# **Telenet** – Q1 2015 Results

Investor & Analyst Presentation

April 28, 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, dividend policy and future growth prospects, 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, pending debt exchange transactions, 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.

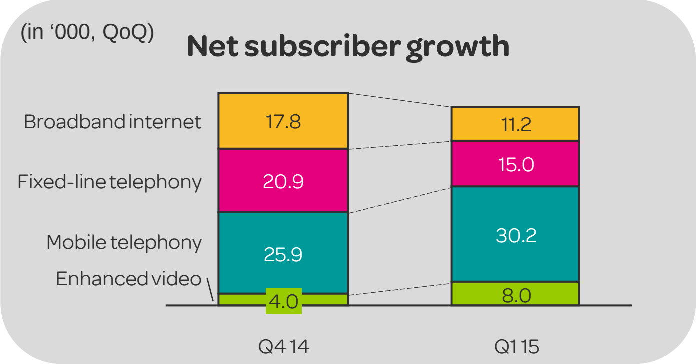
Adjusted EBITDA and Free Cash Flow are non-GAAP measures as contemplated by the U.S. Securities and Exchange Commission’s Regulation G. For related definitions and reconciliations, see the Investor Relations section of the Liberty Global plc website (http://www.libertyglobal.com/). Liberty Global plc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

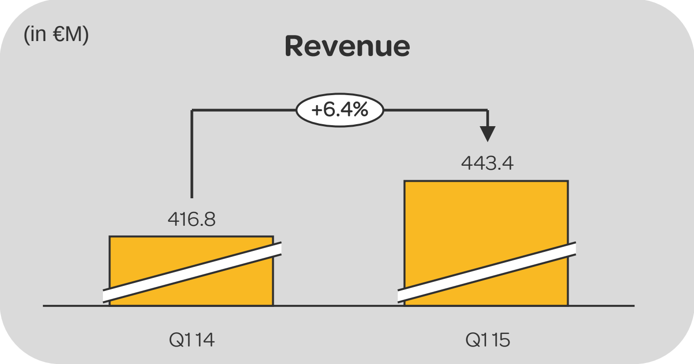
# Executive Summary

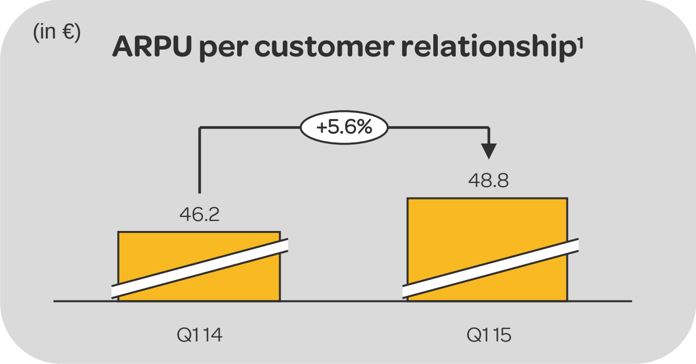
John Porter, Chief Executive Officer

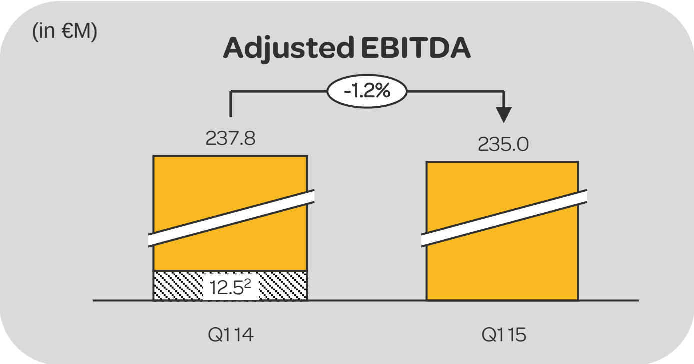
# Executive Summary

## Improved revenue growth of 6% in Q1 2015, while Adjusted EBITDA growth was impacted by €12.5 million one-off benefit in Q1 2014






