmentally friendly growth

### Climate Neutral mission

Reducing the ecological footprint in 2010 was a prominent goal in Telenet's sustainability program, in line with the goals of the Samen Groen plan, which was rolled out in 2009 in a close partnership with main shareholder Liberty Global. Since mid 2008 Telenet exclusively consumes green energy and numerous initiatives were launched in 2009 and 2010 to drive down carbon emissions even further.

Permanent awareness campaigns within the company have resulted in a striking number of initiatives and inspirational actions on various themes, including energy consumption, mobility, network efficiency and management of premises and spaces. These efforts produced promising results. The ratio of carbon emitted to operating income improved by 2% in 2010 (see figure).

## // Main achievements in environment and carbon emissions

### Set-top boxes:

Set-top boxes are assembled in the Czech Republic, which means they can be transported from the production plant in the Far East by sea, which produces significantly lower carbon emissions than air transport.

The new set-top box comes in a smaller box, which reduces the required transport capacity. A task force is also working on a new packaging concept, made from material with higher environmental credentials and comprising fewer superfluous parts.

Virtually all set-top boxes (and modems) are reused; the remaining articles are recycled by an accredited firm. This intensive reuse resulted in a 374-ton reduction in waste in 2010.

### Electricity:

The Hostbasket datacenter achieved its ambitious targets for 2010: 18.9% virtualization, 40% e-invoicing and power usage effectiveness of 1.63.

Telenet has consumed green energy since mid 2008. Hostbasket followed suit on January 1, 2010 and Belcompany in September 2010. Energy consumption in 2010 was approximately 65 MWh, which resulted in a 12,515 tons reduction in carbon emissions compared to 2007.

The purchase of innovative turbo compressors, the use of free-cooling and the introduction of a sleep setting for the climate chambers in 2010 will produce an annual saving of 900 MWh.





### Material and reuse:

Targeted campaigns encouraged customers to switch to e-billing. The target to double the number of customers registered for e-billing compared with 2009 was achieved. By the end of 2010, 800,000 residential customers – 40% of the total – received their bill electronically. This will save an additional 250 tons or so of paper in 2011.

With the switch to FSC paper for internal use, Telenet exclusively consumes FSC paper since May 2010. Based on the consumption of 25,000kg of paper in 2009, this produces a saving of 5 tons of CO<sub>2</sub>. FSC paper has been used for marketing matter since 2009, representing a saving of 250 tons of CO<sub>2</sub>.

The reduction in the number of pages and the use of thinner (FSC) paper for the PRIME guides produces a saving of 39 tons of paper.

The new printing contract was awarded to two printers committed to reducing their environmental impact, for example by purchasing new machines, using green energy and organizing more efficient transport.

Every year 20% of Telenet's computers are giving a new lease of life, among other things in Telenet Foundation projects and through PC Solidarity.

### Mobility and transport:

Telenet is one of the four Belgian participants in a three-year test program of the Toyota Prius Plug-In, a hybrid car that can run on both gas and electricity.

Rental bikes provided by 't Atelier, a sheltered workshop, have been made available to sixty train commuters to cover the journey between Mechelen station and the Telenet offices. 't Atelier also takes care of servicing.

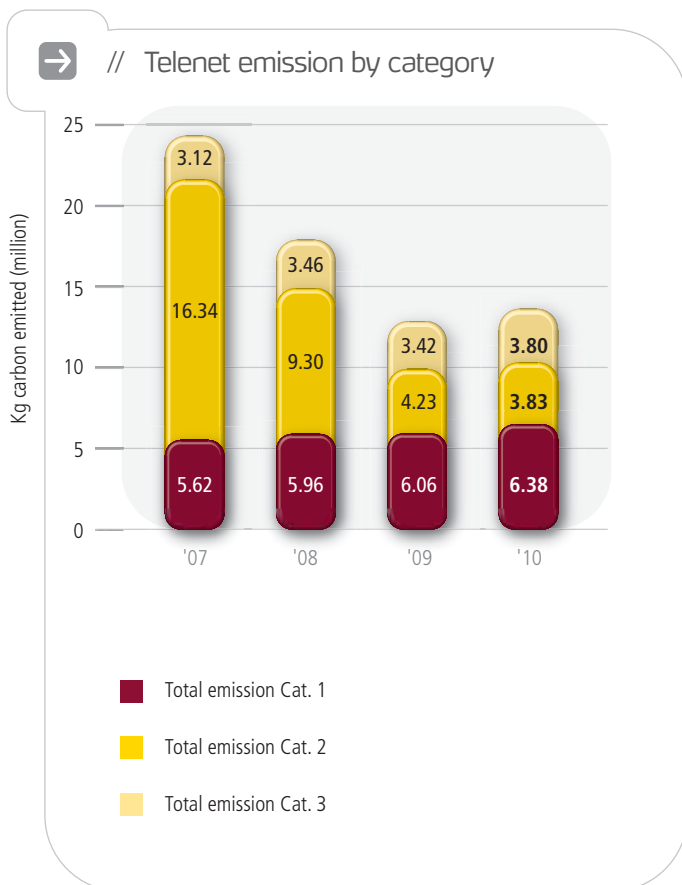
Various initiatives have been launched within the company to reduce car use. The Finance department achieved its target of a 10% reduction in commuter journeys by car in 2010. At Supply Chain and Procurement 40% of commuter journeys in 2010 were not by private car.

The participation of 91 employees in the I Kyoto project produced a carbon emission reduction of 5,752 tons.

The Telenet fleet is gradually becoming greener. Since April 1, 2010 employees with a company car can choose a model that emits less carbon.

The proceeds of the end-of-year campaign was given to '1 miljoen bomen voor Vlaanderen' (A million trees for Flanders). Customers sent their season's greetings to family and friends through Facebook. Telenet donated 50 cents to '1 miljoen bomen voor Vlaanderen' for every greeting, which paid for 10,000 trees.





Since the spring of 2010 Telenet supports recreational mountain biking alongside professional cyclo-cross. When organizers rebrand their race as a *Telenet Mountainbike Tour* they receive both logistical support and a social and green program. Participants get a bio-bottle and the satisfaction of knowing they are supporting Bonjour Afrique, a project to build a school in Senegal, for which cyclo-cross specialist Tom Meeusen is the proud ambassador.

### Explaining our CO<sub>2</sub> footprint

At Telenet we catalogue our footprint in three main categories, in line with the World Business Council for Sustainable Development Greenhouse Gas Protocol.

- Category 1: direct energy sources, such as fuel (petrol, diesel, fuel oil etc)
- Category 2: indirect energy sources, such as electricity
- Category 3: other energy sources, such as business trips and commutes

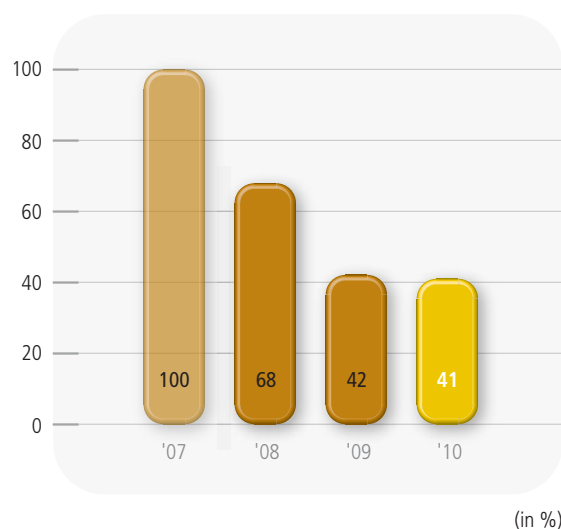
In 2010 CO<sub>2</sub> emissions in categories 1 and 2 was 10,207 tons. With the addition of category 3, our total CO<sub>2</sub> emission was 14,007 tons. Telenet's total CO<sub>2</sub> emissions have fallen by 44% since 2007.

The slight rise in the emission compared with 2009 (2% or 297 tonnes of carbon) is due in part to the expanding customer portfolio and the growth in the operating activities.

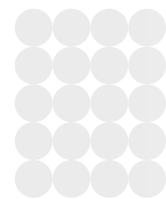
In terms of carbon efficiency, a measure of emission to operating revenues, Telenet actually achieved a 2% improvement in 2010 compared with 2009. Carbon efficiency has improved by 59% since 2007.

The ecological footprint was calculated for all Telenet activities, including Hostbasket, Interkabel and Belcompany. The Hostbasket, Interkabel and Belcompany figures for 2007 and 2008 were included in the group figure, as if these companies were part of Telenet at that time to enable an accurate comparison of the annual change in the ecological footprint. In reality, Telenet did not acquire Hostbasket until early 2008 and the agreement with Interkabel was not concluded until mid 2008. Belcompany was acquired in June 2009.

#### → // Telenet carbon efficiency index

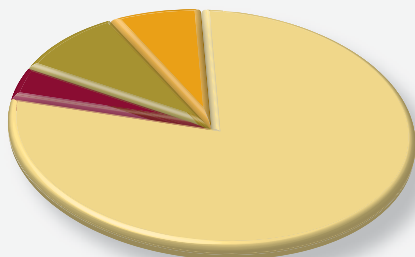






## // Total contribution in 2010

(including cash, time, gifts in kind and management costs)



- Cash 78.4%
- Voluntary work by employees 4.4%
- Contributions in kind 9.8%
- Management costs 7.3%

## Telenet's social role

## Telenet Foundation, creating digital opportunities

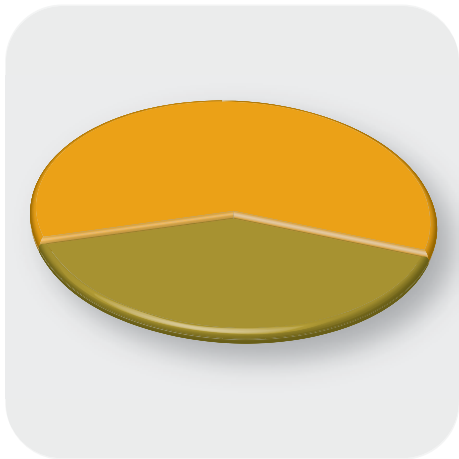
As a telecommunication company, Telenet has a key role to play in developing the digital society. Technological advancement and digitization are given even greater prominence with the introduction of Fibernet and the new possibilities Digital Wave 2015 will open up. At the same time, Telenet realizes that digitization can be a social trap for people unable to keep up with technological advancement for any reason.

Too few underprivileged young people have no access or too little knowledge of today's information and communication technology. This only perpetuates their social difficulties. That is why the Telenet Foundation supports initiatives to bridge the digital gap every year. The projects are based in Belgium and abroad, but they all share the same main goal of helping young people to get online.

The Telenet Foundation's mission is to bring modern information and communication technology within the reach of all its target groups. The official website is at [www.klikmee.be](http://www.klikmee.be). The Telenet Foundation has helped 90,000 primarily young people get online between 2006 and 2010. (Source: Why5 Research)

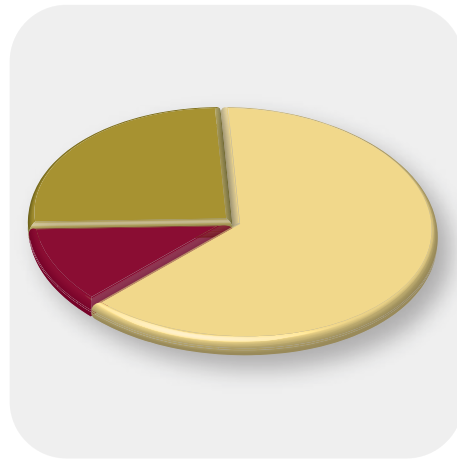
Since being formed in 2007 the Telenet Foundation has received almost 1100 project applications, around 80 of which receive active support. These have been funded to the tune of over € 1.5 million.

## → // Why we contribute



- Investments in community 59.1%
- Charitable gifts 40.9%

## → // Contributions by theme



- Child-raising and young people 63.2%
- Health 11.3%
- Emergency assistance 25.4%

Research shows that:

- 75% projects did not exist before receiving funding from the Telenet Foundation
- 95% of projects remain active after receiving support from the Telenet Foundation
- 65% of projects are now viable without further funding from the Telenet Foundation

The Telenet Foundation is delighted to see its funds for 2011 substantially increased by a considerable personal contribution by the CEO of Telenet NV.

Telenet employs the London Benchmarking Group (LBG) model to measure its support to social organizations and charities. The LBG model enables standardized measurement and management of a company's social engagement. In 2010, the contribution in cash, time and management was € 1,378,275.





### PC Solidarity

In 2009 the Telenet Foundation formed a partnership with PC Solidarity, which reconditions computer equipment donated by companies and gives them a new lease of life at social organizations. As in the previous year, in 2010 the Telenet Foundation contributed to the donation of 250 personal computers with an overall value of 50,000 euros, which were distributed to various NPOs in Belgium.

### Bonjour Afrique

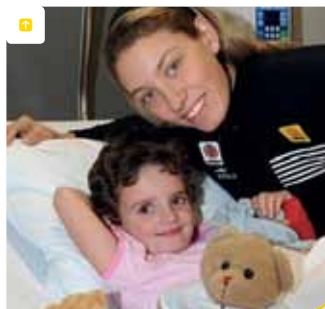
Bonjour Afrique is a striking international project in which a group of Telenet employees implement initiatives in Senegal to help bridge the digital gap. The project will continue in 2011, its fourth year. Achievements include the building of a school in Medina Gounass (Dakar), the establishment of a computer and educational training courses centre and an agricultural project in Sindia.

### My Zone by Telenet

Chronically sick children who are hospitalized for a protracted period fall out of the digital boat. One of the major initiatives of the Telenet Foundation is the My Zone project. Active chat sessions are set up with Cliniclowns using laptop, webcam and internet connection. The project ran in eight hospitals in 2010. It will be rolled out further in 2011. Telenet ambassador Yanina Wickmayer gave her active support to My Zone in 2010 with a visit to the hospitals involved in the project.

### Haïti Lavi

Telenet also showed its solidarity with the people of Haiti after the earthquake and subsequent humanitarian disaster there at the beginning of 2010. In addition to money Telenet also provided technological support during the Haïti Lavi 1212, a live TV benefit show jointly broadcast by public and commercial stations. Many Telenet teams worked in their area of expertise to ensure the show was a rousing success.







## Klik Mee

The Klik Mee campaign was launched in November to raise awareness of the digital gap and the work of the Telenet Foundation. Anja Daems and Ben Roelants spent the day at Ghent Sint-Pieters station interviewing famous guests, including Yanina Wickmayer, lanka Fleerackers and mayor Termont. The aim of the event was to raise awareness of the digital gap and get people to visit the campaign website. The Byte Me! youth project received one euro for every click registered at [www.klikmee.be](http://www.klikmee.be).

