

Financial Results

First Three Months of 2008



Investor & Analyst Presentation
May 6, 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



Part 1

Business review

Q1 2008 operational highlights

Solid sequential growth across core product lines

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Triple Play

- Competitive bundle propositions continue to fuel triple play customers, up 35% reaching 21% of total customer base.
- Digitalization of TV subscribers and solid uptake of broadband and telephony grow ARPU per unique subscriber by 14%.

Internet & Telephony

- Continued quarterly growth in broadband internet and fixed telephony, adding 31,000 and 24,000 respectively during Q1 2008.
- Low single-digit decline in broadband internet ARPU due to bundled offerings; high single-digit decline in fixed telephony ARPU due to new flat fee customers and lower mobile termination; both in line with expectations.

iDTV

- iDTV customer base reached 438,000, adding 47,000 during Q1 2008
- Record on-demand transactions per user in Q1 2008.
- Good customer response to new rental offerings, introduced as of March.

Q1 2008 financial highlights

Operational performance well translated into financial results

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Revenue

- Revenue up by 9% year-on-year to €247.1 million.
- Broadband internet and recurring iDTV revenue head top-line growth.

EBITDA

- EBITDA increase of 12% to €118.6 million.
- Margin improved from 46.9% to 48.0%.

Capital expenditures

- Capital expenditures of €45.9 million, down versus prior year due to timing of network upgrade projects.
- Capex-to-revenue ratio improved to 19% from 21%.
- Limited impact of set top box rentals on full quarter, since only introduced as of March.

Free Cash Flow¹

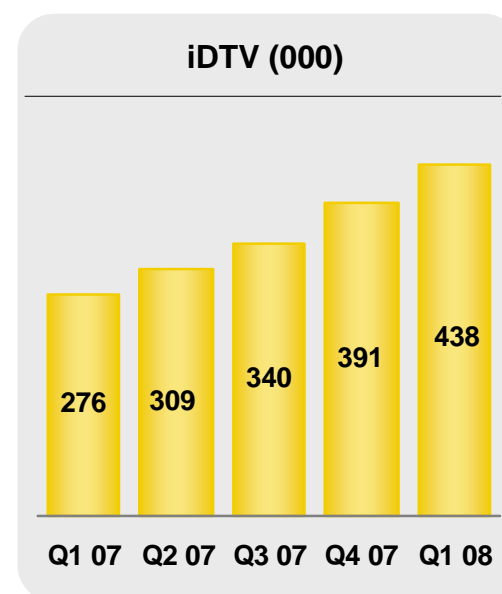
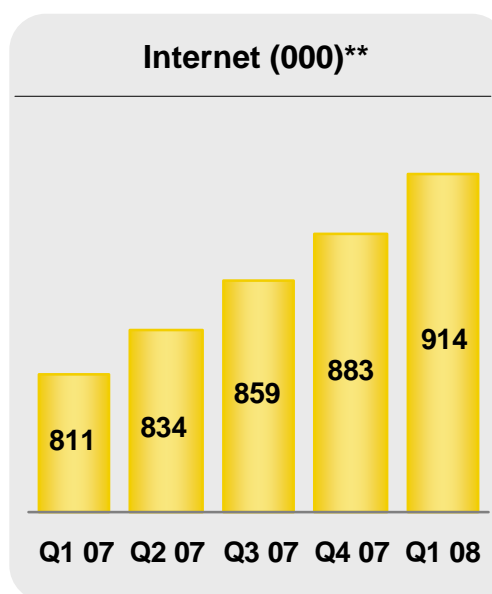
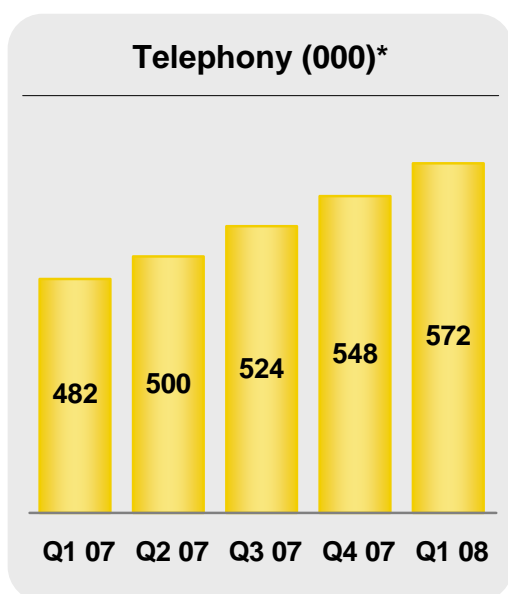
- Free cash flow of €34.6 million (yield of 14%), down 25% year-on-year as a result of high seasonal capex pattern in Q4 2007 and elevated cash interest expenses following increased debt.