See Notes page for additional disclosure

# BASE Company acquired for 5.0x Adjusted EBITDA[3]

## Will provide stable long-term mobile access and secures our future as a leading integrated telecommunications provider

| | |
|---|---|
| 1 Control own destiny in large and growing mobile business | ▪ Mobile[4] is a large and growing part of Telenet's business (11% of revenue, 15% revenue growth in Q1 2015)<br>▪ Reinforce and ensure continuity of Telenet's mobile strategy |
| 2 Achieve owner economics in mobile | ▪ Replace usage-based MVNO with a stable network infrastructure model, providing owner economics in mobile |
| 3 Highly complementary combination | ▪ Combining a leading fixed line network with a strong mobile network |
| 4 Creates value through significant synergy potential | ▪ Significant operating synergies by eliminating MVNO payments over time under agreement with Mobistar, while honoring the current MVNO contract<br>▪ Projected annual run-rate opex and capex-related synergies of approximately €150 million[5]<br>▪ Total of approximately €240 million of one-off investments in BASE Company's network and integration costs |
| 5 Builds on Telenet and Liberty Global's strong track record of value creation | ▪ Builds on Telenet's and Liberty Global's successful track record in M&A including UPC Belgium and Interkabel in Belgium, as well as Virgin Media, Unitymedia, KBW and Ziggo among others |
| 6 Optimises balance sheet through efficient financing structure | ▪ Financed through a combination of €1bn of new debt facilities and existing liquidity |