## Byte Me! and Jeugdwerknet VZW – Ghent

*Byte Me!* is a project for socially vulnerable young people. Jeugdnetwerk's aim is to help members of this target group to learn the skills they need in the information and communication society within the framework of the NU game, a technology-based game. Telenet's aim is to support and assist youth workers in accordance with the train-the-trainer principle so they are able to give a more advanced workshop as well as training interested Jeugdwerknet volunteers and trainees to work with the target group.



## Start2Surf@home

One in three inhabitants of Belgium still do not have an internet connection. With this in mind, federal ICT minister Van Quickenborne launched Start2Surf@home, an initiative offering a low-cost computer and internet package.

With Start2Surf@home the federal government wishes to give everyone access to a computer and internet. Telenet is playing its part too. A good low-cost Start2Surf@home internet package is made available, thanks to the consortium that Telenet formed with Voo and Numericable. The package includes a laptop and a basic internet subscription, so that the less well-off in Belgium can also take advantage of what the web has to offer.

In addition to the above projects Telenet supports dozens more initiatives every year. A focus on charity is in fact part and parcel of the Telenet philosophy with respect to all sponsoring projects. In that way Telenet wishes to fulfill its social role and enthusiastically take up its responsibilities as a corporate citizen.

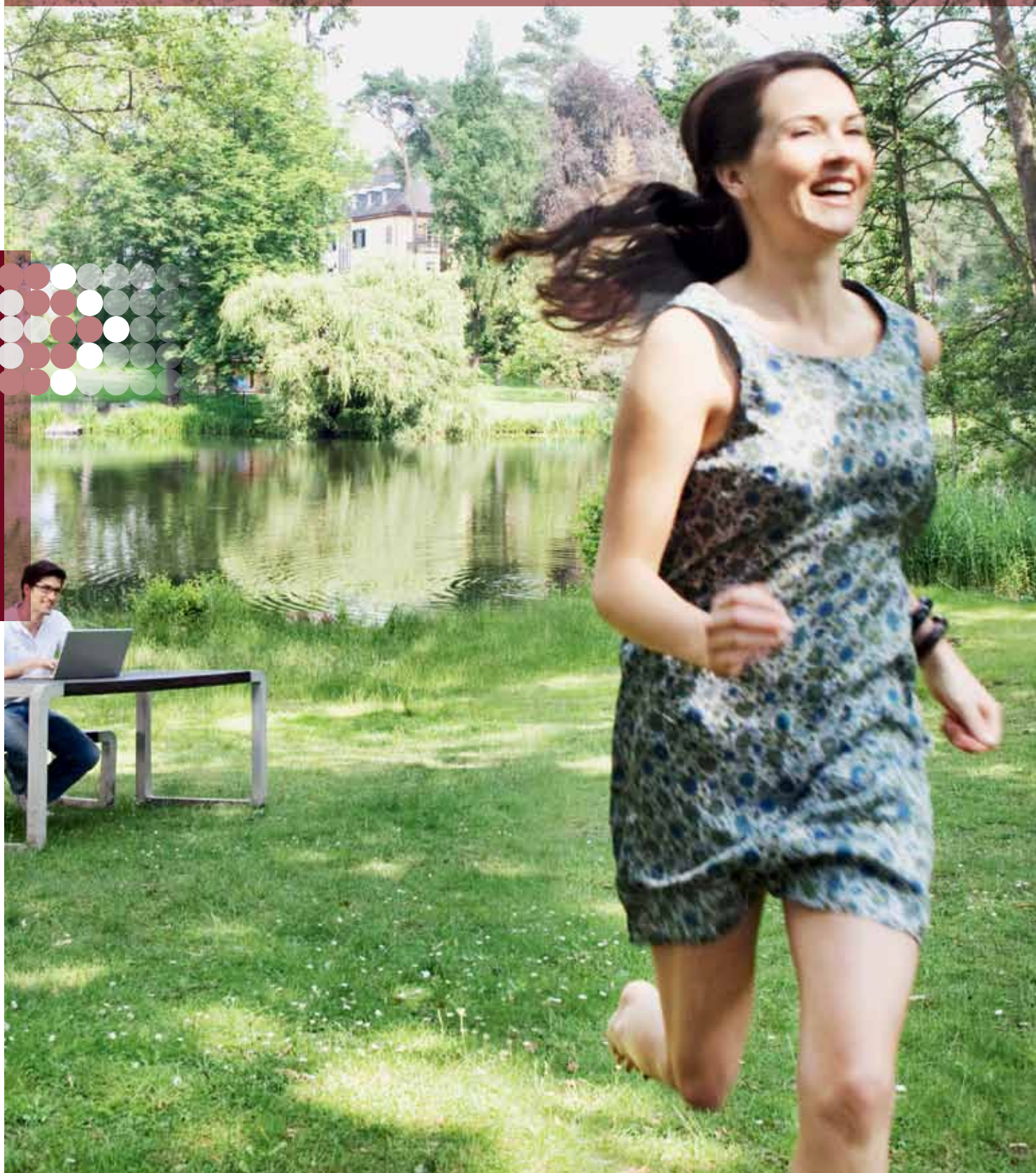
## SOS Kinderdorpen is getting strong support from Kim Clijsters

In addition to her work as Telenet ambassador, Kim Clijsters recently began supporting SOS Kinderdorpen. Kim got the partnership off to a fantastic start, presenting a cheque for 100.000 euros – a great way of investing part of her Telenet sponsorship fee. With this gesture, among other organisations Kim is supporting the Simbahuis in Liedekerke, which helps families get through difficult situations. Kim's aim is to provide not only financial but also moral support, by dropping by from time to time. She'll also bring her daughter along to play with the other children.





## 4.2 Human Resources





## // Man Bijt Hond

Five call center advisors were given the opportunity to present their job in an informal way in an item on the popular Belgian TV show Man Bijt Hond on November 1, 2010. The aim was to get people interested in applying for a similar vacancy. The show was a big success. Five advisor vacancies were filled not long after the broadcast.

Telenet has experienced exponential growth since its formation. The fast rise in the number of employees has demanded the comprehensive professionalization of HR in recent years. The human resources policy has evolved from a purely administrative staff management to a comprehensive internal service provider. It plays an active role in the company's development. HR at Telenet is based on the traditional foundations of staff policy, including recruitment and training. These are complemented with a number of eye-catching Telenet initiatives that reflect our dynamic character in this area too.

## Recruitment

Telenet's unrelenting growth led to the creation of additional jobs in a range of fields in 2010. 300 hundred people were hired in total, which was slightly more than the 2009 figure. The overall workforce increased to 1,898 employees. The main source of job creation was the expansion of the regional call centre network and the growth of the B-to-B segment. As a large, dynamic company Telenet has an uninterrupted flow of vacancies at all levels.

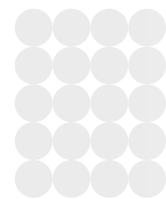
Uniquely, Telenet does not hire only through the established channels; alternative sources are also used. Employees can make an active contribution to Telenet's hiring efforts through the Refer a Friend program, which stimulates mutual involvement and motivation. In 2010 this led to the hiring of 35 employees, which consolidates the referral program's status as its most important recruitment channel. The aim is to increase this percentage in the future. Other alternative sources were also used more actively for hiring purposes in 2010, including social networking sites.

In-house one-day recruitment events were also organized for Telenet hiring purposes. The entire selection process is run through at these events, together with relevant keynote speakers (like Peter Hinssen on the IT Recruitment Day). Dozens of people were hired for the call centers and the IT department through these events.

The internal rotation system is another way to fill vacancies. As a dynamic company Telenet wants to ensure its employees have every opportunity to realize their potential. The possibility of internal job rotation helps employees gain the hands-on experience they need to grow and remain motivated. One in three vacancies in 2010 were filled internally.







Change to improve  
Care to grow  
Cooperate in trust  
Passion to deliver



## Training

Telenet's training program comprises an array of internal and external trainings. There were more training days in 2010 than in the preceding year, excluding the Windows Vista courses in 2009. The range of courses was also expanded, including courses on such themes as mindfulness, people management and business writing. Alternative forms of learning were also utilized, including corporate theater, role-play and individual coaching sessions. The courses were linked to the competence model comprising the key competences for all Telenet employees. The competence model was actively integrated in the HR process in 2010, giving it an important position during hiring, personal assessments and identification of personal training needs.

The personal development plan is as important as the training program. These plans are also linked to the competence model, providing both technical and non-technical training. By the end of 2010, 500 personal development plans had been registered. The goal is for all Telenet employees to have a personal development plan in the long run.

## Performance management

Like both the hiring strategy and the training program, the assessment system is also based on the competence model. There are two main opportunities to monitor and assess day-to-day performance. One is the annual assessment, which examines

the personal goals over the year and how employees put the Telenet competence model into practice in more depth. An interim talk is also scheduled in the middle of the year. Employees also have the opportunity to assess their line manager's coaching style using the coaching compass, a significant barometer of the leadership style of group managers and the foundation for initiatives undertaken by those managers to improve their coaching skills. The coaching compass survey is held twice a year.

The bonus system linked to the assessment is influenced not only by how personal goals have been achieved but also by Telenet's collective performance, including the customer loyalty score. This has a 40% weighting in the management bonus scheme, which clearly shows how important Telenet rates customer loyalty.

## Telenet, a company of and for people

Telenet shows the same dynamism as an employer as it does its expansion policy. Employees are given plenty of challenges, development and training opportunities and a stimulating, young, dynamic atmosphere dominates the work floor. Internal promotion is highly prized and stimulated by the large number of jobs at the many levels in various fields. People seize their career opportunities and at least one in three advance. The key success factors are proactivity, team spirit, integrity, dedication and customer focus. These are qualities that ensure optimal customer satisfaction at every level.

## // Workforce year-on-year

YEAR	NUMBER OF EMPLOYEES (*)
2007	1,687
2008	1,716
2009	1,817
2010	1,898

\* The number of employees is based on the number of persons on a fixed contract, regardless of the nature of the contract. Telenet also employs around 1,000 external employees in contact centers and other service jobs.



## // Workforce by gender

NATURE OF THE JOB	MEN	WOMEN
Total group	65%	35%
Managers	71.5%	28.5%

## // Average age in years

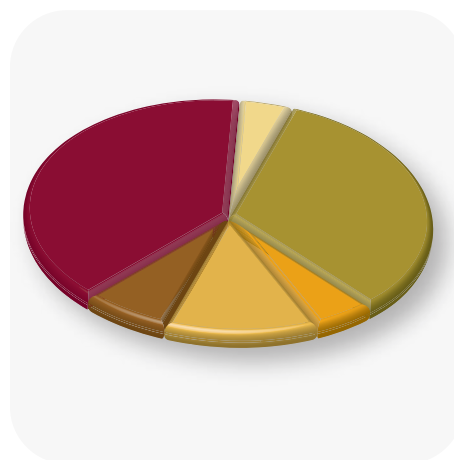
GENERAL	MEN	WOMEN
37.35 [*]	38.82	34.61

\* A slight fall compared with 2009

## Workforce by skills domain

As a technology company, Telenet is obviously very concerned about ensuring that the technical profiles within the company are filled optimally. But Telenet has a lot more to offer. The workforce is made up of employees in many other skills domains. The intensive efforts invested in customer service and satisfaction in recent years, for instance, have led to a significant rise in the number of staff at the regional call centers.

## → // Workforce by skills domain



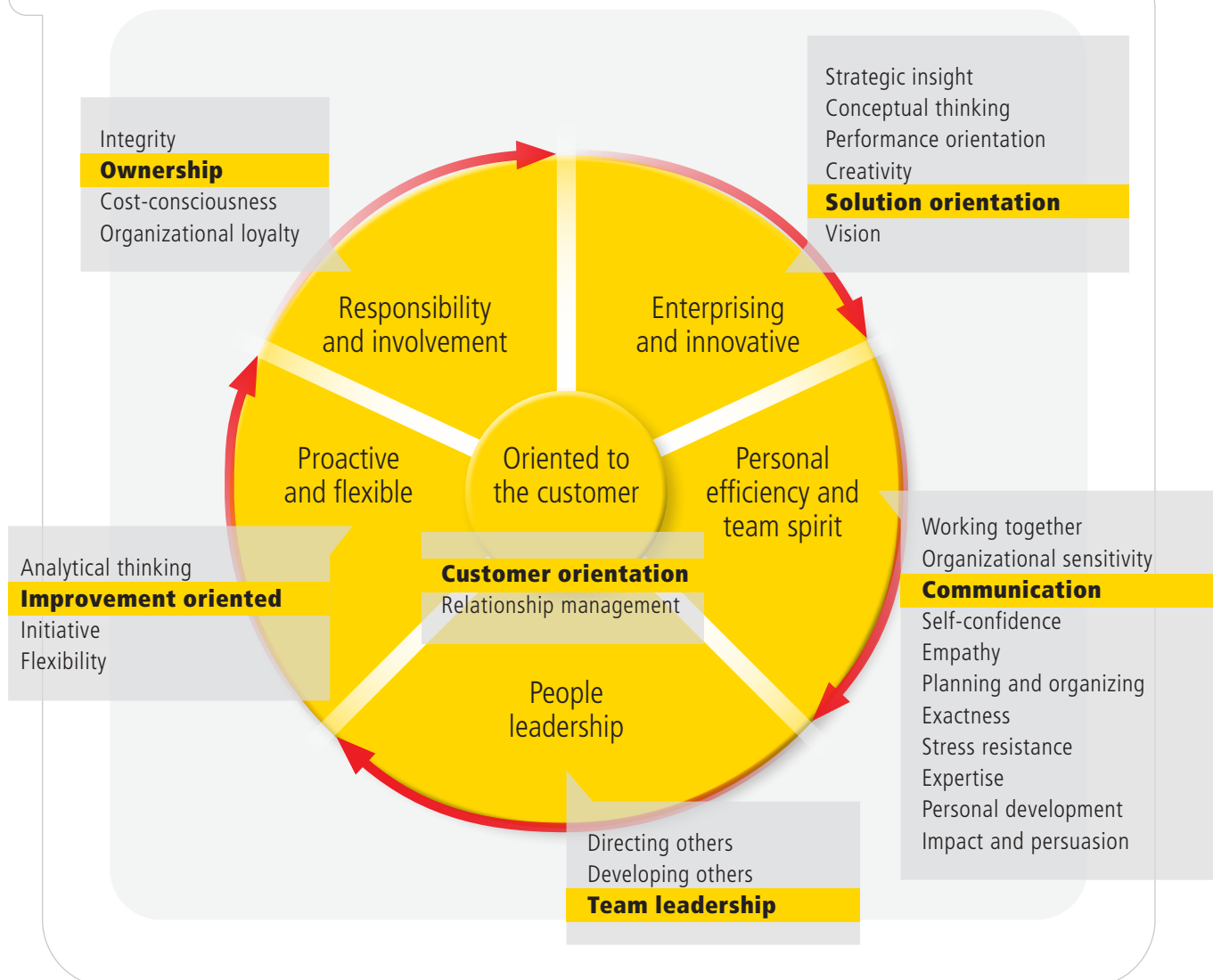
- Engineering & technical profiles 33%
- Sales & customer care (including contact centers) 39%
- Marketing & product management 5%
- Staff & administration 12%
- B2B 7%
- IT 4%

## Telenet leadership model

As part of an in-depth study, Telenet has identified the thirty key skills important to all employees. These can be classified in one of six skills clusters, as shown in the figure below. The competence model has played a central role in Telenet's hiring policy since 2010. It is the foundation of the personal training program and the performance management cycle. One competence has been pushed forward in every cluster, combining to form the set of six main competences.



