

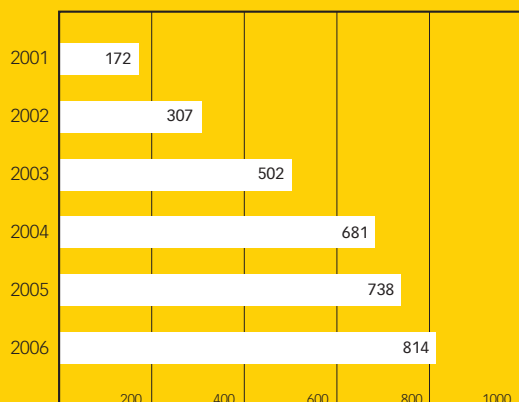
telenet opens your world



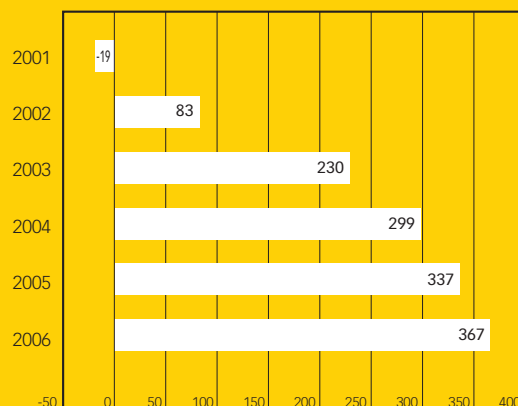
telenet 
opens your world

Telenet key figures

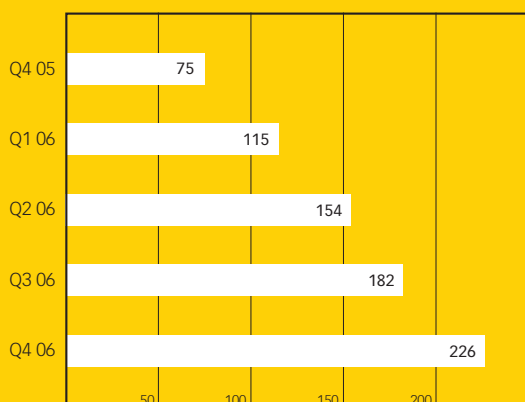
Revenue* (in EUR x million)



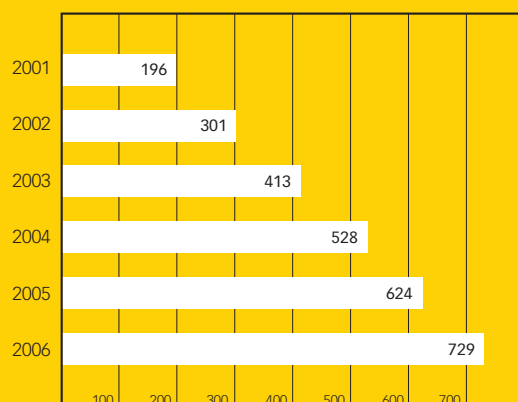
EBITDA (in EUR x million)



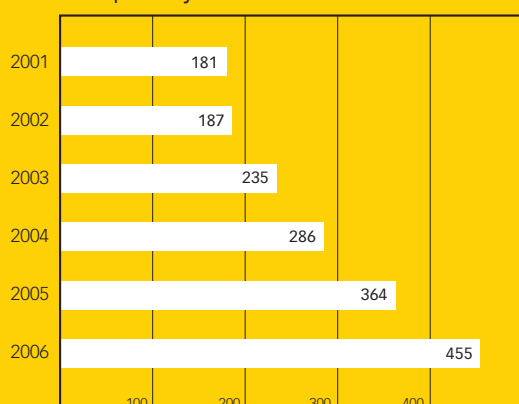
iDTV customers (x thousand)



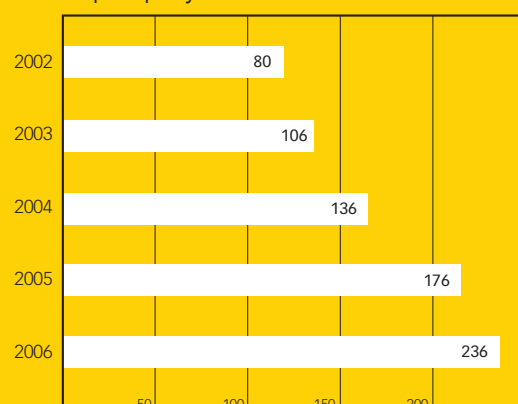
Internet customers (x thousand)



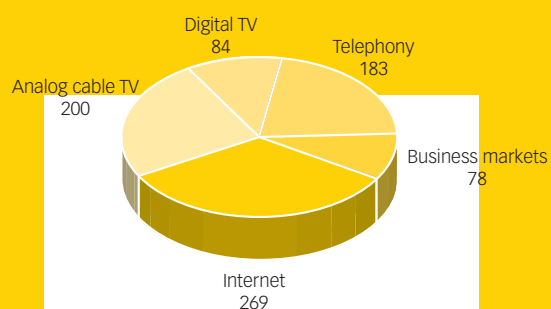
Telephony customers (x thousand)



Triple-play customers (x thousand)



Revenue breakdown 2006* (in EUR x million)



* From continuing operations

Capital investments (in EUR x million)

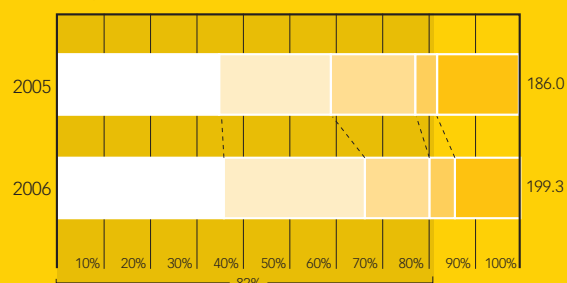


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Telenet is all about people ... and how they experience technology on a daily basis. We do our best to make sure that every single Telenet customer gets the value they expect from our products and services. Whether they are calling, surfing, ordering a film or working over the corporate network, Telenet continuously strives to guarantee that their experience is fast, seamless, reliable and ... also important, fun.

telenet, the year



By 2010, experts expect that 90% of the population in Belgium will have broadband access. At Telenet, we translate that to well over 1,000,000 customers.

A multiplay success story

2006 was clearly a year of many substantial milestones. After ten years of dedication, persistence and simply good and hard work with more than a bit of innovative thinking, Telenet has matured from a creative start-up to a serious challenger in broadband Internet, telephony, interactive entertainment and enterprise services. Telenet is now the preferred Internet provider in Flanders with a robust market share. In 2006, Telenet recorded a banner number of new telephony, Internet and iDTV users – 347,000. In February 2007, Telenet welcomed its 250,000th iDTV customer. This demonstrates much faster market penetration compared to mobile telephony or even broadband Internet adoption rate. In March 2007, the company sold its 800,000th broadband Internet connection. Together this all contributes to strong and healthy growth.

Today, Telenet delivers quality voice, broadband Internet, TV and iDTV applications – all via an extensive cable network to many homes across Flanders and Brussels. Enterprises and the public sector benefit from our services in Belgium and Luxembourg thanks to our comprehensive connectivity and value-added services via fibre, coax and DSL solutions. In July 2006, we launched a mobile telephony service. Tomorrow, we will continue to expand our possibilities: offering even more communication services, more content from our partners, more convergence products like our Telenet Mobile Data Card and Email on TV, better and smarter web applications and innovative mobile TV. As we continue to focus on our customers, we will be customising our product bundles to meet the needs and pace of their 'digital home and office'.

in review





In pursuit of our strategic objectives

Over the past ten years, Telenet has set a number of strategic goals. We believe that we have made progress on each of them in 2006 and expanded our customer base in the residential market while maintaining or improving our market share for each individual service. We continued to develop our business market with a specific focus on the public sector and small-to-medium enterprises or SMEs. By launching new platforms or product enhancements, we extended our product lines. We managed to get a better grip on all elements that determine the quality of our customer care and repair services and recorded improved customer satisfaction. Our investments focused on strategic assets like the network and new services. To support this objective, innovation has become more than a few bright ideas, it has become formalised in our structure and well anchored in our collective mindset.

Financial and operational results

2006 was an excellent year for Telenet. For the first time in its history, Telenet delivered an 8.5 million euro net profit from continuing operations. Annual revenues increased to 813.5 million euro, up 11% compared to 2005. Our operating performance expressed in EBITDA rose by 9% while we continued to invest 205.8 million euro in our future. Our net cash flow was up by 46%. Growth accelerated towards the year-end.

Key operational statistics like our customer loyalty improved significantly for Internet and telephony compared to the already high standards of our industry. We also recorded more analogue TV customers than ever before in our history. Resulting from our focus on process management, we significantly improved the service levels in our call centres. Our technical platforms and network have become more

redundant and robust in order to support an ever-growing number of users. New IT and network systems will enable us to identify and diagnose technical disturbances better.

Residential market: triple-play customers increased by 34%

Telenet operates in an ever-changing environment. Our top priority is to strive for maximum customer satisfaction and loyalty. This means that our technology, our service and, of course, our products need to meet our customers' expectations, fit their budget and match their own personal time frame.

Today, a clear trend is that more and more customers are opting for an all-in-one solution consisting of two, three or even four Telenet services. We refer to this as triple-play or multiplay. Knowing this, we have adopted a strategy of segmentation where we package our products into bundles, which address different market segments. The basic idea is a one-stop shop and integrated care concept for all our customers. With bundled offerings, customers can save up to 25%.

