

Telenet to change capital structure and shareholder remuneration policy

The enclosed information constitutes regulated information as defined in the Royal Decree of 14 November 2007 regarding the duties of issuers of financial instruments which have been admitted for trading on a regulated market. Public announcement in the framework of Article 8, §1 of the Belgian Royal Decree dated April 27, 2007 on public takeovers.

- ▶ **Incurrence of €700 million of additional debt, benefiting from favorable credit market conditions;**
- ▶ **Launch of additional share buy-back through self-tender offer;**
- ▶ **Target net leverage of 3.5-4.5x Annualized EBITDA maintained, while moving to higher end of range;**
- ▶ **Future shareholder remuneration will consist mainly of share repurchases;**
- ▶ **No significant acquisitions in the foreseeable future.**

Mechelen, August 13, 2012 – Today, Telenet Group Holding NV (“Telenet” or the “Company”) (Euronext Brussels: TNET) announces its decision to modify its capital structure and adapt its shareholder remuneration policy. Going forward, Telenet intends to increase its Net Total Debt to Annualized EBITDA ratio to approximately 4.5x, which represents the higher end of the 3.5-4.5x net leverage target¹. Telenet also intends to implement a shareholder remuneration policy consisting mainly of share repurchases. Telenet believes that the combination of the adjustment to the capital structure and the revised shareholder remuneration will allow for a more efficient balance sheet. Telenet aims to implement this new capital structure before the end of 2012. In this framework, Telenet proposes to incur up to €700 million (or an amount equivalent thereto) of additional debt in the near term, subject to Telenet’s ability to arrange the additional debt on satisfactory terms, taking advantage of the current favorable credit market conditions.

Additional share buy-back

If Telenet is successful in raising additional debt financing, and absent any material adverse change in the financial situation or prospects of Telenet or in the financial markets in general, Telenet will initiate a share buy-back through a voluntary tender offer for a maximum of 20,673,043 shares, or 18.20% of the share capital² of Telenet, at a price of €35.00 per share. This price is to be adjusted downwards by the gross amount of any distributions prior to the closing of the tender offer (including the €3.25 per share to be paid on August 31, 2012 pursuant to the capital decrease approved by the extraordinary shareholders’ meeting on April 25, 2012) effective as of the date of any such distribution. Telenet will use the proceeds of any additional debt financing to fund this share buy-back. This share buy-back will be effected pursuant to the authorization granted by the shareholders’ meeting of May 29, 2009. Telenet will propose to annul the shares so repurchased with immediate effect. The previously approved Share Repurchase Program 2012 of up to 3 million shares for a maximum amount of €50 million announced on February 16, 2012, and which has been executed to date to the extent of 91% of such amount, has been terminated as of today.

¹ The net leverage ratio is calculated as per the Senior Credit Facility definition, using net total debt, excluding subordinated shareholder loans, capitalized elements of indebtedness under the clientele and annuity fees and any other finance leases, divided by last two quarters’ annualized EBITDA.

² Total number of shares issued by the Company including own shares currently held by the Company. These treasury shares represent 0.76% of the total number of shares.

Binan Investments B.V. (a wholly-owned subsidiary of Liberty Global, Inc.) (“LGI”), Telenet’s majority shareholder (50.04%), has informed Telenet that, if the proposed share buy-back is pursued, it will not tender any shares, but that it reserves its position concerning tendering in possible future repurchase programs of the Company. Accordingly, in the proposed share buy-back, every shareholder would be entitled to tender approximately 37% of his or her shares (subject to rounding), *i.e.*, the proportion corresponding to the ratio of the maximum number of shares to be redeemed (*i.e.*, 20,673,043 shares) over the maximum number of outstanding shares³ other than LGI’s (*i.e.*, 55,880,351 shares), but may tender a higher number of shares in which case he or she will be able to sell a further number of shares in proportion to the remaining pool of surplus shares not tendered.

If the maximum number of shares is tendered and subsequently cancelled, LGI’s shareholding in Telenet would increase from 50.04% to 61.18% of the share capital of Telenet⁴. At the current market price, the market value of Telenet’s free float⁵ would be approximately €1,217 million (again assuming full take-up of the share buy-back offer).

The Company has, on a statutory basis, sufficient own funds to effect the envisaged share buy-back. The increased leverage is fully sustainable in view of the steadily strong positive cash-flow generation, the projected future earnings growth and the significantly improved maturity profile of the group’s financial indebtedness.