➔ // The 30 Telenet skills



## 4.3 Quality



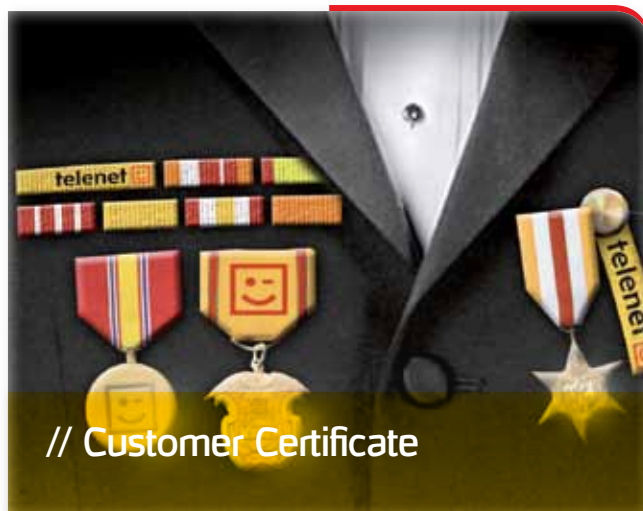
## Focus on customer loyalty

Quality is a popular concept that numerous companies wish to leverage to differentiate themselves from their competitors. At the same time, quality is often an abstract thing that is difficult to measure.

Telenet has made the quality of its products and services one of the most important strategies in efforts to assure the future of the company. At the same time Telenet wishes to guarantee quality by converting the abstract concept of quality into measurable parameters.

In 2009 the quality experience was converted into a customer satisfaction rating, which was determined on a monthly basis by the marketing department in association with the third-party experts. The concept of quality was broadened in 2010 and replaced by the customer loyalty score. This rating still takes customer satisfaction with regard to technical and content matters into account, but the aim is to take the pursuit of quality to a new level, so it can be applied in all echelons of the company.

The importance of service quality in Telenet's corporate philosophy is clearly illustrated by the integration of the customer loyalty score as a parameter in the bonus system. A significant percentage of the total amount in potential bonuses awarded to Telenet managerial staff is directly linked to the company's customer loyalty score.



In 2009 Telenet launched a program to convince its employees of the need for quality in everything they do and the critical importance of customer service in particular. The Customer Certificate now has a permanent place in HR policy. The aim is to assimilate the pursuit of better and better customer service as a central theme in day-to-day operations.

To ensure the success of the program, all employees are expected to gain intensive experience in a job that entails direct contact with customers over a certain period. That gives all employees a tangible sense of what customer satisfaction means in practice, especially those who have direct contacts with customers on a daily basis.

91% of employees were awarded the customer certificate in 2010, a sharp rise compared with the previous year. Opportunities to gain the certificate were increased somewhat and this trend will be continued in the future. Following discussions in the new social media is a potential way for Telenet employees to gain an understanding of how the company is perceived by customers and the market in general.







## // GRACE

Telenet has launched various programs to further improve the customer loyalty score, which is already at a satisfactory level in several areas, and to raise the bar in terms of targets across the board. The company also wants to adopt a mindset promoting transparency with regard to customer loyalty results.

Within this context, Telenet contributes to the charter submitted to all telecom operators at the beginning of 2011 on the request of federal business minister Van Quickenborne, the aim of which is to make customer service a priority. The charter, which was drawn up by consumer organization Test-Achats and the Radio1 show Peeters & Pichal, is expected to reduce call centre and helpdesk waiting times in the long run.

## // SPEAKING WITH ONE VOICE

Telenet currently has more than 2,600 direct and indirect employees in daily contact with customers. It is important that all these people speak with the same voice. With this in mind, Telenet has invested strongly in the further expansion of a scripting system.

In 2010 most technical customer support was web-based. The online support site was rebuilt from the ground up, offering searches to common fixes based on key words, which contributed to the growing number of web-based customer contacts. Just 16% of all customer contacts were by phone, but Telenet embraces the principle of customer satisfaction in that channel too.

Telenet has launched the GRACE program, which focuses on further improving customer satisfaction based on phone calls, most of which come in through the call centers. These calls relate to technical aspects, content and the commercial offering.

GRACE – Getting the Right Appreciated Calls Every time – was launched by Telenet in 2010 and applies to the entire company. The goals are driving down the number of calls and raising efficiency when it comes to resolving issues or proposing solutions.

In 2010 Telenet managed to achieve a drop in the number of incoming calls for the first time, despite a history of increasing calls as the company and the customer base have grown. By offering customers solid 'self-care' options for potential issues and providing an effective solution during the initial call – the first time right principle – Telenet has targeted a continued reduction in the number of calls.

Customer satisfaction is also influenced by how long you have to wait until your call is taken. Telenet has set ambitious targets with regard to both call response time and limiting the number of times customers are patched through to another person. They are expected to further improve efficiency and have a positive impact on customer satisfaction.

#### ACHIEVEMENTS IN 2010

**69%** of calls were answered within 30 seconds

**77%** of calls were answered within 120 seconds

#### TARGETS FOR 2011

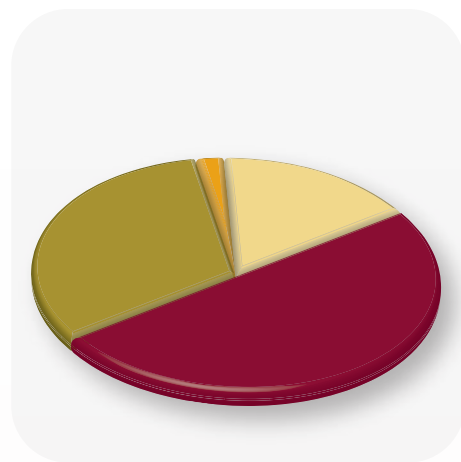
**80%** of calls answered within 30 seconds

**90%** of calls answered within 120 seconds

Lastly, in 2010 Telenet set up a steering group to draw lessons from an intensive analysis of calls with the aim of working further on improving internal operations and formulating precise, permanent fixes for any recurring complaints.



#### // Number of contacts by channel

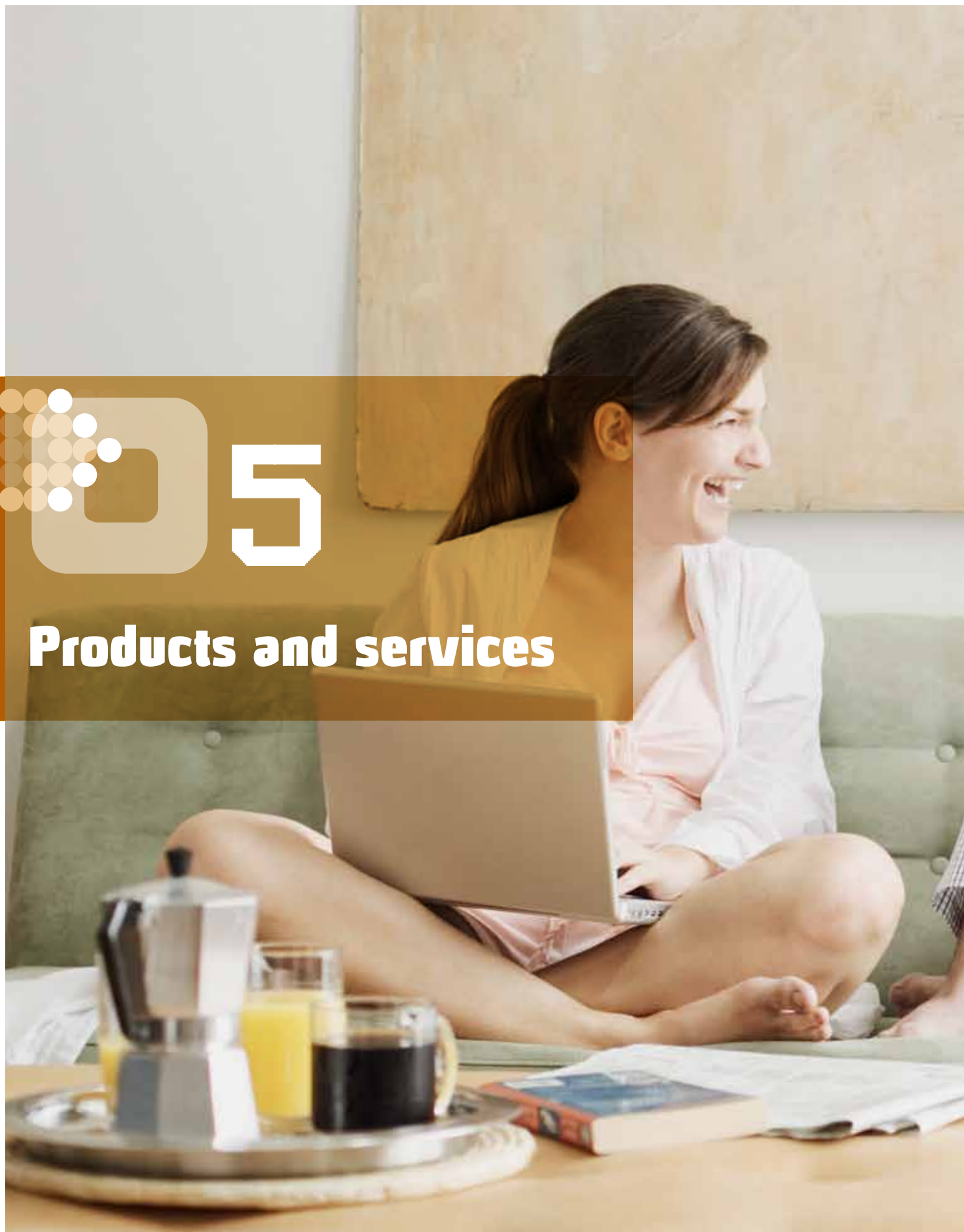


- By phone 16%
- Mijn Telenet 50%
- Online Support 32%
- Social Media 2%

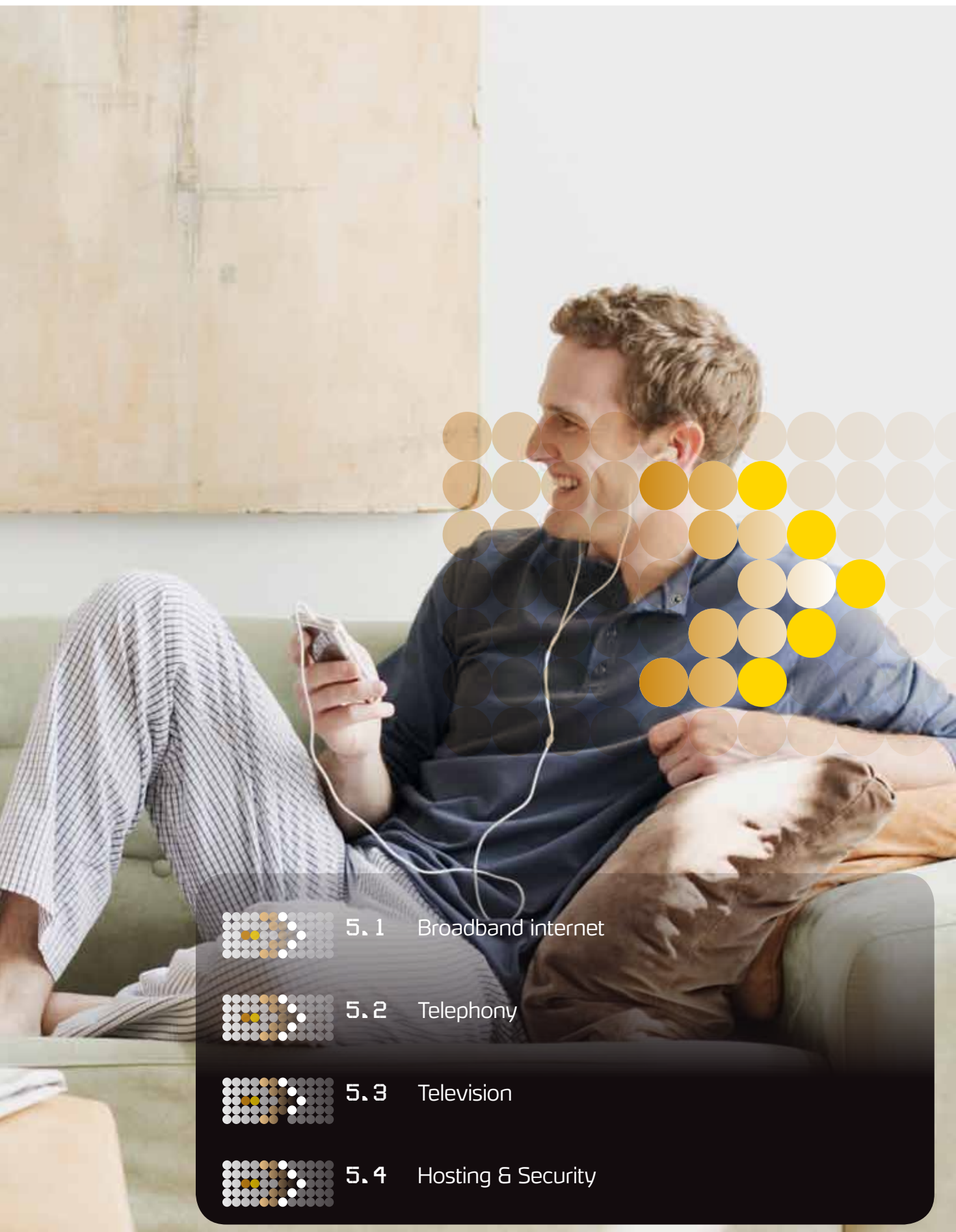
In 2011 Telenet will make further investments to increase its presence in new channels, such as Twitter and Facebook. Social media is a new customer service opportunity for Telenet, enabling customers to share their experiences of products and services, help other customers, launch new ideas and access additional information on facilities and functions.