The strategic decision to bundle our products into multiplay packages contributed for a good part to our continued growth. Other developments stimulated demand for our services like mobile telephony in July 2006. This accounted for 21,000 SIM-activated cards by mid-February 2007. By the same time, telephony customers numbered 455,000, an increase of 91,000 or 25% since the end of 2005. The popularity of the FreePhone and FreePhone 24 fixed-rate calling plans can be cited for this success. The fixed line has been rediscovered due to its attractive pricing, reliability and quality. Even with all the technological developments, residential telephony and the fixed-line sector remains an interesting market, albeit a highly competitive one. Broadband Internet grew to 729,000 customers in 2006, a 17% increase over the previous year. Our customers continue to favour our mid-range version: ExpressNet.

Concerning traffic on our Telenet Hotspots, more users on our wireless infrastructure as well as more log-ins per user reflect the increased acceptance of this technological platform.

In line with European trends, digital cable television has taken off across Belgium. By mid-February 2007, Telenet had 250,000 interactive digital television subscribers with one or more premium services. Telenet was the first cable operator to launch MHP technology as a flexible and innovative solution for our set-top box middleware. We have been reinforced in our technology direction when the US cable companies announced their intention to launch a similar platform, referred to as OCAP, in 2008.

In cooperation with local broadcasters, such as VRT, VMMa, SBS and the regional broadcasters, Telenet offers a unique interactive and on-demand portfolio. Community television projects, such as TVLink in Kortrijk, will add some more local focus.

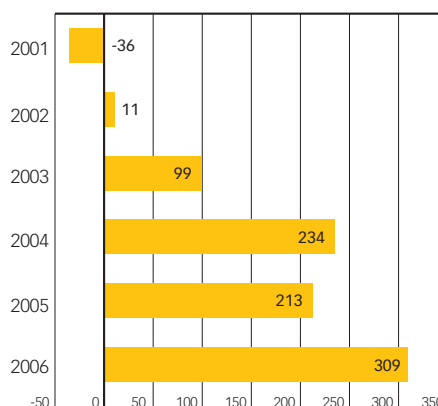
Telenet Solutions: solid growth on the business side

Telenet is also active in both the Belgian and Luxembourg enterprise and public sector markets under the brand, Telenet Solutions. This year Telenet Solutions continued to invest in new services and provide customised voice, data, Internet and digital television solutions to a growing number of large corporations, government organisations and healthcare institutions as well as SMEs. Telenet Solutions is an important division for Telenet, responsible for approximately 10% of the group's revenues. In 2006, Telenet Solutions worked on some impressive new accounts including Deloitte and the bank Landbouwkrediet/Crédit Agricole. The market remained extremely price competitive; despite strong price erosion, Telenet Solutions realised a growth of 6%.

Making the Belgian digital home a reality

A common strategic principle has been: 'Follow the customer beyond the cable'. In 2006, our customers continued to be the centre of everything that we do. To help maintain a customer-driven focus, Telenet underwent a restructuring at the end of 2006 to create a customer-segmented organisation and a flatter management structure, which enables easier communication throughout all levels of the company. The restructuring actually created opportunities for many Telenet employees, as virtually all new positions were filled internally. Toward the end of 2006, Telenet purchased UPC Belgium and is currently in the process of integrating UPC into the Telenet organisation. UPC enables Telenet to acquire experience in the French-speaking area of

Cash flow

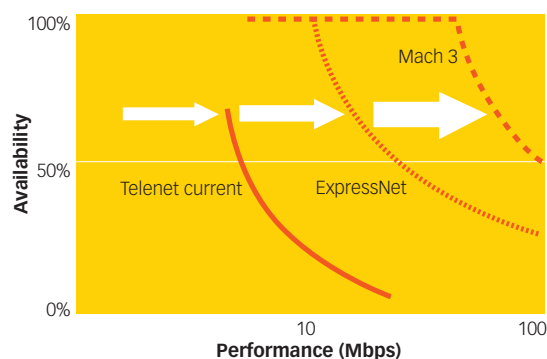


Brussels, putting Telenet on track as a true Belgian company. We have been encouraged by how our colleagues from UPC have made themselves at home within Telenet. We extend them our warmest welcome.

Significant network investments (more than 55 million) were made to ensure that our service offering is backed by the best possible infrastructure. Major programs like ExpressNet and Mach 3 are well underway. Over 1.7 million homes are on the Telenet network. Network improvements have been completed to guarantee triple-play quality and performance – by increasing speed and capacity. Besides the 11,500 fibre optic backbone, Telenet manages a fully upgraded 52,000 km coax network to guarantee top performances on the residential and business markets. We believe that our network and related technology investments will allow us to accelerate the speed and overall capacity. Our network will approach over the next two years speeds commonly seen on fibre. The increased capacity will be used to support iTV channel expansion as well as increasing the performance of our Internet services.

Towards the end of 2006, the Telenet portal, Zita, became the second most visited site in Flanders and translates our market visibility into functional advantages. On our portal, visitors can find links to other new Telenet Internet concepts launched in

Cable is future proof



2006, including GarageTV (a site to share video footage similar to YouTube) and Telenet Foto. Telenet Foto allows users to view digital images online as well as on their Digibox or Digicorder – a good example of real digital convergence.

New web applications and content opportunities like these stretch the boundaries of the broadband experience for our customers while still allowing them to evolve at their own pace. The prospect of the digital home is aligned with important Telenet objectives: knowing and respecting our customers and providing them with the tools they need to live digitally. This includes offering the best services and aspects like reliability and customer service, but also product security. Our iDTV products feature budgetary and channel blocking options and our Internet services are supported with additional security packages – both innovative and well-appreciated product features.

In 2006, innovation was put front and centre, literally. A dedicated innovation team headed by the Vice President of Innovation reports directly to the CEO. The innovation team works on successfully exploiting new ideas throughout the company, like Zoof and MADUF, a mobile digital television initiative.

Telenet people

Telenet has grown to a team of 1,671 employees and about 1,500 outsourced people by the end of 2006. We owe them profoundly for what we have achieved. They are the core of our company and culture. Their commitment and persistence allows us to go beyond what organisations typically can deliver. We will continue to invest in their skills and working environment as exemplified by the new office facilities in Mechelen, the renovated facilities in Merelbeke, Herentals and Wijgmaal, the existing offices in Ieper, Kortrijk, Brugge and Schaarbeek, and the recently acquired offices in Schaarbeek and Leuven (formerly UPC).

The Telenet Foundation

Since Telenet is such an intrinsic part of the community, it is not surprising that its extensive community involvement has taken more of a formal approach in 2006 with the start of the Telenet Foundation. The Foundation sponsors projects in Belgium and abroad all addressing the bridging of the digital divide.

Looking ahead to 2007

The Telenet strategy for 2007 continues to build on the successful work in 2006. Telenet will continue to offer quality innovative products that meet our customers' increasingly sophisticated

needs. Telenet will refine its customer focus by creating even more segment-specific bundles. The bundles offer our customers substantially lower prices. The integration of UPC broadens our reach and also creates new revenues as multiplay bundles are introduced in Brussels.

In 2007, Telenet will continue to surprise with innovative enterprise and public sector solutions for the business environment, as well as exciting interactive applications and top-of-the-bill entertainment for our residential customers.

In Europe, we see the cable sector increasingly in a consolidation mode and we will be open to increased partnerships.

The continuous development and evolution of Telenet has been recognised by the market and is reflected by the positive trend of the Telenet stock listed on the Brussels exchange. Significant investors, such as Liberty Global, continue to believe in the company and expanded their stake through the exercise of options and market purchase – all positive signs for the future of Telenet.

In 2007, Telenet will continue to develop its core activities through a segmented customer approach, concentrating on cost-effective, all-in-one triple-play and multiplay bundles. Customer satisfaction will also take a front seat with our brand-new monthly customer satisfaction tracker, which monitors all service levels. On the network side, the ExpressNet expansion project is scheduled to finalise and Mach 3, the network modernisation project that will increase iDTV capability, as well as interactive rich-media Internet content, is well underway. With Mach 3, we hope to have our entire network modernised by the end of 2008.

These key investments will significantly increase network capacity and enable Telenet to move from a broadcast mode to a content-rich on-demand mode. All kinds of things you want to hear if you are a Telenet customer ... or thinking about becoming one soon.

So, in short, in 2007 we aim to do as good a job as in 2006. For this we would like, again, to thank every single person involved in Telenet – our employees, our shareholders, our partners and most of all our customers for their continuous dedication and commitment.



Duco Sickinghe,
Chief Executive Officer



Frank Donck,
Chairman of the Board

Members of the Executive Board (per 31-12-2006)



Frank Donck

Chairman – Nominated by the Financial Consortium – Executive Director 3D NV



Michel Allé

Independent Director Telenet Communications NV – Chief Financial Officer SNCB Holding – Belgian Railways

Marcel Bartholomeeussen

Director – Nominated by Interkabel – Chairman Interkabel



Alex Brabers

Director – Nominated by GIMV – Vice President GIMV, Director ICT



Charles H.R. Bracken

Director – Nominated by Liberty Global Consortium – Co-Chief Financial Officer, Principal Financial Officer Liberty Global Inc.



