

# VFB Dag van de Tips

John Porter, CEO Telenet

October 10,  
2015



# Safe harbor disclaimer



## **Safe Harbor Statement under the 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 related to our financial and operational outlook; future growth prospects; strategies; product, network and technology launches and expansion and the anticipated impact of the acquisition of BASE Company NV on our combined operations and financial performance, 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; potential adverse competitive, economic or regulatory developments; 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; 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; our ability to make value-accretive investments; and our ability to sustain or increase shareholder distributions in future periods. 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.

Adjusted EBITDA and Free Cash Flow are non-GAAP measures as contemplated by the U.S. Securities and Exchange Commission's Regulation G. For related definitions and reconciliations, see the Investor Relations section of the Liberty Global plc website (<http://www.libertyglobal.com/>). Liberty Global plc is our controlling shareholder.

# Telenet at a glance



17,000

calls per day



>1M

3P customers

85%

Customer satisfaction

50%

Women in Senior  
Leadership Team

2,300

employees

Top employer

8 start-ups = €25,000  
support each

150 visitors  
@HQ every  
day

1 day = 1  
Care

38.7M

customer  
interactions  
80% = digital

~€1M

Invested each day

€30M

Investment in Flemish  
productions

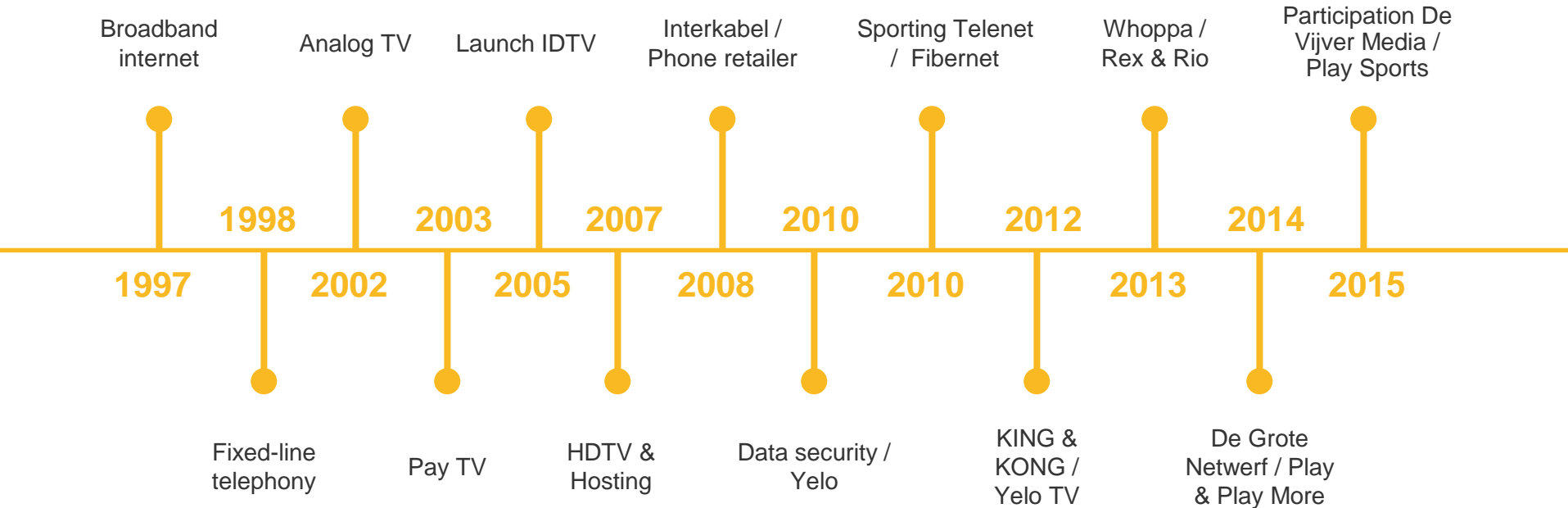
281

New employees  
in 2014



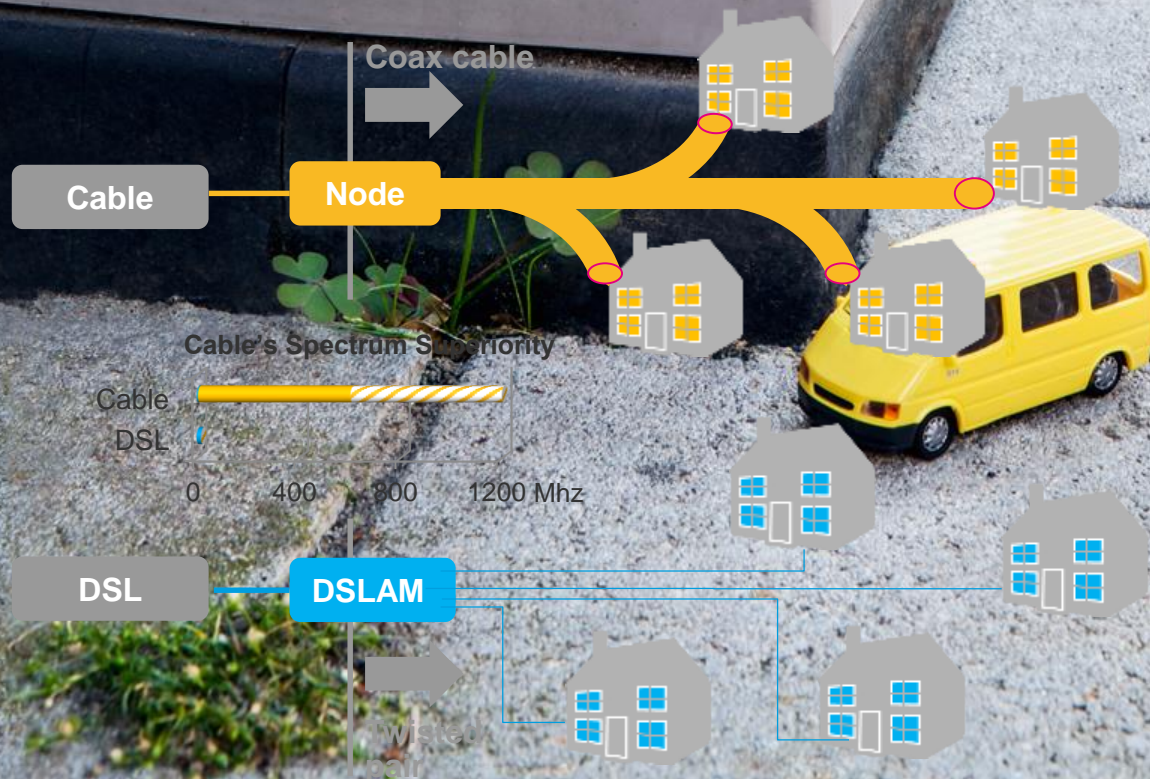
# History

A story of exciting product innovation, bringing higher speeds, inspiring content and a seamless customer experience to the doorsteps of Flemish households



# Leveraging off a solid network advantage...

Cable, which is a big shared pipe, is well suited to meet ever-increasing demands



- **Different needs** have driven to **different technologies**
- **Cable** offered TV: a lot of data (video) but same data for everyone (40 channels)  
→ big, shared pipe (coax)
- **Telcos (DSL)** offered telephony: little data (voice) but different for everyone (calls)  
→ small, dedicated pipe (twisted pair)
- The **big, shared pipe** of cable is better positioned
  - to offer **high speeds**
  - and deal with **big volumes**

... with a commitment to further boost the Flemish digital aorta

... In your street

Upgrading our network to a Giga network for consumers, businesses and governments

... In your neighborhood

Coverage of large parts of Flanders. Wi-Free!

... At your home

Check-up of the current home installations to optimize the user experience



## ... and a continued focus on providing an Amazing Customer Experience



- “Helemaal mee Tournee”: renewed our commitment to the customer with proactive house visits;
- In-house call centers: increases our proximity to the customer;
- Telenet Support App & Telenet Community as novel ways to quickly help out our customers.