## **Products and services**







5.1 Broadband internet



5.2 Telephony



5.3 Television

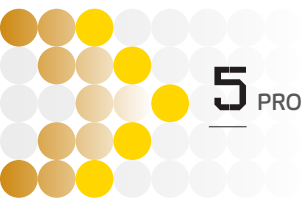


5.4 Hosting & Security



## 5.1 Broadband internet





## 5 PRODUCTS AND SERVICES

Broadband internet was one of the first operational activities to be developed by Telenet. The fiber network and coax cables enabled Telenet to market the fastest internet connections around from day one. To fulfill the expectations of today's dynamic customers speeds and volumes have been continually improved in recent years. That has enabled Telenet to reinforce its leading position in this area. Thanks to Telenet's efforts Belgium is now one of the global leaders when it comes to connection speeds.



### Associated services

Telenet provides not only high-speed web access, but also associated services, such as hosting, anti-spam and anti-virus protection. By raising awareness among parents, Telenet wishes to contribute to ensure that children are kept out of harm's way when they are online.

### Business Solutions

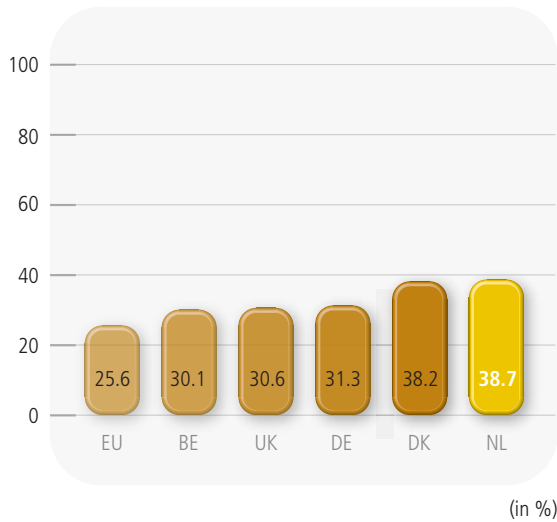
Specifically for businesses, Telenet markets internet and data products over various media (coax, DSL and fiber). The offering is tailored to the needs of the sector, including full solutions with respect to internet connectivity and secure networks for companies working out of multiple sites.







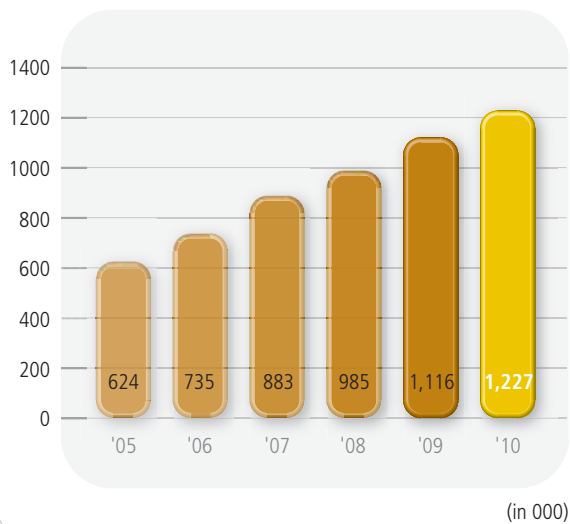
### → // Broadband penetration per inhabitant



## Broadband penetration

The quality of the broadband offering in Belgium has driven product penetration significantly. Belgium is rated very highly in the Broadband Efficiency Index (BEI), which measures the theoretical expected penetration of countries with actual results.

### → // Broadband internet customers





## Developments in 2010

### Subscriber base

At December 31, 2010 Telenet had 1,226.600 broadband internet subscribers, a 10% increase compared with the end of 2009. In 2010 Telenet welcomed a net 110,700 new broadband subscribers, a robust performance given the greater broadband penetration in the geographical market and the strong competition. Annualized customer churn in 2010 was 7.2%, comparable with the previous year.

Telenet attributes this positive operational result to the high speed and improved specifications of its broadband products compared with competitor technologies.

### Product range

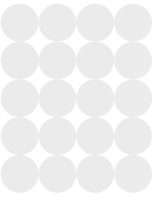
The current product range is focused on the low end and high end of the broadband market. The entry-level product Basicnet with a download speed of 4 Mbps is specially designed for customers who are taking their first steps online. At €18.90 per month it is also one of the cheapest internet packages in Europe.

In response to the increasing demand for more broadband, which is needed to guarantee simultaneous online access to an increasing number of devices, and the rising consumption of online video services, last year Telenet raised the specs of its existing broadband products and introduced some new ones.

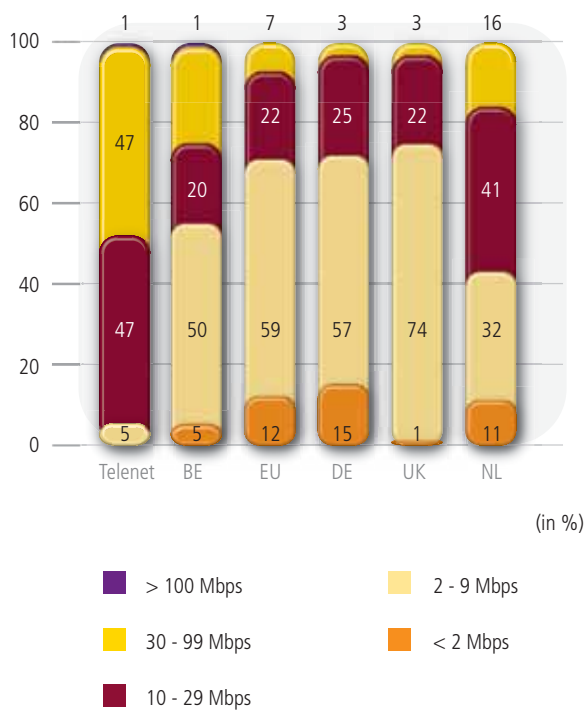
In February 2010 Telenet enhanced its existing broadband products by boosting download speeds and data volumes without raising prices. At the same time, Telenet introduced the first phase of its next-generation broadband internet products based on the EuroDocsis 3.0 technology, which has been implemented across the entire network. With Fibernet Telenet offers the highest download speeds (up to 100 Mbps) in its geographical market.

### Turnover

Operating income generated by the 1.2 million broadband internet subscribers rose by 6% from € 402.0 million in 2009 to € 426.7 million in 2010. In the fourth quarter of 2010 income from residential broadband internet was € 105.7 million, which is 2% higher than the same quarter in the previous year. In the fourth quarter of 2010 Telenet generated lower operating income from charges connected to premature contract terminations.

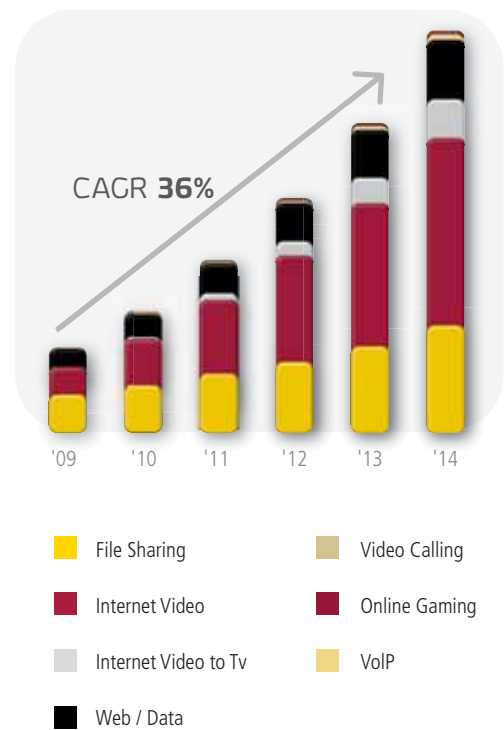


### → // Internet customers per download speed



Source: European Commission Broadband survey July 2010, company data

### → // Outlook for internet customer traffic



Source: Cisco Virtual Network Index, team analysis

## Prospects for 2011

In January 2011 Telenet totally rejuvenated its product range, and introduced two new products in response to the growing need for powerful super-fast connections, so that every member of the family can go online using various devices at the same time.

With 47% of broadband customers having a connection with a download speed of at least 30 Mbps, Telenet has one of Europe's strongest customer bases.

Although internet penetration in Belgium already exceeds 70%, there is still plenty of potential for growth. The growing number of products needing an online connection and the continued growth of the broadband market will lead to market penetration of at least 90% in the medium term.

Thanks to its Fibernet products, which offer download speeds of between 40 Mbps and 100 Mbps, Telenet is uniquely positioned on the market looking to the future. Customers are increasingly demanding reliable, super-fast broadband connections that allow them to maintain online connections through various devices at the same time. The inescapable advance of online video applications will only increase demand for super-fast internet connections in the future.

### Advanced solutions for businesses

Telenet introduced Corporate Fibernet for business customers in 2011. This revolutionary product is the perfect response to the ever-increasing internet demands of businesses. Corporate Fibernet prioritizes the coax network, with very high guaranteed bandwidths, strict SLAs and specialized business support.

Telenet's IP-VPN offering will be boosted with higher speed profiles and even higher services quality, also via coax. As a result, Telenet is in a position to develop extremely reliable networks by combining different carriers like coax and DSL in a cost-effective way.

For both services Telenet draws on the Eurodocsis 3.0 coax network, with separate network components and frequencies specifically for businesses. This ensures that business customers always have priority and their internet and data traffic is fully separated from that of residential customers.



## 5.2 Telephony



Telenet has been a fixed telephony provider since the end of the Belgacom monopoly in 1998. Telenet has been able to attract an ever-increasing number of fixed telephony customers in recent years despite the shrinking popularity of fixed telephony in favor of mobile telephony. In this virtually saturated market the enlargement of the customer portfolio is mainly explained by the trend in which fixed telephony customers switch to Telenet from traditional competitors.

Telenet typically offers fixed telephony as part of its product bundles. Mobile telephony is a separate range that Telenet only brought to market at the end of 2009 on the basis of a carefully considered, well-balanced strategy.

There is a specific telephony offering for corporate customers comprising traditional solutions as well as options involving advanced IP telephony exchanges (such as SIP trunking via the fiber network).

## Developments in 2010

### Fixed telephony

At December 31, 2010 Telenet had 814,600 fixed telephony subscribers on its network, a 10% rise compared with the end of 2009. It means that the penetration of the total number of connectable households rose from 26.5% at December 31, 2009 to 28.9% at December 31, 2010. The growth in the subscriber base was mainly due to the attractive fixed tariff plans and the continuing success of our product bundles.



Despite the mature nature of the fixed telephone market and the continued growth of the number of households with mobile telephony only, Telenet managed to attract 73,700 new fixed telephony subscribers in 2010.

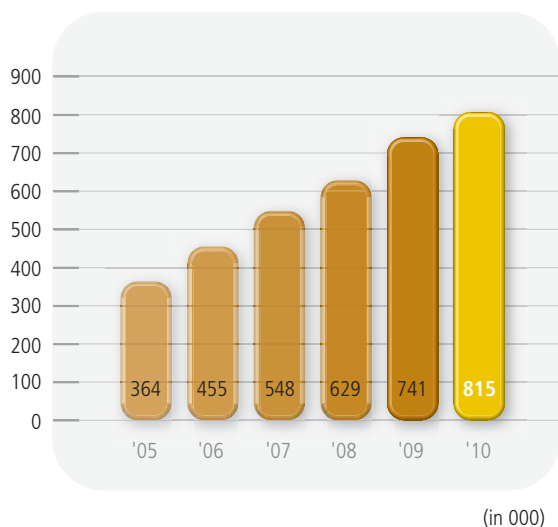
### Mobile telephony

There was solid growth on the mobile telephony market after entry at the end of October 2009 on the back of the unique tariff plans with subsidized phones. In 2010 the number of mobile telephony subscribers with a postpaid subscription rose by 68,800. At December 31, 2010 Telenet has 198,500 active mobile telephony customers in total, a rise of 54% compared with the previous year.

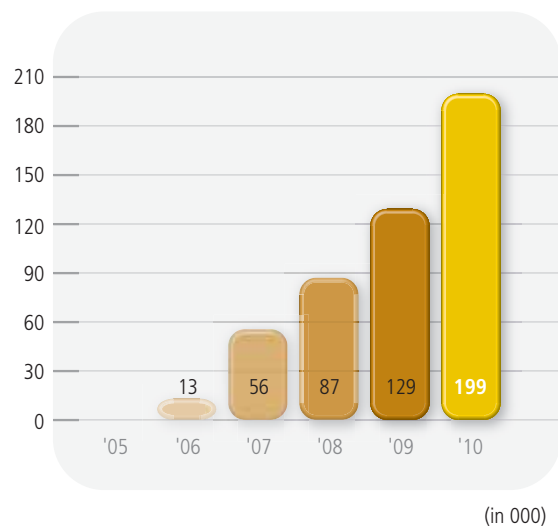
The company believes that this is a strong performance, bearing in mind the focus on the more profitable market segments and the fact that Telenet only markets its telephony services to existing customers within its markets.

The stronger positioning of Belcompany after the acquisition in 2009 and the new focus on the more profitable market segments both drove this growing success.

### → // Fixed telephony customers



### → // Mobile telephony customers



## Turnover

In 2010 Telenet added Walk & Talk 30 and 45 to its postpaid tariff plans and increased the data volume of its Walk & Surf subscriber packages. These new plans have enabled Telenet to win market share in the profitable market segments. New mobile phone customers accordingly generate a higher average revenue per user than existing mobile telephony subscribers on older tariff plans. This trend has resulted in a significant year-on-year rise in the average revenue per user for mobile telephony.

In mid October 2010 Telenet became a full mobile virtual network operator and began migrating its more profitable subscribers to this platform.

Operating income from residential telephony, which included the income generated by both fixed and mobile telephony, rose in 2010 by € 31.6 million or 14% compared with 2009 to € 255.9 million.

This robust growth was primarily driven by the increasing contribution of mobile telephony as a consequence of the higher number of subscribers with a postpaid subscription and, more importantly, the considerable rise in the average revenue per mobile telephony customer due to more expensive tariff plans among new subscribers. In 2010 operating income from mobile telephony more than doubled compared with 2009, contributing to an increasing degree in the overall growth in operating income.

Operating income from fixed telephony also rose steadily. The higher number of new subscribers was only partially set off by the further fall in the average income per customer from fixed telephony. That rise is attributable to the growing number of customers on a fixed tariff and the increasing share of the product bundles.



## // Mobile telephony and WiFi: the new convergence

Offering mobile telecommunication is an important growth area for Telenet. In 2010 Telenet invested strongly in the expansion of the mobile services package and the technological infrastructure it demands.

The possibilities of mobile telecommunication relate not only to traditional mobile telephony but also increasingly to mobile internet, via both the mobile network and WiFi.