Customer base

Core products added aggregate 103,000 net subscribers during Q1 2008



New reporting definition, based on premises serviced – for more information, we refer to our earnings release



+19%

+13%

+59%

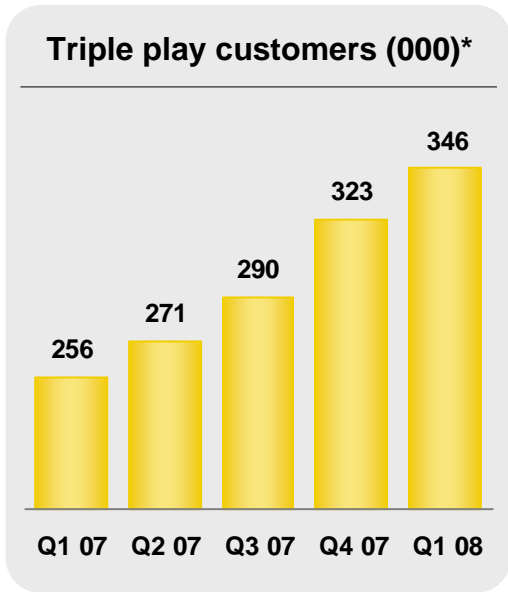
On top of 1.7 million CaTV customers (-3%)

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

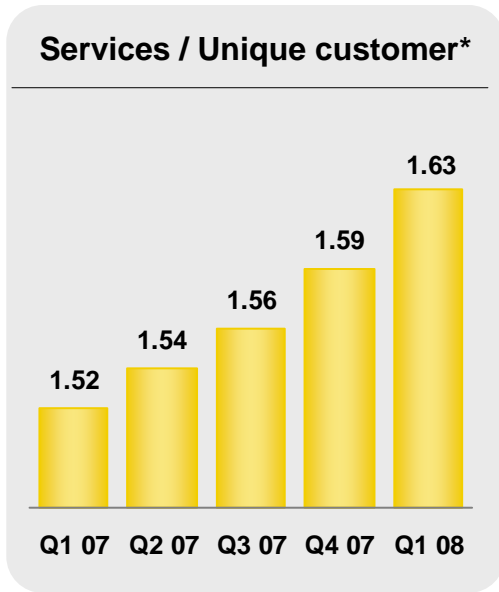
** Includes business broadband internet subscribers on coaxial connection

Triple play

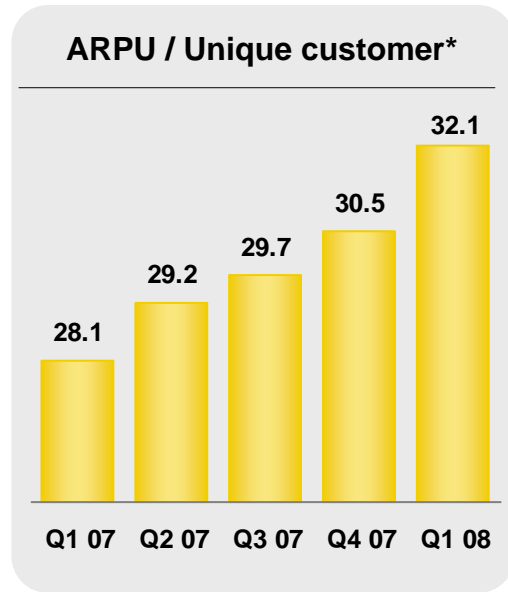
Compelling bundled offerings and successful cross- and upsell to existing customers drive triple play



+35%



+7%



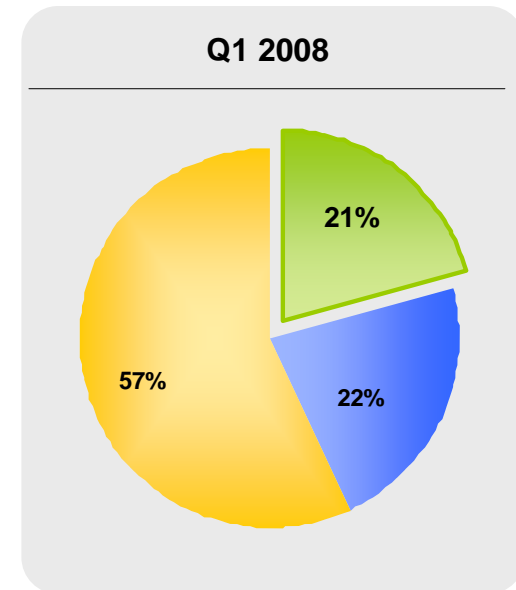
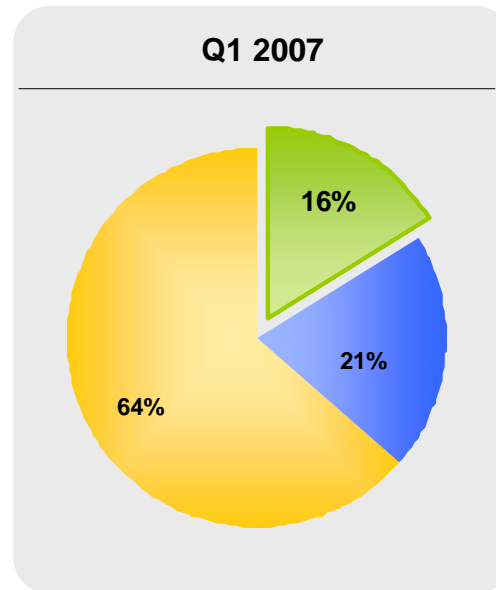
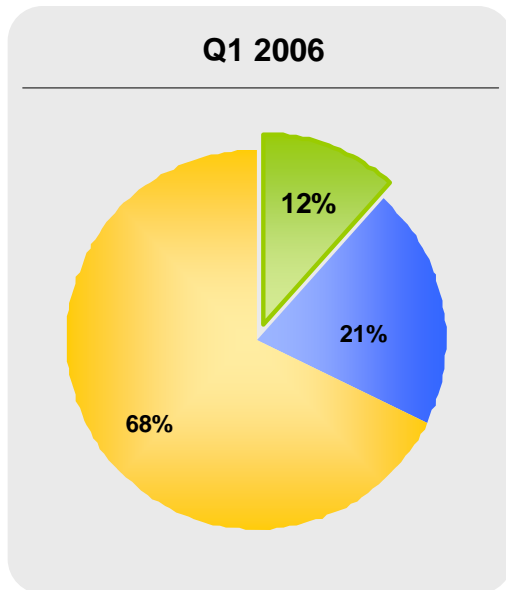
+14%