# ... we enjoyed considerable success in fixed-line

Driven by our great HFC network, richer offers, higher speeds and households consuming more products



81%

Digital TV

49%

3P  
penetration

4.8M

RGUs

108 Mbps

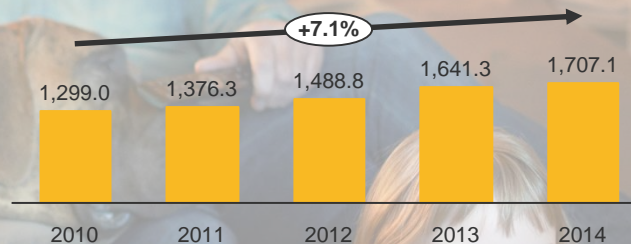
Average  
speed

€49

ARPU per  
customer

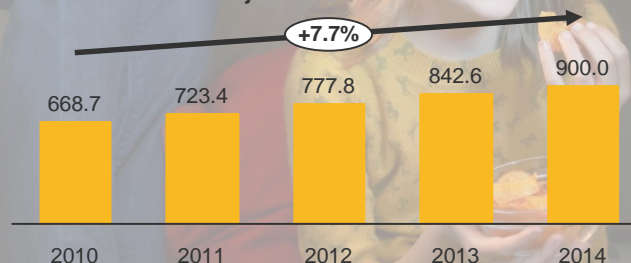
(in €M, CAGR)

Revenue



(in €M, CAGR)

Adjusted EBITDA





(Service revenue growth, YoY)

BASE COMPANY

Mobistar

proximus

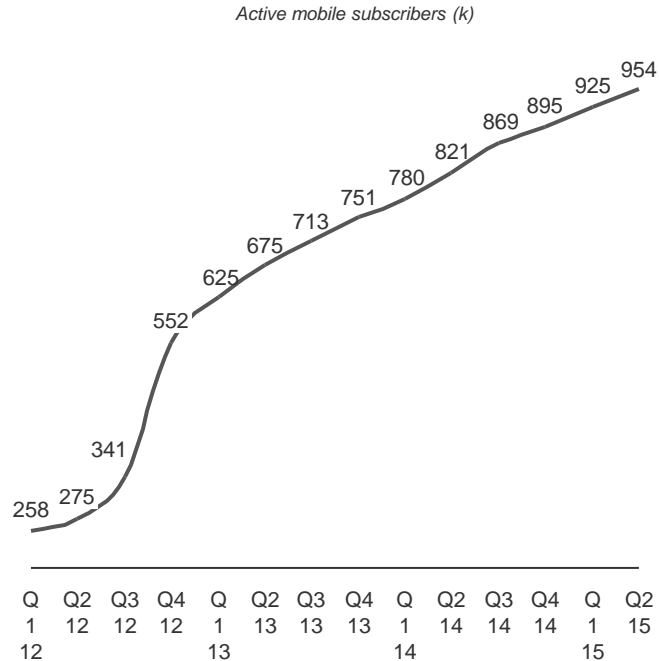
Quarter	BASE COMPANY	Mobistar	proximus
Q1 10	High	Medium	Low
Q3 10	Medium	Low	Low
Q1 11	Low	Low	Low
Q3 11	High	Medium	Medium
Q1 12	Very High	Medium	Medium
Q3 12	High	Low	Low
Q1 13	Medium	Low	Low
Q3 13	Low	Very Low	Very Low
Q1 14	Medium	Medium	Medium
Q3 14	High	High	High

9

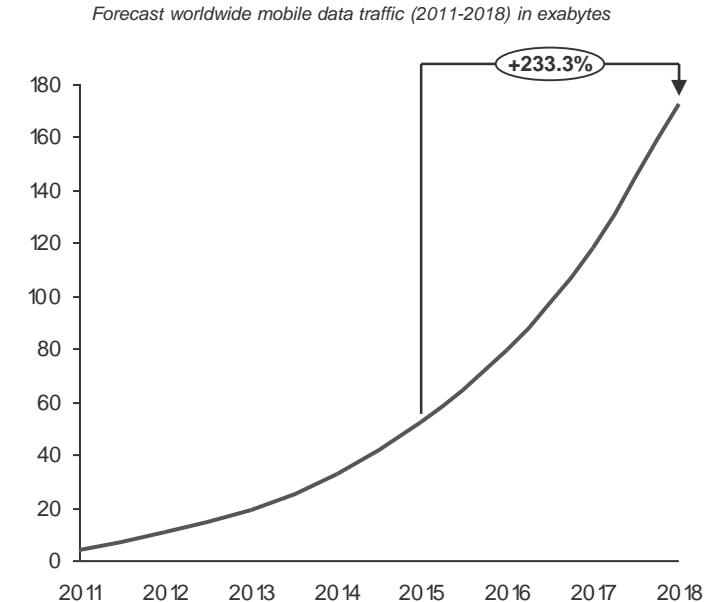
# ... but which next to a subscriber boost also brought us a newfound challenge



Telenet has realised strong growth in mobile subscribers...





