Financial Results of Full Year 2007

Investor & Analyst Presentation
February 19, 2008

Duco Sickinghe, CEO – Renaat Berckmoes, CFO

Safe Harbor Disclaimer

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Agenda

1. **Business Review** — Duco Sickinghe, CEO
2. **Financial Review** — Renaat Berckmoes, CFO
3. **Outlook 2008** — Duco Sickinghe, CEO

Part 1

Business review

2007 in review

Our achievements during the past year

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UPC Acquisition

Telephony & iDTV rollout in former UPC area

Launch HD

Launch BasicNet

Interkabel in principle agreement

400,000 iDTV subs

January 2007	February	March	June	July	October	November	December	January 2008

250,000 iDTV subs

Refinancing of €2.3 billion

Upgrade Internet specs

800,000 Internet subs

€6 per share Capital Reduction

Telenet Mobile Pro for SoHos

Full year 2007 operational highlights

Strong increase of subscriber base; all products contributing well to top line growth

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Triple Play

- Continued solid annual growth of triple play customers by 28% y-o-y.
- ARPU per unique subscriber up by 11% boosted by bundled sales and further uptake of iDTV.
- Almost half of new customers take two or three products immediately.

Internet & Telephony

- Internet customer base increased by 20% (organic: 14%) and telephony customer base by 20% year-on-year.
- Stable annual telephony and internet net additions, despite increasingly challenging environment.
- Broadband internet ARPU flat; fixed telephony ARPU declined due to increasing share of flat fee customers and lower mobile termination.

iDTV

- iDTV customer base reached 391,000, up 73%.
- Good uptake of additional digital services resulting in stable ARPU.
- HD successfully launched on December 1, 2007.

Full year 2007 financial highlights

Outlook successfully achieved; strong improvement of operating margins

Revenue

- Revenue up by 15% year-on-year to €931.9 million; organic growth rate of 10%.
- Broadband internet and iDTV heads revenue growth.

EBITDA

- EBITDA increase of 21% to €442.9 million.
- Margin improved by 2.4%pts to 47.5% for FY 2007.
- Excluding severance of €3.6 million, full year margin of 47.9%.

Capital expenditures

- Capital expenditures of €208.8 million, stable versus prior year.
- Capex-to-revenue ratio improved to 22% from 25%.

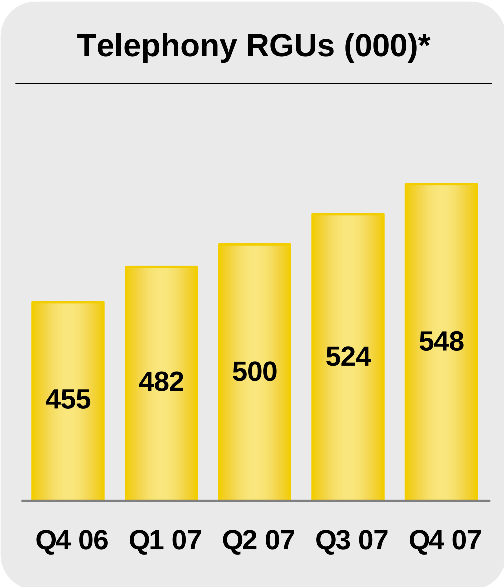
Free Cash Flow[1]

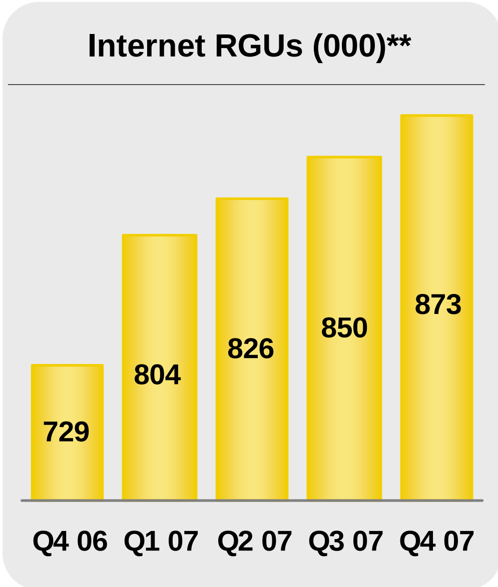
- Free cash flow of €177.2 million, up 71% year-on-year.

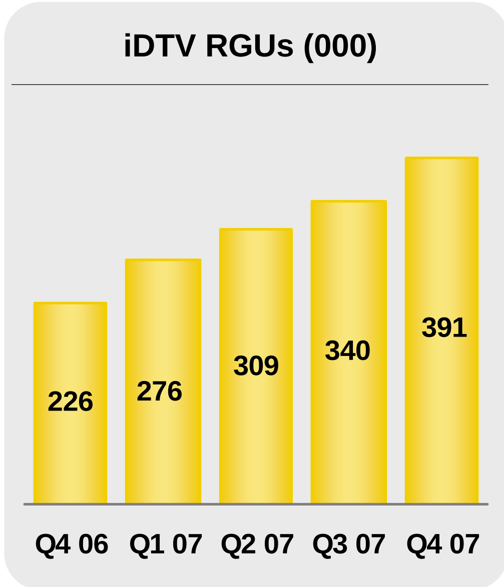
1 Free cash flow is defined as net cash provided by operating activities, excluding cash related to the purchase and sale of derivatives and excluding accelerated interest payments under discounted debt instruments, less cash used for purchases of property, equipment and intangibles.

Customer base

All products performed well;
iDTV achieved record-quarterly net additions in Q4







+20% +20% +73%

On top of 1.7 million CaTV customers (+6%)

* Includes Freephone/FreeSurf bundle customers and business telephony subscribers on coaxial connection

** Includes business broadband internet subscribers on coaxial connection

Triple play

Almost one out of five are triple play customers; RGU per newly acquired customer reaches 1.78x

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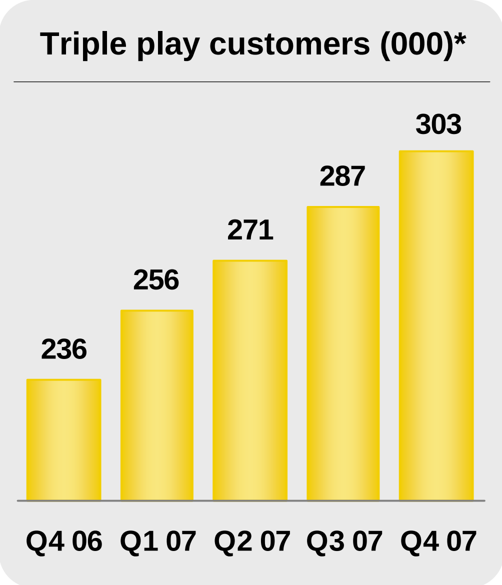
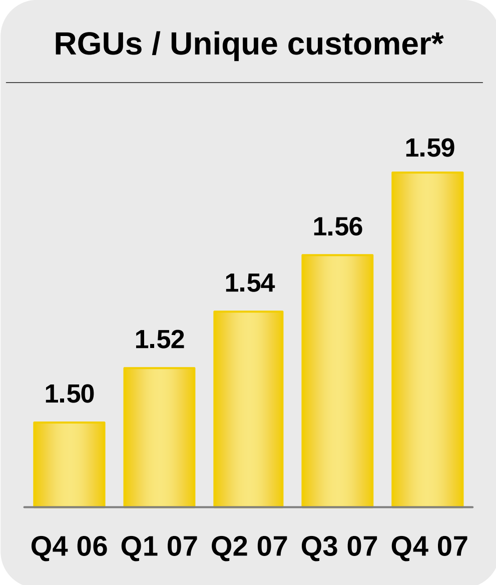
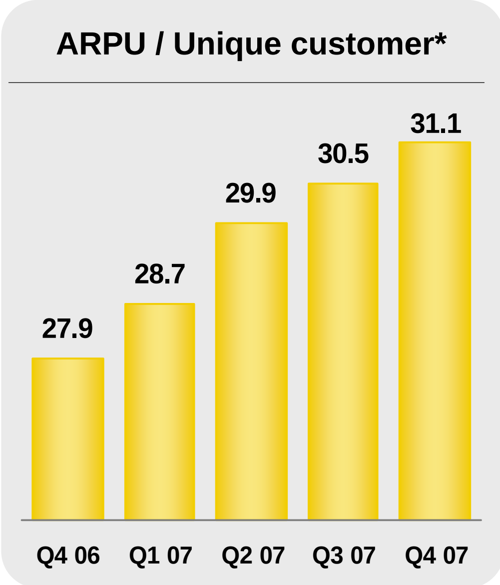


