Telenet – 9M 2016 Results

Investor & Analyst Call

October 27, 2016

Safe harbor disclaimer

Safe Harbor Statement under the U.S. Private Securities Litigation Reform Act of 1995.

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

Adjusted EBITDA and Free Cash Flow are non-GAAP measures 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 plc website (http://www.libertyglobal.com/). Liberty Global plc is our controlling shareholder.

Executive Summary

Highlights for 9M 2016

Strategic Highlights

- Successful "**WIGO" launch** in late June 2016
  - Reached 99,900 "WIGO" subscribers at the end of Q3 2016
  - Although uptake has been particularly strong amidst existing customers, we have seen a strong inflow of mobile SIMs from competition in the quarter
- Go-live of **new joint organization** in late June
  - Continue to lead on customer service for all customers
  - Strong commitment to deliver on our targeted 2020 annual run-rate synergies of €220.0 million
  - Restructuring and optimization of our intra-group structure completed in August 2016 with a view to unlock future value
- Start of our mobile network upgrade project
  - As part of the €250.0 million investment plan, to be completed by end Q1 2018
  - Key to unlock future synergies from migrating customers from Orange MVNO to our own network
  - Aim to have upgraded around 400 sites by year-end 2016
- Further investments in **entertainment**
  - Announced a co-investment with VIER, called "De Dag", after our successful "Chaussée d'Amour" episodes

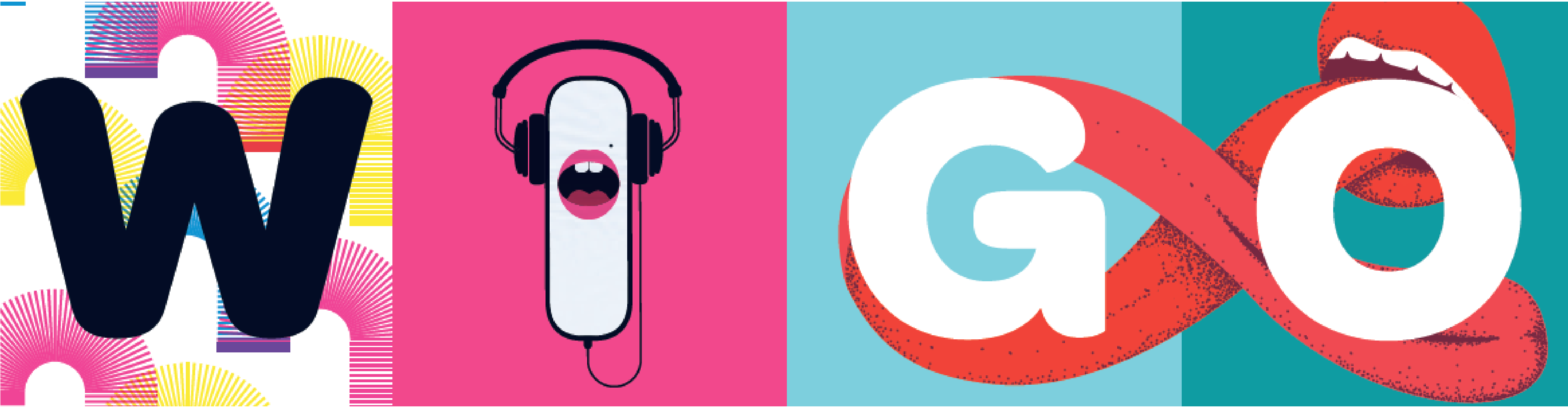
Operational & Financial Highlights

- **Net subscriber additions for our advanced fixed services[1] up 15,000 qoq in Q3 2016,** reflecting the competitive market
- **Net mobile postpaid subcriber growth in Q3 2016 was best quarterly result since early 2013**, driven by our "WIGO" offers
- **Rebased[2] revenue and Adjusted EBITDA growth of 3% and 2% yoy in 9M 2016**
- Robust **Free Cash Flow performance** in Q3 2016
- FY 2016 **outlook reconfirmed**
- **On track to reach our medium-term outlook** of 5-7% rebased Adjusted EBITDA growth ('CAGR')[3] over the 2015-2018 period

1. Advanced fixed services refer to broadband internet, enhanced video and fixed-line telephony
2. On a rebased basis – please see Definitions for additional information
3. Compound Annual Growth Rate

Almost 100,000 “WIGO” subscribers achieved

Our first all-in-one converged offering for families and businesses



Continued investments in local premium entertainment

Commitment to deliver the best network experience

~300 municipalities upgraded as part of “Grote Netwerf” program end-August
Upgrade of BASE network has started: ~400 modernized sites by year-end

- Controlled upgrades to assure best customer experience
- Aim to upgrade 2,800 macro sites by end Q1 2018

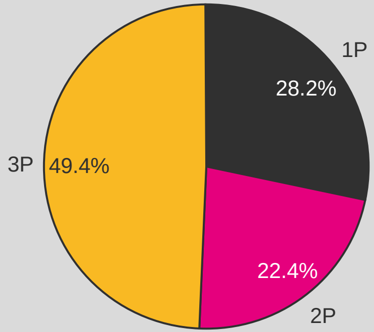
- > 1,800 sites ready now for upgrade
- Around 400 sites upgraded by year-ed

Operational Highlights

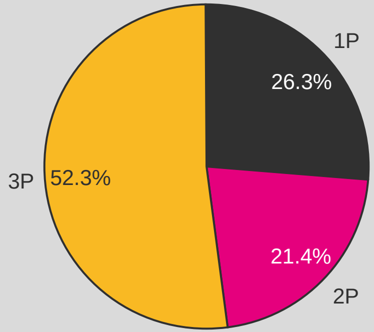
Multiple-play penetration

Triple-play subscribers up 5% in Q3 2016, representing around 52% of our customer base

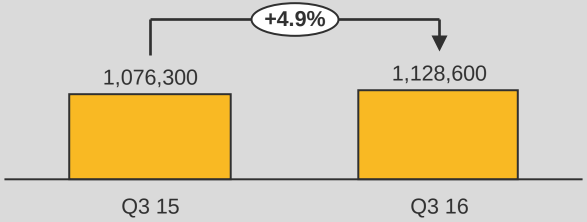
Customer mix (September 30, 2015)



Customer mix (September 30, 2016)

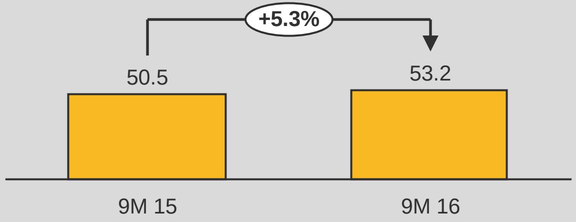


Triple-play subscribers



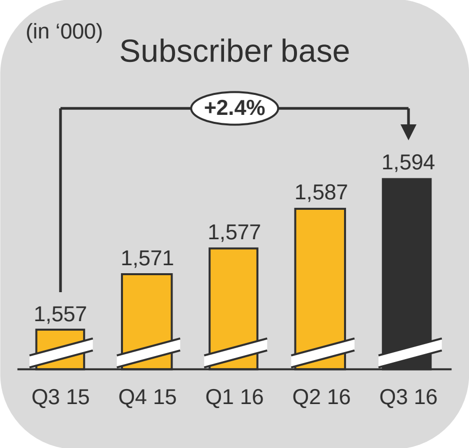
(in €)