Guido Dekeersmaecker

Independent Director Telenet Communications NV – Abaxon BVBA – Director of companies



Michel Delloye

Independent Director – Cytifinance NV – Director of companies



Julien De Wilde

Independent Director – Director of companies



Yvan Dupon

Director – Nominated by Electrabel – Director of companies



Serge Grysolle

Director – Nominated by the Mixed Intercommunales – Lawyer, Elderman of the city of Aalst



Patrick Moenaert

Director – Nominated by the Mixed Intercommunales – Mayor of the city of Brugge



James S. O'Neill

Director – Nominated by Liberty Global Consortium – President Chello Media BV, Chief Strategy Officer Liberty Global Inc.



Jozef Roos

Independent Director Telenet Communications NV – JRoos BVBA – Chairman of the Catholic University of Leuven



André Sarens

Director – Nominated by the Mixed Intercommunales – Grid Participations Manager Electrabel



Duco Sickinghe

Managing Director – Chief Executive Officer



Paul Van de Casteele

Director – Nominated by the Mixed Intercommunales – Mayor of the community of Hamme



Johan Friso van Oranje-Nassau

Independent Director – Director of companies



Freddy Willockx

Director – Nominated by the Mixed Intercommunales – Mayor of the city of Sint-Niklaas

1 Jan de Grave
Vice President –
Corporate
Communications

2 Dirk Van Dessel
Senior Vice President
– Business Improvement
and Product
Development
Coordination

3 Jan Vorstermans
Executive Vice President
– Technology and
Infrastructure

4 Duco Sickinghe
Chief Executive Officer
and Managing Director

5 Hugo Lemmens
Executive Vice President
– Telenet Solutions



the executive team

Follow the customer beyond the cable: Telenet and innovation

Telenet always aims to innovate and in 2006 innovation focused on the creation of a dedicated innovation team. This team works on successfully exploiting new ideas throughout the company. No small feat since innovation can happen practically anywhere: in products, in product features, in processes, in business models and in technological applications. With innovation being everywhere, the most important element is to focus and select projects that will bring real growth and value to Telenet. This type of innovation is known as 'breakthrough innovation'. New technologies sprout up every minute, covering everything from digital television and convergence projects to mobility improvements.

Zoof

Zoof is the new Internet telephony communication service from Telenet. It is currently in an expanded beta-testing phase. As soon as the test results are satisfactory, this service will enter the market.

Community TV

Think of it as the modern-day newsletter. More and more clubs, organisations, communities and individuals are developing their own television content. At the moment, Telenet features TVLink, a project developed in cooperation with the regional television channel, Focus WTV and the city of Kortrijk. TVLink displays a red dot on the television screen when there is a feature about the city

of Kortrijk. iDTV users can click on the red dot on their Telenet Digicorder or Digibox remote control to access more information about the topic on the Kortrijk TV Magazine. This might be anything from sports, cultural and tourist information to city governmental news and contact information. Kortrijk is the first city in Belgium to offer this interactive service to its citizens.

Increased Internet activity and iDTV-Internet convergence

The innovation team is currently working on a number of projects that increase Internet-based interactivity as well as support iDTV-Internet content convergence. One example of this already available is GarageTV, a dedicated website where individuals can download and share video footage. Another area is Telenet Foto, a dedicated online photo service where users can store high-quality digital images, create online albums to share with family and friends, print the images using a photo service or even create an album for public viewing. Not Internet-exclusive, it is possible to view a Telenet Foto Album on any Telenet iDTV connection with a Digicorder or Digibox.

DuoPhone

In its trial phase, this project examines the possibility of using a dual mode GSM/WiFi portable phone to make calls not only on the Telenet Hotspot network, but in the home environment as well.

6 Renaat Berckmoes
Senior Vice President
and Chief Financial
Officer

8 Luc Machtelinckx
Vice President and
General Counsel

10 Jo Van Gorp
Executive Vice President
Residential Marketing

11 Patrick Vincent
Senior Vice President
– Residential Sales and
Customer Care

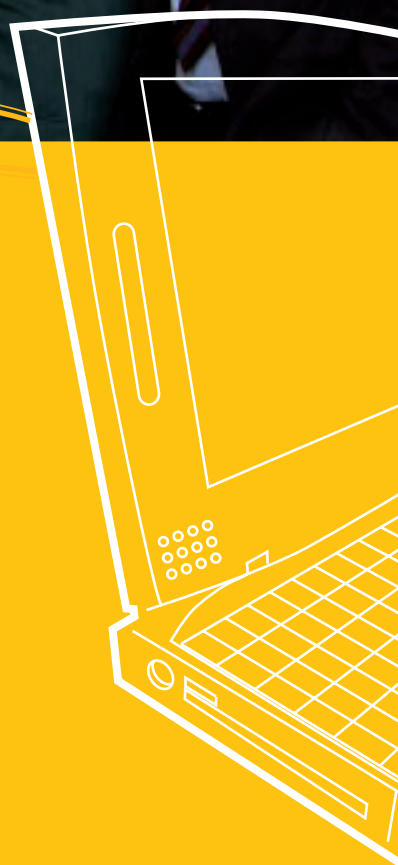
12 Piet Spiessens
Vice President –
Innovation and
Business Development







7 Ronny Verhelst
Senior Vice President
– Purchasing and Public
Affairs

9 Tony Jossa
Senior Vice President
– Human Resources &
Organization



Over the years, Telenet will continue to focus on developing a variety of innovative products and services according to specific applications like voice, video and Internet, and other possibilities such as TV, PC and mobile telephony.



Services				
Platform		 Video Services	 Internet/Web-Based Services	 Voice-Based Services
	TVs 	iDTV	iDTV Interactive Services TV Mail TV Photo Walled Garden	Videophony
	PCs 	Telenet PCTV	Telenet Broadband Internet	Zoof > DuoPhone
	(Cell) Phone 	Mobile TV		Telenet FreePhone Telenet Mobile



“Mobile television on DVB-H is a true cutting-edge innovative opportunity for Flanders.”

RONNY VERHELST, SENIOR VICE PRESIDENT PURCHASING & PUBLIC AFFAIRS

Mobile television

Telenet is part of the MADUF (Maximise DVB Usage in Flanders) project, which examines issues connected with introducing mobile digital television in Flanders. Other partners in the project include VRT, the major telecom operators, Siemens, Scientific Atlanta, Option, the University of Leuven, the University of Ghent and the University of Brussels (VUB). Scheduled to run until 2008, the project is in a trial phase. Antennas have been installed and a test frequency trial is underway. Telenet is hoping that the Flemish government continues to support innovation in this area by opting for the DVB-H platform and emphasising mobile or hand-held applications with regard to the allocated frequency spectrum.

Telesenior

An innovative project, Telesenior is currently in a trial phase in cooperation with the OCMW or city social services in Kortrijk. Several single seniors in assisted living situations have been given a simple enhanced TV-telephone conferencing system including a webcam, headset and ExpressNet Internet connection. This system allows users to call from their television to other televisions, PCs and mobile and fixed-line telephones. With one touch of a button, they can call from their television to their OCMW care provider's PC, equipped with webcam and headset. The conversation takes place. Questions and even medical information like blood pressure readings can be exchanged virtually face-to-face. The system is proving to be an effective way to contact family, friends and care providers.

Network innovation: Mach 3 and ExpressNet

The cable network is an essential part of Telenet. It is not surprising that several projects are underway to maximise it.

In September 2006, phase one of the ExpressNet project was completed and work continues on this investment. Supporting most importantly a more symmetrical upstream and downstream balance, as well as better bandwidth usage, ExpressNet actually could be seen as the technical implementation of 'triple-play' services. As a result of the ExpressNet upgrade project, customers surf the Internet twice as fast.

At the same time, Telenet started the Mach 3 project to modernise its network in order to provide faster connection

speeds and handle more media-rich content with regard to the Internet, as well as more content possibilities for iDTV. With the expansion of the network bandwidth by 150 MHz – to almost 600 MHz – and with improved coding techniques, the available digital bandwidth for Internet and iDTV applications will multiply.

With downloading speeds of 100 Mbps and uploading speeds increased from 1 to 10 Mbps, the available digital bandwidth will be up to five times faster than the existing network and up to four times faster than comparable competitive technologies. Completion is expected late 2008. The Mach 3 investment costs are entirely covered in Telenet's long-term financial plan.



“With the expansion of the network bandwidth by 150 MHz – to almost 600 MHz – and with improved coding techniques, the available digital bandwidth for Internet and iDTV applications will multiply.”

JAN VORSTERMANS, EXECUTIVE VICE PRESIDENT TECHNOLOGY & INFRASTRUCTURE MANAGEMENT

The world of wireless: Telenet continues its commitment to a ‘wireless Belgium’

Following on the tail wind of last year’s surge in hotspot installations, Telenet has taken a clear market-leading position, offering a wide opportunity of wireless connection opportunities for both residential and business customers as well as international visitors. This includes a new Telenet Mobile Data Card for seamless transfer from a Telenet Hotspot network to the Telenet MVNO (data) network and vice versa without the session being interrupted. By the end of 2006, Telenet Hotspots totalled approximately 1,300 in Belgium and Luxembourg. The number of people using the Telenet Hotspot network is growing in terms of both number of sessions and usage time per session.