...which risks exacerbating our exposure to variable data costs



# Successful WiFi strategy complemented through BASE Company Acquisition<sup>(\*)</sup>



Bringing us owner economics in large and growing mobile business and enabling us to control the future technology roadmap

	 N°.1 cable operator	 N°.3 in mobile
Mobile Market Share	7%	23%
Mobile subscribers (k)	895	3,261
Fixed Market Share	37%	-



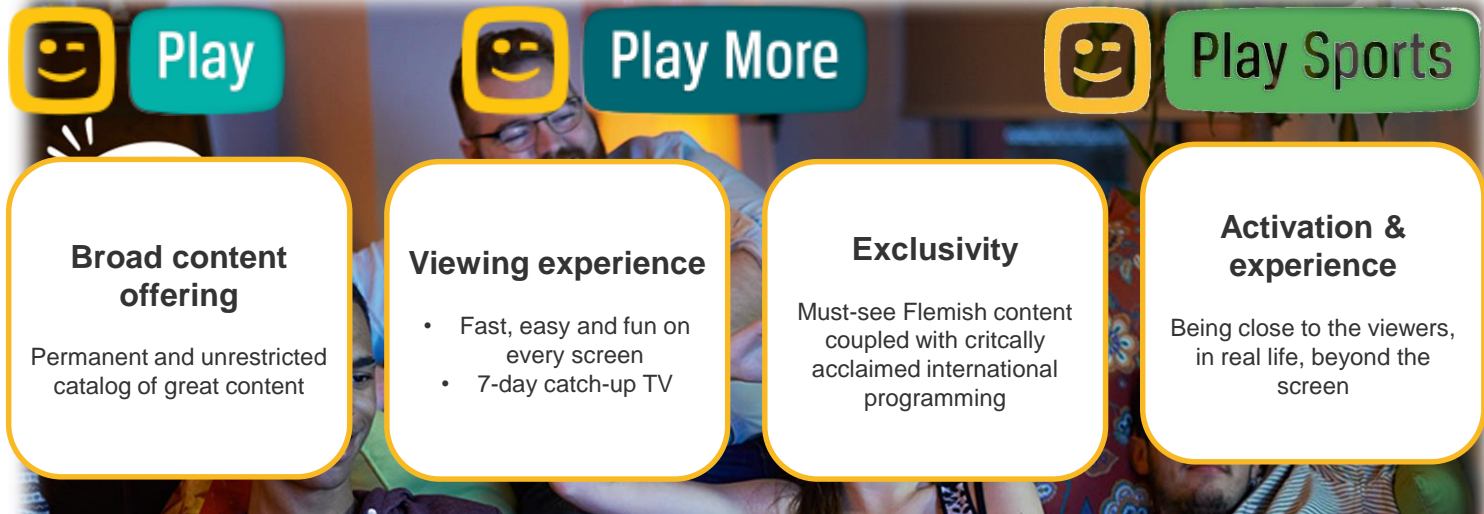
(\*) Pending regulatory approval

Consumers expect a seamless 360° experience,  
fragmenting viewing across time, place & device



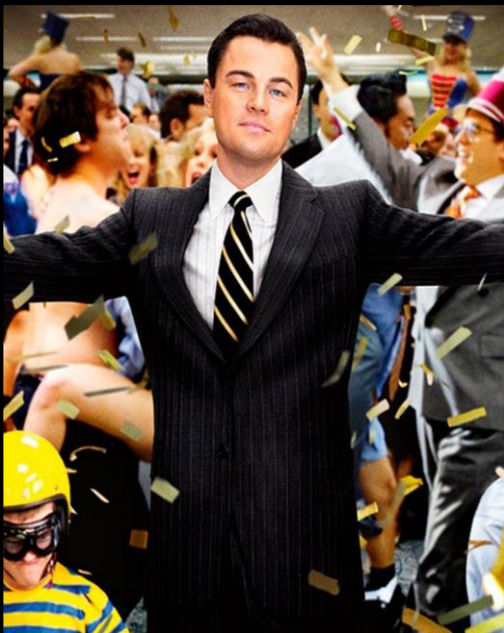
# Global players pick up this changing customer behavior & look for direct customer relations





**Already 24% attach rate on our digital TV customer base**

... with a broad content offering in  
general entertainment, sports, kids and others ...