+28%



+6%



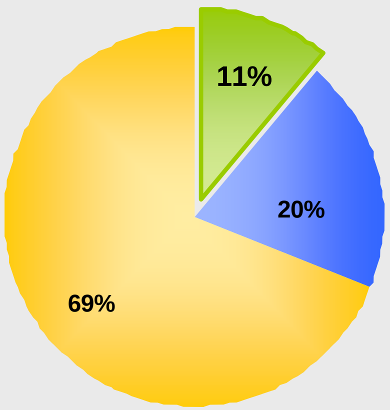
+11%

* Numbers relate to customers on the Telenet network only, includes CaTV, internet and telephony services

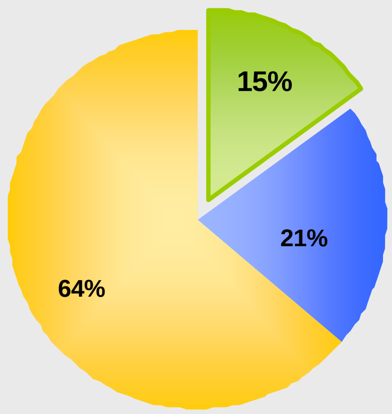
Triple play

Long-term objective to convert single play customers to dual and triple play on track

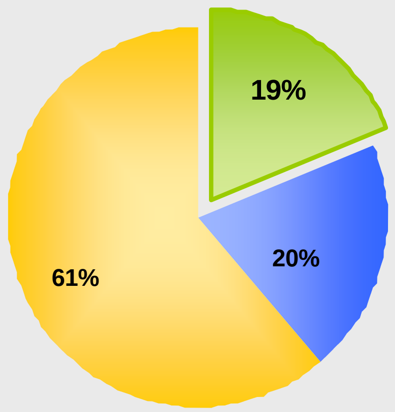
Dec 2005



Dec 2006



Dec 2007

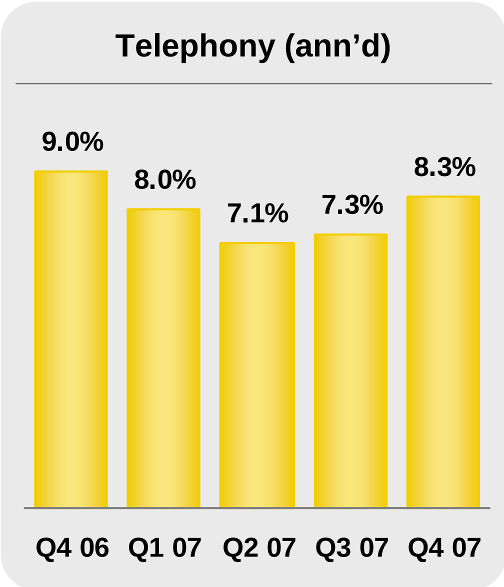


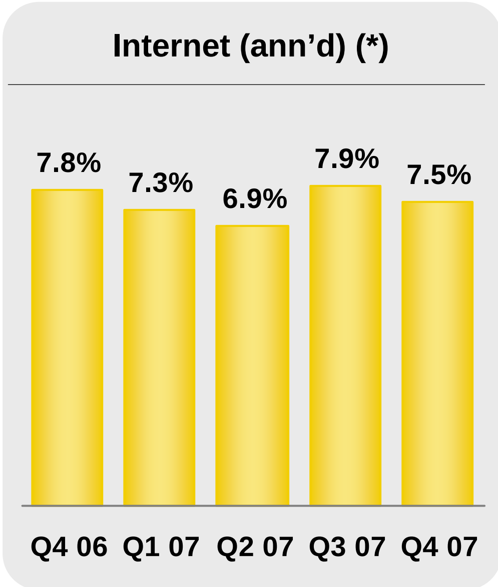
- Triple play (*)
- Dual play (*)
- Single play

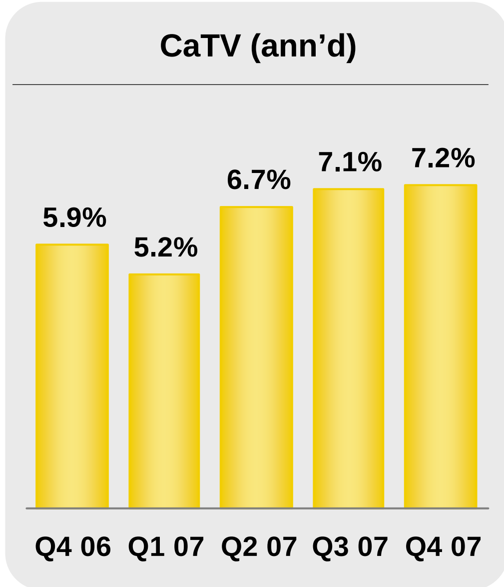
* Triple play is defined as TV, Internet and telephony. Dual play is defined as any two of the three products.

Churn

Stable churn levels across all core product lines; Increased telephony churn in Q4 in line with seasonality







FY 06	9.1%	8.0%	5.6%
FY 07	7.7%	7.4%	6.6%

* Includes downgrades to FreeSurf

Market shares

Stable market shares despite strong competitive environment; total fixed lines increased year-on-year

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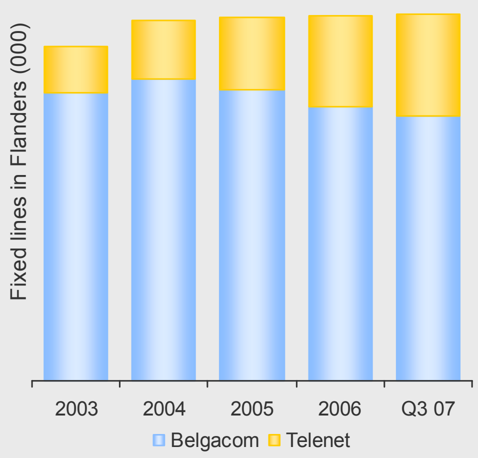
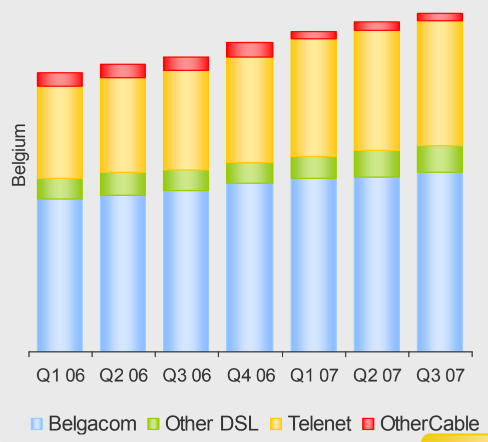
Res. Telephony (Flanders)



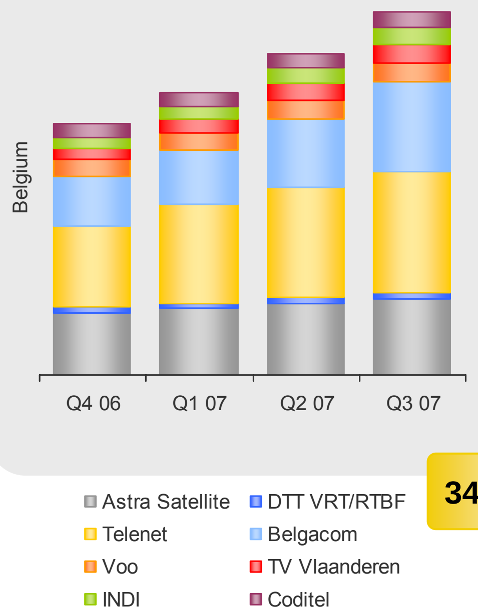
28 %

Res. Broadband (Belgium)