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

Triple play

43% of customer base enjoying multiple services

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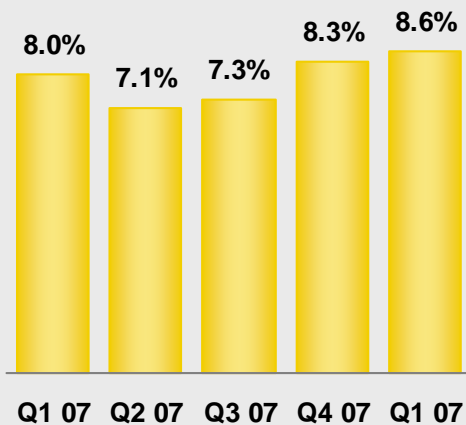
-  Triple play (*)
-  Dual play (*)
-  Single play

Churn

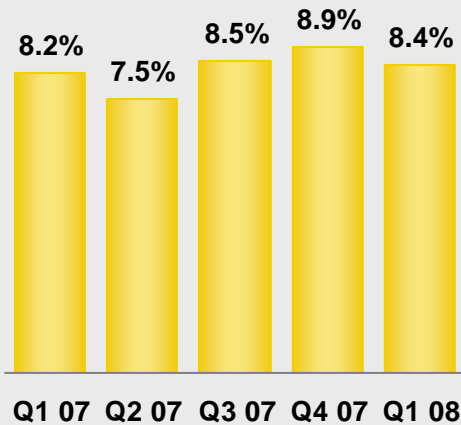
Stable churn levels across all core product lines



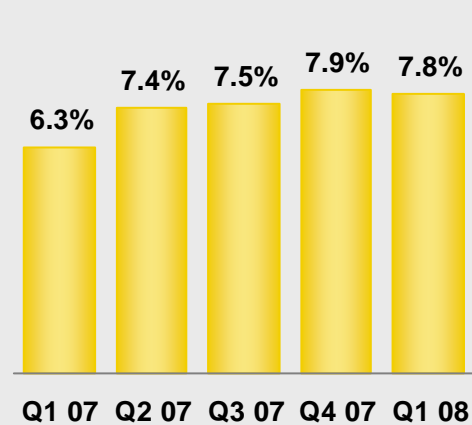
Telephony (ann'd)



Internet (ann'd) (*)

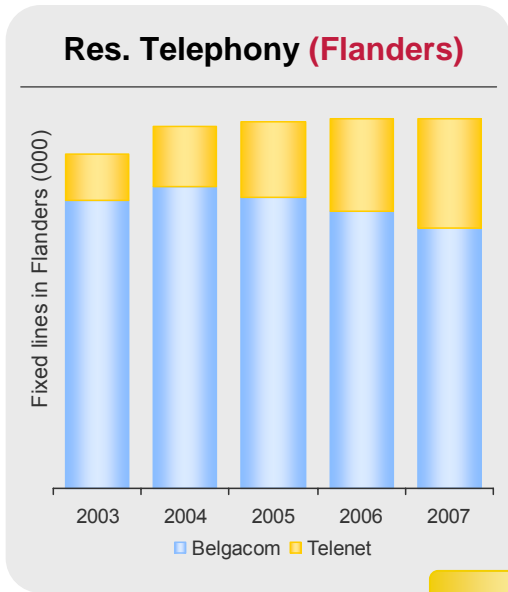


CaTV (ann'd)

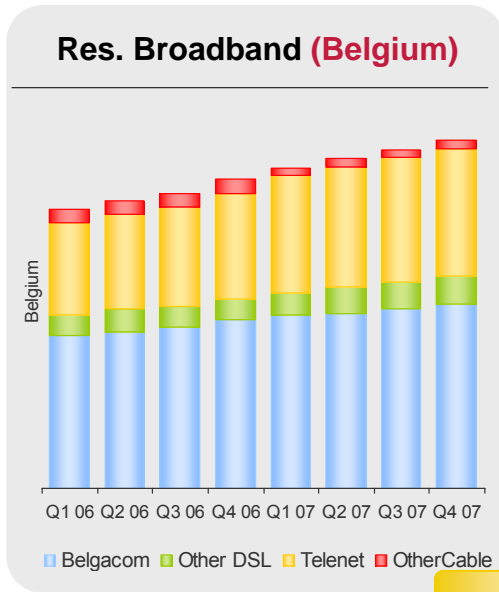


Market shares

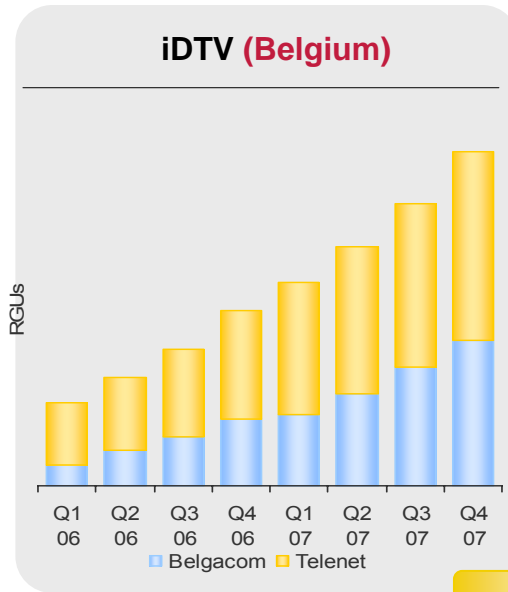
Growing market shares despite increased competition