See Notes page for additional disclosure

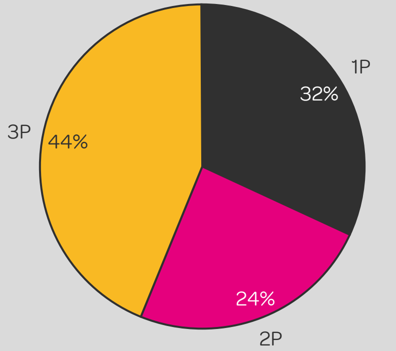
# Operational Highlights

Rob Goyens, VP Strategic Planning, Treasury and Investor Relations

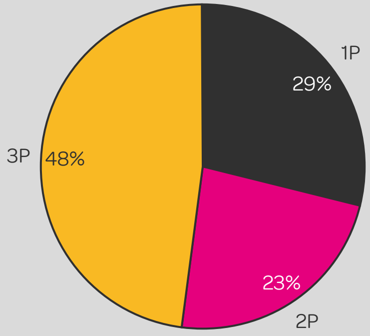
# Multiple-play penetration

## Triple-play subscribers up 9% in Q1 2015, representing around 48% of our customer base

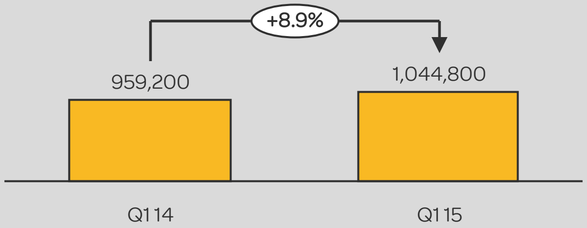
### Customer mix Q1 2014



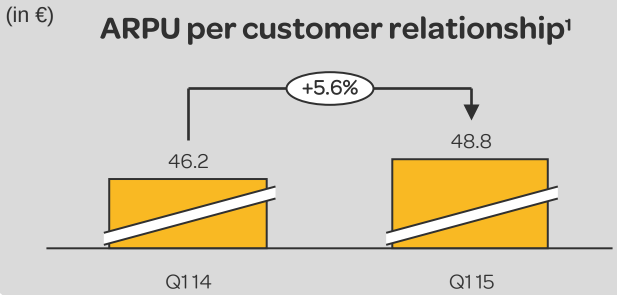

### Customer mix Q1 2015




### Triple-play subscribers



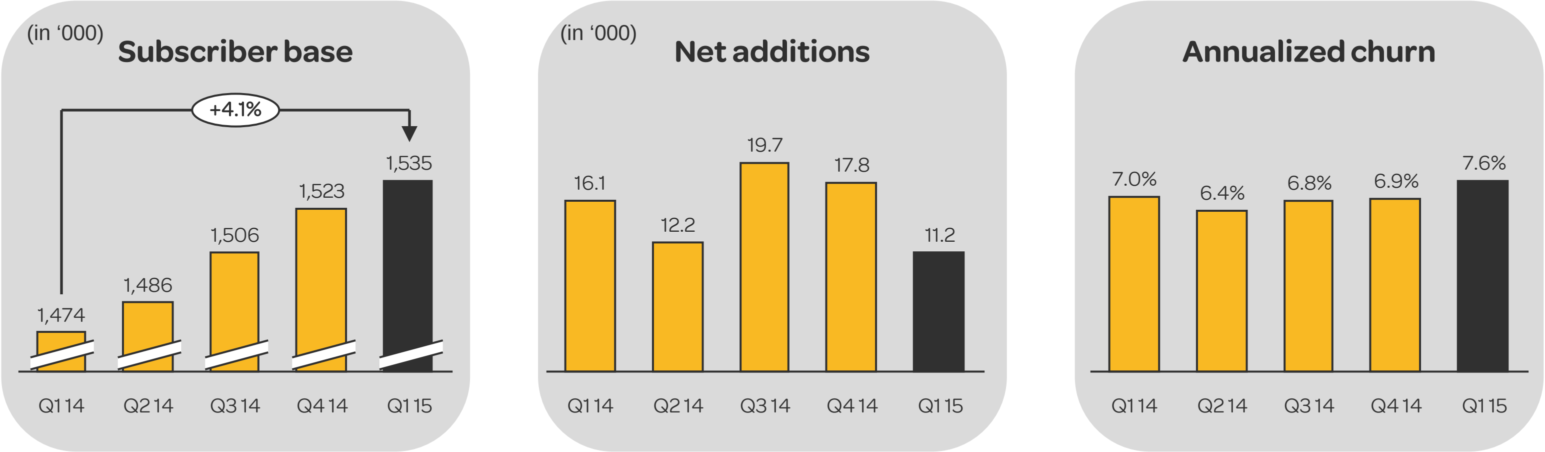

### ARPU per customer relationship[1]




See Notes page for additional disclosure

# Broadband internet

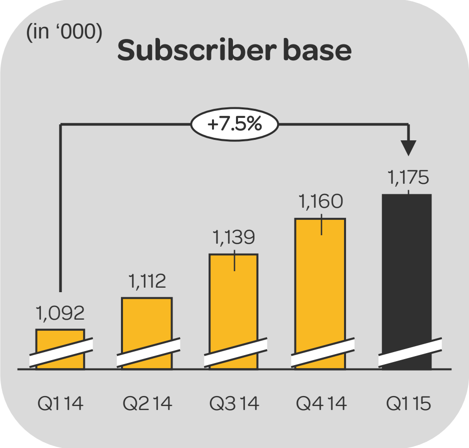
## More than 1.5 million broadband internet RGUs at Q1 2015 quarter-end

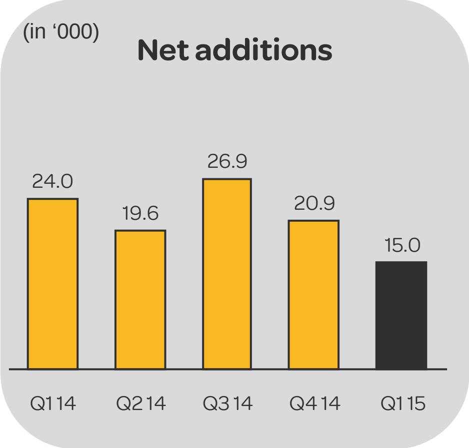


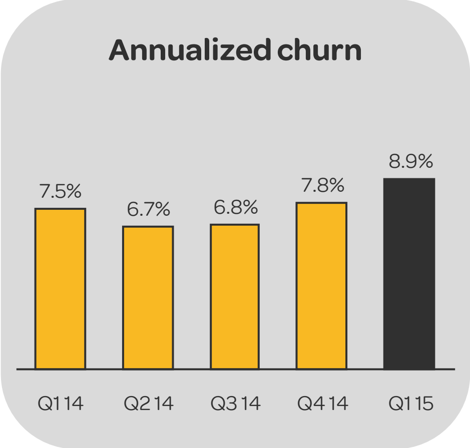

- **11,200 net broadband internet subscriber additions in Q1 2015**, reflecting intense competition and the anticipated adverse impact from the January 2015 price adjustments;
- Reaching **1,534,500 broadband internet subscribers** at March 31, 2015, +4% yoy, resulting in 52.5% penetration of homes passed by our leading HFC network;
- **Annualized churn of 7.6% in Q1 2015** up 60 bps yoy and up 70 bps sequentially;
- **Enhanced customer experience** through (i) recent speed upgrades for both new and existing subscribers, (ii) extensive WiFi coverage, and (iii) the launch of EAP.