The first step in offering mobile internet was taken with the acquisition of Sinfilo in Flanders in 2003. That gave Telenet the possibility of offering wireless online access based on its own technology on a geographical network of public hotspots. The WiFi network currently comprises 1,200 hotspots across Flanders with more being added all the time.

In the longer term, serious thought is going into platform convergence, in which the integration of mobile and fixed telecommunication will play an important role, both at home and on the go. In practice, it would mean that users have access to all services whatever the device, the platform or the location.



The launch of Yelo, which gives users the opportunity to watch TV on other devices than TVs, is a prime example of this. The growing importance of WiFi, which has been put centre stage by the arrival of such devices as the iPad, can also be mentioned in this regard.

The technological platform for mobile services is in development and promises innovations in the foreseeable future.



## Prospects for 2011

From mid 2011 Telenet offers businesses the opportunity of connecting telephone exchanges to its coax network. That enables customers to migrate their ISDN-2 services seamlessly while retaining their numbers. A solution will also be marketed for the new generation of telephone exchanges (VoIP-SIP) using the same access technology. Telenet will also continue to work on attractive, competitive tariff plans for the corporate segment.

## 5.3 Television



Since the acquisition of the cable network of the mixed inter-municipal companies in 2002 Telenet operates various forms of TV distribution through its cable network. With the acquisition of Interkabel, since the end of 2008 Telenet reaches all of Flanders and part of Brussels through the traditional cable network. However, since 2005 Telenet has shown it leads the field in terms of technology in television distribution with the launch of interactive digital television. With iDTV TV viewers receive an even wider array of technical and content options over and above the basic offering.

A rental model for the hardware needed to watch digital broadcasts (Digiboxes and Digicorders) was introduced soon after launch, to make the switch to iDTV as easy as possible for consumers.

The rental was subsequently integrated in the product bundles, which make the switch even easier. iDTV has clear added value for consumers, who gain access to a large number of TV channels in digital and even high definition picture quality, with the option of ordering additional programs on a pay-to-view basis through the remote. The technical possibilities of the Digicorder and such applications as Video-on-Demand and a PRIME subscription are tailored to contemporary lifestyles, providing the flexibility TV viewers expect.

Since the launch of iDTV Telenet has worked closely with local broadcasters and media production companies to stimulate the production of iDTV applications, enriching the offering and laying the foundations for the further expansion of this business.

This has helped to drive iDTV penetration up to 52% on the Telenet network within around five years.



## Developments in 2010

### Digital & premium TV

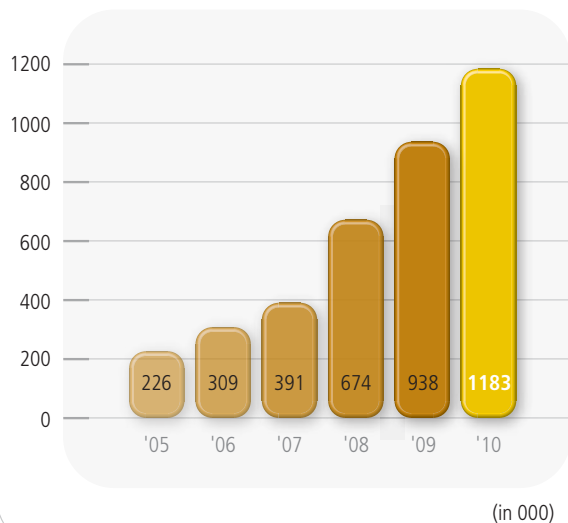
#### Subscriber base

The number of digital cable TV subscribers rose by 24%, from a little over one million at 31 December 2009 to 1,241,900 at the end of 2010.

In 2010 the number of Telenet Digital TV subscribers rose by 244,900. Only 2009 saw faster growth, although that was driven by the pent-up demand after the Interkabel acquisition. 21% of the remaining analog TV subscribers switched to digital TV in 2010, which translates as 11% of the total number of cable TV subscribers. This exceeded even the long-term forecasts.

The rate of digitization rose from 43% at 31 December 2009 to 55% at the end of 2010. Looking to the future, Telenet expects the continued migration of subscribers from analog TV to the interactive digital platform to remain one of the main value drivers, bearing in mind that the average revenue per user among digital cable TV subscribers is double that of basic cable TV subscribers.

## → // iDTV customers

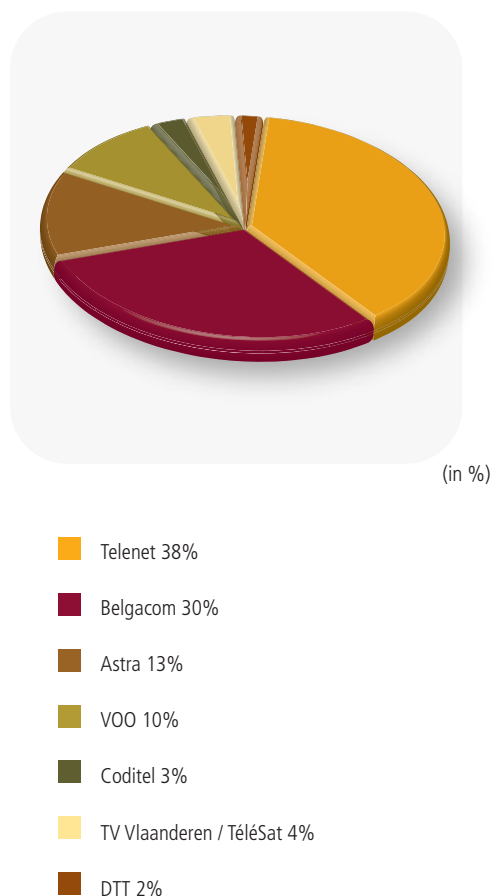


Belgium has a very dynamic digital TV market. A large number of players have developed into full-fledged competitors in recent years. Telenet currently has 38% market share in digital TV.

**Turnover**

Income from premium cable TV includes the income generated from digital cable TV over and above income from basic cable TV as described above. Income from premium cable TV will be driven upwards by the income from on-demand movies and the strong growth in rentals of advanced set-top boxes with hard disk and personal video recorder, which raises the recurring monthly rentals from set-top boxes. Operating income from premium cable TV also includes subscription fees for themed and premium channels (including pay channel PRIME) and the interactive services on the Telenet platform. Together they ensure that the average income per customer is higher than it is for regular cable TV subscribers. In 2010 Telenet registered 47 million on-demand transactions, an average of 3.7 per digital viewer per month.

## → // Market share of digital TV in Belgium



Source: Belgacom, Telenet, team analysis

In 2010 operating income from premium cable TV was € 150.7 million, which was € 35.3 million or 31% higher than it was in 2009. In the fourth quarter of 2010 operating income from premium cable TV rose to € 40.7 million, 24% higher than the € 32.9 generated in the same quarter of the previous year, despite the lower operating income from the charges connected to premature contract terminations.



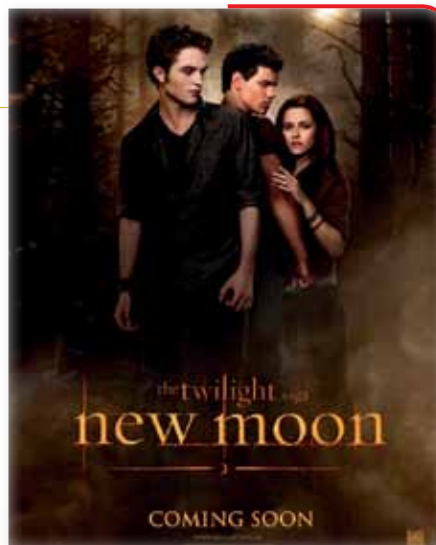
## // Video-on-Demand

2010 was a year of major expansions and innovations for Video-on-Demand (VoD).

Telenet is able to screen movies from the biggest studios after signing an agreement with 20th Century Fox. In addition to independent local distributors, most studios now offer their movies day & date, which means at the same time as the DVD release. This is one of the reasons Telenet twice broke the record for the number of orders in Film&Series, which clocked up 4.1 million movie transactions in total.

That was not only down to the movie library; the introduction of the new user interface was also important, because both navigation and overall appearance were improved. On-demand movies are now available for 48 hours after ordering, rather than the previous 24 hours.

The library does not only include Hollywood blockbusters. Telenet introduced a selection of high-quality TV shows, including Corleone, Pillars of the Earth and The Killing 2, offering the first episode for free. Local short films were also featured prominently in the media library, giving fledgling directors a chance to present their films to Telenet customers.



The VoD channel library was a big hit too, with such smashes as Benidorm Bastards, Dubbelleven, David, Vermist and classic show FC De Kampioenen, which generated 5.1 million paid transactions in total.

Telenet introduced even more innovations confirming its trail-blazing status, such as VoD in 3D (first in Europe!) and porting the VoD offering to the new Velo platform.

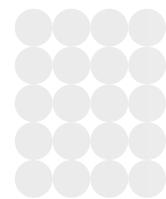
The total number of transactions was 47.1 million, a rise of 46% compared with 2009. 11.4 million transactions were paid, 13.9 million were free and 22 million transactions were ordered through a subscription, such as Net Gemist, PRIME à la carte or Passion à la carte.

### Prospects for 2011

Telenet expects the continued breakthrough of digital & premium TV in 2011.

The traditional TV experience is increasingly being marginalized as consumers assert their right to watch what they want when they want. To maintain contacts with modern-day subscribers Telenet is targeting the many technological possibilities of the digital platform.

PRIME and video-on-demand are strong assets for Telenet in terms of content. The offer of premium content to specific target groups fits in with this strategy perfectly. With a view to constantly enriching the content, Telenet is always open to partnerships with production companies for both TV shows and other applications such as games.



## // PRIME

PRIME continues to be a strong brand in the Flemish TV market. The number of digital PRIME customers rose to 225,101. A number of major contracts were renewed. These included the Oscars' ceremony for five years, Warner Bros for 15 months and Universal for one year. A new three-year contract was signed with Paramount. As a result, PRIME can guarantee a non-stop offering of the best movies and shows in the coming years.

PRIME was a partner of the Brussels film festival in 2010 again, as well as a valued media partner of a number of Flemish productions, such as Smoorverliefd and Rundskop.

PRIME Sport remains the specialist in live top sport. More than 550 live football matches from all the top European leagues and the Champions League are supplemented with two top US sports, NBA basketball and NFL football. This offering was recently supplemented with PRIME GOLF, a 24/7 channel featuring live broadcasts from the top tournaments on the US and European tour, alongside the four majors and the WGC tournaments. PRIME SPORT and PRIME GOLF are also available live on iPad, iPhone and computer via Yelo.

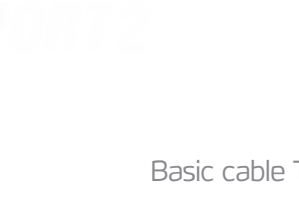
**PRIME**  
**GOLF**



Telenet achieved additional growth of 69% in PRIME à la Carte, with total transactions rising to 15.8 million. PRIME à la Carte is now used by 67% of PRIME customers. The greatest innovation is the availability of the entire PRIME à la Carte offering online. PRIME customers can now watch their favorite movies on their computer.



## 5 PRODUCTS AND SERVICES



### Basic cable TV

#### Subscriber base

At the end of December 2010 Telenet had 2,274,400 analog and digital TV subscribers. This comes down to a net organic loss of 68,000 basic cable TV subscribers in 2010, which does not include migrations to the digital TV platform but does include customers who switched to competitor platforms, such as other digital TV and satellite providers, as well as customers who have cancelled their TV subscription or have moved to a location outside the geographical market.

The basic cable TV subscription offers a well balanced selection of around 25 analog TV channels and around 20 analog radio stations for an average monthly price of € 14.4 (including 21% VAT), one of the lowest prices in Europe.

#### Turnover

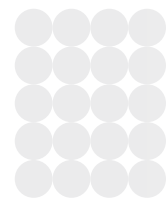
Income from basic digital TV, comprising analog and digital TV subscription fees (Telenet Digital TV and INDI), still form a large part of the operating income and are a constant source of cash. Income from basic cable TV rose from € 322.3 million in 2009 to € 325.1 million in 2010. The expected fall in the number of basic cable TV subscribers was compensated for by a 6% price rise in February 2009, which had a deferred positive impact on operating income until February 2010. In addition, non-recurring operating income connected with invoice adjustments has a positive impact on operating income in the third quarter of 2010.

### TV for businesses

A solution no longer requiring set-top boxes will be developed for large-scale TV customers in the course of 2011.

Convenience is especially important in hospitals and old people's homes. It will be possible to access digital TV through the familiar remote control device in the future. This should enable care institutions and others to circulate information in a more efficient, environmental way and allows this target group to enjoy the extensive digital offering.





yelo





## // YELO

In December 2010 Telenet launched Yelo, a new multimedia platform enabling digital TV customers to view their favorite shows and movies in and around the home on a variety of devices in addition to their TV, including iPad, iPhone and laptop. Other smartphones apps will follow in the near future. Yelo also offers a range of convenient services, such as an electronic program guide, remote programming of your Digicorder and Video on Demand. With Yelo Telenet once again refreshes the TV viewing experience in Flanders.

Yelo is also a response to the new expectations of modern media consumers, who increasingly want greater freedom, independence and mobility. It is the first step in the development of an innovative platform that wishes to embrace the fast-evolving TV landscape in partnership with the stations.

With the launch of interactive digital TV in 2005 Telenet revolutionized the medium, enabling customers to watch what they wanted when they wanted. Yelo takes that to another level.

Yelo makes the bridge between Telenet's digital TV offering and new wireless multimedia devices customers can also access TV from. Telenet's super-fast internet products and high-grade network ensure that Yelo users experience superior image and sound quality on their iPad, iPhone and computer.

### Yelo: even better through co-creation

Yelo is just the start. Telenet customers and users will determine the future of Yelo. Services can be aligned to customers and where necessary improved through co-creation or crowd sourcing. Telenet has developed a co-creation plan for the new platform. Telenet welcomes the input of the stations too to develop new services and functions in partnership.

## 5.4 Hosting & Security





## 5 PRODUCTS AND SERVICES



Telenet has been able to develop a strong position on the market due to a complete range of hosting and cloud-computing services for businesses and government. Telenet is in a position to offer customers a complete end-to-end outsourcing solution for server infrastructure and IT applications at its datacenters, enabling it to guarantee application and datacenter availability.

### 2010

Dynamic Cloud was launched at the beginning of 2010, enabling customers to build a virtual datacenter. Storage and server capacity can be activated and deactivated at any time, which enables businesses to respond to evolving needs with great flexibility. Customers only pay for activated capacity. Over 100 customers now use the Dynamic Cloud. In 2011 the hosting program will be enlarged with the addition of services better matched to the needs of mid-sized and large businesses and governments.