30 %



37 %



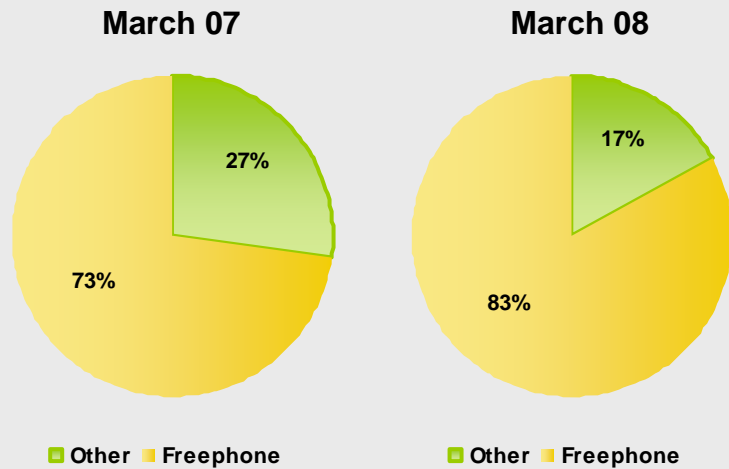
56 %

Fixed telephony

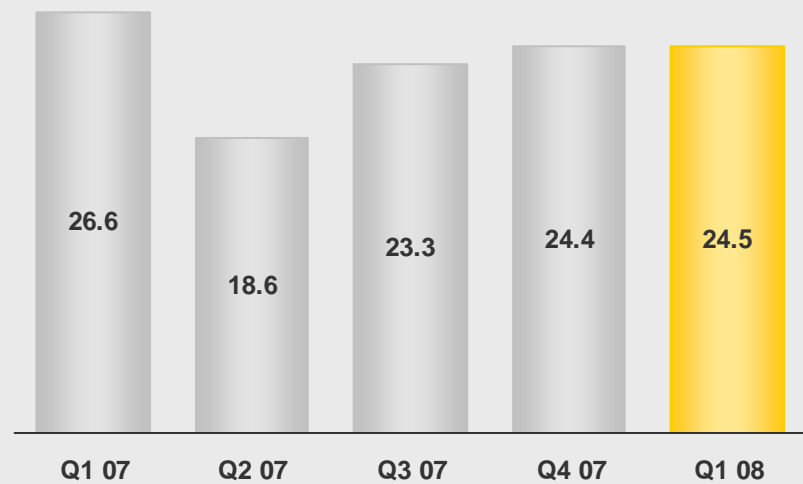
Stable net additions but with declining ARPU



% tariff plans on telephony customer base



Net additions (000)

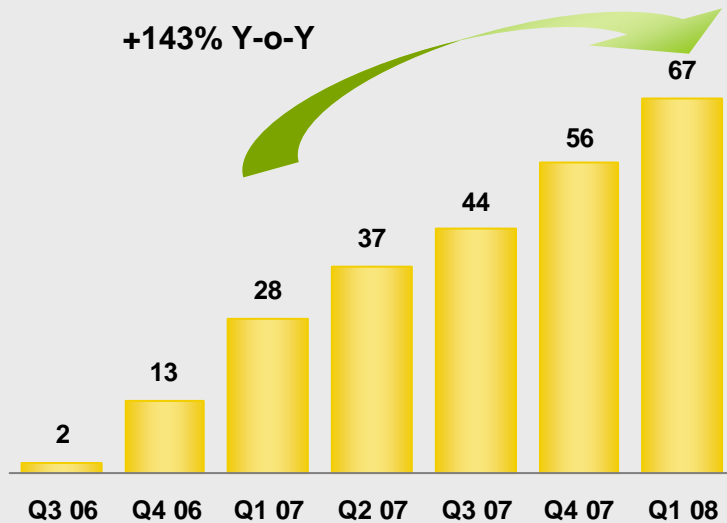


Mobile telephony

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



Active mobile subscribers (000)