# Fixed telephony

## Simplified bundles, free off-peak calling and "Triiing" continue to drive RGU growth



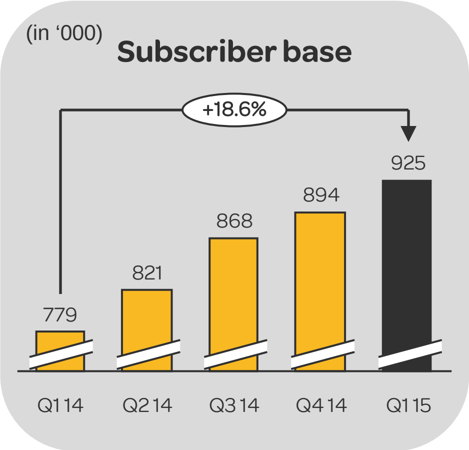



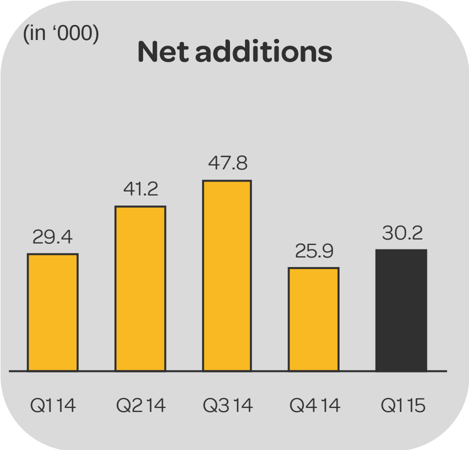



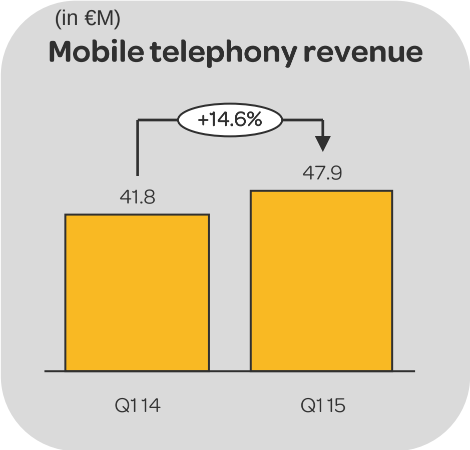

- **15,000 net fixed telephony subscriber additions** in Q1 2015, exceeding net broadband subscriber additions, demonstrating continued triple-play conversion;
- **1,174,500 fixed telephony subscribers** at the end of Q1 2015, up 8% yoy, equivalent to 40.2% penetration of homes passed by our network;
- **Annualized churn of 8.9% in Q1 2015**, impacted by sustained competition from mobile providers and the anticipated impact from the January 2015 price adjustments;
- Our innovative VoIP app "**Triiing**" adds value to our fixed telephony proposition and had **approximately 325,700 registered devices** at March 31, 2015.

# Mobile telephony

## Improved net mobile postpaid subscriber growth in Q1 2015, up 16% sequentially, surpassing 900,000 subscribers at March 31, 2015