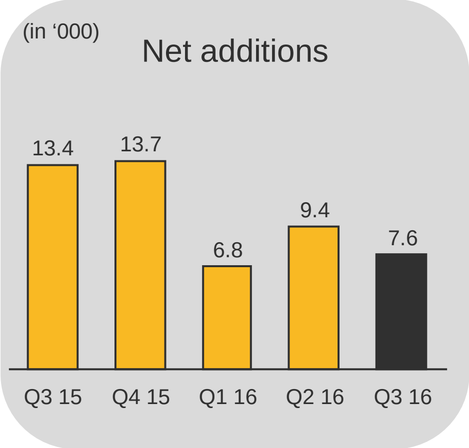
ARPU per customer relationship

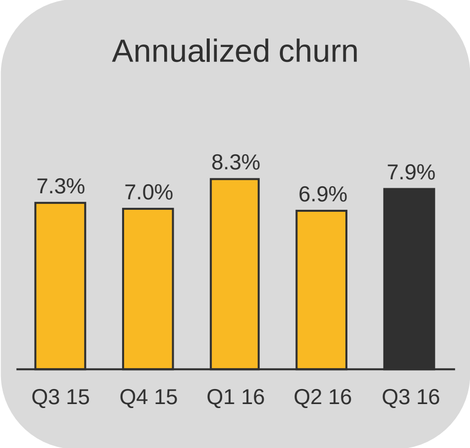


Broadband internet

Solid net subscriber growth in Q3 2016 driven by success of our “WIGO” offers



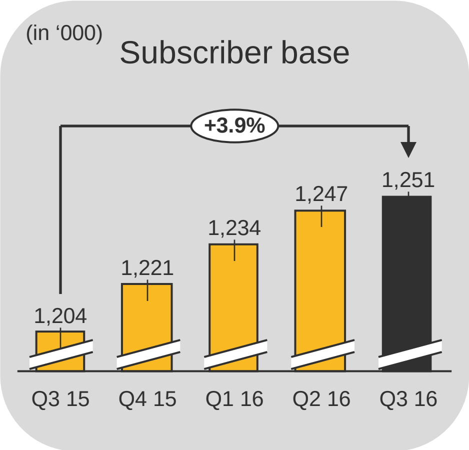


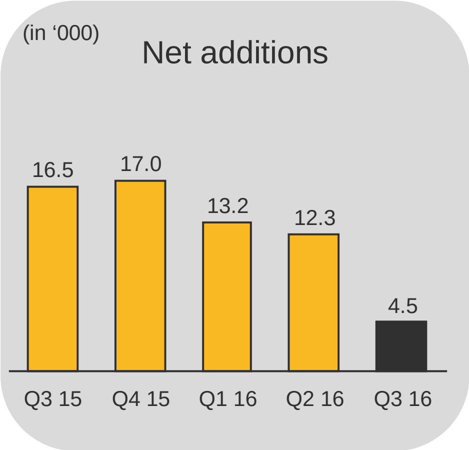


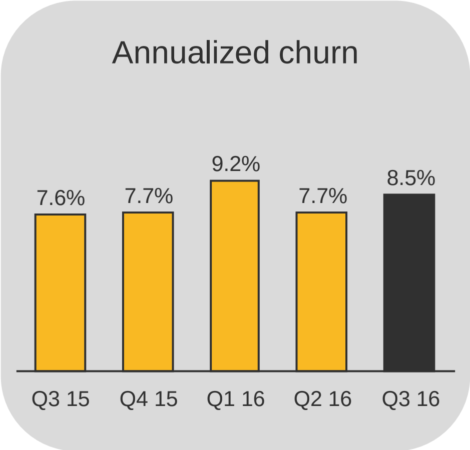
- **7,600 net broadband internet subscriber additions** in Q3 2016;
- **1,594,300 broadband internet subscribers** at September 30, 2016, +2% yoy, resulting in a 53.6% penetration of homes passed by our leading HFC network;
- **Annualized churn of 7.9%** in Q3 2016 compared to 7.3% in Q3 2015, reflecting an increasly competitive environment.

Fixed-line telephony

Net subscriber growth impacted by higher churn and competition



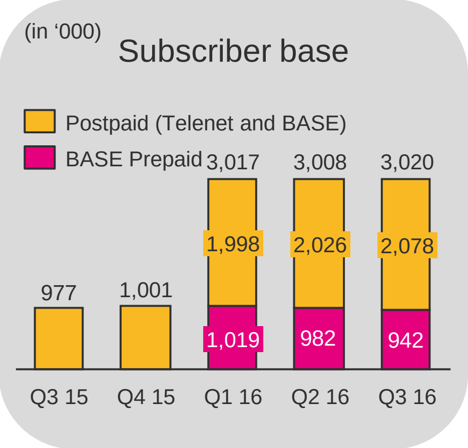


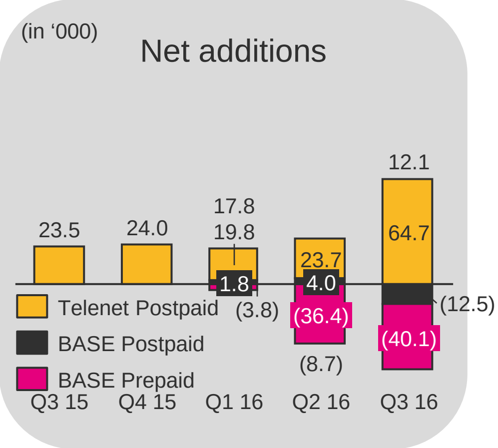


- **4,500 net fixed-line telephony subscriber additions** in Q3 2016, impacted by higher churn driven by an intensely competitive market;
- **1,251,000 fixed-line telephony subscribers** at September 30, 2016, up 4% yoy, equivalent to a 42.1% penetration of homes passed by our network;
- **Annualized churn rate amounted to 8.5% in Q3 2016** compared to 7.6% in Q3 2015.