Telenet Mobile

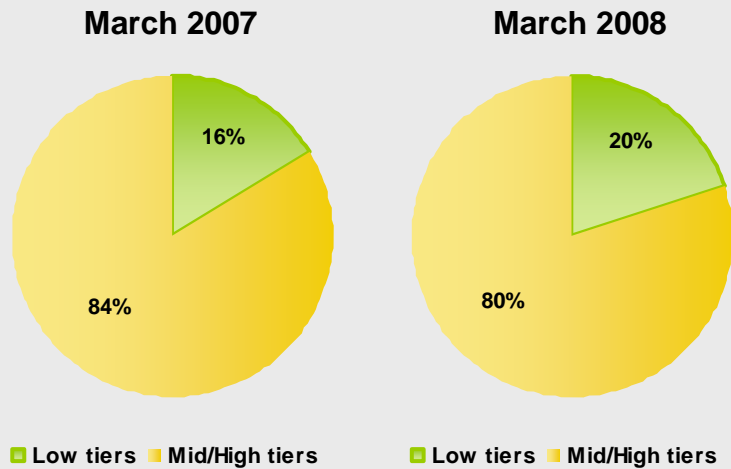


Broadband internet

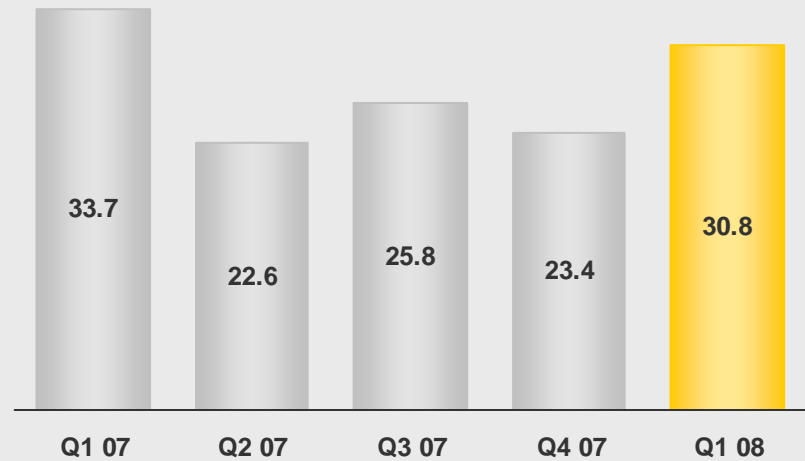
Strong first quarter net additions; product mix remains positioned towards mid- and high-tiers



% product tiers on total broadband subscribers



Net additions (000)

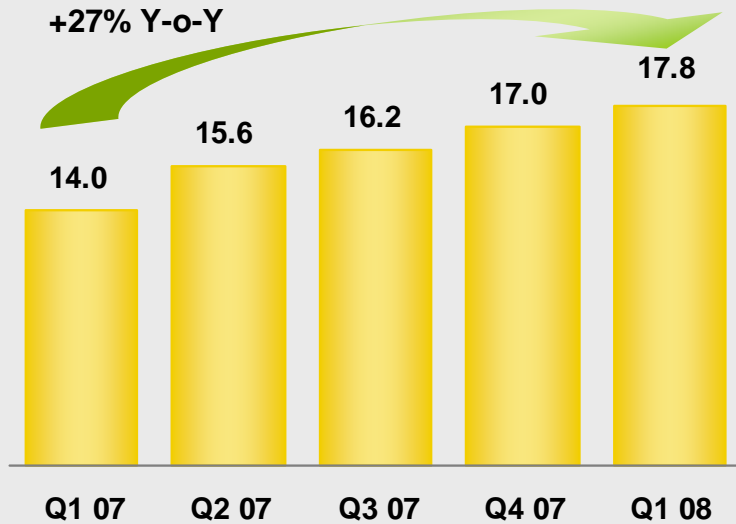


iDTV

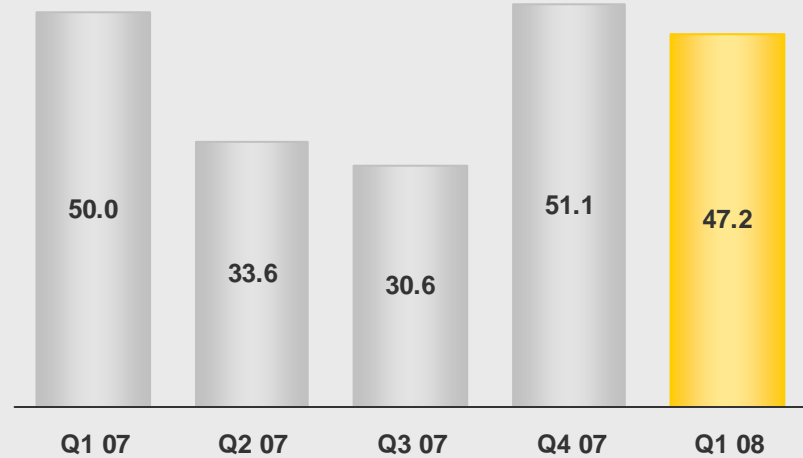
47,000 net additions in Q1 2008, driving digitalization ratio of basic cable subscribers above 26%



iDTV & Premium TV revenue (in Mio)*



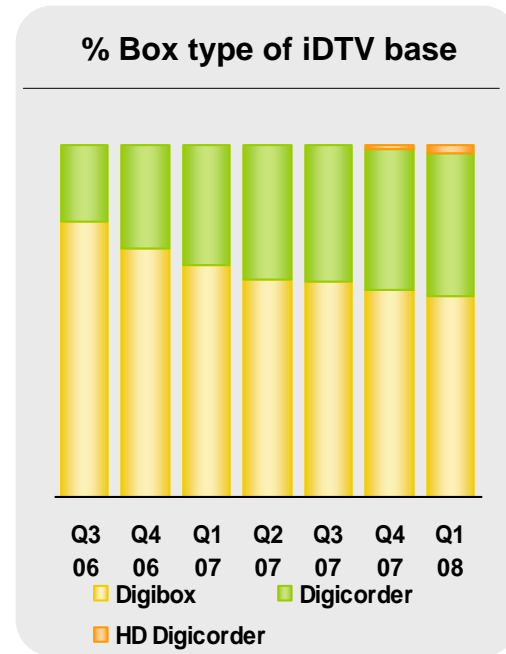
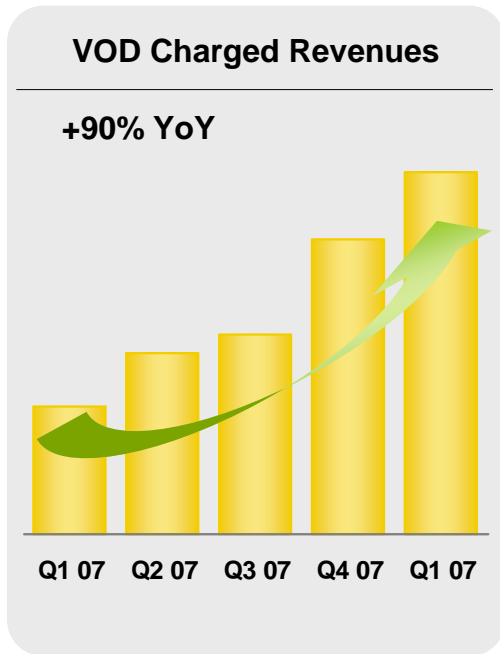
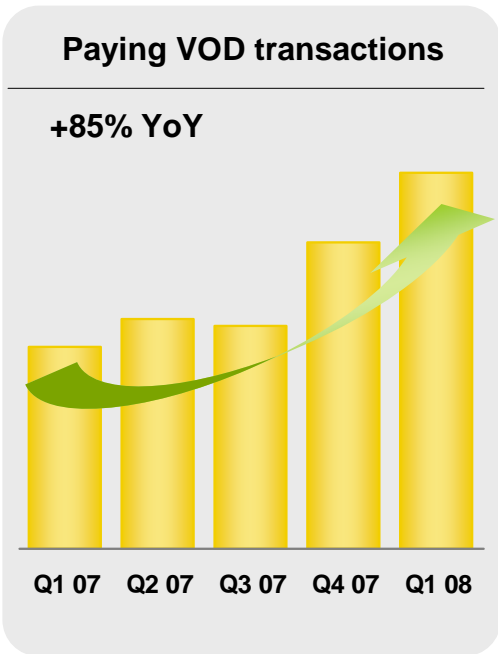
Net additions (000)