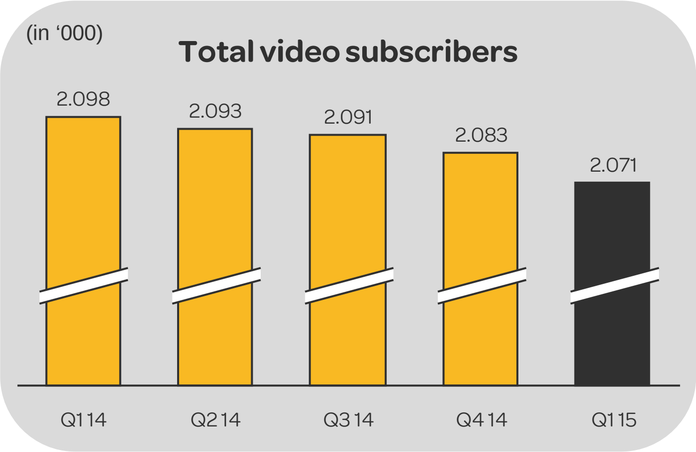



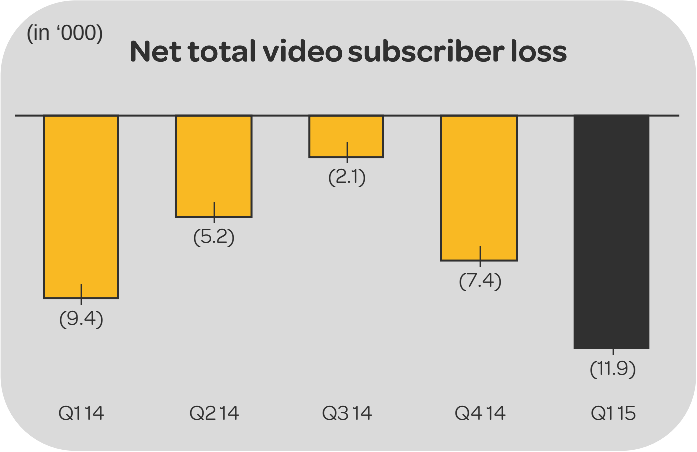




- **30,200 net mobile postpaid subscribers** achieved in Q1 2015, following easing pressure from handset subsidies and discounts offered by our direct competitors while our targeted campaigns proved successful, including handset subsidies and discounts;
- **924,500 mobile postpaid** subscribers at March 31, 2015 (+19% yoy), representing around 19% of our cable customer base;
- **Mobile telephony subscription revenue reached €47.9 million in Q1 2015**, up 15% yoy, driven by continued postpaid subscriber growth, partially offset by a mild decrease in our mobile ARPU reflecting the conversion of certain legacy mobile tariff plans to our latest mobile rate plans.

# Video

## Higher net organic loss driven by intensely competitive environment and the anticipated impact from the January 2015 price adjustments

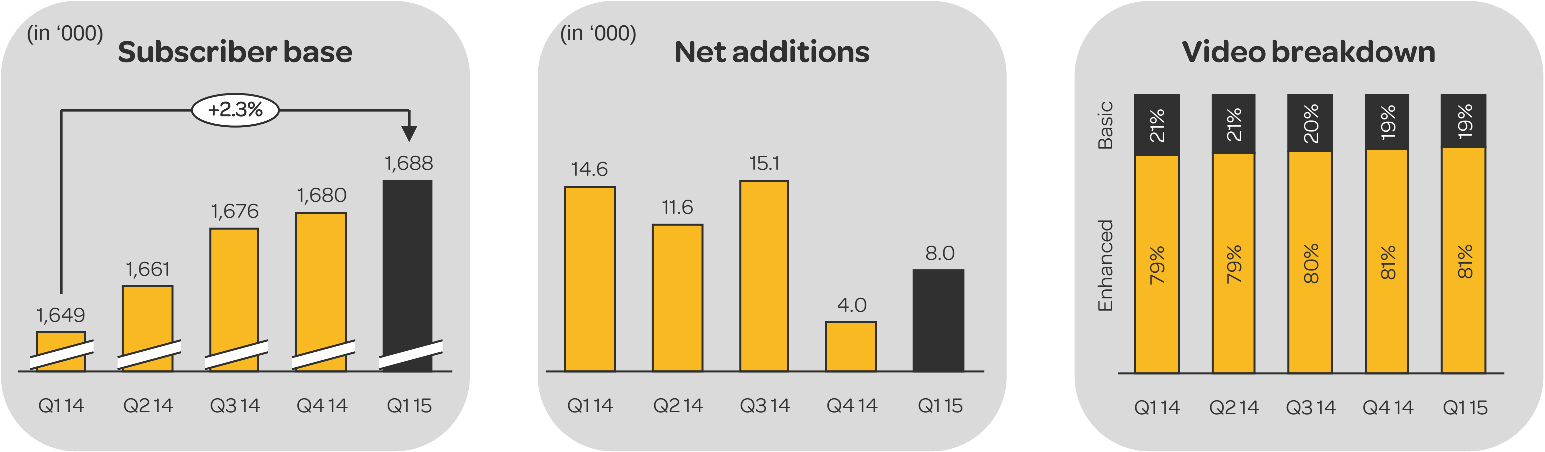



- **2,071,400 total video subscribers** at March 31, 2015, representing approximately 71% of the homes passed by our network;
- **In Q1 2015**, we experienced a **net loss rate of 11,900 total video subscribers**;
- This was **above the average churn witnessed in previous quarters in 2014** and reflected the intensely competitive environment, characterized by the availability of other digital and over-the-top ("OTT") platforms in our market, and the anticipated impact from the January 2015 price adjustments.