Mobile telephony

Best quarterly net postpaid subscriber additions since the success of “King” and “Kong” early 2013, partially offset by declines at BASE

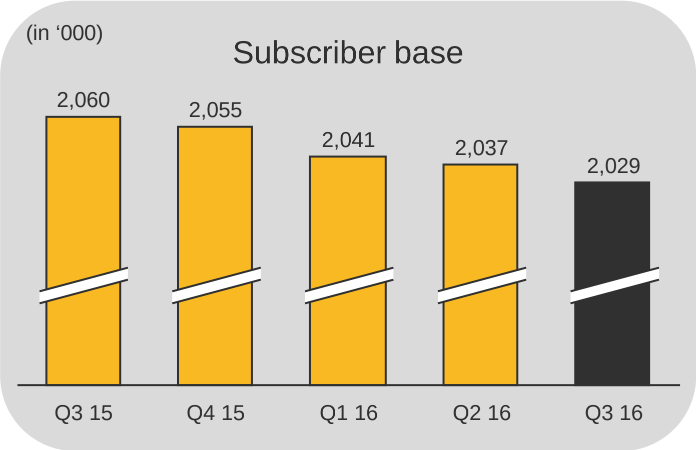


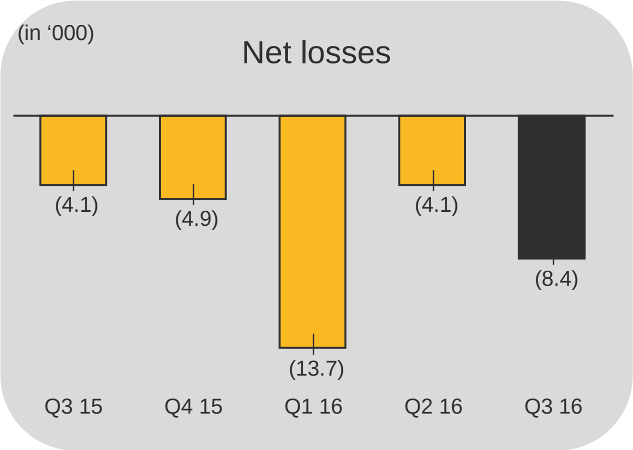


- **Solid 52,200 net mobile postpaid subscribers in Q3 2016** despite the intensely competitive environment. Thanks to strong uptake of our "WIGO" offers, Telenet had its best quarter in terms of net postpaid subscriber additions (+64,700) since early 2013;
- **Robust growth was partially offset by negative subscriber additions at BASE**, impacted by the success of our "WIGO" offers and continued structural declines in our prepaid business;
- **Including prepaid mobile subscribers, our total mobile subscriber base increased by 12,100 in Q3** 2016 compared to Q2 2016, driven by our solid postpaid subscriber additions of 52,200, which were only partly offset by a net loss of 40,100 mobile prepaid subscribers.

Video

Net organic loss rate in Q3 2016 driven by intensely competitive environment

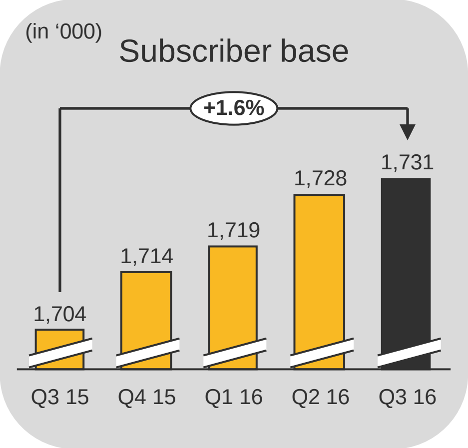


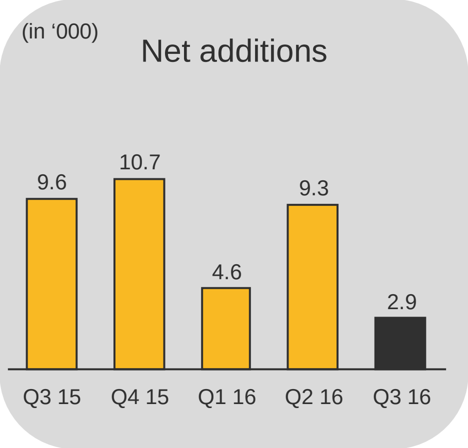


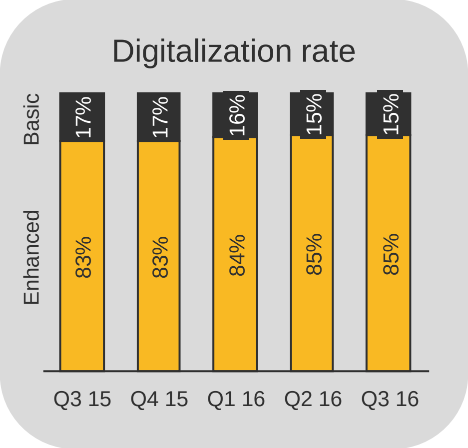
- **2,028,600 video subscribers** at September 30, 2016, representing approximately 68% of the homes passed by our network;
- **Our net organic loss rate in Q3 2016 deteriorated to 8,400**, driven by the intensely competitive environment.

Enhanced video

Around 85% of video customers have upgraded to our enhanced video platform



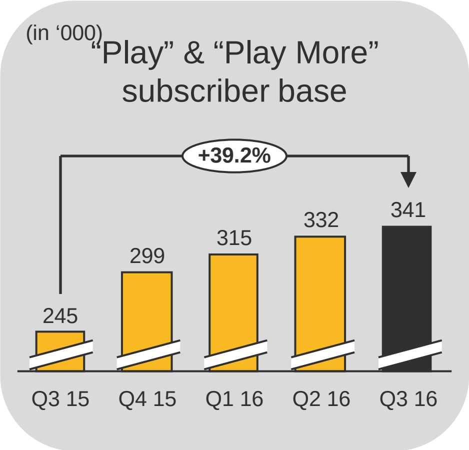


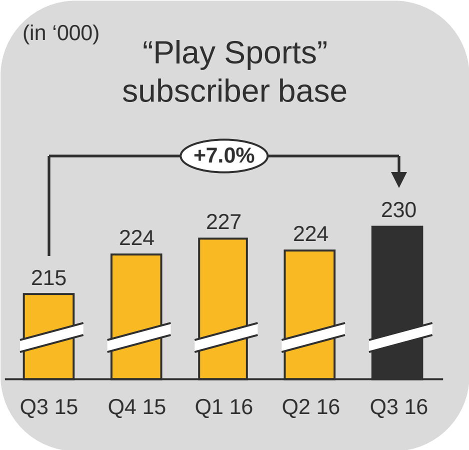


- **2,900 net enhanced video subscribers added** in Q3 2016;
- **1,731,000 enhanced video subscribers** at September 30, 3016, up 2% yoy, and representing around 85% of our total video subscriber base;
- Active user base of **"Yelo Play",** our OTT platform, reached **approximately 26% of our enhanced video subscriber base** at September 30, 2016.