37 %

DTV (Belgium)



34 %

Fixed telephony

Full year net additions of 93,000; stable growth versus prior year in a declining market

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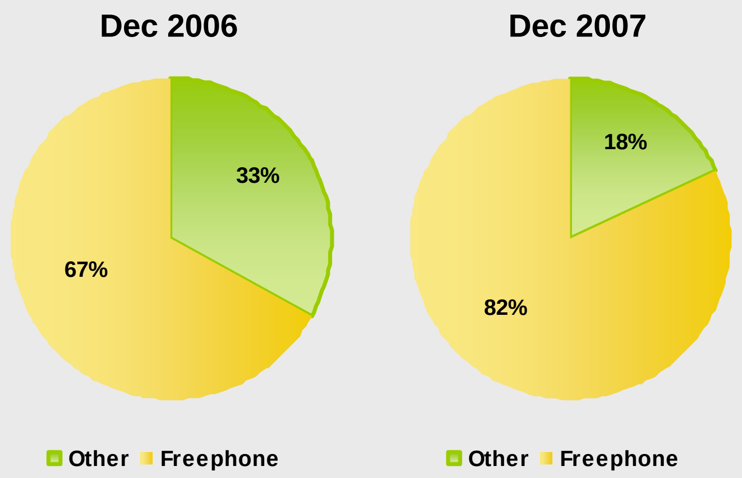
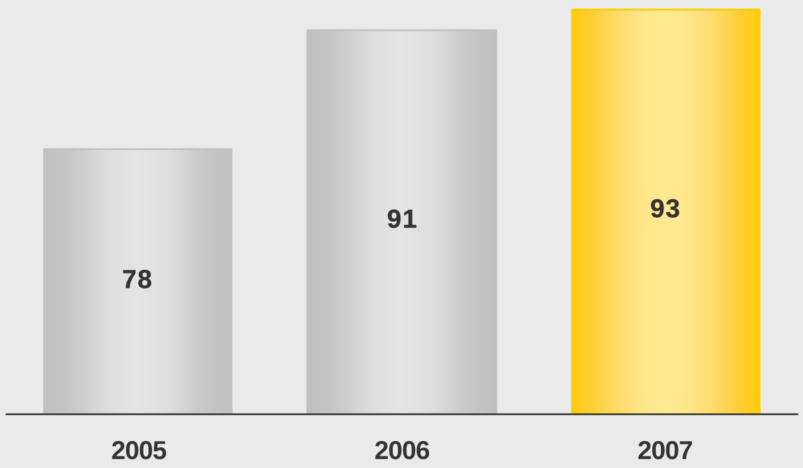
% tariff plans on telephony customer base



Net additions RGUs (000)



Mobile telephony

Steady progress without dedicating marketing efforts; insourced back office to be operational by Q2 2008

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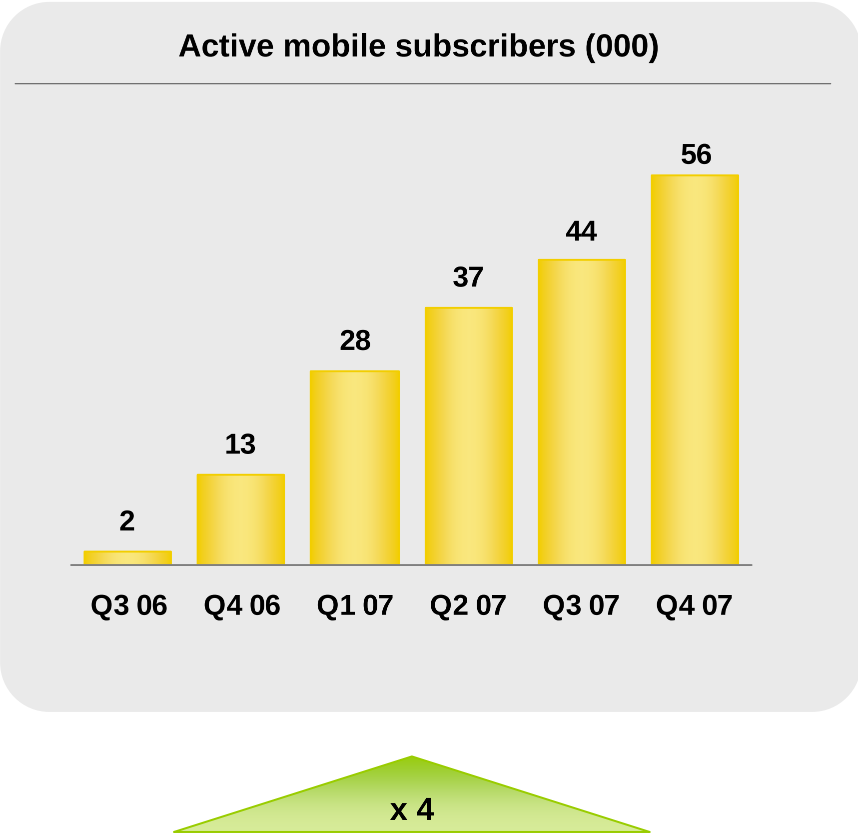


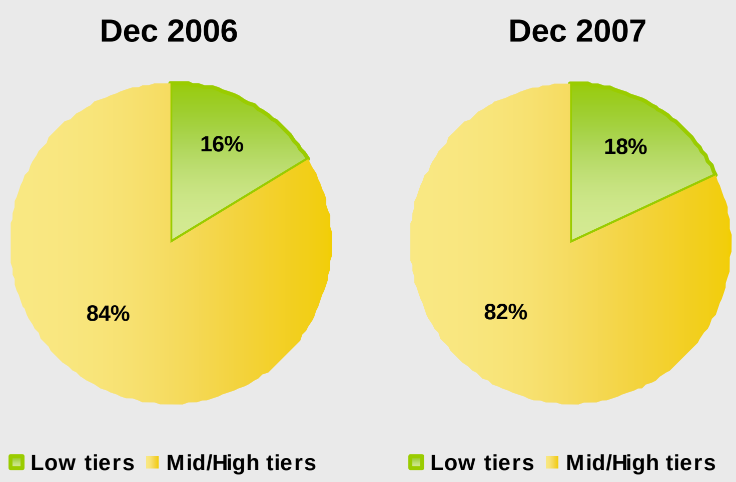
Telenet Mobile

Mobile Pro tariff launched in January 2008 to accommodate SoHo customers

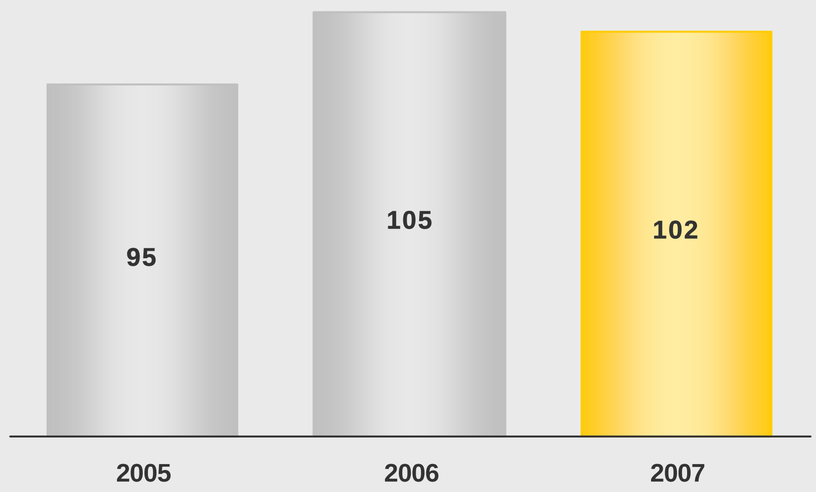
Broadband internet

Full year organic net additions of 102,000; stable broadband internet ARPU

% product tiers on total broadband subscribers



Net additions RGUs (000)