* Comprises recurring revenue on iDTV and Premium TV

iDTV

Boost in on-demand transactions per user leading to strong revenue growth



VOD

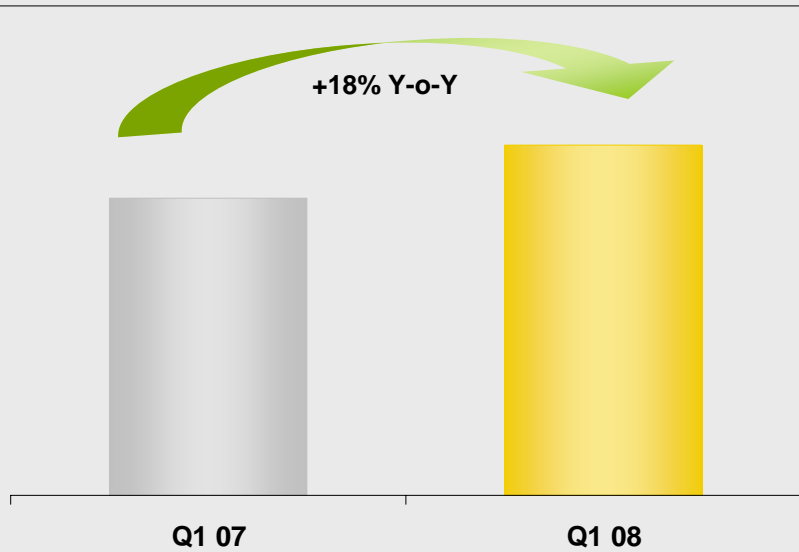
- Monthly VOD transactions per user up to 3.7x – highest ratio so far
- Total VOD transactions in Q1 08 close to 4.3 million

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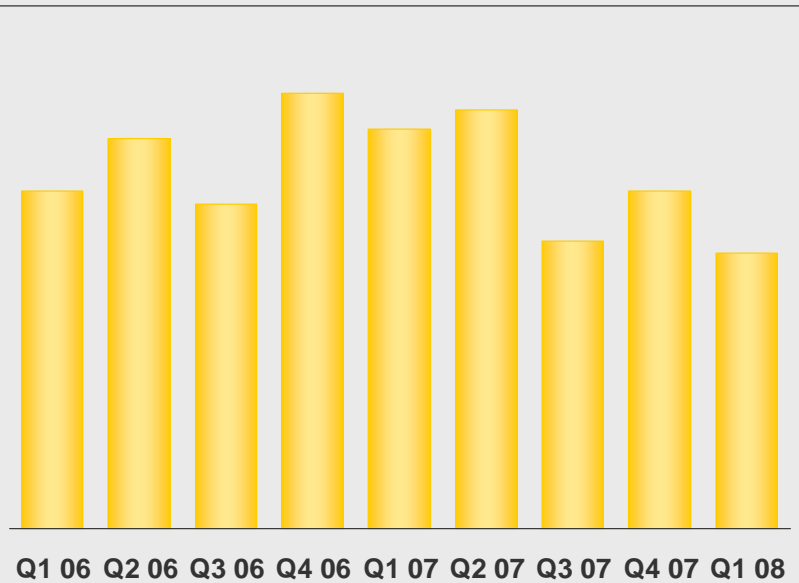
Revenue increase above Group's and average industry growth



Business revenue (in Mio)



Gross new sales





Part 2

Financial review

Revenue

Core product lines all continue to contribute well to top-line growth



EU GAAP - in € millions

	Q1 2008	Q1 2007	% change
Revenue			
Basic cable television	54.9	54.9	+ 0%
Premium cable television ¹	17.8	14.0	+ 27%
Distributors / Other ²	9.5	9.7	- 2%
Residential broadband internet	87.6	78.5	+ 12%
Residential telephony	52.1	48.4	+ 8%
Business services	25.2	21.4	+ 18%
Total Revenue	247.1	226.8	+ 9%