Strong fundamentals to deliver long-term value for its customers and shareholders

Telenet is not pursuing any significant acquisitions in the foreseeable future, but remains committed to deliver solid business growth and to maintain its position as leading innovator through continued investments in its customers and its advanced fixed and core mobile network, to be complemented by partnerships where appropriate.

Telenet believes that its sustained focus on offering innovative and competitive products will lay the foundation for future growth, and that the combination of Telenet’s strong Free Cash Flow performance and leverage target of 3.5-4.5x Net Total Debt to EBITDA will allow for a solid shareholder return. The aforementioned operations underpin Telenet’s dedication to further enhance shareholder value on a long-term basis, supported by its stable and well-balanced business profile.

Duco Sickinghe, CEO of Telenet: *“Telenet has decided to take advantage of what it believes are favorable market terms for debt financing to optimize our balance sheet in view of the potential for continued solid shareholders returns. We will stay totally committed to our strategy of continued growth while providing value for our customers, partners and our shareholders”.*

About the self-tender offer

If Telenet initiates a voluntary tender offer, then payment of the tender offer price to tendering shareholders will be subject to applicable withholding taxes. For Belgian retail shareholders and other Belgian or foreign investors that cannot benefit from an exemption or reduction, the rate of the Belgian withholding tax is 21%. An additional 4% tax will be due on the ‘deemed’ dividend (bringing the total tax rate to 25%) if the Belgian resident natural person receives qualifying investment income (*i.e.*, qualifying interest and dividends) in an amount exceeding €20,020 in the relevant taxable year.

The envisaged share buy-back will take the form of a self-tender offer pursuant to the Law of April 1, 2007 on tender offers and the Royal Decree of April 27, 2007 on tender offers (the “Royal Decree”). Telenet aims to file the required documentation, including the bid prospectus, with the Belgian Financial Services

³ Total number of shares issued by the Company less own shares currently held by the Company.

⁴ Total number of shares of the Company including own shares currently held by the Company. If these treasury shares were not counted, LGI’s shareholding would increase to 61.75%.

⁵ Total number of shares of the Company not counting (i) LGI’s shareholding, (ii) treasury shares and (iii) shares tendered during the self-tender.

and Markets Authority in the course of September 2012. As is required by the Royal Decree, the prospectus will include a valuation report by N M Rothschild & Sons, the independent expert appointed by the independent directors of Telenet. The proposed tender offer will be subject to the condition that the bid price does not differ by more than 20% from the average of the closing prices of the Telenet shares during 30 days prior to the date of acquisition of the shares, in accordance with the May 29, 2009 authorization by Telenet's shareholders' meeting. The proposed tender offer will also be subject to the condition that no material adverse change occurs with respect to the financial situation or the prospects of Telenet or in the financial markets in general. If Telenet is unable to obtain debt financing on satisfactory terms or a material adverse change of the kind just described were to occur before launch of the offer, Telenet may decide not to proceed with the proposed self-tender offer, in which case Telenet would issue a further public announcement to that effect. Such material adverse changes may include material adverse regulatory developments or the adverse outcome of material litigations.

Conference call – Telenet will host a conference call for institutional investors and analysts on August 13, 2012 at 8.30 am CET. For dial-in details, webcast links as well as a slide presentation for analysts and investors, please visit: <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 for Business. Telenet is listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET and is part of the BEL20 stock market index.

Disclaimer

This press release does not constitute an offer to purchase securities of Telenet or its affiliates nor a solicitation by anyone in any jurisdiction in respect thereof. If Telenet decides to proceed with an offer to purchase Telenet securities through a public tender offer, such offer will and can only be made on the basis of an approved prospectus by the FSMA. No action has been taken to enable a public bid in any jurisdiction and no such steps shall be taken prior to Telenet's decision to proceed with a public tender offer. Neither this press release nor any other information in respect of the matters contained herein may be supplied in any jurisdiction where a registration, qualification or any other obligation is in force or would be with regard to the content hereof or thereof. Any failure to comply with these restrictions may constitute a violation of the financial laws and regulations in such jurisdictions. Telenet and its affiliates explicitly decline any liability for breach of these restrictions by any person.

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For prospective investors in the United Kingdom, a Financial Services Authority authorized entity has not approved this communication relating to the securities for the purposes of section 21 of the Financial Services and Markets Act 2000. This communication is exempt on the basis that it falls within Article 69 (Promotions of securities already admitted to certain markets) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended). Past performance cannot be relied on as a guide to future performance. If you are in any doubt about the investment to which this communication relates, you should consult a person authorized under the Financial Services and Markets Act 2000 who specializes in advising on investing in shares or other investments in or related to corporations.