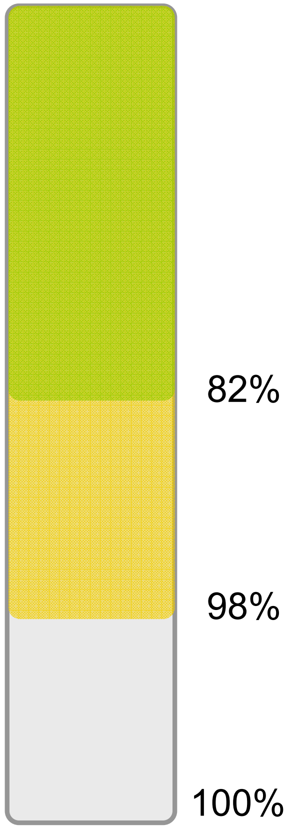


Broadband internet

Our strategy remains speed leadership; responding to increasing importance of "Web 2.0"

Tier	Product		Specification Upgrade
High Tier	TurboNet	DS	20 Mbps
		US	512 Kbps ▶ 1 Mbps
Mid Tier	ExpressNet	DS	10 Mbps
		US	256 Kbps ▶ 512 Kbps
Low Tier	ComfortNet	DS	1 Mbps ▶ 4 Mbps
		US	192 Kbps ▶ 256 Kbps
	BasicNet	DS	512 Kbps ▶ 1 Mbps
		US	128 Kbps

Telenet Customer base



Broadband internet

Perfect balance between price and services; Engaging in a “safer internet”

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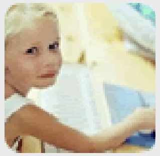
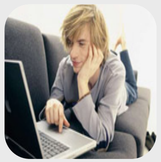
Included		VAS	
	Email		Hotspot
	Anti SPAM Anti Virus		Parental Control
	Training		PCTV
	e-Support	.com	Domain names

insafe

Telenet is ranked #1 domain name provider of all broadband service operators

iDTV

Strong annual growth in revenue of 33%; 165,000 new iDTV customers more than doubling their CaTV ARPU

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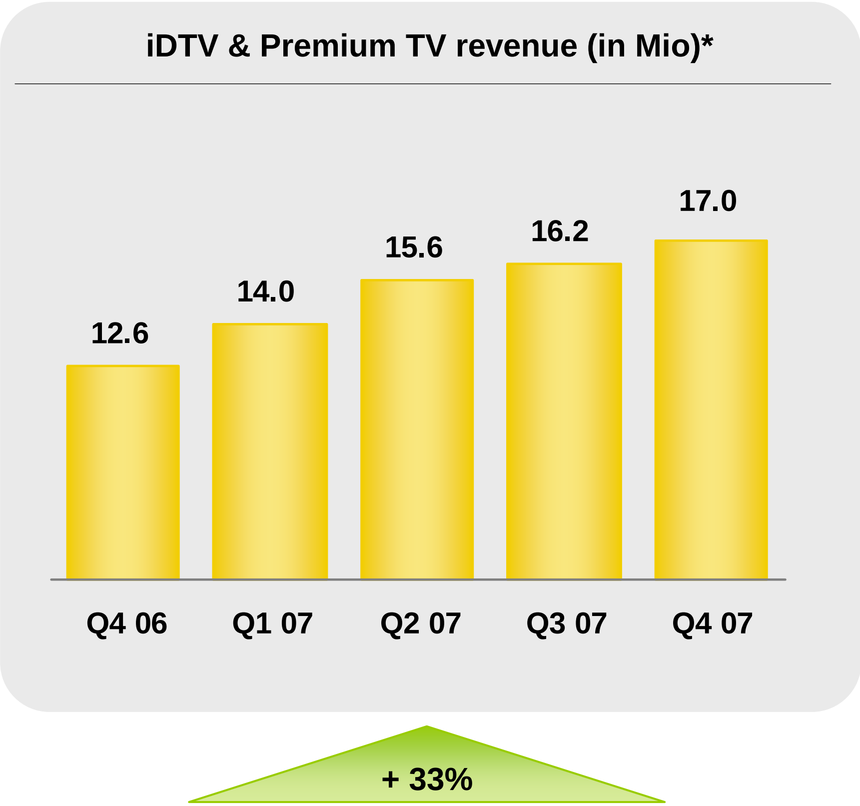

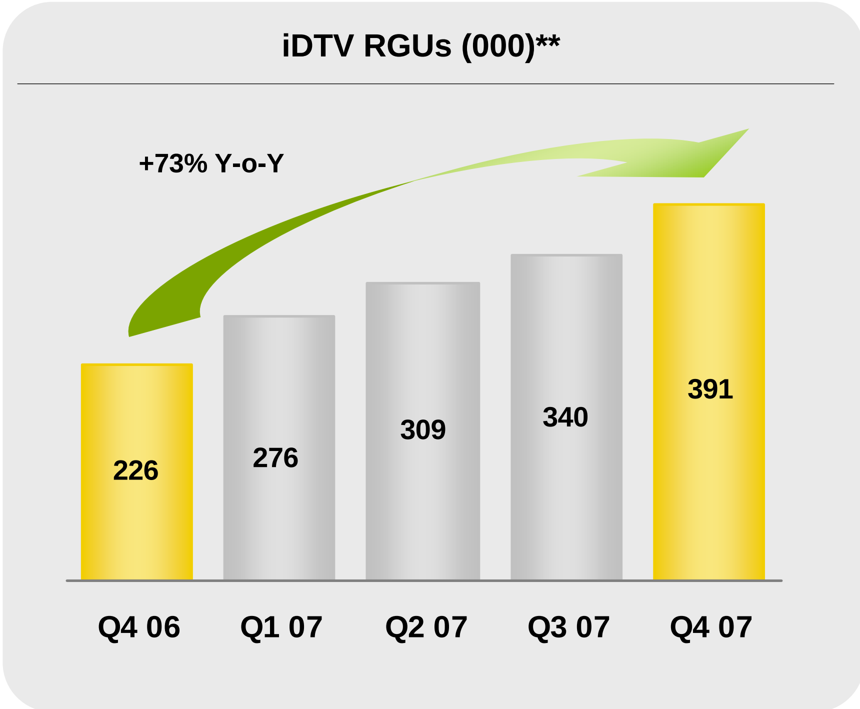

* Comprises recurring revenue on iDTV and Premium TV on former Canal+ platform and on UPC Belgium

** Q3 07 reflects change in reporting definition since multiple set top boxes at one household are now counted as 1 RGU, reducing Q3 07 RGUs by 6,000. Pre-Q3 07 numbers have not been restated.

iDTV

VOD transactions boosted in Q4; share of paying transactions continues to grow

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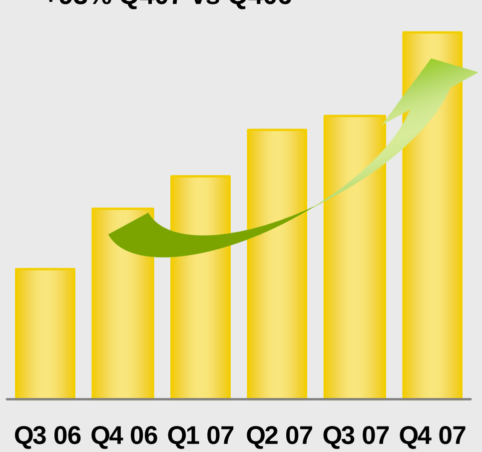
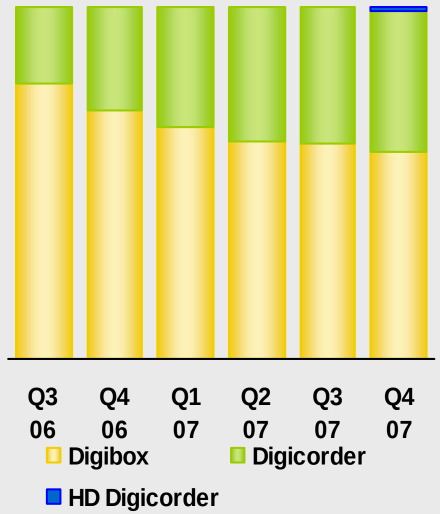
Paying VOD transactions