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

Moderate cost increase in line with fast growing subscriber base

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EU GAAP - in € millions

		Q1 2008	Q1 2007	% change
Expenses	Payroll & Employee Benefit Costs	32.7	31.3	+ 4%
	Depreciation	45.4	42.7	+ 6%
	Amortization	12.0	11.7	+ 2%
	Amortization of broadcasting rights	2.3	1.8	+ 25%
	Network operating and service costs¹	72.5	65.2	+ 11%
	Advertising, marketing and dealer commissions	13.4	14.3	- 6%
	Other costs	11.6	9.7	+ 20%
	Total Expenses by Nature	189.9	176.7	+ 7%

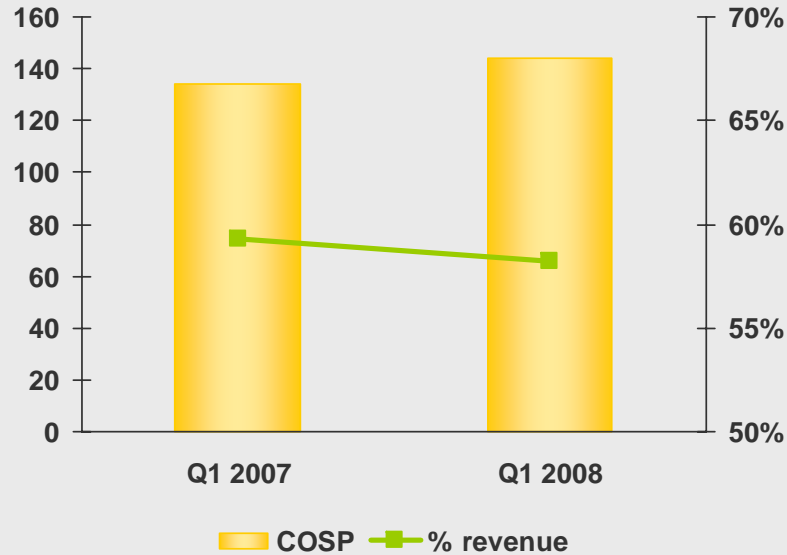
¹ Also includes interconnect cost, content costs, network operating costs and purchase cost of digiboxes/digicorders

Expenses

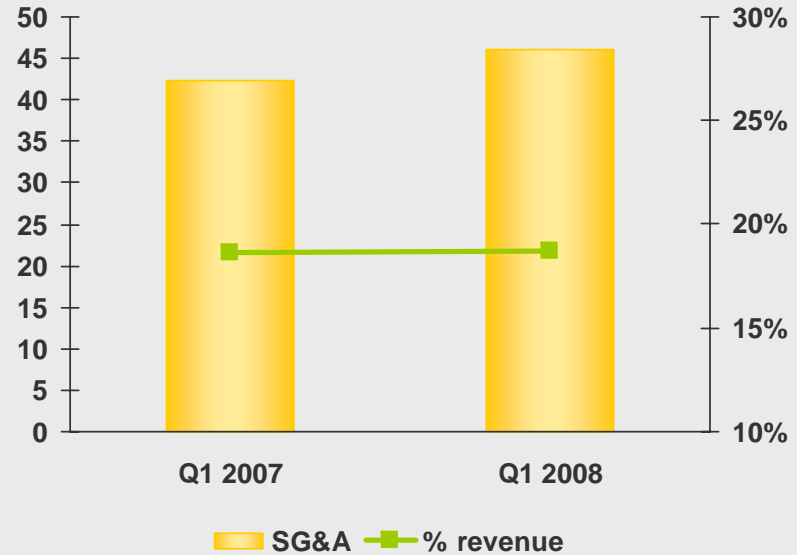
Cost-to-revenue ratios continue to demonstrate stable to improving trend



Cost of Services Provided (incl. D&A)



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



Profit & Loss statement

Solid operating margin improvements; net result influenced by unfavorable interest margin hedges



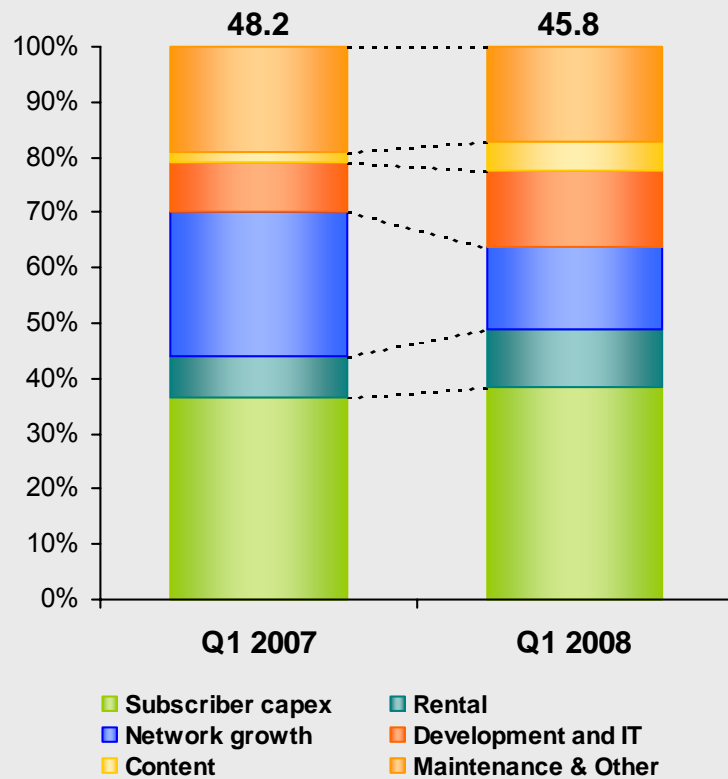
EU GAAP - in € millions		Q1 2008	Q1 2007	% change
Revenues	Total Revenues	247.1	226.8	+ 9%
Expenses	Total Expenses (excl. D&A)	(130.2)	(120.5)	+ 8%
EBITDA	EBITDA	118.6	106.3	+ 12%
	EBITDA Margin	48.0%	46.9%	
Operating Profit	Operating Profit	57.2	50.1	+ 14%
Net Profit / Loss	Net interest expense	(37.2)	(26.1)	+ 42%
	Net losses on derivative instruments	(14.1)	(0.4)	+ 3373%
	Net foreign exchange gains on financing	0.2	2.5	- 94%
	Income tax expense	(12.9)	(15.3)	- 16%
	Debt extinguishment cost	-	-	N/A
	Net income (loss)	(6.8)	10.8	N/A