Ideal for the mobile professional user as well as residential users on the go, the Telenet Hotspot network focuses on transit areas in Belgium and Luxembourg, like hotels, train stations, airports,

business centres, roadside petrol stations and restaurants. Telenet has an exclusivity contract with the Belgian railroads to open and operate hotspots in Belgian stations. Currently the 38 largest stations are equipped with hotspots. This area is seeing continued usage and growth.

i-City: a hotspot reality

2006 is the year that Telenet’s dedication to its hotspot technology reached a ‘break-through’ level. Take the city of Hasselt in eastern Belgium. With over 200 hotspots concentrated in the old city centre, Hasselt is one of the more densely ‘hotspotted’ cities. Not pure coincidental, Hasselt along with the city of Leuven, known for its world-class university, are part of the i-City project. The i-City concept has drawn international interest as well.

www.i-city.be

Public private partnerships

As a technological and innovative leader in Belgium, Telenet has an opinion on various topics in the public and governmental sectors. One topic that it has been supporting the past years is Mobile Television as part of MADUF (Maximise DVB Usage in Flanders). With a trial phase well underway, Telenet is hoping that the Flemish government continues to support innovation in this area by opting for the DVB-H platform and emphasising mobile or hand-held applications with regard to the allocated frequency spectrum. A true cutting-edge innovative opportunity for the Belgian cable operators.

Another area recently discussed was the cost of broadband Internet in Belgium. A study compared seven European countries – France,

the Netherlands, Sweden, the UK, Belgium, Germany and Austria – on the basis of a corrected price/speed ratio. This places Belgium just above average compared to the other countries. The study did not consider Belgium’s high 21% VAT nor the intangible benefits of Belgium’s practically complete dual infrastructure. Approximately 90% of Belgium is covered by both DSL and cable infrastructures.

A wireless technology that could truly bring the WiFi concept to the public sphere, WiMax has the potential to cover areas ranging from 2-3 kilometres. If integrated, WiMax represents a real move to a wireless future. With both mobile broadband and mobile voice capabilities, it would be an ideal convergence infrastructure for applications such as DuoPhone.

Telenet takes pride in making sure that all of its products – be it fixed or mobile telephony, broadband Internet or iDTV – are designed to work seamlessly behind the scenes. This way our customers can do what they do: call a friend, catch up on email, play games online, share a photo album on iDTV, watch a blockbuster whenever convenient or cheer for the home team.

As Belgium's largest supplier of broadband cable services, Telenet focuses on delivering interactive digital television services, high-speed broadband Internet, and fixed and mobile telephony services to residents in Flanders and the Brussels region.

telenet@home



“In 2007, we will focus on strong individual products, expand our market share and launch new products.”

JO VAN GORP, VICE PRESIDENT RESIDENTIAL MARKETING

Operating a telecommunications and media platform, Telenet finds itself located at the intersection of the digital highway where television, Internet and telephony meet. In this role, Telenet plays a pivotal role in the daily life and work of millions of people.

At Telenet, the customer is king. Customer satisfaction is so important to Telenet that it is a key measurement to evaluate the top one hundred managers in the company. Together with the University of Leuven, Telenet developed a model to continually monitor customer satisfaction throughout every single segment and individual product via customer contact centres. This way we can continuously adapt our products and services to meet our customers' expectations.

We also realise that each and every customer is unique. Some are early adopters who seek the hottest technology ... as soon as possible. Others will wait until they feel more comfortable. Others simply want a total package that suits their lifestyle and family structure. Still others want the best possible deal for their money. To make sure we are

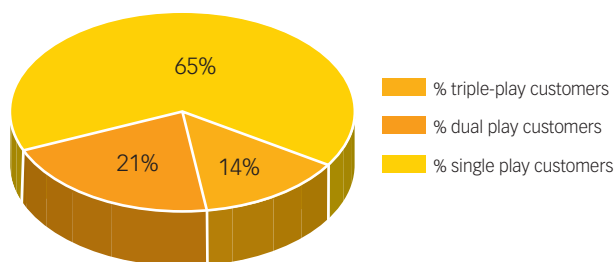
addressing all these needs to the best of our ability, we have moved from a product-driven organisation to a customer-segmented approach. Rather than simply putting our products out on the market, we are diving into our customers' lives. Telenet tries to think like its customer so that we can deliver exactly the kind of products and services that suit their communication and entertainment needs within their budget. Generally speaking, we organise product bundles and develop products and services for four key customer segments: youth, families & split nests, mediors (middle-aged) & seniors and SoHo (small office-home office).

2006 spelled out success for Telenet. More people opted for the bright yellow of Telenet with increased numbers in both Internet and telephony subscribers and a true buzz beginning to brew in the market about Telenet's exciting iDTV service and world-class content. Zita; the new Telenet portal, has generated an increased amount of viewers and now ranks as the second largest portal in Flanders. In December alone, over 4 million people visited www.zita.be.





Triple-, dual and single play customers 2006



On the broadband Internet side, Telenet has optimised its network to remain the speed and quality leader on the market. Telenet customers can already surf the net twice as fast as people using a competitive product. Telenet intends to remain the speed leader in 2007 and beyond. In 2006, 105,000 additional subscribers selected Telenet's broadband Internet service, taking the total up to 729,000 subscribers.

On the telephony front, we successfully launched FreePhone 24, a 24/7 flat-rate tariff plan. This success was followed by FreePhone Neighbouring Countries, an off-peak flat-rate calling plan to surrounding countries. With innovative products like these, even in the highly competitive residential telephony market, Telenet was able to add another

91,000 new subscribers bringing the customer total to 455,000 by the end of the year.

In July 2006, Telenet added another 'play' to its 'multiplay' package with the launch of Telenet Mobile with its partner Mobistar. Telenet Mobile is the first service in Belgium to offer a zero-euro base subscription where the user pays only for the calls and at very attractive rates. Our mobile service has started positively with particularly strong interest from Telenet customers. As of mid-February 2007, we have activated 21,000 SIM cards without any promotional support.

Also in February 2007, Telenet welcomed its 250,000th iDTV subscriber. Recent software upgrades on the platform guarantee that the service is better than ever. More and more customers will be attracted by the world-class content of Prime, video-on-demand and a variety of interactive applications, including online travel booking, the yellow pages, job ads, real estate search engines, tourist information, community television projects and Telenet Foto applications.

Telenet directly partners and shares revenues with the local public and commercial broadcasters to develop either subscription-based or à la carte video-on-demand

GarageTV users share 200,000 videos online daily. Since the summer of 2006, more than 1,000,000 emails have been sent over Email on TV. Since September 2005, Telenet has registered 5 million video-on-demand sessions.





broadcasting. This means that in many cases our customers are no longer dependent on the television schedule; they can watch their favourite television programmes in the same fashion as they would order a movie from the Telenet 'TV-theek', Telenet's on-demand library. Starting when they want, pausing when the phone rings ... With a growing number of on-demand options on Telenet iDTV, our customers fit their entertainment into their schedule – and not the broadcasters' programming.

Thematic packages

Besides Prime, Telenet also offers thematic packages for its customers including music, family packs, specific kid's programming, info and lifestyle packages, adult

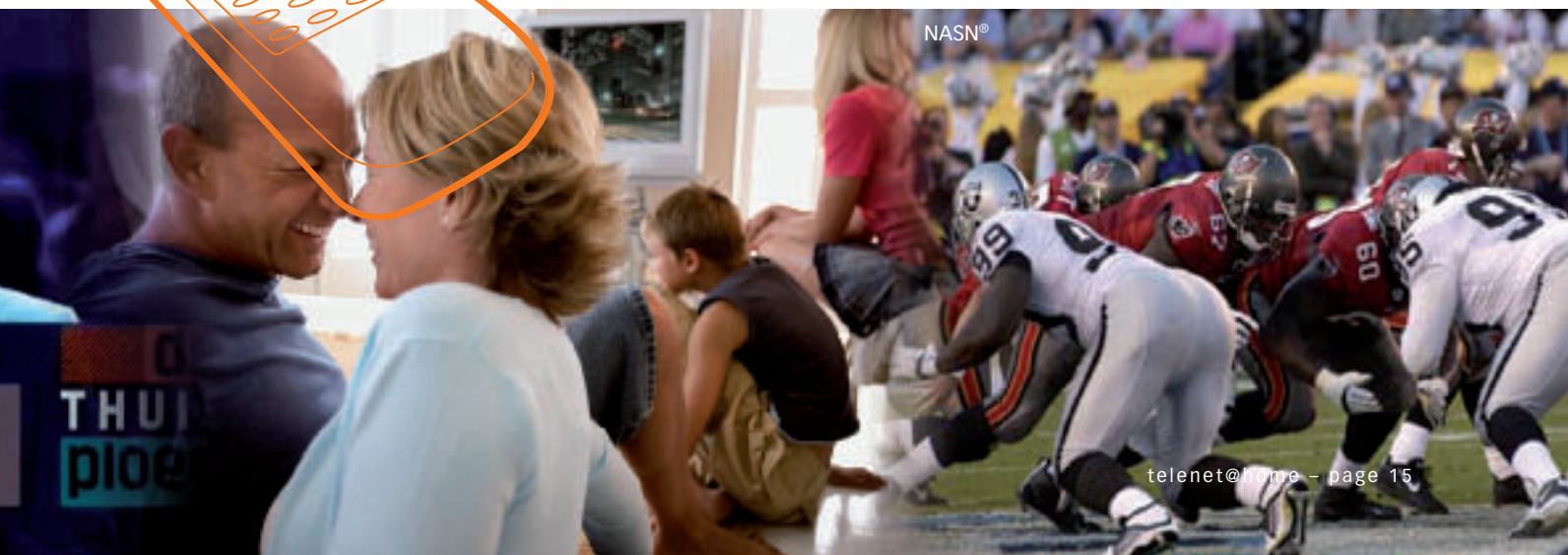
entertainment and language-specific packages, such as additional French national stations and Be.tv, a specialised French-language package.