Unique positioning in premium entertainment

Continued traction in entertainment sVOD packages and revamped "Play Sports" offer with an unparallelled sports offering in the Belgian market



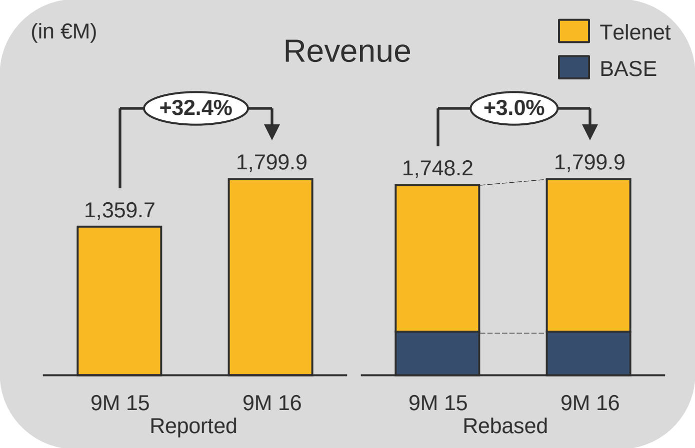


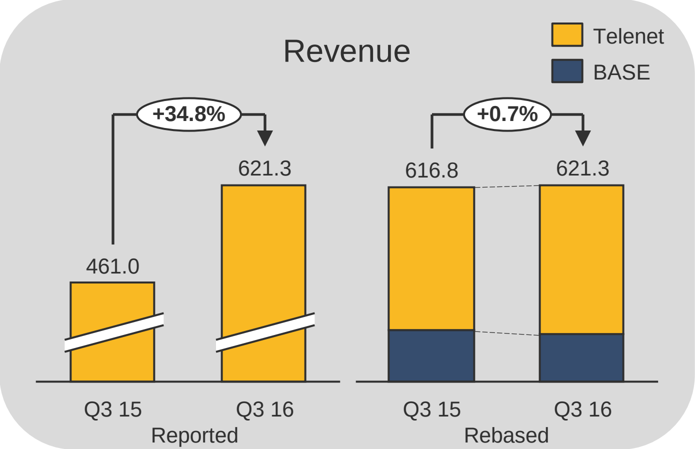
- **"Play" and "Play More" had 340,700 customers** at September 30, 2016, up 39% compared to Q3 2015 and driven in part by temporary promotions and the continued succes of our own proprietary local television series "Chaussée d'Amour";
- At September 30, 2016, **229,600 customers subscribed to "Play Sports"**, up 7% yoy. Compared to the prior quarter, our "Play Sports" customer base increased slightly as the Belgian football season resumed at the end of July.
- **Enriched "Play Sports" offering**, including new anchors, exclusive sports documentaries and the availability of our "Play Sports" app across all networks (both 3G/4G cellular and WiFi).

Financial Highlights

Revenue of €1,799.9 million, +3% yoy rebased[1]

Solid mid-single-digit top line growth of our cable business partially offset by continued pressure on our acquired mobile business



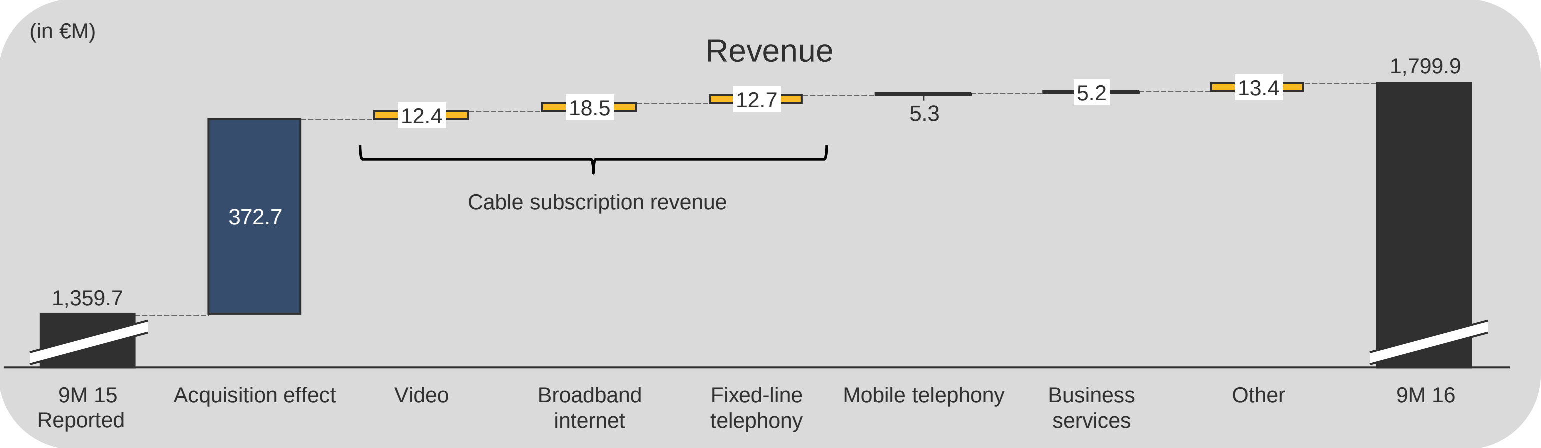


- **Revenue of €1,799.9 million in 9M 2016,** +32% yoy on a reported basis. Year-to-date, we achieved **3% rebased revenue growth** with solid mid-single-digit top line growth for our cable business being partially offset by continued competitive and regulatory pressures on our acquired mobile business;
- **Revenue of €621.3 million in Q3 2016**, +35% yoy and +1% yoy on a reported and rebased basis;
- In line with our full year 2016 outlook, **our rebased top line growth rate decelerated in Q3 2016** versus the 4% we delivered in H1 2016 as a result of both adverse regulatory and competitive impacts and as the prior year period already showed a revenue uplift from the introduction of our "Choose Your Device" programs.

1. On a rebased basis – please see Definitions for additional information

All product lines contributing to our top line growth

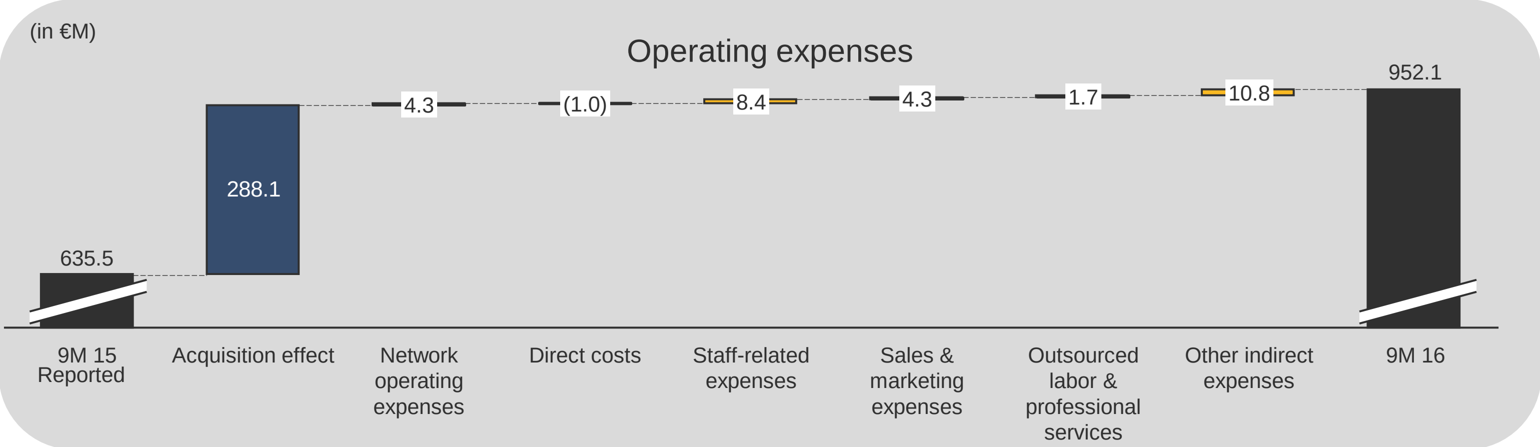
Solid revenue growth across the board driven by higher cable subscription revenue, higher business services revenue and growth in mobile telephony