Telenet was able to take a position in the security market in 2010 through the acquisition of security expert C-CURE.

### 2011

In 2011 Telenet will offer a targeted response to the latest digital risks with its Next Generation Security Portfolio. It contains a full set of security solutions with heightened visibility in applications, users and information flows.

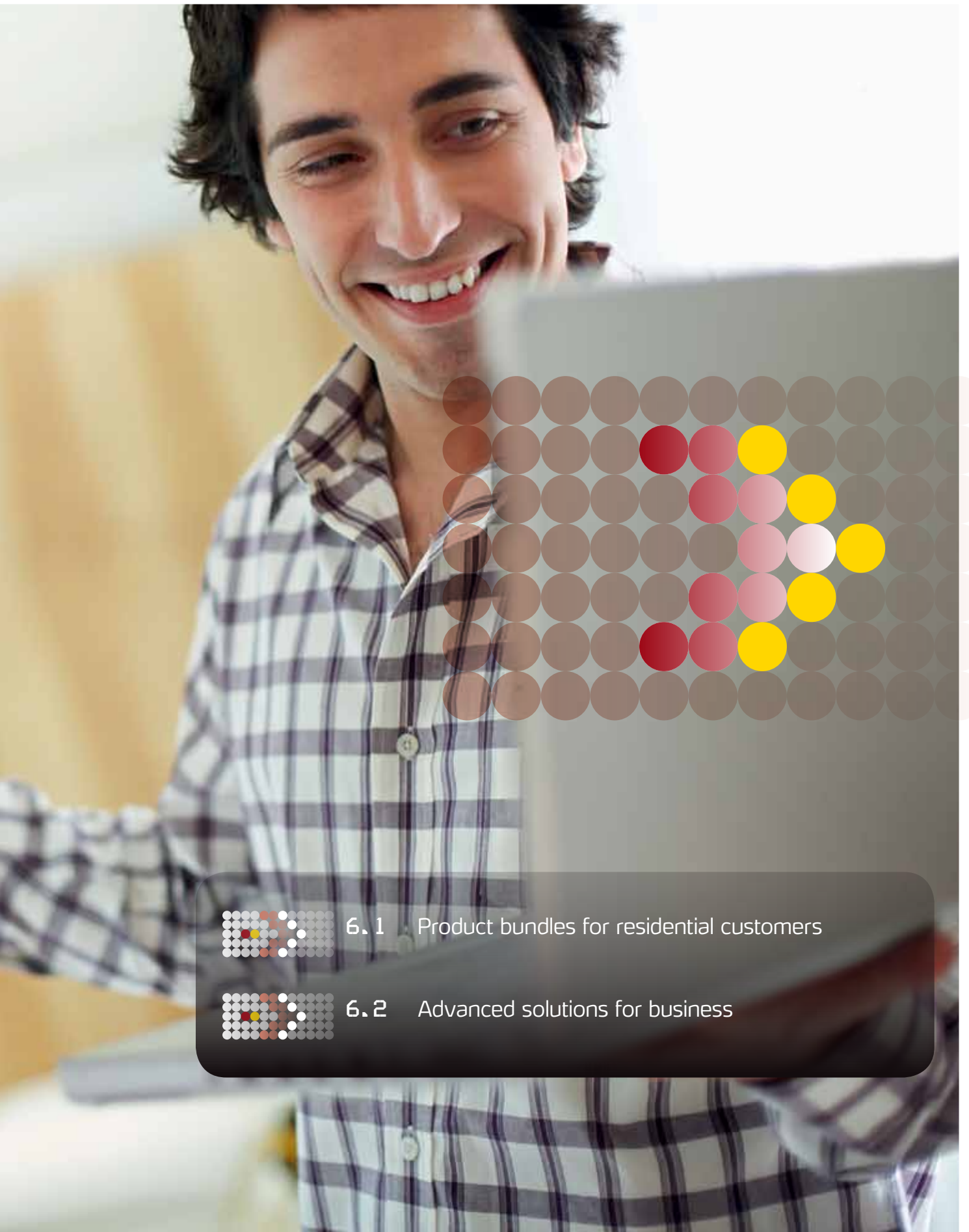
Telenet is also drawing on C-CURE's expertise to develop a Managed Security Service Portfolio, ranging from a standard internet security solution for small and mid-sized businesses to elaborate customized products for larger businesses and organizations.





## **Customer-oriented offering**





6.1 Product bundles for residential customers



6.2 Advanced solutions for business



## 6.1 Product bundles for residential customers



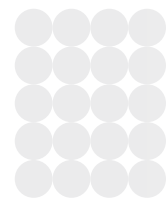
## 6 A CUSTOMER-ORIENTED OFFERING

The Telenet range is constantly evolving as new technologies are developed and the content is enlarged. Customers who started with an internet subscription only now have a much wider choice of telecommunication services and related products.

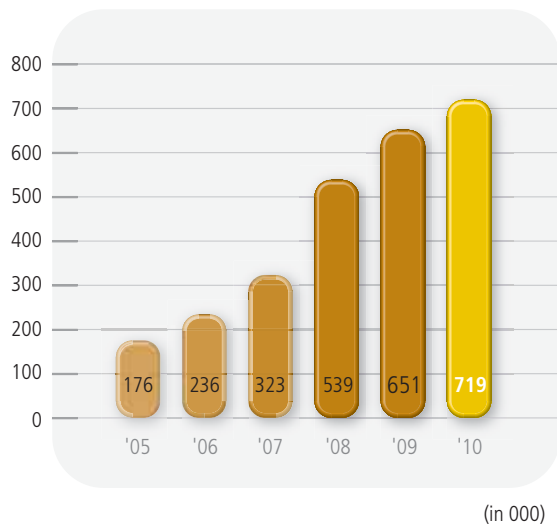
Since 2008 Telenet has focused on attractively priced product bundles for the residential market. These multi-service packs combine superior, reliable broadband internet, telephony and digital TV services. As a result, the number of services per customer is rising all the time, which also broadens the unique customer experience.

The Shakes concept, launched in 2008 and very successful in 2009, was maintained in 2010. Clearly, these product bundles are continually improved in response to the technological developments and the enlarged content that characterizes Telenet. Fibernet, announced at the beginning of 2010, which give internet users access to faster speeds and higher volumes, is now included in a large number of product bundles.

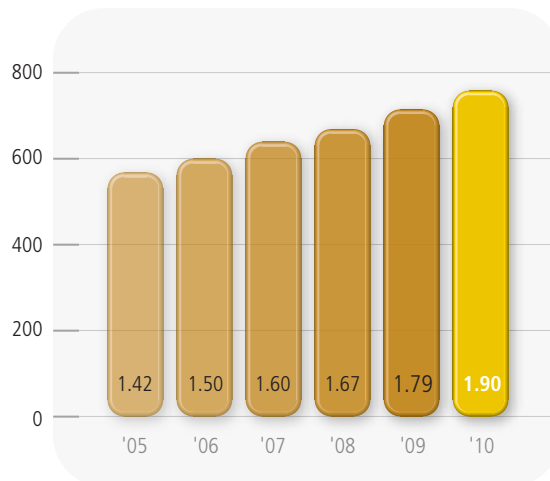




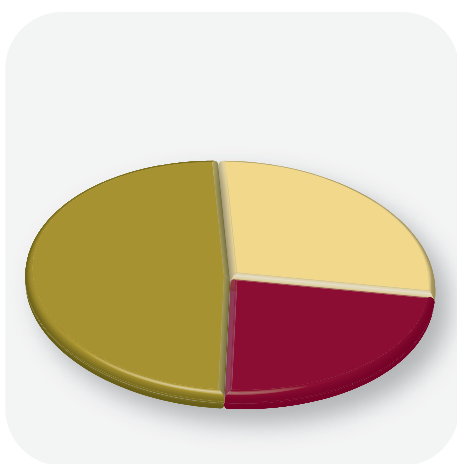
→ // Growth in Triple Play customers



→ // Number of services per customer

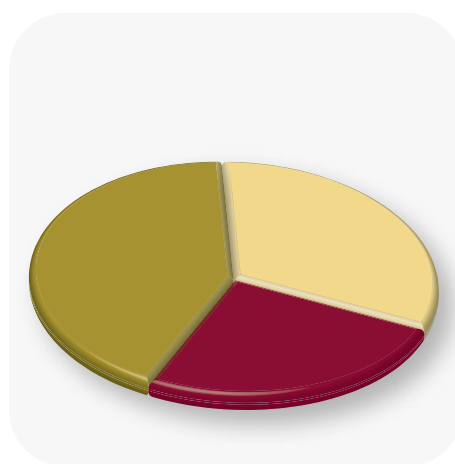


→ // 2009



- Single Play 48%
- Dual Play 24%
- Triple Play 28%

→ // 2010



- Single Play 42%
- Dual Play 26%
- Triple Play 32%



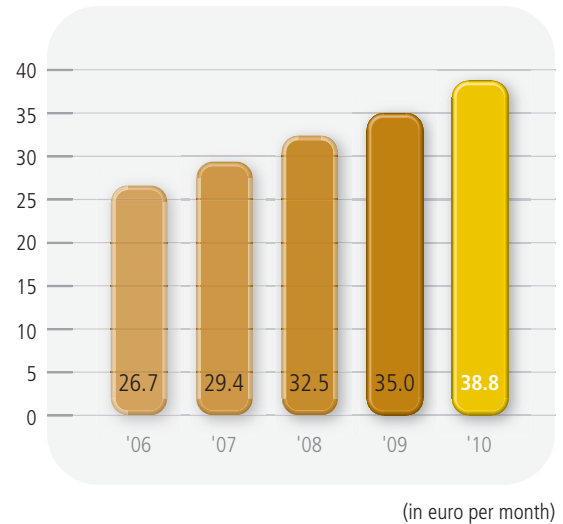
## Robust growth in 2010

The substantial growth experienced by Telenet in 2010 was largely due to the effective implementation of the strategy of marketing products and services in bundles. In 2010 the number of subscribers to the key residential products (Telenet Digital TV, broadband internet and fixed telephony) rose by 429,300. In the fourth quarter of 2010 sales gained momentum and the number of subscribers to the key residential products rose by 123,800. That was the highest level of the year, despite the strong competition. By December 31, 2010 the number of services had risen to 4,315,600, a rise of 3% compared with the 4,199,200 services on 31 December 2009 (both figures are not including mobile telephony).

The success of bundling can also be derived from the number of services per customer. At December 31, 2010 each customer was subscribed to an average of 1.90 services, a sturdy 6% rise compared with the situation at 31 December 2009 when the average number of services per customer was 1.79. The percentage of customers with a subscription to a bundle continued to rise: from 51% at 31 December 2009 to 58% at December 31, 2010. The number of customers subscribed to three products rose by 10% from 651,000 at 31 December 2009 to 719,200 at December 31, 2010, which represents 32% of the customer base.



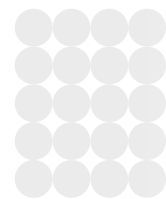
### // Average Revenue per User (ARPU)



## Average revenue per user

The average revenue per user rose further for a number of reasons: customers were persuaded to subscribe to additional services, there was net growth in the number of customers subscribing to a bundle and the percentage of subscribers to digital TV – which generates above-average revenue per user – continued to rise. For Telenet average revenue per user is one of the key indicators in a strategy aimed at getting residential customers to spend more on media and communication services.

In 2010 the average revenue per user rose by 11% to € 38.8, compared with € 35.0 in 2009, the largest increase ever on an annual basis. The pressure on the average revenue per user for individual products (due to the increasing number of bundle discounts, other price discounts and the pressure of competition) was more than compensated for by the higher average revenue per user due to the increasing number of customers subscribing to a bundle and the increasing number of digital TV subscribers.



It should be noted that, as stated above, the recurring revenue generated from the increasing number of postpaid mobile telephony customers is not included in the calculation of the average revenue per user.

## Prospects for 2011

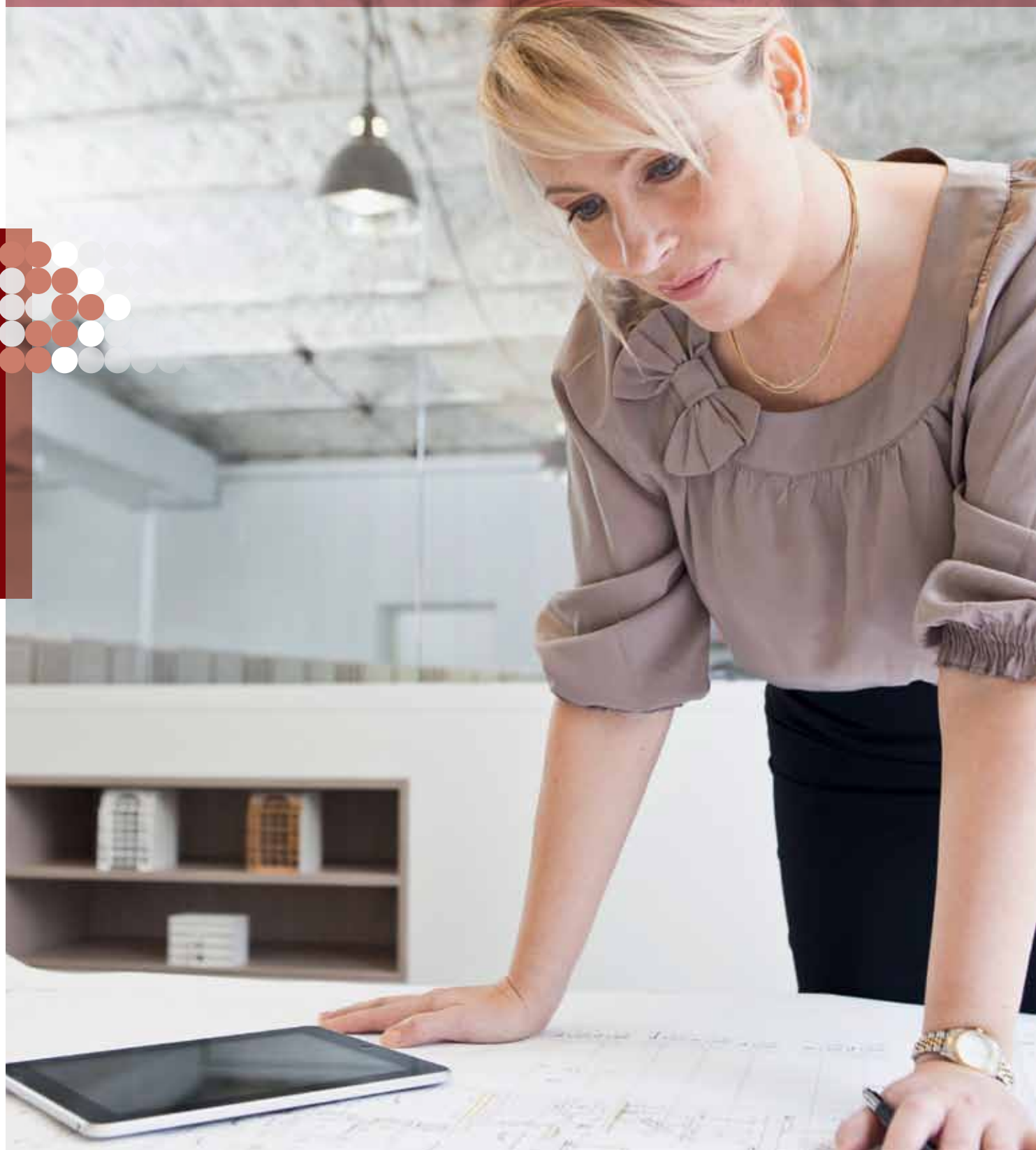
Telenet still sees very good opportunities, bearing in mind that 42% of customers are subscribed to just one product. The challenge is winning these customers over with attractive bundles. At the same time, Telenet will endeavor to get the vast majority of its one million analog TV subscribers to migrate to its interactive digital platform, where the average revenue per user is higher. The marketing of product bundles, known as Shakes, will continue to be central in this strategy.