Capital expenditures

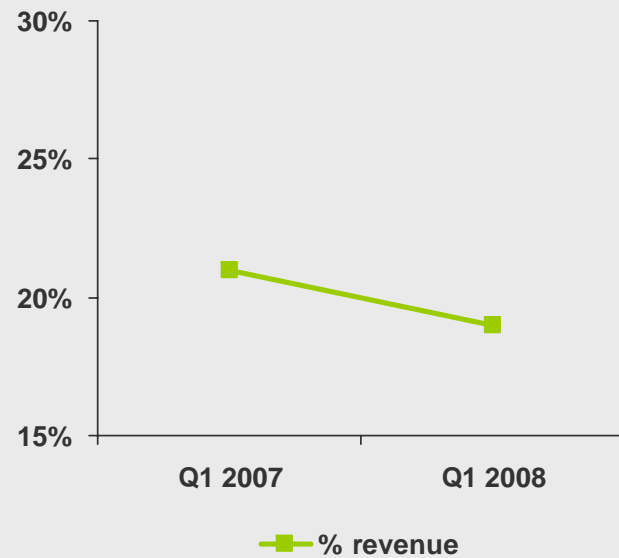
Capex-to-revenue ratio down to 19% but impact of set top box rentals limited on full quarter



Capital Expenditures (€millions)



% of revenues



Free cash flow

Yield of 14% but influenced by high capex spend from Q4 07; cash balance of €100 million



EU GAAP - in € millions

		Q1 2008	Q1 2007	% change
Cash Flow from Operating Activities	Net Income	(6.8)	10.8	- 163%
	Depreciation, amortization and impairment	59.7	56.2	+ 6%
	Working capital changes and other cash items	84.4	43.5	+ 94%
	Sale & purchase of derivatives	-	-	N/A
	Cash interest expenses	(35.8)	(12.0)	+ 199%
	Cash Flow from Operating Activities	101.4	98.4	+ 3%
Cash Flow from Investing Activities	Cash Flow used in Investing Activities¹	(71.4)	(52.8)	+ 35%
Free Cash Flow	Adjustments for free cash flow	4.5	0.1	
	Free Cash Flow²	34.6	45.8	- 25%
Cash Flow from Financing Activities	Net debt redemptions	(5.7)	(16.5)	- 65%
	Capital decrease paid as dividend	-	-	
	Net proceeds capital increases	-	6.1	- 100%
	Other (including redemption premium)	(1.7)	(0.6)	N/A
	Cash Flow used in Financing Activities	(7.4)	(10.9)	- 32%
Net Cashflow	Cash at beginning of period	76.6	58.8	+ 30%
	Cash at end of period	99.2	93.6	+ 6%
	Net Cash Generated (Used)	22.6	34.7	- 35%

1 Q1 2008 includes the acquisition of Hostbasket NV for €4.5 million.

2 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, excluding acquisitions.

Balance sheet

Leverage ratio below 4.0x;
total availability of funds approx. €500 million

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EU GAAP - in € millions		31-Mar-08	31-Dec-07	% change
Assets	Non-Current Assets	2,392.5	2,426.2	- 1%
	Current Assets	147.1	161.8	- 9%
	Cash and Cash Equivalents	99.2	76.6	+ 30%
Total Assets		2,638.9	2,664.6	- 1%
Equity	Total Equity	173.4	170.1	+ 2%
	Total Equity	173.4	170.1	+ 2%
Non-Current Liabilities	Senior Debt	1,900.0	1,900.0	+ 0%
	Capital Leases	121.3	127.8	- 5%
	Deferred Financing Cost	(26.1)	(27.9)	- 7%
	Other non-current Liabilities	39.2	56.5	- 31%
	Non-Current Liabilities	2,034.5	2,056.4	- 1%
Current Liabilities	Current Portion of Long Term Debt	19.8	18.5	+ 7%
	Short term borrowings	-	-	
	Accounts Payable	199.6	230.4	- 13%
	Unearned Revenues	124.8	123.5	+ 1%
	Other Current Liabilities	86.9	65.8	+ 32%
	Current Liabilities	431.1	438.2	- 2%
Total Equity and Liabilities		2,638.9	2,664.6	- 1%

Outlook full year 2008 reiterated



Outlook 2008

Organic
Revenue Growth

5% – 6%

Organic EBITDA
Growth

6% – 8%

Capital Expenditures¹

€180 – €190 m

How to contact us?

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Upcoming events

- ▶ Analyst & Investor Conference: May 13, 2008
- ▶ Q208 Earnings release: August 4, 2008 – 5.45pm CET
- ▶ Q208 Analyst call: August 5, 2008 – 3.00pm CET