- Acquisition of **BASE contributing €372.7 million to our revenue since February 11, 2016**;
- **Cable subscription revenue up 4% yoy** driven by (i) continued growth in our fixed RGU base, (ii) multiple-play growth and (iii) the benefit from certain price adjustments, partly offset by increased bundle discounts;
- **B2B revenue up €5.2 million yoy**, driven by (i) higher revenue from carrier services for mobile, (ii) higher security-related revenue and (iii) higher revenue from business connectivity solutions;
- **Other revenue up €13.4 million yoy**, primarily reflecting higher revenue from the sale of standalone handsets and the impact of our "Choose Your Device" programs launched mid-2015.

Operating expenses

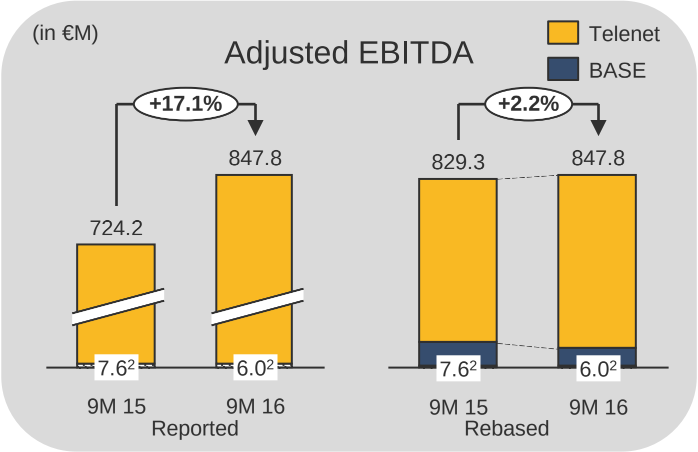
Operating expenses up 4% yoy (excluding BASE acquisition), reflecting €2.9 million higher integration costs and lower nonrecurring benefit vs last year

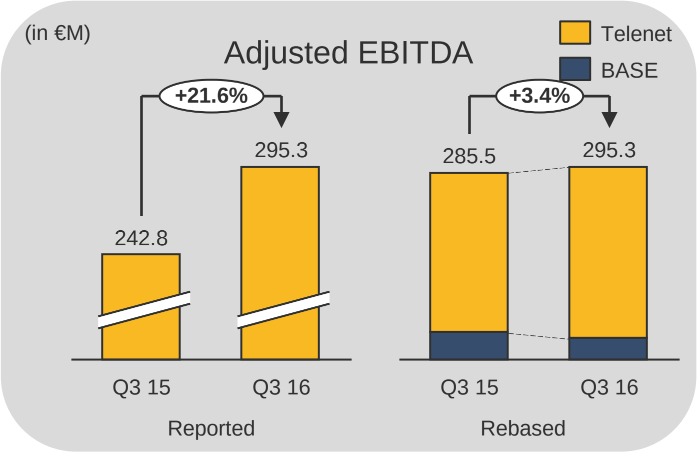


- **Operating expenses for 9M 2016 and 9M 2015 reflected nonrecurring favorable benefits of €6.0 million and €7.6 million**, respectively, linked to the resolution of certain operational contingencies;
- **€2.9 million higher integration and transformation costs** in 9M 2016 vs. 9M 2015 for BASE**;**
- **Higher staff-related expenses** reflected (i) the mandatory wage indexation since early 2016 and (ii) modest growth in our combined employee base, and (iii) temporary backfill during integration;
- **Higher sales and marketing expenses** reflecting our "Vollenbak Voordelen" campaigns in the first half of 2016 and the successful launch of our quad-play offering "WIGO" at the end of June this year.

Adjusted EBITDA of €847.8 million, +2% yoy rebased[1]

Positive impact from continued multiple-play growth and ongoing focus on cost excellence offset by higher BASE integration costs



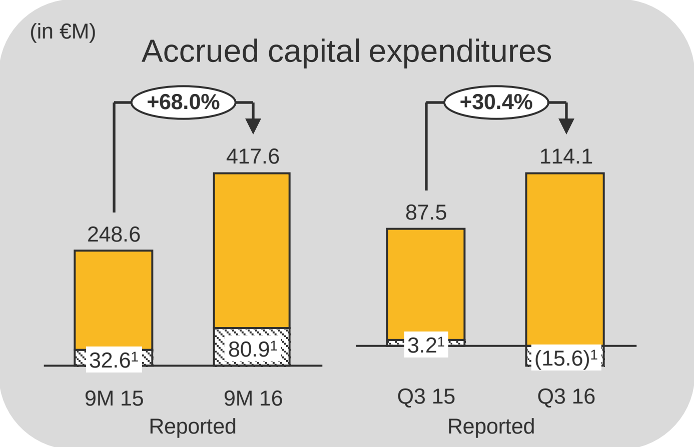


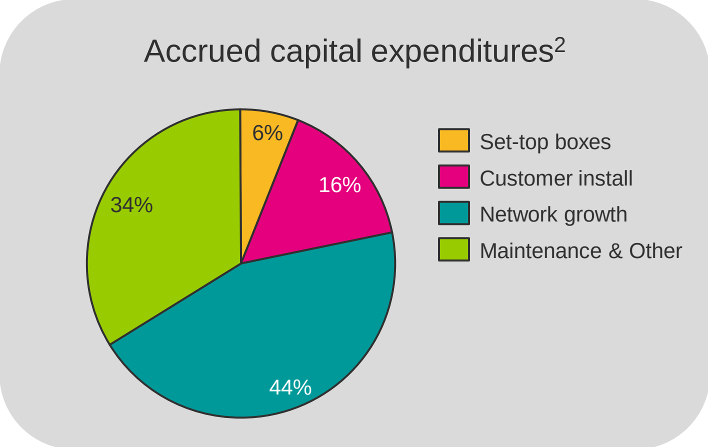
- **Adjusted EBITDA of €847.8 million in 9M 2016**, +17% yoy and +2% yoy on a reported and rebased basis;
- Adjusted EBITDA for both 9M 2016 and 9M 2015 included **nonrecurring benefits of €6.0 million and €7.6 million**, respectively, linked to the resolution of certain operational contingencies. Adjusted EBITDA growth in 9M 2016 was adversely impacted by **€2.9 million higher BASE integration costs**;
- **Q3 2016 Adjusted EBITDA of €295.3 million**, +22% yoy and +3% yoy on a rebased basis as a result of (i) lower direct costs, (ii) our continued focus on cost excellence and (iii) €2.2 million lower integration costs.