VOD Charged Revenues



% Box type of iDTV base



VOD

- VOD view rate per iDTV customer continues to increase Y-o-Y
- Total VOD transactions in Q4 07 close to 3.5 million

HD

- High Definition Television launched in December 2007
- HD Digicorder take up in Q4 in line with expectations

iDTV
Continued enrichment of our content offering

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Content

- New deal with Disney
  - All major Hollywood studios on our platform
- Exclusivity on Italian football "series A"
  - All major European leagues on our platform

Customer Experience

- Super Bowl broadcasted live on Prime in HD
- Oscar Academy Awards 08
  to be broadcasted live on Prime

VOD

- Library constantly enriched
- >750 movie titles
- >3000 local series and TV-programs

iDTV

Focus on rental makes iDTV more accessible and flexible for the customer while being EBITDA accretive

SD Digibox €4

SD Digicorder €6

HD Digicorder €8

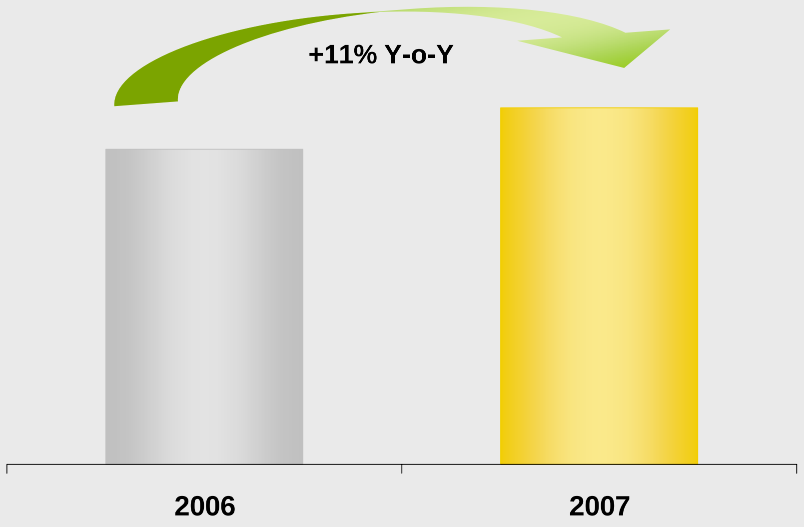
Rental prices per month, including VAT of 12%

Rental	• Launch of a competitive rental offering for both HD and SD set top boxes • Lifetime set top box warranty and support
Supports iDTV penetration	• No upfront investment, reducing barrier of entry for new customers • Stimulates uptake of HD and flexibility for existing customers
EBITDA / FCF accretive	• One-off transition impact on 08 revenue growth and 08 capex • Clear positive impact on 08 EBITDA margin and accretive to FCF over time

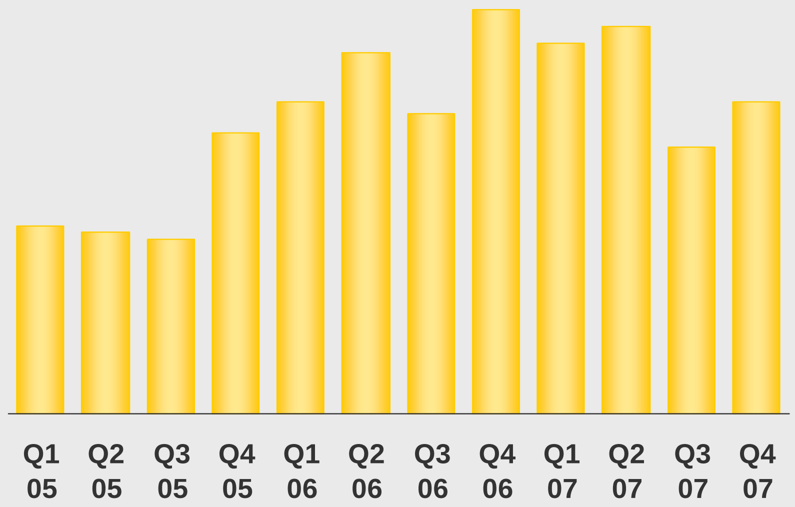
Telenet Solutions

Revenue increase above average business growth; future focus on long-term profitability growth

Business revenue (in Mio)



Gross new sales



Pure Intercommunales

Agreement-in-principle with the Pure Intercommunales

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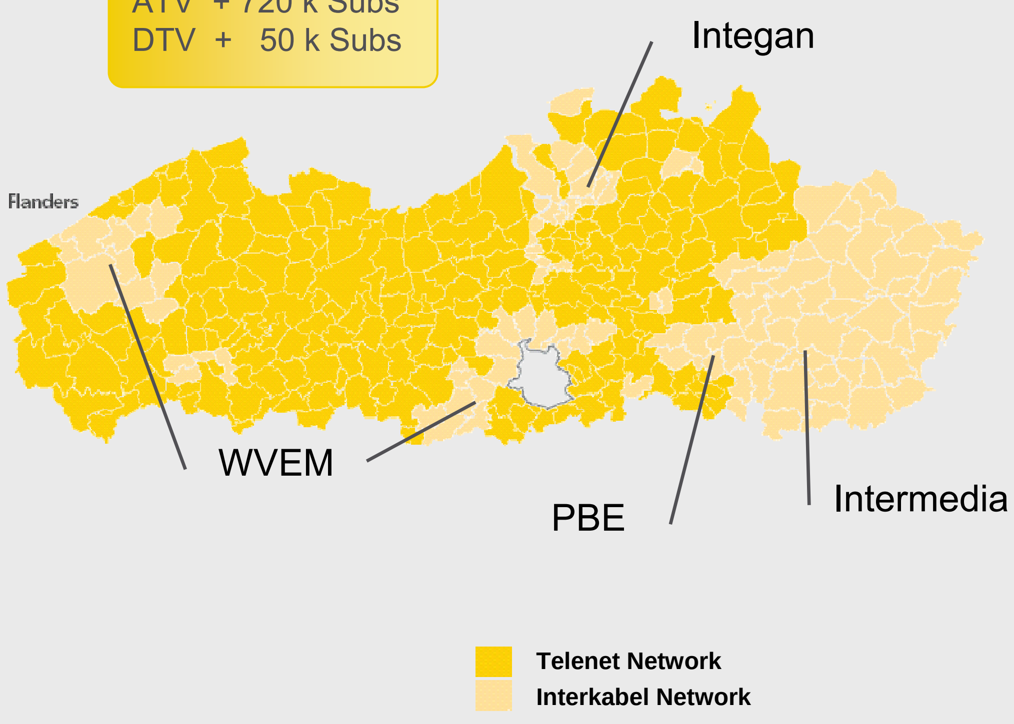
P&L		
Revenues	+ € 90 m	€ 170 million Upfront
Expenses	+ € 45-50 m	
EBITDA	+ € 40-45 m	

Network Depreciation : - existing assets (CAB) - future investments Financing cost : - past investments - future investments	Recurring payment over next 38 years NPV = € 150~180 million

B/S (IFRS, US GAAP)		
Network	Financial Lease	Existing clientele & annuity fee
Goodwill		

ATV + 720 k Subs
DTV + 50 k Subs



Part 2

Financial review

Revenue

Organic revenue growth of 10%, UPC Belgium adding 5% to successfully reach our outlook