Video-on-demand

Telenet's video-on-demand concept covers two areas: Telenet's own video-on-demand service for movies and the on-demand service offered in close cooperation with both Belgian and international broadcasters and production houses. Together they cover approximately 2,000 hours of entertainment. The most important Flemish broadcasters offer an on-demand service, such as VRT's 'Net gemist', SBS' 'C-More' and VMMa's 'iWatch'. Telenet is currently developing this on-demand service with the French-speaking stations as well.

"Our customer-centric philosophy is accentuated by our new organisational structure where all customer-related divisions (sales, installation, invoicing, care) fall under one umbrella. This ensures a better 360° customer overview."

PATRICK VINCENT, SENIOR VICE PRESIDENT RESIDENTIAL SALES & CUSTOMER CARE



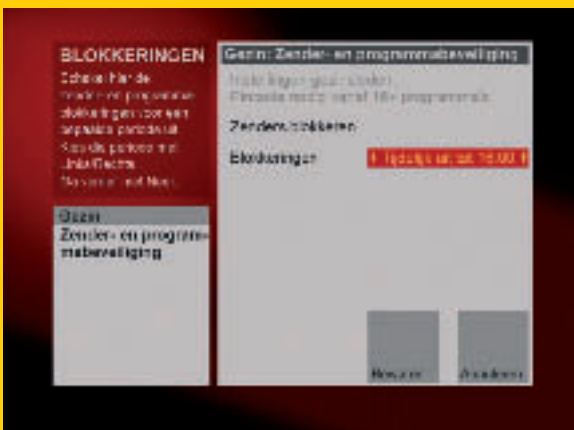


Prime

Prime, Telenet's premium entertainment channels, is sub-branded into Prime One, Prime Action, Prime Movies&Series, Prime Fezztival, two Prime Sport channels and ESPN Classic, Extreme Sport, NASN and MotorsTV. In September 2006, Telenet launched Prime à la carte, a free-of-charge on-demand service for Prime subscribers. In 2006, the content quality and content quantity further improved thanks to partnerships with major movie studios including MGM, Paramount, Sony and Dreamworks. The amount of sports, like European football matches, and other entertainment content continued to increase as well. Prime Sports features the best of international soccer and the NBA.

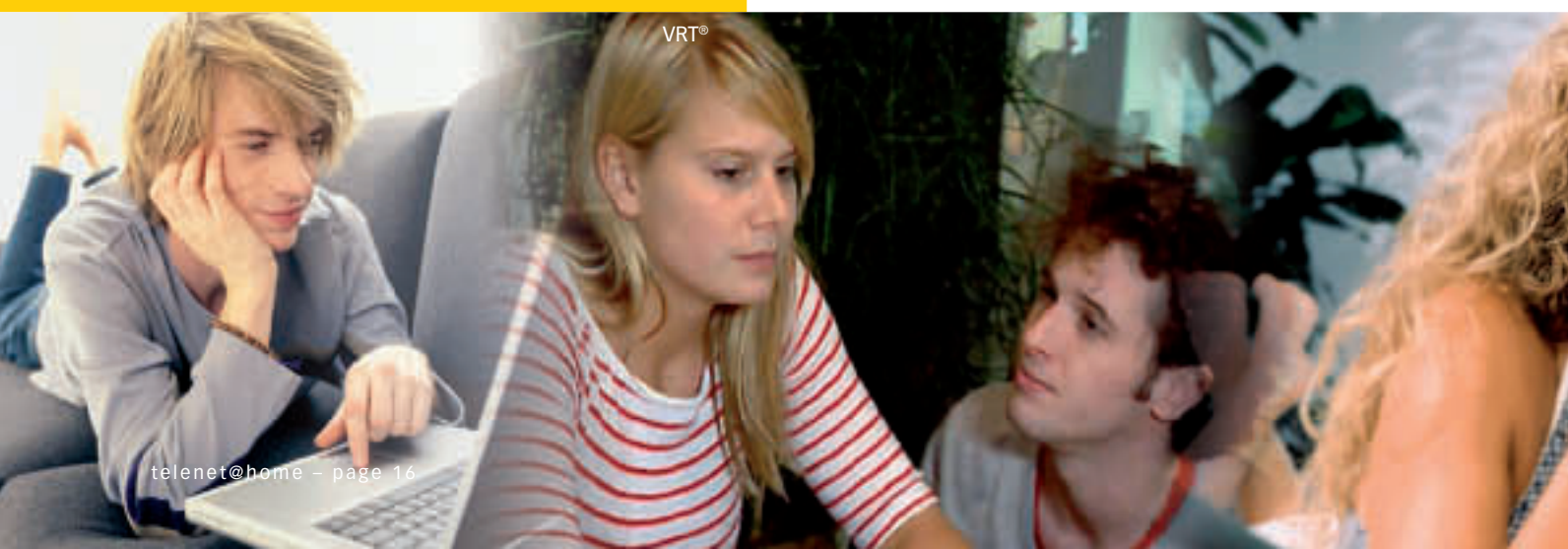
Several other successful new product developments made the year complete. The Telenet Digicorder, which allows customers to easily record and pause programmes, was launched in January 2006. A new feature, Email on TV, designates an email address for each family member on the TV. 2006 also saw the launch of the French-language user interface as well as the launch of the Telenet Shop where iDTV customers can order additional content packages or services using their Telenet Digibox or Telenet Digicorder.

Zita, the Telenet portal, offers visitors links to other Telenet Internet content, such as GarageTV, Digs and Telenet Foto. Garage TV allows users to view and share video footage and



Security and safety

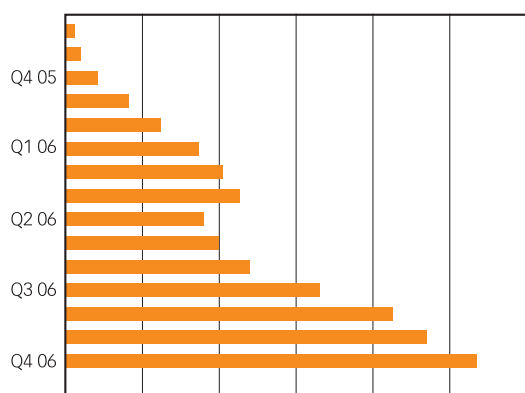
More and more, security is becoming a key aspect of Internet usage as well as iDTV services. Telenet provides all its Internet customers with anti-spam and anti-virus services. Digital television features control and security measures for families with children. By using a PIN code, parents can control not only the amount of money spent on various digital television options such as video-on-demand and games, but can also block certain programmes, channels and applications from use.



VRT®



Uptake of VOD and SVOD Packages



even acts as a personal television station. Digs is an online community website that offers users community forums, blogs, video and image sharing. It is a place to make a statement and share perspectives. An online digital photography service, Telenet Foto lets users create photo albums, order prints and view their digital albums online. What makes Telenet Foto a brilliant application is that the photo albums can be viewed on iDTV as well – a real example of digital convergence. Other video content-sharing applications are in the pipeline. These types of applications stretch the boundaries of the broadband experience for our customers.

Did you know that Prime has been nominated twice at the Promax/BDA awards? One for 'The Oscars 2006' in the category 'Best Copy/Script Writing' and another time with 'World Cinema' in the category 'Best Design in Promotion'. Promax/BDA is one of the most important television design conferences in the world. And what's more: Prime has actually won the first of both awards!

All this is good news for our customers. We will continue to innovate and bring new services to the market in 2007. iDTV will become more accessible to a wider range of customers thanks to our innovative multiplay package deals. And our content looks to get even better with more film studio deals, more interactive video-on-demand and more subscription video-on-demand possibilities in the works.



Not only popular amongst residents in Belgium: Telenet continues to gain significant ground in the highly competitive Belgium and Luxembourg business market, actually outperforming the business-to-business market average. Created in 2004 following the successful merger with Codenet, Telenet Solutions provides customised voice, data, Internet and digital television solutions to a growing number of large corporations, government organisations and healthcare institutions, as well as SMEs. Continuing the success story, the division itself is an important segment for Telenet, providing approximately 78 million euro in revenue for 2006, an increase of 6% over 2005.

telenet@work



Telenet Solutions is positioned as the creative alternative in the communication service environment in Belgium and Luxembourg. Thanks to its technology-neutral policy and strong partnerships with a variety of innovative partners and integrators, Telenet Solutions is able to offer its customers from large corporations to niche-market SMEs the best possible solution and the best possible quality – all for a fair price.

Telenet Solutions offers its customers in both the private and public sectors a diverse coaxial-, DSL- and fibre-based product portfolio for a variety of voice, Internet and data applications. With national coverage, as well as services in the financial district in Luxembourg, Telenet Solutions is committed to offering its customers a true partnership when it comes to service.

Since a major business trend is to simplify the supply chain, more and more companies, from small niche-market specialists to large multinationals, will start to turn to companies like Telenet Solutions to provide a tailor-made all-in-one solution. This covers everything from telephone services to ADSL, SDSL

and high-speed fibre-access Internet connections, leased lines or a VPN infrastructure for data transfer networks as well as wireless access internally and/or via the public Telenet Hotspot network.


With so many possibilities and levels of complexity, it is understandable that Telenet Solutions approaches its customers as technical equals. Every Telenet Solutions customer is assigned a dedicated team including a highly skilled project manager with the appropriate technology knowledge. The dedicated team is backed by experts that offer support on the financial side and as well as multilingual 24/7 customer service representatives.

Telenet Solutions supplies communication services directly and indirectly. Large corporate accounts like Deloitte count on Telenet Solutions to provide direct innovative services. Other leading financial clients rely on partnerships. For example, in a joint partnership with Getronics and Level (3) Communications, Telenet Solutions provided a fully outsourced solution for Landbouwkrediet/Crédit Agricole. As a creative alternative in



“Together with partners, we focus on our customers.”