1. On a rebased basis – please see Definitions for additional information
2. Our Adjusted EBITDA for both 9M 2016 and 9M 2015 included nonrecurring benefits of €6.0 million and €7.6 million, respectively, linked to the settlement of certain operational contingencies associated with the settlement of our Full-MVNO Arrangement with Orange Belgium and the resolution of a contingency associated with universal obligations, respectively.

Accrued capital expenditures of €417.6 million

Representing approximately 19% of revenue, excluding the recognition of the Belgian and UK football broadcasting rights



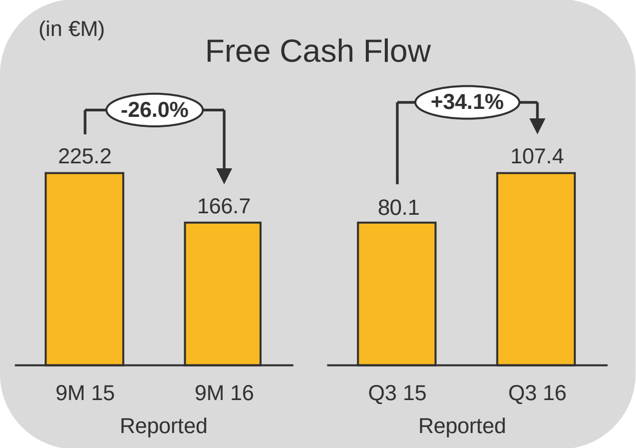


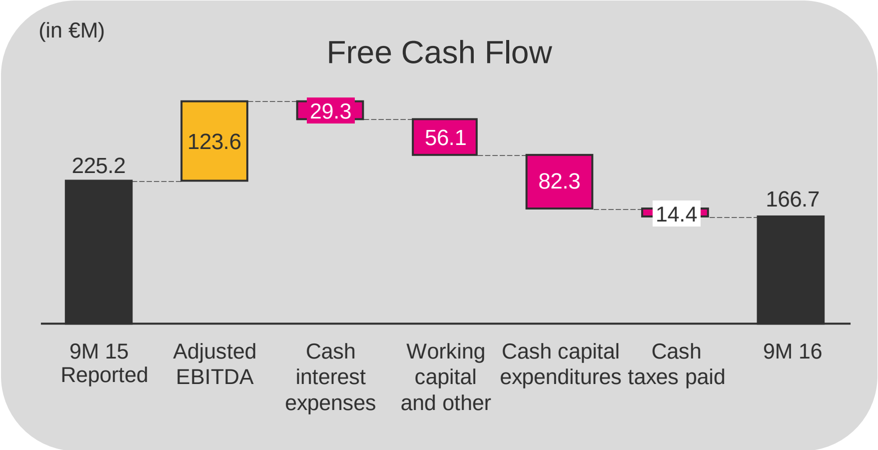
- **Accrued capital expenditures of €417.6 million in 9M 2016**, reflecting (i) the recognition of the Belgian and UK football broadcasting rights, (ii) higher network investments in our fixed and mobile insfrastructures, and (iii) the effects of the BASE acquisition (9M 2016: €77.7 million);
- **In Q3 2016, accrued capital expenditures were €114.1 million**, and reflected the acquisition of BASE on February 11, 2016 (Q3 2016: €42.8 million) and increased investments in the upgrade of the BASE mobile network, offset by lower set-top box related capital expenditures and customer installations.

1. Our accrued capital expenditures for both the first nine months of 2016 and 2015 reflected the recognition of the Jupiler Pro League broadcasting rights for the 2016-2017 and 2015-2016 seasons, respectively. In addition, our accrued capital expenditures in H1 2016 reflected the extension of the exclusive UK Premier League broadcasting rights for the next three seasons as of the 2016-2017 season. Under EU IFRS, these broadcasting rights have been capitalized as intangible assets and will be amortized on a pro-rata basis as the season progresses.
2. Excluding football broadcasting rights

Free Cash Flow of €166.7 million

Higher cash capital expenditures due to the BASE acquisition and unfavorable working capital trends at BASE in Q1 2016 offset by solid Adjusted EBITDA growth

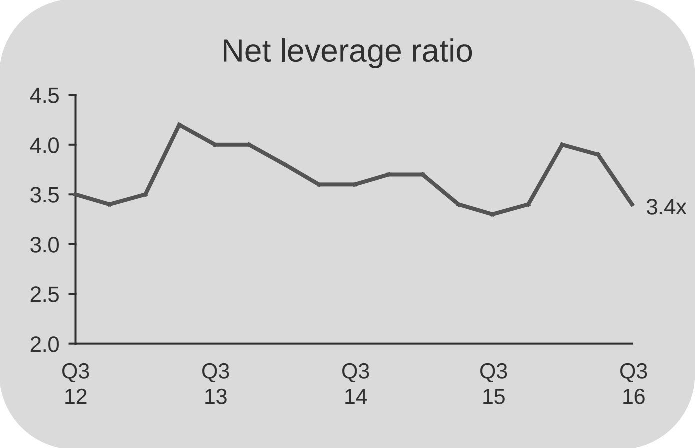


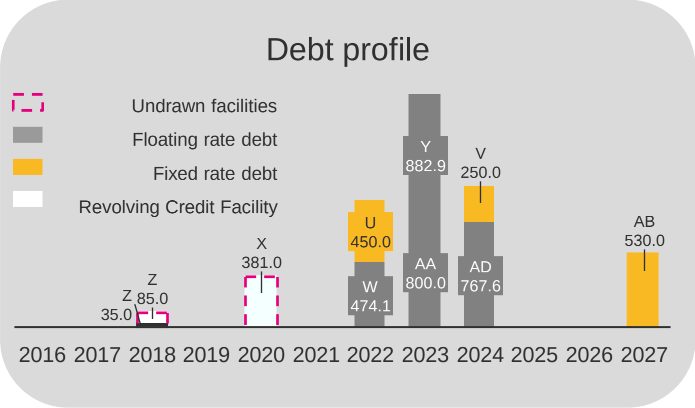


- **Free Cash Flow of €166.7 million in 9M 2016**, including a €9.4 million benefit from our vendor financing program as of Q3 2016 and through which we are able to extend payment terms to 360 days;
- **Year-to-date Free Cash Flow performance was impacted by** higher cash capital expenditures as a result of the consolidation of BASE and unfavorable working capital trends at BASE in Q1 2016, which was only partially offset by solid growth in our net cash from operating activities;
- **Free Cash Flow of €107.4 million in Q3 2016**, up 34% yoy, driven by (i) solid Adjusted EBITDA growth, (ii) an improved trend in our working capital, and (iii) the implementation of a vendor financing program in Q3 2016.