... and our own content



# Committed to deliver on our strategy...



## Superior connectivity

- Deliver fastest connectivity for all devices in and beyond the home;
- Continuous investments in core network to stay ahead of competition;
- Speeds of up to 1 Gbps.



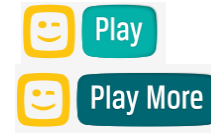
## Leading products & services

- Simple portfolio, offering the best value for money;
- Service convergence between fixed and mobile;
- Seamless integration of connectivity, platform and content.

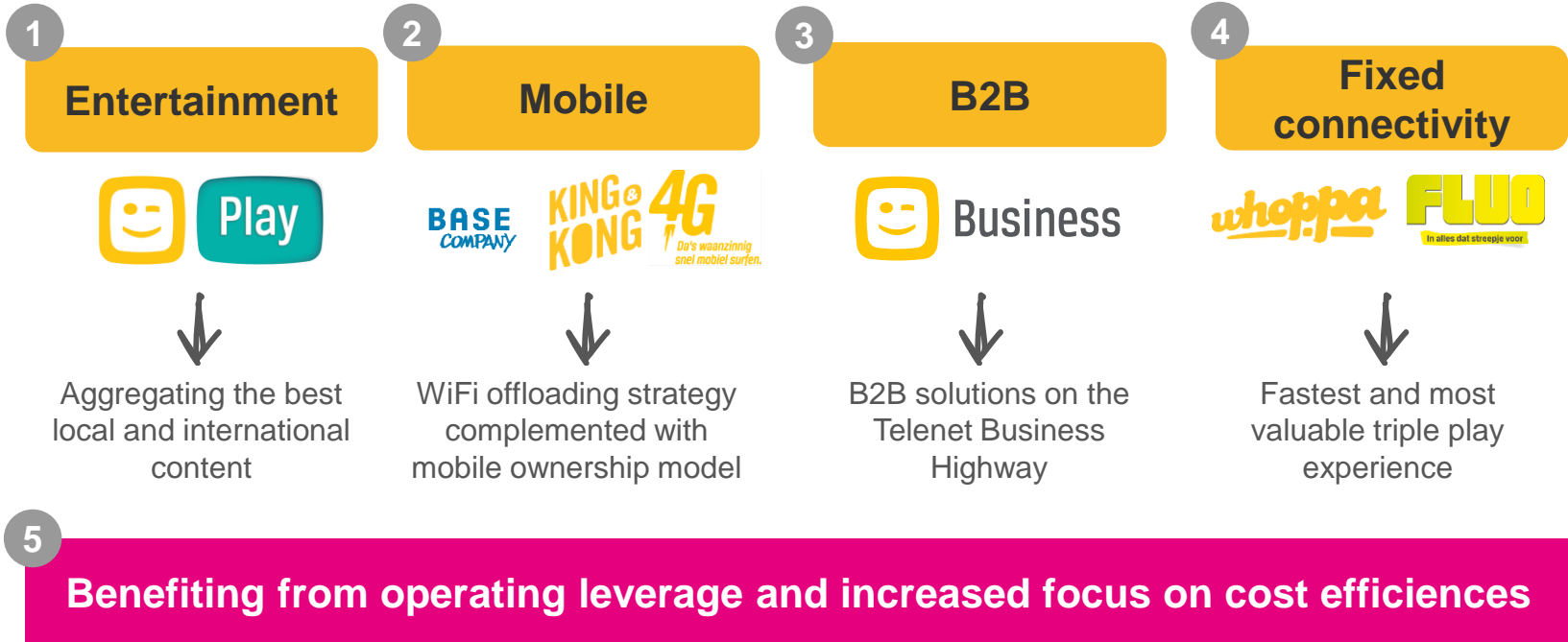


## Great customer experience

- Everything included, enabling customers to enjoy their digital lifestyle;
- Great entertainment offering;
- Focus on customer loyalty and customer service.



... resulting in healthy financial growth and attractive shareholder value for 2016 and beyond



# Thank you!



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