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EU GAAP - in € millions

		FY 2007	FY 2006	% change
Revenue	**Basic cable television**	**221.7**	**199.4**	**+ 11%**
	Premium cable television[1]	**62.9**	**47.3**	**+ 33%**
	Distributors / Other[2]	**35.3**	**36.8**	**- 4%**
	Residential broadband internet	**324.4**	**268.6**	**+ 21%**
	Residential telephony	**200.5**	**183.3**	**+ 9%**
	Business services	**87.0**	**78.1**	**+ 11%**
	Total Continuing Operations	**931.9**	**813.5**	**+ 15%**
	Discontinued Business (Phone Plus)	-	7.5	N/A

1 Basic cable television revenue generated by premium cable television customers reported under “Basic cable television”
2 Includes Digibox and Digicorder set top box sales, but excludes rental revenue which is included under “Premium Cable television”

Expenses

Increased focus on cost control and process improvements paid off

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EU GAAP - in € millions		FY 2007	FY 2006	% change
Expenses	**Payroll & Employee Benefit Costs**	**122.6**	**114.3**	**+ 7%**
	Depreciation	**182.0**	**174.3**	**+ 6%**
	Amortization	**48.2**	**43.1**	**+ 12%**
	Amortization of broadcasting rights	**7.4**	**5.5**	**+ 35%**
	Network operating and service costs[1]	**270.2**	**247.1**	**+ 9%**
	Advertising, marketing and dealer commissions	**59.3**	**57.1**	**+ 4%**
	Other costs	**36.9**	**35.9**	**- 2%**
	Total Expenses by Nature	**726.6**	**677.4**	**+ 7%**
	of which attributable to Discontinued Operations (Phone Plus)	-	7.7	N/A

1 Also includes Interconnect cost, content costs, and purchase cost of digiboxes/digicorders

Expenses

Cost-to-revenue ratios demonstrated improving trend

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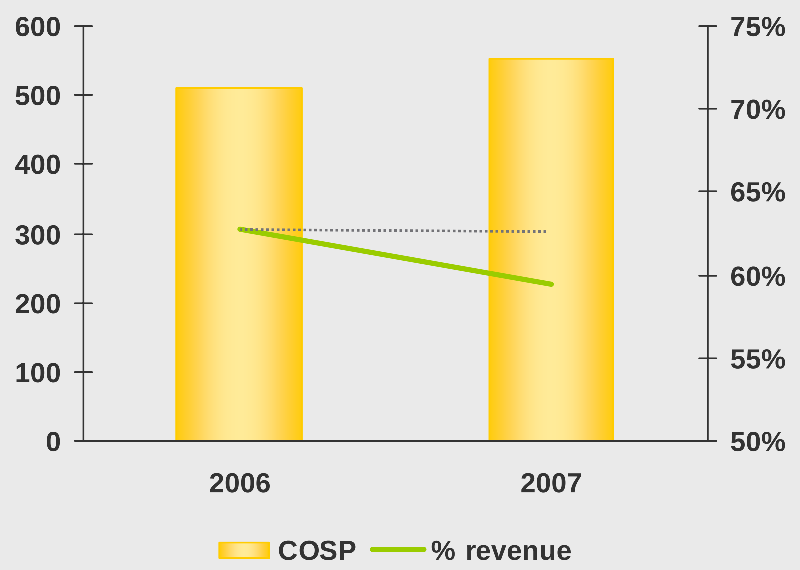
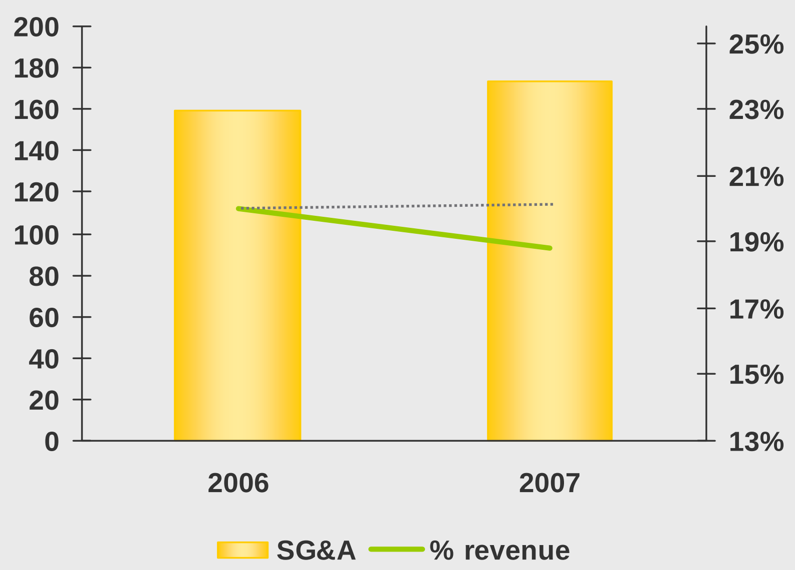
Cost of Services Provided (incl. D&A)



Sales, General & Admin Costs (incl. D&A)



Profit & Loss statement

Strong performance increased operating profit by 43%

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EU GAAP - in € millions		FY 2007	FY 2006	% change
Revenues	**Total Revenues**	931.9	813.5	+ 15%
Expenses	**Total Expenses (excl. D&A)**	(489.0)	(446.8)	+ 9%
EBITDA	**EBITDA**	442.9	366.6	+ 21%
	EBITDA Margin	47.5%	45.1%	
Operating Profit	**Operating Profit**	205.3	143.7	+ 43%
Net Profit / Loss	**Net Interest Expense**	(116.3)	(94.3)	+ 23%
	Net Gains on Derivative Instruments[1]	(25.5)	(8.9)	+ 188%
	Net foreign exchange (gains)/losses on financing[2]	16.7	23.6	- 29%
	Income Tax Expense[3]	27.4	(34.3)	N/A
	Debt Extinguishment Cost	(86.7)	(21.4)	+ 306%
	Net Income (from continuing operations)	20.7	8.5	N/A

1 FY2007 includes €3.8 million related to release of OCI following redemption of Senior Discount Notes
2 Foreign exchange gains/losses on foreign debt obligations, netted for the impact of the financial instruments
3 FY2007 includes €93.0 million of one-off tax benefit related to recognition of deferred tax asset

Profit & Loss statement

Full year net income impacted by one-offs related to debt refinancing and deferred tax assets

(€ millions)	2007			2006			Change %
	Reported	One-offs	Recurring	Reported	One-offs	Recurring	Recurring
Operating Profit	**205.3**	**0.0**	**205.3**	**143.7**	**0.0**	**143.7**	**+43%**
Finance costs, net	(211.7)	(90.5)	(121.2)	(101.0)	(21.4)	(79.6)	+52%
Net profit (loss) before income tax	**(6.7)**	**(90.5)**	**83.8**	**42.8**	**(21.4)**	**64.2**	**+31%**
Income tax expense	27.4	93.0	(65.6)	(34.3)	0.0	(34.3)	+91%
Net income from continuing operations	**20.7**	**2.5**	**18.2**	**8.5**	**(21.4)**	**29.9**	**-39%**