Net leverage ratio[1] of 3.4x at September 30, 2016

Sequential improvement due to the inclusion of certain unrealized synergies and solid Consolidated Annualized EBITDA growth





- **Net leverage ratio of 3.4x** at September 30, 2016 as compared to 3.9x at June 30, 2016, as a result of the inclusion of certain unrealized synergies with regards to the BASE acquisition and solid growth in our Consolidated Annualized EBITDA;
- **Successful refinancing of €700.0 million Senior Secured Notes due 2021** in June 2016, resulting in an **increased average tenor of 7.4 years and a weighted average cost of debt of 4.5%**;
- **No outstanding debt maturities prior to 2022**, excluding our short-term €35.0 million revolving credit facility which has been repaid in October 2016.

1. As per our 2015 Amended Senior Credit Facility - please see Definitions for additional information. Includes certain unrealized synergies with regards to the BASE Company NV acquisition (currently being referred to as Telenet Group BVBA)

Reconfirming our FY 2016 outlook and medium-term outlook

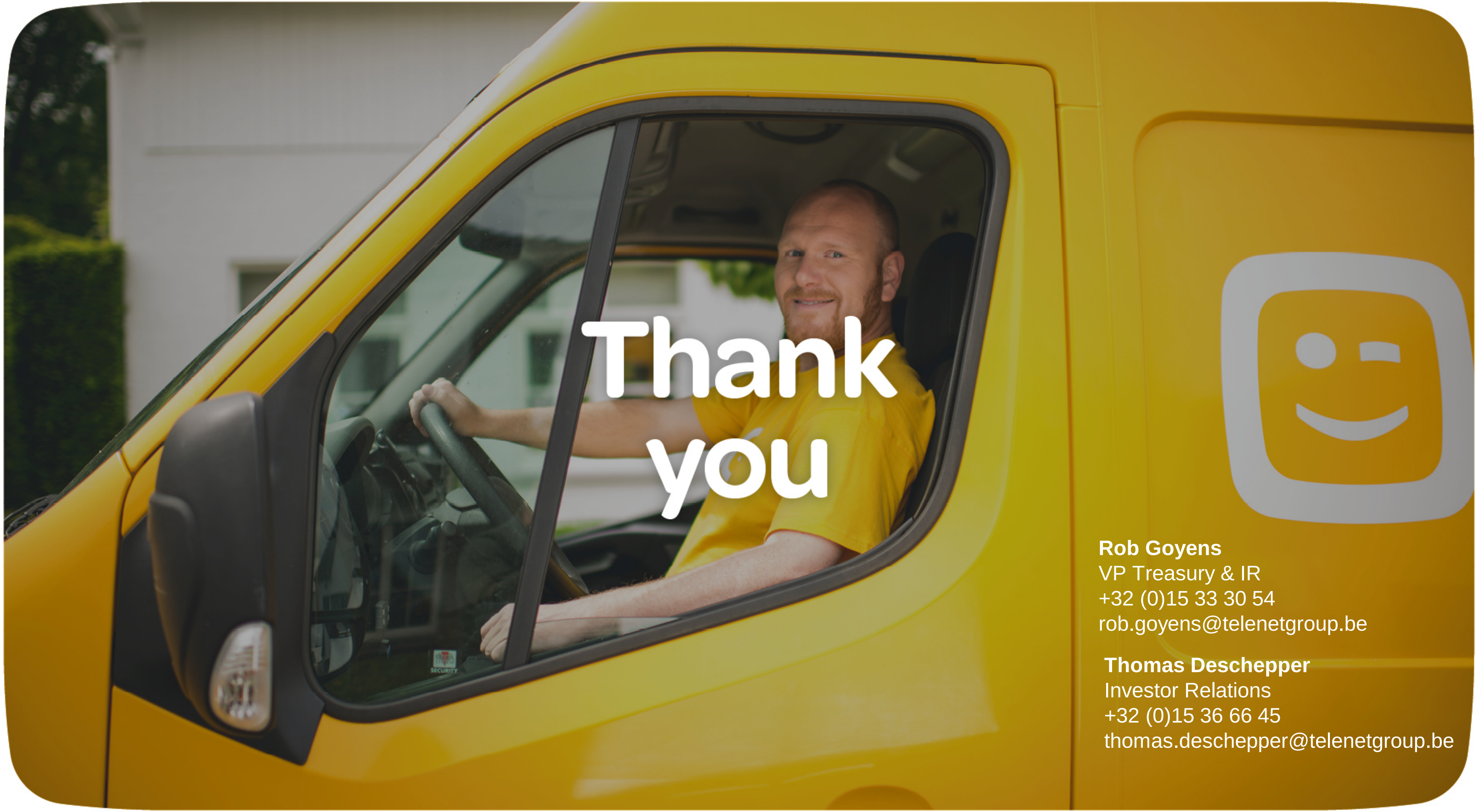
In line with our FY outlook, we anticipate a decline in rebased growth rates in H2 2016 versus H1 2016

	FY 2016	
Revenue growth (rebased)	**Up to 2%**	Driven by growth in our 3P and 4P bundles, including the favorable impact from the February 2016 price adjustments, B2B and mobile businesses. The aforementioned growth is partially offset by adverse regulatory and competitive impacts
Adjusted EBITDA growth (rebased)	**Stable**	2016 includes strong Adjusted EBITDA growth resulting from our existing 3P, 4P and B2B businesses, offset by integration costs and adverse regulatory and competitive impacts, including roaming
Accrued capital expenditures (as % of revenue)	**Around 23%[1]**	Investing for the future to create a leading integrated network. Reflects both higher spending on our 1 GHz HFC network upgrade project and investments in BASE's mobile network as part of our 2020 Vision
Free Cash Flow	**€175 to €200 million[2]**	Despite our significant fixed and mobile network capex investments, higher cash interest expenses as a result of increased indebtedness following the BASE acquisition, and several non-recurring items, we still aim deliver a solid Free Cash Flow for the full year 2016

Targeting 5-7% rebased Adjusted EBITDA growth over the 2015-2018 period ('CAGR')[3]

1. Excluding the recognition of football broadcasting rights
2. Assuming the tax payment on our 2015 tax return will not occur until early 2017
3. Compound Annual Growth Rate


Q & A



Thank you

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Important reporting changes

Free Cash Flow: In Q3 2015, we changed our Free Cash Flow definition to further align with our controlling shareholder. From July 1, 2015, Free Cash Flow is defined as net cash provided by the Company's continuing operations, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and divestitures and (ii) expenses financed by an intermediary, less (i) purchases of property and equipment and purchases of intangibles of its continuing operations, (ii) principal payments on capital-related vendor financing obligations, (iii) principal payments on capital leases (exclusive of network-related leases that were assumed in acquisitions), and (iv) principal payments on post acquisition additions to network leases, each as reported in the Company's consolidated statement of cash flows. This adjustment had no impact on the Company's Free Cash Flow for the prior year quarters.