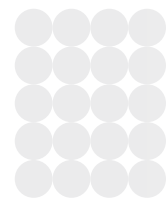
In addition to the switch from analog TV to digital TV, the migration to Fibernet and the continued penetration of this new-generation super-fast internet will be critical areas in 2011. The integration of Fibernet in its bundles will help Telenet convince its customers of the superiority of its products. It will also open the door to a new type of digital experience. With Fibernet customers are given the unique opportunity to use a whole gamut of Telenet network applications intensively within the home, without loss of speed or quality. Telenet also wishes to leverage this to further strengthen the emotional bond with its customers.

Against the backdrop of technological superiority and constant content broadening, customer satisfaction remains critical. Increasing market penetration means a larger customer base, which puts loyalty centre stage more and more. Telenet will not have the solid foundations on which to build its future development and growth without loyal customers. With this in mind, in 2010 Telenet took the decision to no longer measure the quality of its service on the residential market on the basis of a traditional customer satisfaction index, which only provides a snapshot of the situation. Instead, the more wide-ranging Customer Loyalty Score has been introduced, covering several aspects that pave the way for sustainable customer satisfaction (see also the 'Quality' section).



## 6.2 Advanced solutions for business





As Telenet's B-to-B division, Telenet Solutions markets professional telecom services to corporate customers in Belgium and Luxembourg. To do so, it makes optimal use of existing Telenet network and services. If need be, assistance is provided by partners with which strict quality guarantees have been agreed.

The basic services comprise internet, data, telephony and TV solutions. IT solutions, such as web hosting and security, draw on the expertise of specialist firms like Hostbasket, which was acquired in 2008, and C-CURE, which was bought by Telenet in 2010. The offering is continually optimized, based on evolving customer needs. Added value services will become increasingly important in the future.

In terms of connectivity, Telenet Solutions always offers its various services on the best network. That may be coax cable, DSL or fiber.

Over time, Telenet has created a distinct profile for itself as an attractive alternative provider on the Carrier and Wholesale market. Many national and international operators use the Telenet network to access their customers. Telenet provides the local connections ('local tails') between the operator's network and its customers, which are mostly multinationals with one or more sites in Belgium.

Telenet Solutions offers full customized virtual private networks (IP-VPNs) for foreign operators looking for a total solution to reach their customers in Belgium. Telenet's services are especially used by operators with a limited presence in Belgium.

Mobile operators have also discovered the advantages of Telenet's intricate glass fiber network. The increasing use of mobile internet is also driving the need for transmission capacity on mobile networks, known as backhauling.

In this case, that means the transmission of voice and data traffic between the base stations and the points of presence (POPs) in the mobile operators network. Telenet has designed a competitive, futureproof solution able to respond to the rising demand for bandwidth fast and efficiently.

## Personalized approach

The approach to the business segment differs from the one used for the residential market. Whereas residential customers are mainly approached through targeted marketing campaigns, supported by service packages and promotions, the business market demands a more personalized approach. A professional team of account managers, organized along sector lines, assesses the needs of individual companies and proposes bespoke service offerings. Service managers and project managers maintain personal contacts with businesses, identifying opportunities for further improvements. The high service levels Telenet imposes on itself are key to its success as a challenger on a market that continues to be dominated by the historic operator.



## 6 A CUSTOMER-ORIENTED OFFERING

Customer surveys show that Telenet Solutions distinguishes itself on the market with a highly customer-oriented approach, combined with the high-tech quality of its solutions

### 2010

Business-related turnover in 2010 was € 85.0 million, a 10% rise compared with 2009. A number of major contracts were won, which resulted in good organic growth. The acquisition of C-CURE was also completed. That means Telenet Solutions will be able to provide strong security solutions in the future. The services of Hostbasket, a subsidiary, will also be integrated in the service offering in 2011.

Based on this unique services positioning, Telenet Solutions expects to realize its market potential to an even greater extent in the future, which will also contribute positively to the turnover growth of the group on the whole.



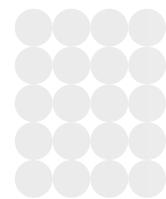
### Customer satisfaction

As in the previous year, in 2010 maximum efforts were invested in safeguarding the high satisfaction score among business customers and further improving a number of operational processes. The attention for service and quality resulted in 100% satisfaction among major customers and 91% customer satisfaction across the entire Telenet Solutions customer base.

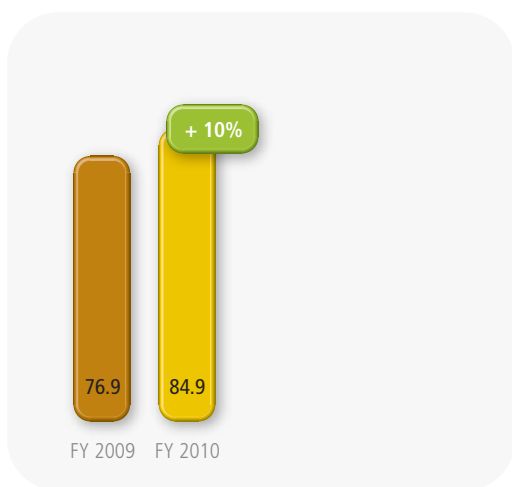
The top 50 customers were all satisfied or extremely satisfied with the service provided by Telenet Solutions.

The increased attention for operational processes did not go unnoticed and was very positively welcomed by customers.



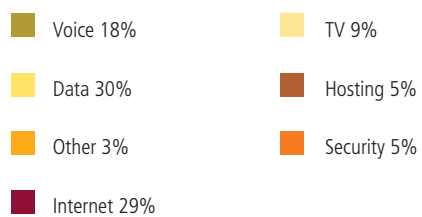
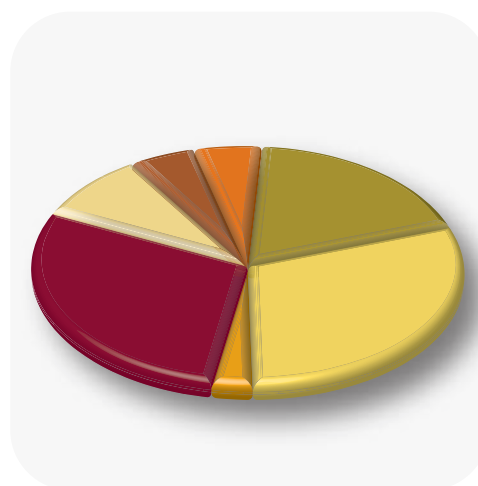


→ // Sales evolution



(in million euro)

→ // Sales evolution mix 2010





## 6 A CUSTOMER-ORIENTED OFFERING

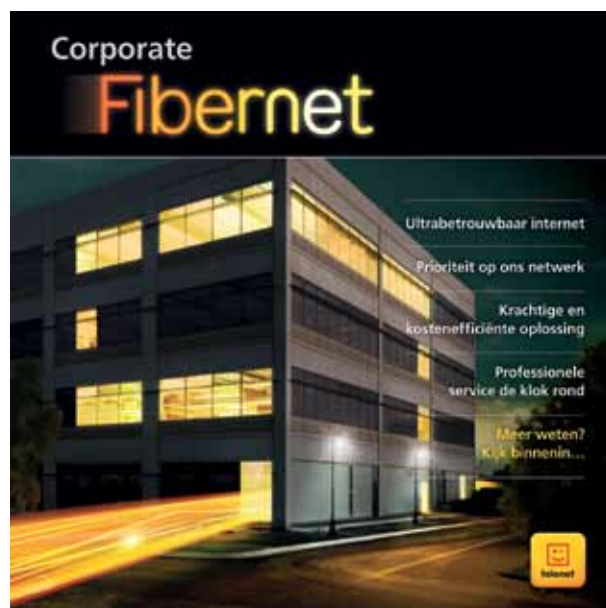
The surveys also show that customers believe Telenet Solutions offers high-quality products and services, and that network stability is extremely satisfactory.

### Prospects for 2011

Telenet Solutions portfolio mainly comprises services for which good market growth is projected in 2011 and beyond. Telenet Solutions wishes to build on the investments of recent years by approaching the market with a portfolio of connectivity, security and hosting solutions.

More and more connectivity solutions (telecom products) are based on the use of the coax cable. In the Fibernet range, for instance, EuroDOCSIS 3.0-based connections were introduced, with quality of service guarantees to enable implementation of critical business applications at guaranteed speeds. New value added services were also rolled out, such as security and hosting, in addition to internet and data products. Customers often feel these product portfolios are strongly linked, so the formula enables Telenet to respond optimally to the business market.

Telenet Solutions continues to focus on customer needs and expectations, leveraging service as an extra differentiation. Telenet Solutions is convinced it makes the difference with its personal, customer-oriented approach.



With regards to the range, Telenet Solutions will continue to focus on its star products. Internet and data are key components there and will be linked to a defensive strategy with regard to telephony. Hosting and Security will be used to be able to offer customers complete solutions and the range for large-scale TV users will be enlarged in 2011. In doing so, Telenet wishes to arm itself to claim a large percentage of the growth on the ICT services market.





# Digital Wave 2015



A nighttime photograph of a city street. In the foreground, a car's headlights create bright, curved light trails on a cobblestone-paved road. To the right, a tall, modern building with vertical architectural elements is illuminated. The sky is dark. Overlaid on the right side of the image is a decorative graphic of a grid of circles in white and yellow, some of which are partially cut off by the edge of the frame.

# Experience life in the Digital World



Fast-evolving technology and the ensuing new communication possibilities will drive society's development in the future.

At the beginning of 2010 Telenet launched its prestigious Digital Wave 2015 program. For Telenet the future is all about high network capacity, mobility and convergence of fixed and mobile telecommunication.

To facilitate the unavoidable sweeping digitization of our world Telenet has first and foremost decided to speed up investments in network expansion and to complete the planned modifications over five years rather than ten as originally proposed. The modernization relates to various technological aspects:

- The expansion of the glass fiber network will be speeded up;
- The number of nodes will be increased in the Pulsar program. As a result, just 500 households will be connected to each node, rather than the current 1,400, which will significantly increase the available bandwidth per connected household;
- The number of routers will be constantly increased and updated where needed;
- There will be selective investment in Fiber To The Home, for new-build, for instance.

To put Digital Wave 2015 into practice, in 2009 the Telenet board approved a program providing for an additional € 30 million in investments in the broadband network every year. A lot of efforts in the course of 2010 were focused on achieving these goals. The modernization work will continue unabated in 2011 and beyond.

The investments will produce a state-of-the-art network, constantly offering Telenet customers new experiences and opportunities, especially when the expansion of digital capacity goes hand in hand with the development of convenient, user-friendly devices.

It is also important that Telenet does not focus exclusively on enhancing its network to enable larger and larger quantities of data to be transmitted at faster and faster speeds; it also has to provide user possibilities itself.

Digital Wave is also driven by content, which can be categorized as follows:

- **entertainment**  
gaming at higher and higher speeds, from computers but also from smartphones, tablets and more.
- **home management**  
digital remote control of household appliances.
- **e-health**  
paramedical and medical care and observation through digital communication channels.
- **virtual office**  
the office of the future, with high-grade visual interactivity, videoconferencing and easy access to data.

- **mobility**

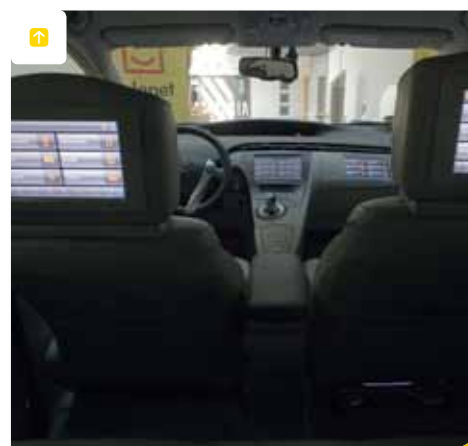
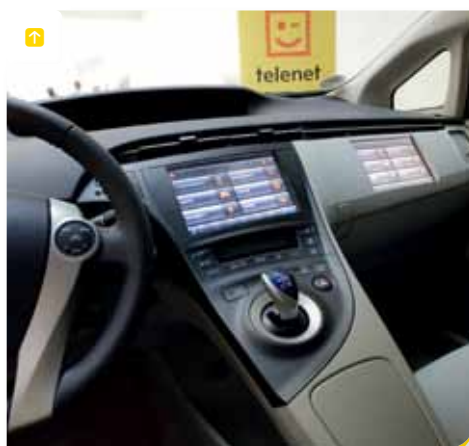
one of the Digital Wave's key concepts. Implementation of LTE (Long Term Evolution) and availability and convergence of new and existing means of communication are expected to increase the mobility of telecommunication spectacularly. WiFi will also continue to play an important role based on the increasing demand for mobile data transmission through numerous mobile devices.

- **smart TV**

Telenet conducted the first successful tests with LTE in the second half of 2010. The aim is to start pilots in the course of 2011 to offer concrete Digital Wave services.



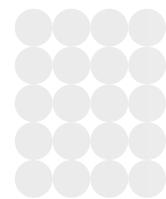
To stimulate the further digitization of Flanders via Digital Wave 2015 Telenet is especially counting on a constructive partnership with a great many parties active in the network economy. Such players as academia, TV channels and other media companies, technology businesses, customers and government must find a way to work together constructively on co-creation.