HUGO LEMMENS, EXECUTIVE VICE PRESIDENT TELNET SOLUTIONS



"Laws and contracts seem boring, but in a dynamic, fast-evolving environment like Telenet, they are given a different dimension."

LUC MACHTELINCKX, VICE PRESIDENT & GENERAL COUNSEL

the Belgian market, Telenet Solutions is an obvious choice as a partner for global carriers. For the SME market, significant partnerships with experts such as TelelinQ and Hostbasket clearly put Telenet Solutions in the position to address their needs in globalising economy.

Another example of our partnership approach is the services Telenet Solutions supplies to various public authorities via NextiraOne. In cooperation with NextiraOne, the cities of Antwerp and Ghent (Digipolis Project) and VDAB (Vlaamse Dienst voor Arbeidsvoorziening) are enjoying Telenet Solutions' full services portfolio that includes voice, data, and Internet.

Not only active in the Belgian business and public sector, Telenet Solutions is a strong niche-market player in Luxembourg's financial and governmental sectors. Several major financial institutions rely on Telenet Solutions to provide their secure fibre connections according to the Basel II Security Code. Telenet Solutions was awarded a major government contract with the Centre Informatique de l'Etat. With a stable customer base and customer service office in Luxembourg, Telenet Solutions expects to see more solid growth in this market in 2007.

Customer testimonials

Telenet Solutions approaches its customers using a segmentation approach which covers corporate accounts, professional users, SME solutions, the public sector, the healthcare industry and international carrier agreements. Telenet Solutions is committed to total transparency throughout the entire process as well as delivering the best comprehensive service possible. Thanks to a streamlined organisation, Telenet Solutions offers a very competitive package as well. All this together adds up to some very successful stories in 2006.

Corporate: financial

Landbouwkrediet/Crédit Agricole

Active in the Belgian market since 1937, Landbouwkrediet/Crédit Agricole has grown into a full-service private bank for individuals, self-employed professionals, companies as well as its historical customer base: agricultural professionals.

Together with its partners Getronics and Level (3) Communications, Telenet Solutions is securely linking all

The success of the small-to-medium enterprise: Telenet Solutions and the SME market

Continuing from its 2005 strategy to expand on the SME market, Telenet Solutions saw its SME market reach 44,000 B2B customers in 2006. Partners such as Hostbasket, the largest independent hosting specialist in Belgium with over 15,000 sites, 850 dedicated servers and 50,000 registered domain names, and Comstor, a convergence, security and mobility solutions reseller with a strong market position in Wallonia, have both been key factors to this success. Another contributing factor is the expansion of the SME product offering, which includes several new business products such as the ADSL/SDSL Xpert Line range, a series of ADSL and SDSL products that provide ultra-fast and secure Internet connections with unlimited users and data volume, as well as an ISDN service over broadband and Xpert Line Internet access bundle. Innovative ideas like access to the Telenet Hotspot network as well improved customer satisfaction have also contributed to the growth in this market.



sites of the bank in the 'Outsourcing LAN/WAN' ICT project. Telenet is responsible for the telecommunications aspects that will modernise and improve the cost-effectiveness of its bank office infrastructure and improve the Internet capacity and security protocols. Another aspect of this project will increase high-speed capacity between two data centres in Evere and Anderlecht in order to meet international and national regulations.

The total solution included IP connectivity with AdsLAN service for the separate bank offices. An iFiber option solved the Internet issues and a Telenet Solutions rental line with a gigabit Ethernet capacity took care of the data centres.

Landbouwkrediet/Crédit Agricole opted for Getronics, Level (3) Communications and Telenet Solutions because they listened, integrated suggestions from Landbouwkrediet/Crédit Agricole and remained flexible throughout the process. It is one of the many examples of Telenet Solutions' commitment to true partnership.

KBC

With approximately 51,000 employees and 11 million clients, KBC is successfully expanding in a select group of the new European countries, specifically Hungary, Poland, Slovenia, the Czech Republic and Slovakia. Recently, Bulgaria, Serbia and Romania were added to this list.

In Belgium, KBC has an extensive distribution network with numerous concentrated regional areas. In 2005, the bank began a general telecom requirements study in 50 regional offices. Optimising the telecom requirements would make it more cost-effective. The decision was made to implement a fibre optic connection between all offices. Independent of location, a large level of network redundancy was required to guarantee a high level of availability. This network eventually will handle all aspects of the telecom traffic, including data and telephony.

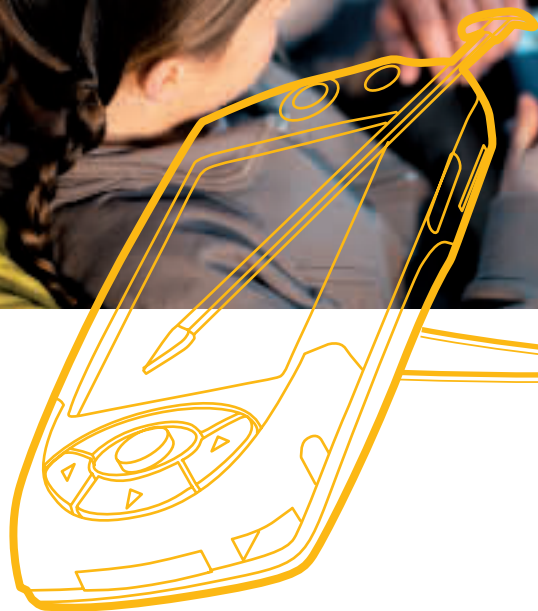
After an extensive market investigation, KBC decided to work with Telenet Solutions on this project. The first phase, POC (Proof Of Concept) was completed and evaluated. Since September 2006, the project has been implemented per location. It is expected to be completed in June 2007.

Corporate: business

Deloitte

With more than 2,200 employees spread across 14 offices in Belgium, Deloitte is one of the larger international accounting and consulting firms in the country.





In January 2006, Deloitte decided to centralise its rather decentralised IT infrastructure and opted for Telenet Solutions as its partner. The previous year, Telenet Solutions connected two business continuity data centres using Gigabit Ethernet for Deloitte. For this project, Telenet Solutions suggested a CLIC (Corporate LAN Interconnect) solution. Briefly, this fibre-optic VPN (Virtual Private Network) connects various LAN networks using the high-performance capabilities of the Telenet backbone. This project is the largest CLIC solution that Telenet Solutions has implemented to date. The project was finalised in March 2007.

Thanks to the CLIC solution, which is IP-based, but not on the public Internet, Deloitte has one of the safest, optimised corporate networks on the market and Deloitte's IT department has a consolidated and centralised IT platform that guarantees complete business continuity. Every site is linked to both data centres via a high-performance, secure and 100% available high-speed data line. On top of this, the CLIC solution offers enough flexibility to the individual offices in terms of broadband traffic and the number of users. The solution is truly unique.

Professional partner

Hostbasket

Hostbasket is the largest independent hosting specialist in Belgium with over 15,000 sites, 850 dedicated servers and more than 50,000 registered domain names.

"We work very closely with Telenet Solutions," says Managing Director Moos Bulder. "Telenet sells our hosting services and we sell Telenet lines to companies. As a company, we are also a client of Telenet Solutions. For our hosting activities in Lochristi, we use a gigabit line from Telenet Solutions. Telenet Solutions carries out the upgrading when we need more hosting capacity."

Our partnership offers substantial prospects for the future. Together with Telenet Solutions, we can provide an excellent solution for mobile mail and remote schedule synchronisation. An ideal solution for anyone who works on the road.

Partner for small-to-medium enterprises

TelelinQ

TelelinQ is a group of five technology companies of which three (Newtel, NeXtTel and SieCom) are telecom companies active in Belgium.

Newtel integrates telephony solutions from Aastra and Cisco, wired and wireless data networks from Extreme Networks, 3COM and Trapeze Networks, and security solutions from Juniper and Symantec.

NeXtTel integrates future-ready communication, covering the 5 to 30,000 user range, to help companies work more efficiently. NeXtTel is a distributor of Alcatel and NEC telecom systems.

SieCom is a Siemens System Partner for the sale, installation and maintenance of Siemens' complete range from classic telephone centrals to VoIP gateways and DECT solutions.



"A year ago, we began a partnership with Telenet to offer our customers a complete telecommunications package. In the meantime, we are convinced of the synergy between our two organisations. Telenet delivers a complete and competitive line of products, but more importantly, their level of professionalism and dynamic approach matches our company vision of 'quality in performance'. Every single one of our 225 employees strives to meet our customers' expectations. And successfully, I might add. In eight years, we have seen our turnover and profit skyrocket. We are known as a key player in the telecom integrator market."

PETER ROELENS, CEO TELELINQ

Public & health

St John's Hospital Brugge

Thanks to Telenet Solutions' fibre-optic network and a coax network that combines voice, Internet and data traffic, this hospital in Brugge is communicating more effectively and efficiently – not to mention – faster. Several products and services are responsible for this, including iFibers, a CLIC and a voice solution. All the telephone traffic from both hospital campuses runs on the Telenet Solutions network. An iFiber connection of 10 Mbps is used for email, Internet and inter-doctor communication. A second iFiber solution of 2 Mbps with a Fast Ethernet interface is used for ICT infrastructure suppliers that require off-site access. Office Access and Office Access Plus guarantee a quick, professional Internet connection via cable.