ARPU per customer relationship: In Q4 2015, we changed the way we calculate the ARPU per customer relationship to further align with our controlling shareholder by excluding channel carriage revenue and including revenue from small or home office ("SoHo") customers. From Q4 2015, the ARPU per customer relationship is calculated by dividing the average monthly subscription revenue (excluding mobile services, B2B services, interconnect, channel carriage fees, mobile handset sales and installation fees) for the indicated period, by the average of the opening and closing balances for customer relationships for the period. We have also applied these changes retroactively to the prior year quarters.

Reminder fees and carriage fees: In Q1 2016, we changed the way we present the billed reminder fees and carriage fees in order to further align with our controlling shareholder. As from January 1, 2016, carriage fees will no longer be recognized as revenue, but will be netted off against our direct expenses as we consider charged carriage fees and our purchase of distributable content as a single transaction going forward. In addition, reminder fees will be recognized as revenue from January 1, 2016 as these fees are considered to represent a separately identifiable revenue stream, whereas previously reminder fees were recognized net of the related costs in our indirect expense line. The two aforementioned changes in presentation favorably impacted our revenue for the first nine months of 2016 by €11.0 million (Q1, Q2 and Q3 2016: €3.6 million, €3.7 million and €3.7 million, respectively) and our FY 2015 revenue by €13.4 million (Q1, Q2 and Q3 2015: €3.1 million, €3.5 million and €3.4 million, respectively), but did not impact our Adjusted EBITDA and cash flows. We have also applied these changes retroactively to the prior year quarters.

Expenses by nature: In Q1 2016, we changed the way we present our total expenses to align with our internal reporting framework. As a consequence, we now provide more detailed disclosure of our operating expenditure, whereas the vast majority of our operating expenses were previously predominantly captured under "network operating and service costs". The representation of our expenses did not impact our Adjusted EBITDA and operating profit. We have also applied these changes retroactively to the prior year quarters.

Definitions

a) For purposes of calculating **rebased growth** rates on a comparable basis for the three and nine months ended September 30, 2016, we have adjusted our historical revenue and Adjusted EBITDA for the three and nine months ended September 30, 2015 to include the pre-acquisition revenue and Adjusted EBITDA of BASE in our rebased amounts to the same extent that the revenue and Adjusted EBITDA are included in our results for the three and nine months ended September 30, 2016 (BASE being fully consolidated since February 12, 2016). We do not adjust pre-acquisition periods to eliminate non-recurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and Adjusted EBITDA of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical results or that the pre-acquisition financial statements we have relied upon do not contain undetected errors. In addition, the rebased growth percentages are not necessarily indicative of the revenue and Adjusted EBITDA that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue and Adjusted EBITDA that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis, and are not presented as a measure of our pro forma financial performance.

b) **Under "Choose Your Device" contractual arrangements**, which include separate contracts for the mobile handset and airtime, we generally recognize the full sales price for the mobile handset upon delivery as a component of other revenue, regardless of whether the sales price is received upfront or in installments. Revenue associated with the airtime services is recognized as mobile subscription revenue over the contractual term of the airtime services contract. Prior to the launch of "Choose Your Device" in July 2015, handsets were generally provided to customers on a subsidized basis. As a result, revenue associated with the handset was only recognized upfront to the extent of cash collected at the time of sale, and the monthly amounts collected for both the handset and airtime were included in mobile subscription revenue over the term of the contract. Handset costs associated with "Choose Your Device" handset revenue are expensed at the point of sale.

c) **EBITDA** is defined as profit before net finance expense, the share of the result of equity accounted investees, the share of the result of equity accounted investees, 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 EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

d) **Accrued capital expenditures** are defined as additions to property, equipment and intangible assets, including additions from capital leases and other financing arrangements, as reported in the Company's consolidated statement of financial position on an accrued basis.

Definitions

e) **Free Cash Flow** is defined as net cash provided by the Company's continuing operations, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and divestitures and (ii) expenses financed by an intermediary, less (i) purchases of property and equipment and purchases of intangibles of its continuing operations, (ii) principal payments on capital-related vendor financing obligations, (iii) principal payments on capital leases (exclusive of network-related leases that were assumed in acquisitions), and (iv) principal payments on post acquisition additions to network leases, 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 EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

f) **Basic Video Subscriber** is a home, residential multiple dwelling unit or commercial unit that receives our video service over the Combined Network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. We count Revenue Generating Unites ("RGUs") on a unique premises basis. In other words, a subscriber with multiple outlets in one premise is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs.

g) **Enhanced Video Subscriber** is a home, residential multiple dwelling unit or commercial unit that receives our video service over the Combined Network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premise is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers.

h) **Internet Subscriber** is a home, residential multiple dwelling unit or commercial unit that receives internet services over the Combined Network.

i) **Fixed-line telephony Subscriber** is a home, residential multiple dwelling unit or commercial unit that receives fixed-line voice services over the Combined Network. Fixed-line telephony Subscribers exclude mobile telephony subscribers.

j) Our **mobile subscriber count** represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after a 90-day inactivity period.

Definitions

- **k)** **Customer Relationships** are the number of customers who receive at least one of our video, internet or telephony services that we count as RGUs, without regard to which or to how many services they subscribe. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Customer Relationships. We exclude mobile-only customers from Customer Relationships.
- **l)** **Average Revenue Per Unit ("ARPU")** refers to the average monthly subscription revenue per average customer relationship and is calculated by dividing the average monthly subscription revenue (excluding mobile services, B2B services, interconnect, channel carriage fees, mobile handset sales and installation fees) for the indicated period, by the average of the opening and closing balances for customer relationships for the period.
- **m)** **Homes Passed** are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.
- **n)** **RGU** is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer to our enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Fixed-line Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or fixed-line telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts.
- **o)** **Customer Churn** represents the rate at which customers relinquish their subscriptions. The annual rolling average basis is calculated by dividing the number of disconnects during the preceding 12 months by the average number of customer relationships. For the purpose of computing churn, a disconnect is deemed to have occurred if the customer no longer receives any level of service from us and is required to return our equipment. A partial product downgrade, typically used to encourage customers to pay an outstanding bill and avoid complete service disconnection is not considered to be disconnected for purposes of our churn calculations. Customers who move within our cable footprint and upgrades and downgrades between services are also excluded from the disconnect figures used in the churn calculation.
- **p)** **Net leverage ratio** is calculated as per the 2015 Amended Senior Credit Facility definition, using net total debt, excluding (a) subordinated shareholder loans, (b) capitalized elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of €195.0 million, divided by last two quarters' Consolidated Annualized EBITDA.