## ID of the Telenet share

Market	Euronext Brussel
Ticker	TNET
ISIN code	BE0003826436
Bloomberg code	TNET BB
Thomson code	TNET-BT

## Investor Relations

Telenet remains committed to high-quality and transparent financial reporting. In accordance with the EU Regulation 1606/2002 of July 19, 2002, Telenet's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU ("IFRS as adopted by the EU"), while the Company also complies with requirements of the US Sarbanes-Oxley Act. The Company reports a detailed set of financial results on a quarterly, semi-annual and annual basis.

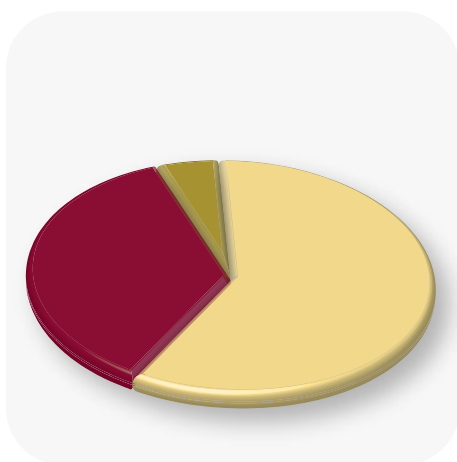
In 2010, Telenet continued its regular, open and intensive dialog with existing and potential shareholders, institutional and retail investors, other capital providers and their intermediaries and buy-side and sell-side financial analysts.

At the end of December 2010, Telenet's share was actively covered by 22 sell-side analysts throughout Europe, spread between the United Kingdom (59%), the Benelux region (36%) and the rest of Europe (5%). Telenet's Investor Relations department acts as a professional intermediary between the financial community and the Company, catering for a coherent, transparent and in-depth understanding of the Company's business and ensuring regular access to the Company's senior management.

As part of Telenet's communication strategy towards the financial community, presentations for, and meetings with, investors and financial analysts are held on a regular basis, including those in connection with the announcement of Telenet's financial results. Following the release of its financial results, the Company hosts a conference call and webcast for investors and financial analysts, during which senior management addresses their main questions and issues. This presentation is broadcast real-time through Telenet's investor relations website in order to ensure transparency and simultaneous accessibility of information for all investor groups concerned.

Alongside the quarterly, semi-annual and annual financial presentations, Telenet's Investor Relations department fulfill investors' demand for senior management access through regular roadshows, onsite visits and major investor conferences within the telecommunications and cable sector. The roadshows Telenet organizes and the conferences it attends seek to cover the most important financial centers in both Europe and the United States and consist of both individual meetings and smaller group meetings. In 2010, Telenet hosted 10 roadshows and participated to 15 conferences with a growing emphasis on sector and/or thematic conferences through which Telenet is able to interact directly with dedicated investors and industry specialists. Together with a growing proportion of onsite visits,

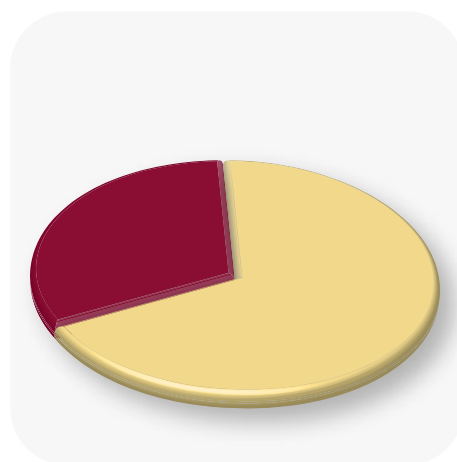
→ // Sell-side coverage by region



- Rest of Europe 5%
- Benelux 36%
- UK 59%

Telenet conducted 300 investor meetings in 2010, which reflects the increased interest of the financial community for its business and Telenet's accommodating stance with regards to senior management access. Of these 300 investor meetings, 30% was dedicated to the 25 largest shareholders of

→ // Distribution of sell-side rating



- Negative
- Neutral
- Positive

the Company whilst 45% of investor meetings were spent reserved for potential shareholders. Finally, Telenet's Investor Relations department dealt with approximately 65 investor conference calls in 2010, often either in preparation or as a follow-up to meetings with senior management.



## // In 2010, Telenet hosted:

**10** roadshows throughout the main financial districts in both Europe and the US

**30%** of investor meetings dedicated to Top25 shareholders

**15** conferences, of which a growing proportion of dedicated sector conferences

**45%** of investor meetings reserved for potential shareholders

**300** investor meetings, of which a growing proportion of onsite visits

## Shareholder structure

The shareholder structure of the Company per December 31, 2010 was as follows:

SHAREHOLDERS	OUTSTANDING SHARES	%	PROFIT CERTIFICATES	WARRANTS	TOTAL (FULLY DILUTED)	% (FULLY DILUTED)
Liberty Global Consortium <sup>(1)</sup>	56,405,400	50.17%			56,405,400	47.61%
BNP Paribas Investment Partners SA <sup>(2)</sup>	5,595,908	4.98%			5,595,908	4.72%
Norges Bank	3,382,022	3.01%			3,382,022	2.85%
Employees	22,776	0.02%	334,675	5,705,357	6,062,808	5.12%
Public <sup>(3)</sup>	47,021,934	41.82%			47,021,934	39.69%
<b>Total</b>	<b>112,428,040</b>	<b>100.00%</b>	<b>334,675</b>	<b>5,705,375</b>	<b>118,468,072</b>	<b>100.00%</b>

(1) Including 94,827 Liquidation Dispreference Shares.

(2) Former Fortis Investment Management SA.

(3) Including 16 'Liquidation Non-Preferential Shares' held by Interkabel Vlaanderen CVBA and 30 Golden Shares held by the inter-communal financing associations.

Additional information on our shareholder structure can be found in Note 7.3.3 Shareholders, included in this Annual Report, or can be retrieved from our investor relations website <http://investors.telenet.be>.



Telenet's Investor Relations strategy has been widely recognized for its accessibility, responsiveness, transparency and timeliness, for which the Company takes pride. In the annual survey for The Best Financial Information by ABAF/BVFA (Belgian Association of Financial Analysts) Telenet ranked 5th out of a total of 55 screened Belgian companies in 2010. In 2009, Telenet only ranked 29th underpinning the strong progress which the Company has made with regards to the effective execution of its Investor Relations program. In another survey amongst buy-side and sell-side financial analysts and investors, Institutional Investor magazine awarded Telenet the 2nd spot for Best Investor Relations in Belgium for the year 2010.

## Shareholder disbursement

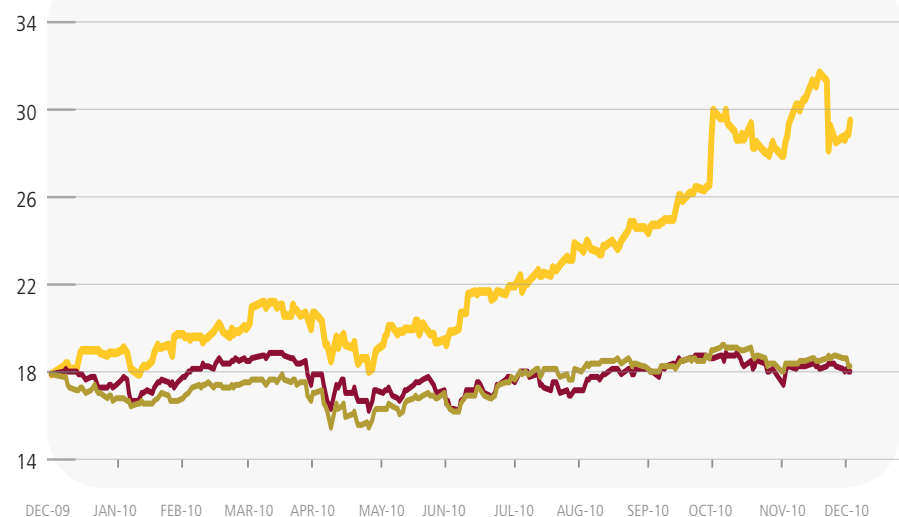
Following the refinancing operations in 2010 and the continued strong progress in Free Cash Flow generation, Telenet has set the basis to be able to deliver attractive shareholder disbursements in a recurring and sustainable way while preserving liquidity for investments in business growth and value-accretive acquisitions. Accordingly, the Company targets a long-term Net Total Debt to EBITDA ratio of at least 3.5x which provides for an optimal balance between growth and shareholder returns on the one hand and attractive access to capital markets on the other hand. The Company aims to achieve this leverage target through a further optimization of its financing framework, potential acquisitions, strong Free Cash Flow generation and cash returns to shareholders. The implementation of this leverage model will allow for attractive and sustainable shareholder returns with an above-sector yield, on top of continued strong long-term business

growth. To that end, in absence of acquisitions and/or a significant change in our business model, Telenet's shareholder remuneration strategy will allow for a continuing high level of cash returns to shareholders on a long-term basis. For 2011, the Board of Directors authorized to proceed with a shareholder disbursement of € 4.5 per share, representing a total distributable amount of € 505.9 million. The final decision on the shareholder disbursement and payout date will be voted upon at the Annual General Meeting of Shareholders (AGM) on April 27, 2011. The disbursement will most likely be executed as a capital reduction, which is not subject to applicable withholding taxes, and would be paid around mid-2011.

## Share price evolution

While 2009 was still dominated by the global economic downturn and the financial crisis, 2010 was marked by a broad economic recovery on the one hand and the sovereign debt crisis hitting several European countries on the other hand. The latter put amongst other things a considerable pressure on European banking stocks, which still represent a fairly large proportion of the overall European market including the Belgian Bel20 index.

→ // Telenet's share price performance for the year 2010 versus Bel20 and DJ Stoxx Telecom Index

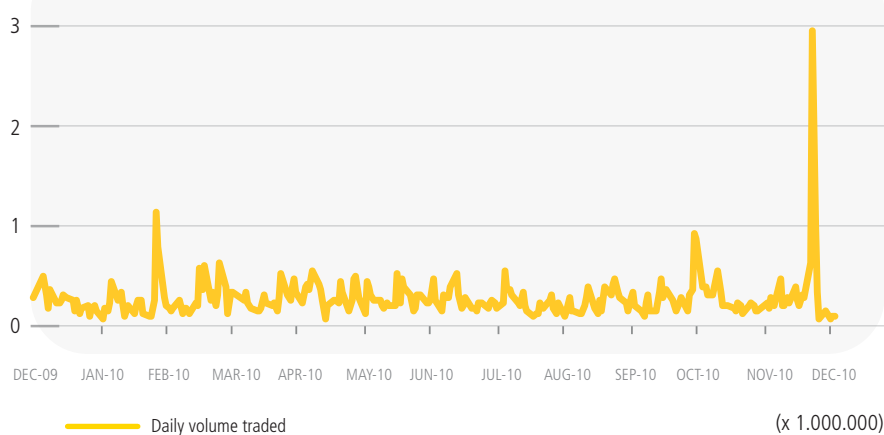


— Telenet (euro) — Bel 20 Index (rebased to TNET) — DJ Stoxx Telecom Index (rebased to TNET)

Throughout the year, Telenet's share managed to consistently outperform the broader market and also strongly outperformed the European telecommunications index. The latter is directly related to the increased investor interest and appetite for cable stocks, underpinned by solid operational and financial results from the cable group in general, the successful IPO of Kabel Deutschland in March 2010 and upbeat analyst reports. Analysts and investors value cable for its strong growth profile driven by multiple-play growth, sustained speed leadership in broadband through EuroDocsis 3.0 and continued digitalization of its cable television subscriber base. Consequently, Telenet's share ended the year at € 29.48, a 63% increase compared to the prior year period.

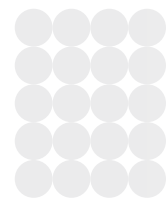
## 8 THE TELENET SHARE

→ // Telenet's share price performance for the year 2010, including the main accomplishments and highlights of the year



- 1 Commercial launch of Fibernet and agreement with Norkring België NV on the use of DTT spectrum
- 2 Announcement of FY 2009 result and € 2.23 per share shareholder disbursement
- 3 Announcement of Digital Wave 2015 investment program
- 4 Acquisition of C-CURE NV, complementing Telenets portfolio in the B2B market
- 5 Voluntary exchange offer for certain Term Loans, extending Telenets debt maturity profile
- 6 Announcement of H1 2010 results
- 7 Announcement of 9M 2010 results and additional € 500 million debt issuance
- 8 Announcement of additional € 100 million debt issuance
- 9 Draft proposal to regulate certain services over cable





## Information about the Telenet share

	2005	2006	2007	2008 <sup>(1)</sup>	2009	2010
<b>// Per share data</b> <span style="float: right;">in €, except for shares outstanding</span>						
<b>Share price for the period</b>						
Year-end	10.60 <sup>(1)</sup>	14.39	17.52	10.82	18.08	29.48
Average	11.44 <sup>(1)</sup>	11.97	16.25	12.79	13.84	22.59
High	14.08 <sup>(1)</sup>	14.75	18.07	17.56	18.08	31.74
Low	10.60 <sup>(1)</sup>	10.19	14.42	8.70	10.51	17.88
Weighted average number of shares outstanding (basic)	89,503,387	100,625,547	104,615,436	109,981,494	111,354,953	112,093,758
Weighted average number of shares outstanding (diluted)	89,503,387	104,453,726	108,588,515	109,981,494	111,956,540	113,542,782
Average daily volume of shares traded	582,034	233,222	238,543	267,404	262,794	281,360
Basic earnings (loss) per share	(0.86)	0.05	0.20	(0.14)	2.09	0.80
Diluted earnings (loss) per share	(0.86)	0.05	0.19	(0.14)	2.08	0.79
Operating cash flow per share	2.38	3.09	1.98	3.20	3.96	4.49
Free Cash Flow per share	0.33	1.03	0.13	1.10	1.50	2.30
Shareholder disbursement per share	0.00	0.00	6.00	0.00	0.50	2.23
<b>Multiples</b>						
Market capitalization at year-end (€m)	949	1,448	1,833	1,190	2,013	3,305
Enterprise value at year-end (€m)	2,228	2,803	3,802	3,487	4,234	5,592
EV/Adjusted EBITDA	6.6	7.6	8.6	6.9	7.0	8.4
EV/Sales	3,0	3,4	4,1	3,4	3,5	4,3
Free Cash Flow yield	3,1%	7,1%	0,7%	10,2%	8,3%	7,8%

(1) Since Telenet's stock market listing on Euronext Brussels stock exchange as of Oct. 10, 2005.

## Financial Calendar

27 April 2011	Annual meeting of shareholders
3 May 2011	Q1 2011 Earnings release (5.45pm CET)
4 August 2011	H1 2011 Earnings release (5.45pm CET)
27 October 2011	Q3 2011 Earnings release (5.45pm CET)

Note that these dates may be subject to change.





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#### MORE INFO

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