The government of Luxembourg

The Luxembourg government counts on Telenet Solutions to provide high-speed connections for its 'Disaster Recovery' project. Thanks to Telenet Solutions, the Luxembourg

administration has access to more than a hundred dedicated connections of this type: Fast and Gigabit Ethernet, Fiber Channel 1 and 2, IBM ESCON ...

The mission of the responsible Luxembourg administrative body consisted of taking charge of the management and handling of vital data from the various ministries and other administrative bodies. In 2001, thanks to political encouragement, the Luxembourg administration decided to implement a continuity plan and high-security infrastructure.

Flexibility was a key-deciding factor for this project and Telenet Solutions adapted its proposal to the required specifications and needs. By respecting the schedule and using creativity in its approach, Telenet Solutions was able to gain the government's confidence and complete the project to perfection. Today, Speednet, the name of Telenet Solutions' service, provides a 99.99% reliability rate without a critical service interruption the past five years.

Telenet is definitely a company that makes a difference. At Telenet, we understand that what we do affects the local community – be it our neighbours across the street or a non-profit organisation in Brussels. This is why Telenet strives to be an active and positive player in the local and occasionally global community.

telenet people: they



One intangible asset you won't find on any balance sheet is the people behind the company itself. Telenet prides itself on its people. This is why you will find them pictured throughout this brochure: Telenet employees from the call centre, from the corporate communications department, from the finance department, from the IT centre ... At Telenet, the maxim is true: people make the difference.

And the 1,671 people (end December 2006) of Telenet can be found in all corners of Belgium. Including the head office in Mechelen, Telenet has 11 locations across Belgium.

Out of these locations, most of the action has been taking place in Mechelen. Following an architectural competition held in June 2005 to design the new corporate headquarters, Telenet opted to work with the Antwerp-based firm

of Poponcini & Lootens. The proposal highlighted the need to integrate the Telenet corporate headquarters into the residential neighbourhood where it is located. Construction started in February 2006. Currently, the final touches are being put on the building and the move from the temporary offices will take place in three steps, with completion planned for June 2007.

With its subdued red wall, the new building itself represents the essence of Telenet. It truly maintains a start-up spirit while promoting a 'family working atmosphere'. Designed with numerous opportunities to communicate and share ideas, the working space will be divided into quiet zones and public zones. A new type of working environment, the focus will be on face-to-face communication. Like most modern architecture, the design pays close attention to natural elements. Daylight

make it happen



"At Telenet, the Human Resources department is a shop with well-stocked shelves filled with innovative opportunities and educational support. Each individual at Telenet can take advantage of this approach."

TONY JOSSA, SENIOR VICE PRESIDENT HR & ORGANISATION

“With innovation being everywhere, the most important element is to focus and select projects that will bring real growth and value to Telenet.”

PIET SPIESSENS, VICE PRESIDENT INNOVATION & BUSINESS DEVELOPMENT

is used as much as possible and the presence of patios and water gives the complete environment a ‘green’ element. And to make people feel more at ease at work, the new building will feature lounges, a relaxation area, an extended cafeteria space and a gym. The building area itself integrates all the required parking spaces either underground or via a rooftop lot.

Unquestionably, Telenet has transformed itself over the past ten years from a spirited start-up to a serious market challenger employing 1,671 people. This doesn’t mean that it has lost its grass roots origin. Today, Telenet is constantly changing and evolving while remaining a young and dynamic results-driven organisation. To help maintain a customer-driven focus, Telenet underwent a restructuring in 2006 to create a flatter organisation where people could easily communicate with each other and top management. The restructuring actually created opportunities for a number of Telenet employees. Practically all positions were filled internally.

Telenet prides itself on offering its people ample career possibilities. This could be via educational opportunities such as leadership or technical training, or simply via

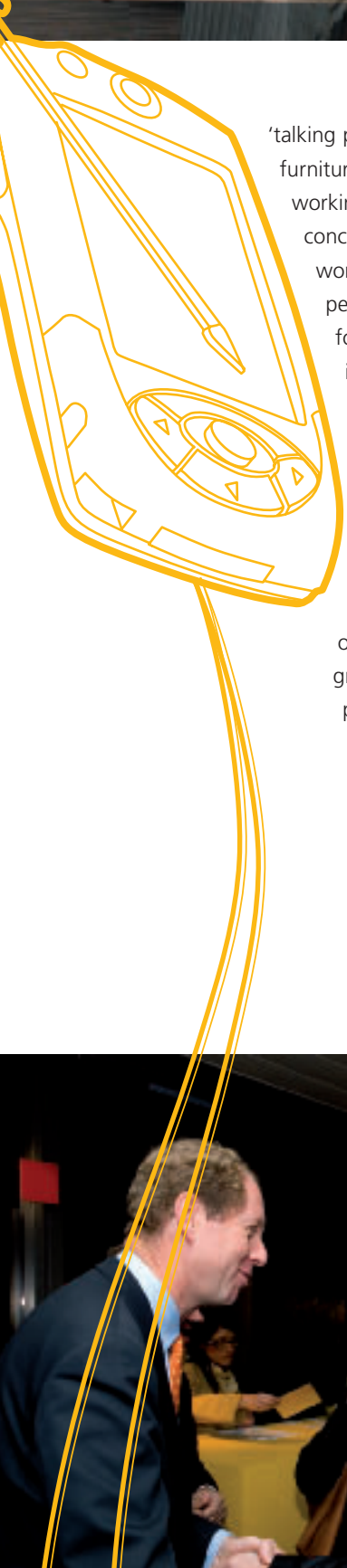
opportunities to drive projects and initiatives within the organisation.

Customer-focused and innovative, Telenet people also tend to be passionate about their work and Telenet is always on the lookout for new passionate people to join their team. This includes young graduates as well as experienced professionals. Most young graduates are recruited directly from the various universities and technical schools as well as the leading Belgian business schools. For 2007, Telenet will continue to focus on developing its internal talent and attracting passionate people from outside the company.

Working differently at Telenet

The new Telenet headquarters in Mechelen emphasises neighbourhood integration and the human aspect of working. This can be seen in the overall design, which focuses on communication and interaction while maintaining a balanced, no-nonsense interior that leaves room for privacy. In short, the building offers a more flexible working concept. Space is used differently: work stations mix with





'talking points' for short meetings. The office furniture is different: 'hot desks' for mobile working, 'bubbles' for tasks requiring concentration, 'benches' for day-to-day work ... Every employee has a locker for personal belongings and a limited area for personal files. Telenet supports the idea of the digital office, therefore limiting individual archiving space and keeping paper consumption to an absolute minimum.

Working differently at Telenet also means a new whimsical-yet-functional colour palette consisting of aqua marine, lemon yellow, grass green, pure orange, lilac red and peacock blue.

Working at Telenet

Telenet celebrated its 10th anniversary in November 2006. As Telenet continues to develop its own culture and identity, it will also increase in numbers. The past several years, the number of Telenet employees has risen steadily. 2006 was no different. The year began with 1,598 employees and finished with 1,671. 145 people were promoted and changed their position.

All our Telenet employees express our values in everything that they do: Telenet is focused on the customer. We respect them and we approach them in a results-driven manner. This is apparent in our method of working with our customers and has resulted in a relationship built on mutual trust. We would like to thank our customers for this.

Working for an innovative and fast-paced company such as Telenet is a continuous challenge. Even so, the absentee rate was well under 4% – the same as in 2005.

“Working differently at Telenet means that change is part of everyday business.”

DIRK VAN DESSEL, SENIOR VICE PRESIDENT BUSINESS IMPROVEMENT & PRODUCT DEVELOPMENT COORDINATION



Over the past ten years, Telenet has made a substantial contribution initiating various projects and supporting numerous charities. Today, this represents a rather comprehensive corporate social responsibility or CSR programme that supports Telenet's core CSR values: mobility, sustainability, partnership and security.

Today, thanks to Telenet, our local community has become a better place: a place where everyone can make a difference both at home, at work and at play. Besides stringent in-house recycling policies which include customer modem recuperation, Telenet encourages social action in-house.

telenet & corporate



“With Telenet's CSR programme, our local community has become a better place.”

JAN DE GRAVE, VICE PRESIDENT CORPORATE COMMUNICATIONS

An in-house initiative is CAPrioolkinderen. Telenet employees have raised almost 90,000 euro for this charity. This amount covers the annual cost of a home for 35 street children from Addis Abeba, Ethiopia. Fund-raising efforts differ from a climb-a-thon of Mont Ventoux in France to a dedicated party. 95 employees have donated a day's salary to the cause as well.

<http://caprioolkinderen.telenet.be/>

Partnerships and security

www.my-zone.be

Wireless Internet and laptops for young patients

Improving the quality of life is part of the Telenet mission. This is why Telenet created My Zone along with its partners Simon & Odil, an interactive platform for long-term or chronically ill children, the Belgian Kids' Foundation and Fujitsu Siemens. My Zone is a project that pays particular

attention to improving the quality of life of sick children by providing them with a laptop computer and wireless Internet connection while they stay in the hospital so that they can keep in touch with family and friends. With a direct link to Simonodil.com, My Zone is a comprehensive portal site suitable for young patients. There are four hospitals in Belgium that offer the use of My Zone laptops and wireless connections to their youngest patients.