2007 One-offs

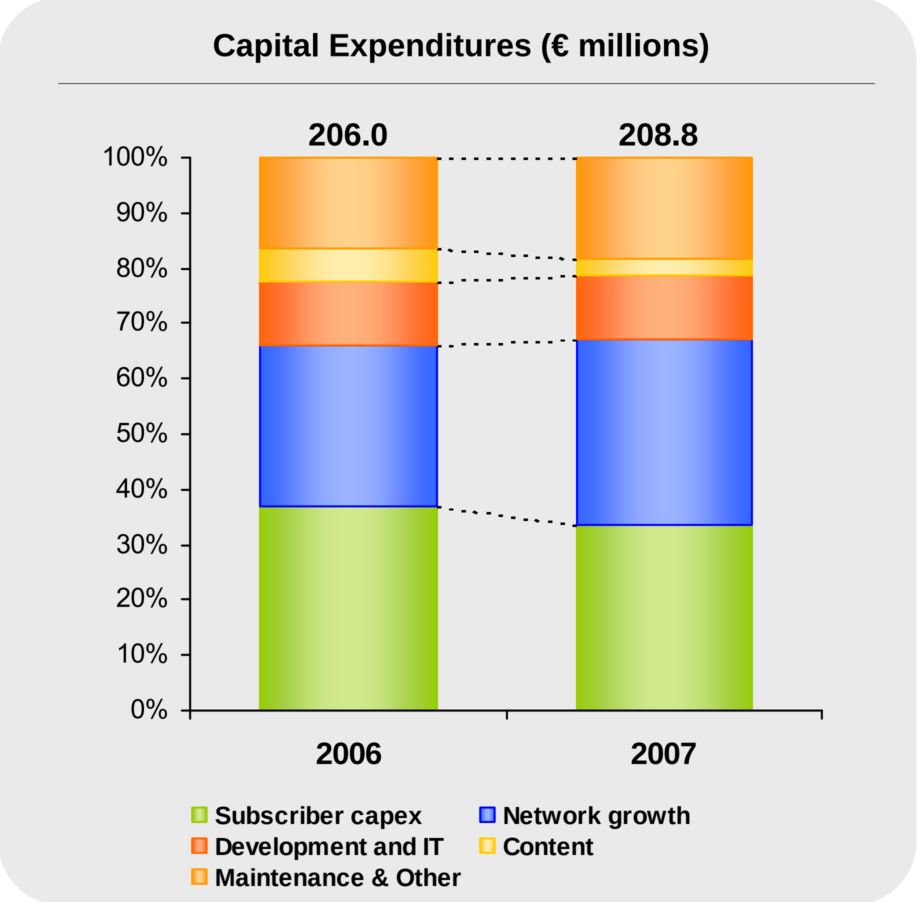
- Finance costs include € 86.7 m of loss on extinguishment of debt (make whole premiums on SN & SDN and accelerated write-off of debt issuance costs) and €3.8 m release of Other Comprehensive Income;
- Income tax expense is impacted by a deferred tax asset credit of €93.0 m.

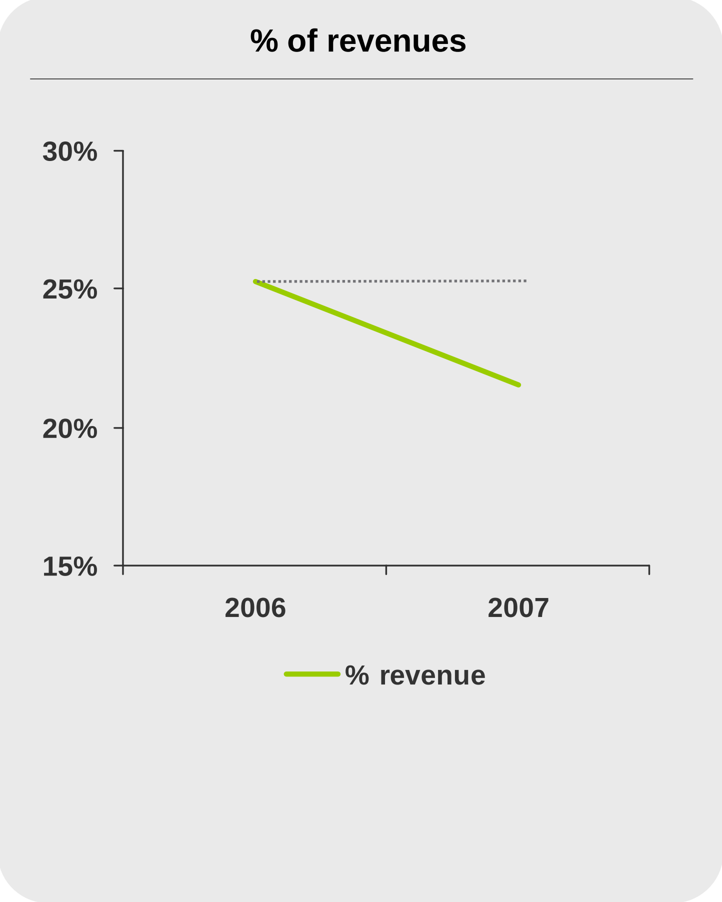
2006 One-offs

- Finance costs include the costs related to the refinancing of the Senior Credit Facility of € 21.4 m.

Capital expenditures

Stable investments resulting in improved ratio of 22% of revenues; network upgrade projects on track





Free cash flow

Free cash flow improved by 71% driven by solid cash flows from operations

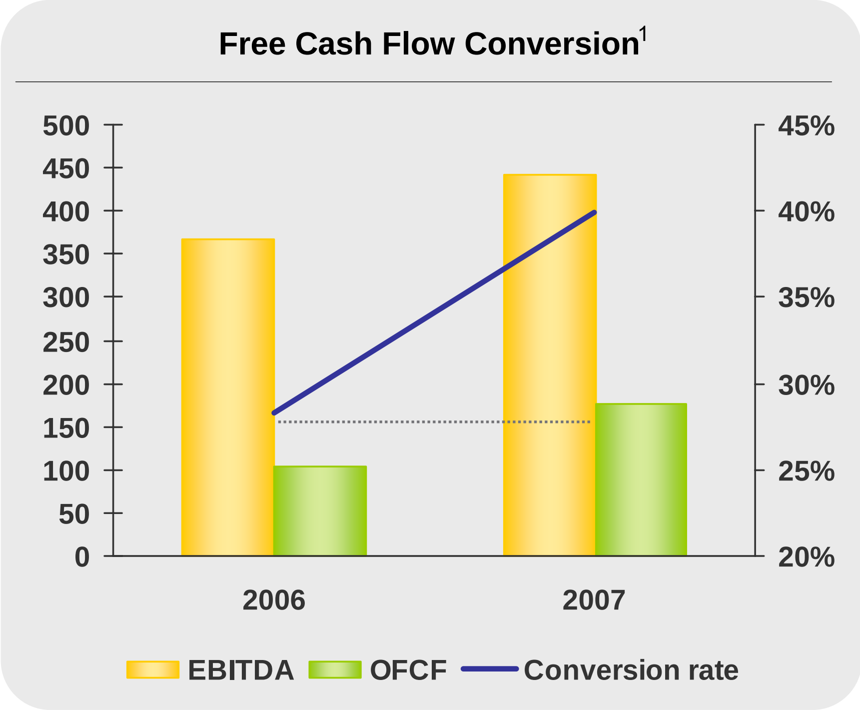
EU GAAP - in € millions

		FY 2007	FY 2006	% change
Cash Flow from Operating Activities	Net Income	20.7	5.5	+ 279%
	Depreciation, amortization and impairment	237.6	221.0	+ 8%
	Working capital changes and other cash items	217.2	150.9	+ 44%
	Sale & purchase of derivatives	(85.9)	-	N/A
	Cash Interest Expenses[1]	(167.3)	(68.0)	+ 146%
	Cash Flow from Operating Activities	**222.3**	**309.4**	**- 28%**
Cash Flow from Investing Activities	**Cash Flow used in Investing Activities[2]**	**(209.1)**	**(389.4)**	**- 46%**
Free Cash Flow	Adjustments for free cash flow	**164.0**	**183.4**	
	Free Cash Flow[3]	**177.2**	**103.4**	**+ 71%**
Cash Flow from Financing Activities	Net Debt Redemptions	677.5	(66.2)	- 1123%
	Capital decrease paid as dividend	(654.9)	-	
	Net Proceeds Capital Increases	79.5	10.2	+ 680%
	Other (including redemption premium)	(97.6)	(15.4)	N/A
	Cash Flow used in Financing Activities	**4.5**	**(71.5)**	**- 106%**
Net Cashflow	Cash at beginning of period	58.8	210.4	- 72%
	Cash at end of period	76.6	58.8	+ 30%
	Net Cash Generated (Used)	**17.8**	**(151.5)**	**- 112%**

1 FY 2007 includes the accelerated payment of the accrued interest expenses on the Senior Discount Notes of €77.8 million.
2 FY 2006 includes the acquisition of UPC Belgium of €183.6 million.
3 Free cash flow is defined as net cash provided by operating activities, excluding cash related to the purchase and sale of derivatives and excluding accelerated interest payments under discounted debt instruments, less capital expenditures.

