



Telenet to acquire valuable 3G- and 2G-spectrum, strengthening its challenger position in mobile

The enclosed information constitutes regulated information as defined in the Royal Decree of November 14, 2007 relating to the obligations of issuers of financial instruments that are admitted to trading on a regulated market.

- ▶ **Belgian cable joins efforts to unlock untapped potential of mobile data market;**
- ▶ **Capital efficient deployment by maximizing leverage on existing infrastructure assets;**
- ▶ **Will seek value-accretive partnerships with existing mobile network operators;**
- ▶ **Spectrum provides hedge against future capacity constraints on existing mobile networks;**
- ▶ **Average annualized license cost and usage fees for Telenet of €11.4 million per annum.**

Mechelen, June 27, 2011 – Today, Telenet Tecteo Bidco NV¹ has submitted a formal bid for the fourth 3G-license, which was put up for auction by the BIPT (Belgian Institute for Postal and Telecommunication Services) on March 15, 2011 and which will also provide access to valuable spectrum in the 900 MHz and 1800 MHz bands. Given the fact that Telenet Tecteo Bidco NV has been confirmed as the sole admissible candidate for the available frequency spectrum, the total consideration paid will equal the minimum reserve price as set by the BIPT. Today's joint bid to acquire mobile spectrum shows Telenet's commitment to invest in order to further improve the competitiveness of the Belgian telecoms market and to deliver better quality at lower prices for consumers.

Committed to unlock the untapped potential of mobile data in Belgium

Telenet is pleased that its complementary partnership with the Walloon cable operator Tecteo is about to secure scarce and valuable spectrum in the 900 MHz, 1800 MHz and 2100 MHz bands. As the leading provider of high-speed broadband services over its hybrid fiber-coaxial network in Flanders and approximately one-third of Brussels, Telenet believes it is ideally positioned to benefit from the anticipated growth in mobile data. At present, mobile broadband penetration in Belgium continues to strongly lag the European average² because of low smartphone penetration and lack of intense mobile data competition between the existing mobile network operators.

Having entered the mobile market in 2006 as an MVNO, Telenet has succeeded in growing its subscriber base to over 210,000 active mobile subscribers at the end of March 2011 through a combination of attractive and straight-forward pricing schemes combined with carefully-weighted handset subsidies. Today's bid to acquire technology-neutral mobile spectrum will significantly improve Telenet's challenger position in the mobile market and will allow for the roll-out of high-speed mobile data networks such as LTE. At the same time, owning frequency spectrum acts as an insurance policy against future capacity constraints on existing mobile networks and guarantees attractive access conditions for Telenet in the future. Furthermore, the acquired spectrum can be partially or fully traded under certain conditions, lowering the overall risk of the investment.

Capital efficient deployment by maximizing leverage on existing infrastructure assets

Telenet will now look at all available options to operate its frequencies at maximum capital efficiency, leveraging as much as possible on existing infrastructure assets and seeking a more intense collaboration with the existing Belgian mobile network operators through mutual value-accretive partnerships. In this respect, Telenet ensures that its mobile strategy will be environmentally, socially and economically responsible.

¹ Telenet Tecteo Bidco NV refers to the consortium between Telenet Group Holding NV and Tecteo (operating under the brand name VOO in Wallonia) with regards to the joint acquisition of mobile frequency spectrum and the joint operating thereof.

² Source: European Commission, Digital Agenda Scoreboard (January 2011)

Limited impact on Telenet's strong Free Cash Flow profile

Telenet considers the impact on its Free Cash Flow profile to remain limited as the payment of both the 3G- and 2G-licenses will be effectuated in annual installments over the lifetime of the licenses and as the total cost will be shared with Tecteo. In this respect, Telenet expects average annualized license costs and usage fees of approximately €11.4 million per annum over the period 2011-2020. For the period 2011-2014, Telenet anticipates total annual costs of approximately €8.0 million, which will step up to approximately €13.8 million as of 2015 when the call option on the 2G-spectrum will kick in.

Acquisition of scarce and valuable 3G- and 2G-spectrum at the minimum reserved price

Telenet Tecteo Bidco NV seeks to acquire the maximum available block of 2 x 14.8 MHz 3G-spectrum in the 2.1 GHz band. The total consideration paid will amount to €71.5 million in aggregate for both Telenet and Tecteo and will be paid by annual installments over the lifetime of the license. Like the three 3G-licenses awarded by the Belgian Government in 2001, the fourth 3G-license will expire on March 15, 2021.

At the same time, Telenet Tecteo Bidco NV will exercise its call option on the valuable 2G-spectrum in the 900 MHz and 1800 MHz bands, which will become available as of November 27, 2015. Telenet Tecteo Bidco NV seeks to secure 2 x 4.8 MHz in the 900 MHz band and 2 x 10 MHz in the 1800 MHz band for an aggregate amount of €31.5 million for both Telenet and Tecteo and will be paid by annual installments over the lifetime of the license. The acquired 2G-license will expire simultaneously with the 3G-license on March 15, 2021. Usage rights in the 900 MHz, 1800 MHz and 2100 MHz bands are technology-neutral and will allow for the roll-out of high-speed mobile data networks such as LTE.

For additional background information, we refer to the FAQ section on our investor relations website <http://investors.telenet.be>.

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About Telenet – Telenet is a leading provider of media and telecommunication services. Its business comprises the provision of cable television, high speed internet and fixed and mobile telephony services, primarily to residential customers in Flanders and Brussels. In addition, Telenet offers services to business customers across Belgium under the brand Telenet Solutions. Telenet is listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET and is part of the BEL20 stock market index.