Simonodil.com was created by a group of doctors who realised that their patients needed more communication during their time in the hospital. Within this project, communication means that sick children are able to talk about their illness with other children in a safe environment. They are able to feel that they are not facing their illness alone. Available in Dutch and French, Simonodil.com as well as My Zone features a plethora of appropriate educational content in a fun-filled atmosphere.

www.my-zone.be

social responsibility





The Telenet Foundation: narrowing the digital divide



As a responsible social partner, Telenet aims to help narrow the digital divide – both in Belgium and abroad. To give this objective structural support, Telenet launched the Telenet Foundation in 2006, chaired by Tessa Vermeiren, Director Lifestyle Magazines at Roularta Media Group.

The Foundation supports national or international projects that familiarise underprivileged people with interactive communication technology. Special attention is paid to educational and training projects because Telenet believes that such projects can have a long-term impact, improving the sustainability of the digital age across all levels of society. It should be noted that the Telenet Foundation does not make this a prerequisite.

To maintain autonomy from Telenet itself, the Telenet Foundation is managed by an independent Board of Directors. The Board determines the fund's overall policy guidelines, such as rules, operation, budget and selection criteria, and amends them when required. And it reviews the submitted applications and selects projects to support.

Annually, the Foundation grants up to 300,000 euro to its projects. A substantial part came through a private donation from our managing director.





Projects 2006

Domestic projects



Apor in Borgerhout provides outpatient care to adults with mental limitations and to deaf or hear-impaired individuals who live independently. Apor wants to create the first website in Belgium that can be read, listened to and viewed in Flemish sign language.

www.apor.be



Wijzer in Brugge organises basic educational opportunities. The organisation uses street committees to bring the computer closer to the neighbourhood residents. An on-going project, the 'Neighbourhood goes digital' will give another 35 street committees the chance to give an introductory course to small groups of 12 participants.

www.buurtwijzer.be



Two organisations, **VFG**, a Flemish association for handicapped individuals, and **S-Plus**, an association for the elderly, are working together to provide a mobile cybercafé and corresponding website in order to help raise technology awareness.

www.vfg.be and www.s-plusvzw.be



't Leebeekje offers leisure activities under educational supervision to socially vulnerable youth. The project aims to give these young people more digital opportunities with additional computers.

Recht-op and **Samenlevingsopbouw Antwerpen Stad** proposed 'Pleas@nt introduction', a project that brings people living at the poverty level in contact with those who do not in order to develop a broader social network and increase social mobility. Among other options, free ICT and Internet lessons are offered to help close the digital gap.

www.riso-antwerpen.be/steunpunten/projectgeneratiearmen



Lejo in Ghent wants to offer a full-fledged hotspot multimedia centre to socially vulnerable young people aged 15 to 19 to promote better social integration and develop more meaningful free-time activities.

www.lejo.be



Le Goéland in Nivelles is a safe house for homeless women with or without children. PCs are made available to facilitate self-reliance and social reintegration. They receive PC and Internet training as well as other skills like word processing.

Active since 1975, the non-profit organisation **Joseph Swinnen** provides permanent training courses, information, medical assistance and meeting opportunities in a popular immigrant environment. Firstly, the association aims to teach French using the computer and, secondly, to help bridge the digital gap by familiarising immigrants, especially women and children, with computers and the Internet.

www.paluche.org



Huize Tordale is an association which focuses on young people and adults with a slight to moderate mental handicap. Three years ago, Tordale launched A3, a publication suited for its target group. The Telenet Foundation grant will help place A3 on the Internet via www.a3net.be, a mentally handicapped accessible site with auditory and visual support.

www.tordale.be



For several years now, the students in Industrial Sciences, Electronics-ICT at **Hogeschool Antwerpen** have been supporting Plan Belgium. The students collect funds so that 12-year-old Pham Thi Ngan from Vietnam can go to school. They organise Internet lessons for beginners.

www.ha.be/iwt/antwerpen/elektronica-ict/alg/ngan.htm



De Dauw in Wortegem is a small-scale treatment centre for autistic, psychotic and seriously socially handicapped children and young people. De Dauw wants to set up a multimedia room to support daily therapeutic activities.

www.dedauw.org

International projects



Missiefonds Annuntiaten Heverlee is a mission fund which started last year with a training project for Congolese teachers. A first mission station in Kingandu was equipped with a container with IT equipment. Thanks to the Telenet Foundation, trainings for Congolese teachers on computers usage could be increased with additional laptops. A second mission station at Totshi with its own IT container will also be established.

www.blikopafrika.be



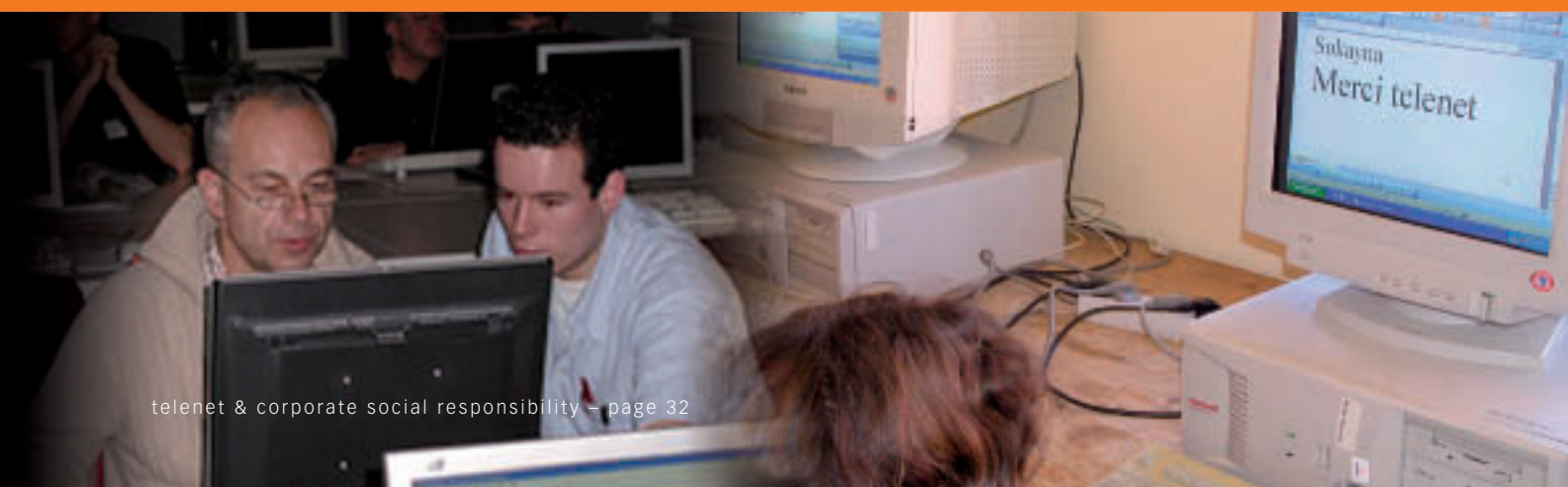
Since 1998 **CIAGO** has been paying the tuition fees for some 300 street children, orphans and child soldiers in Goma. The association rebuilt the school in Musherbe that was destroyed during the war. CIAGO will set up a cybercafé to sustainably collect money so that each year even more street children and child soldiers can enjoy an education.



Aquadev is an international NGO which employs 125 persons in ten African countries in the microfinancing and food safety sector. The 'microfinancing using PDAs' project is designed to improve the management of microcredits in hard-to-reach rural areas. The Telenet Foundation grant will further develop the ADbanking program for the PDA.

www.aquadev.org

www.telenetfoundation.be



Consolidated profit and loss account

For the years ended December 31 € Millions (EU GAAP)	2005	2006
Continuing operations		
Revenues	733.5	813.5
Costs of services provided	(456.7)	(510.7)
Gross profit	276.8	302.8
Selling, general and administrative	(145.6)	(159.0)
Operating profit	131.2	143.8
Finance costs, net	(193.2)	(101.0)
Income/(loss) before income tax	(62.0)	42.8
Income tax expense	(15.0)	(34.3)
Net income/(loss) from continuing operations	(77.0)	8.5
Discontinued operations		
Loss for the year from discontinued operations	0.3	(3.0)
Net income/(loss)	(76.7)	5.5

“We strive to inform our shareholders and bondholders in the most accurate and relevant way.”

RENAAT BERCKMOES, CHIEF FINANCIAL OFFICER

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, 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; 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; our ability to complete the integration of our billing systems; 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. 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.

Financial Information: The audited consolidated annual financial statements of Telenet Group Holding as of and for the years ended December 31, 2005 and 2006 have in each case been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“EU GAAP”) unless otherwise stated.

Annual Report Telenet Group Holding NV: disclaimer

The Telenet Annual Brochure 2006 consists of the Annual Review 2006 and the Financial Statements 2006. The Annual Report consists of the consolidated and the abridged individual financial statements of Telenet Group Holding NV and the reports related thereto. Both documents are presented in a separate printed format and provided to investors in conjunction, in a folder containing the Annual Review and the Annual Report together to form the Annual Brochure 2006.

Even though both documents can be consulted separately, the Annual Review 2006 is inextricably interlinked with the Annual Report 2006 and must always be considered in conjunction with Telenet Annual Report 2006.

Printed copies of the Telenet Annual Brochure 2006 are available upon simple request at Telenet. The Annual Brochure 2006 can also be consulted and downloaded from the Telenet website at www.telenet.be.

Our mission

Telenet wants to contribute to a positive social development of people and businesses via innovative and accessible services for communication, information and leisure.

Our vision

As a service provider, we want to play a decisive role in the confluence of television, Internet and telephone services.

The development of iDTV offers all consumers access to that confluence.

Our strategy

Telenet seeks to respond to present and future customer needs in a reliable manner. Telenet develops high-quality products and services. We support customers so that they can live and work with ease.



www.telenet.be