Free cash flow conversion

Strong EBITDA growth and controlled capex profile boosts conversion rate



1 Defined as Cash flow provided by operating activities, excluding cash related to the purchase and sale of derivatives and excluding accelerated interest payments under discounted debt instruments, less cash used for purchases of property, equipment and intangibles; divided by EBITDA;

Balance sheet

Reflecting the executed capital reduction and completed debt refinancing

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EU GAAP - in € millions

		31-Dec-07	31-Dec-06	% change
Assets	**Non-Current Assets**	**2,426.2**	**2,403.3**	**+ 1%**
	Current Assets	**161.8**	**130.0**	**+ 24%**
	Cash and Cash Equivalents	**76.6**	**58.8**	**+ 30%**
Total Assets		**2,664.6**	**2,592.1**	**+ 3%**
Equity	Total Equity	170.1	721.7	- 76%
	Total Equity	**170.1**	**721.7**	**- 76%**
Non-Current Liabilities	Senior Debt	1,900.0	656.0	+ 190%
	Senior Notes	-	368.4	- 100%
	Senior Discount Notes	-	221.2	- 100%
	Capital Leases	127.8	108.6	+ 18%
	Deferred Financing Cost	(27.9)	(23.4)	+ 19%
	Other non-current Liabilities	56.5	81.0	- 30%
	Non-Current Liabilities	**2,056.4**	**1,411.9**	**+ 46%**
Current Liabilities	Current Portion of Long Term Debt	18.5	59.8	- 69%
	Short term borrowings	-	15.7	- 100%
	Accounts Payable	230.4	180.5	+ 28%
	Unearned Revenues	123.5	123.2	+ 0%
	Other Current Liabilities	65.8	79.5	- 17%
	Current Liabilities	**438.1**	**458.6**	**- 4%**
Total Equity and Liabilities		**2,664.6**	**2,592.1**	**+ 3%**

Capital structure

Initial drawn debt level of €1.9 billion yields leverage ratio of 4.05x

Capital structure (€ millions)	Q4 07
Annualised EBITDA	450.0
Cash on balance sheet	76.6
Senior Credit Facility (drawn)	1,900.0
Senior Credit Facility (undrawn)	400.0
Total debt drawn	1,900.0
Net total debt drawn	1,823.4
Net debt to annualised EBITDA[1]	**4.05x**
Available funds under the Senior Credit Facility	**350.0**
Available cash	**76.6**

[1] Calculated as per terms of the Senior Credit Facility, using previous two quarter's EBITDA

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Part 3

Outlook 2008

Strategy for 2008

Combination of strong product portfolio and superior customer care

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Products

- Top-quality digital television & reliable analog television
- Leading speed specifications for broadband products
- Unlimited flat rate fixed telephony
- Mobile telephony without boundaries

Customer care

- Smart investments in a customer-centric care model
- Customer satisfaction becomes a key driver in the organization

Expenses

- Continued focus on process improvements and overall efficiencies
- Non-customer facing elements under strict cost control boundaries

Capex strategy for 2008

Investing in the future of broadband in Flanders

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Network improvements

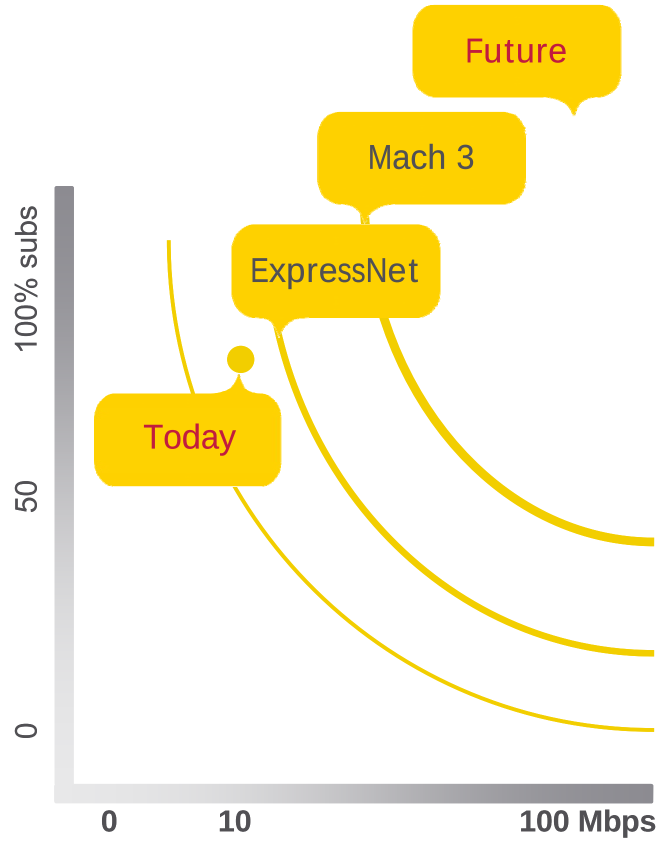
- Completion **ExpressNet** and continuation **Mach 3** to increase upstream bandwidth and upgrade network to 600 Mhz
- **Switched Digital Broadcast** to allow smart use of bandwidth by multicasting content when requested by customer

Subscriber growth

- Shift from sales to rental set top boxes
- Installation process improvements should lead to increased efficiency

IT & New developments

- Migration of current IT platforms to enable service-oriented functionalities and improve performance
- New developments supporting product- & process innovations



Top line in 2008

Continued growth of subscribers across all core products, partially offset by increased pricing pressure

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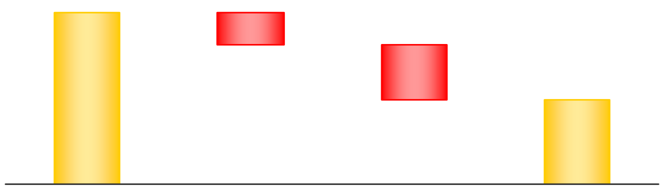
Outlook 2008

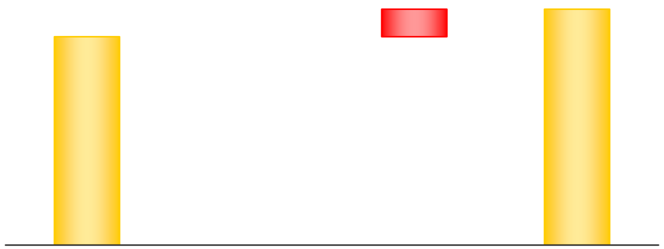
Revenue growth and capital expenditures influenced by changed set top box marketing and termination rates

		Rebased 08	Inter-connect	Shift to rental	Outlook 08
Revenue growth 2008 vs. 2007					



		Rebased 08	Inter-connect	Shift to rental	Outlook 08
Revenue growth 2008 vs. 2007	Lower limit	+7.5%	-1%	-1.5%	+5%
	Upper limit	+8.5%			+6%

Capex 2008 (in millions)



		Rebased 08	Inter-connect	Shift to rental	Outlook 08
Capex 2008 (in millions)	Lower limit	€180		max. +€30	€210
	Upper limit	€190			€220

- Decline in interconnect termination rates will have a negative impact of ~1.0%pts
- Shift from set top box sales to rental-only will have negative impact of ~1.5%pts…
- … and inflate Capex up to € 30 m as rental boxes needs to be recognized as assets

Outlook full year 2008

Outlook 2008

Organic Revenue Growth	**5% – 6%**	Consolidation of PICs activities would imply a pro-forma annualized growth of 14% - 16%
Organic EBITDA Growth	**6% – 8%**	Consolidation of PICs activities would imply a pro-forma annualized growth of 15% - 18%
Capital Expenditures[1]	**€180 – €190 million**	

[1] **Excludes up to €30 million of capex supporting set top box rentals**

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Upcoming events

- Q108 Earnings release: May 5, 2008 – 5.45pm CET
- Q108 Analyst call: May 6, 2008 – 3.00pm CET