# Enhanced video

## Slower net new subscriber growth compared to last year post phasing-out of SD video platform in Q3 2014



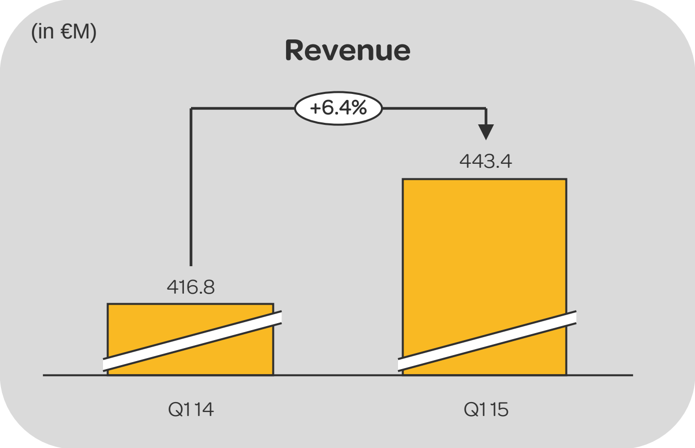

- **8,000 net enhanced video subscribers added in Q1 2015**, reflecting a slowdown versus the average run-rate in 2014 following the phasing-out of our SD video platform in Q3 2014;
- **Reaching 1,688,100 enhanced video subscribers** at March 31, 2015, up 2% yoy;
- Continued traction for **revamped SVOD packages "Play" and "Play More" with 176,700 subscribers** at March 31, 2015, up 17% sequentially;
- Active user base of **"Yelo TV",** our renewed and unique content platform, reached **approximately 23% of our enhanced video subscriber base** at March 31, 2015.

# Financial Highlights

Birgit Conix, Chief Financial Officer

# Revenue up 6% yoy to €443.4 million

## Improving revenue trend driven by higher cable subscription revenue and double-digit growth in mobile telephony and B2B

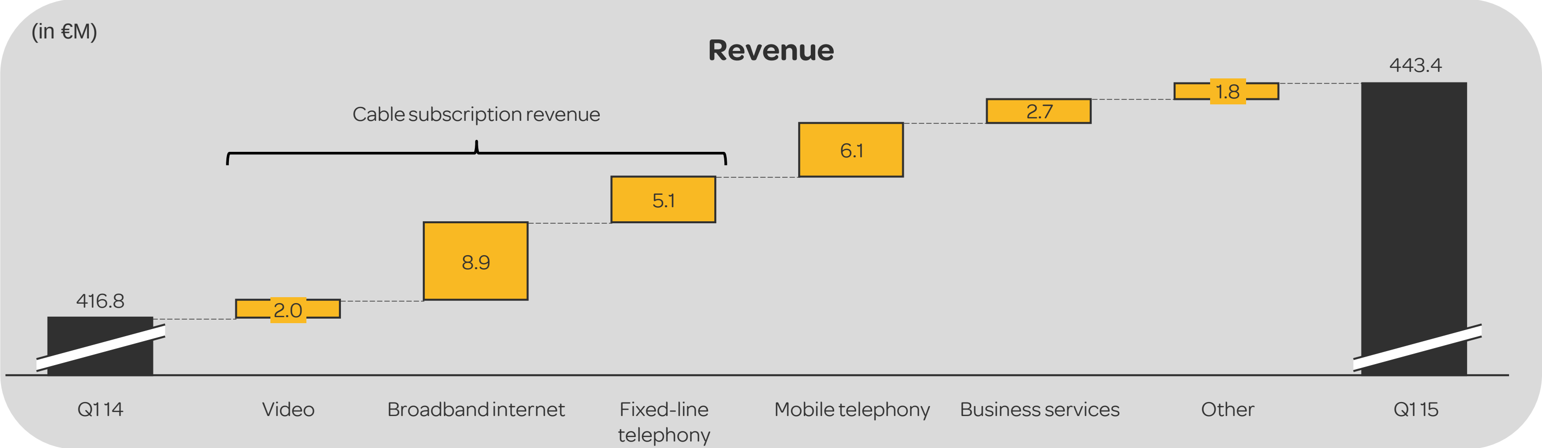




- **Revenue of €443.4 million in Q1 2015, up 6% yoy**, driven by (i) solid multiple-play growth with the number of triple-play subscribers up 9% compared to Q1 2014, (ii) the benefit from the selective price increase on certain fixed services in January 2015, (iii) a 15% higher contribution from our mobile activities, and (iv) a 11% increase in our business services revenue;
- Relative to preceding quarters, our year-on-year revenue growth showed a meaningful acceleration in Q1 2015 for the reasons mentioned above and as **last year's revenue decrease from standalone handset sales no longer impacted our revenue growth trend**.

# Revenue up 6% yoy to €443.4 million

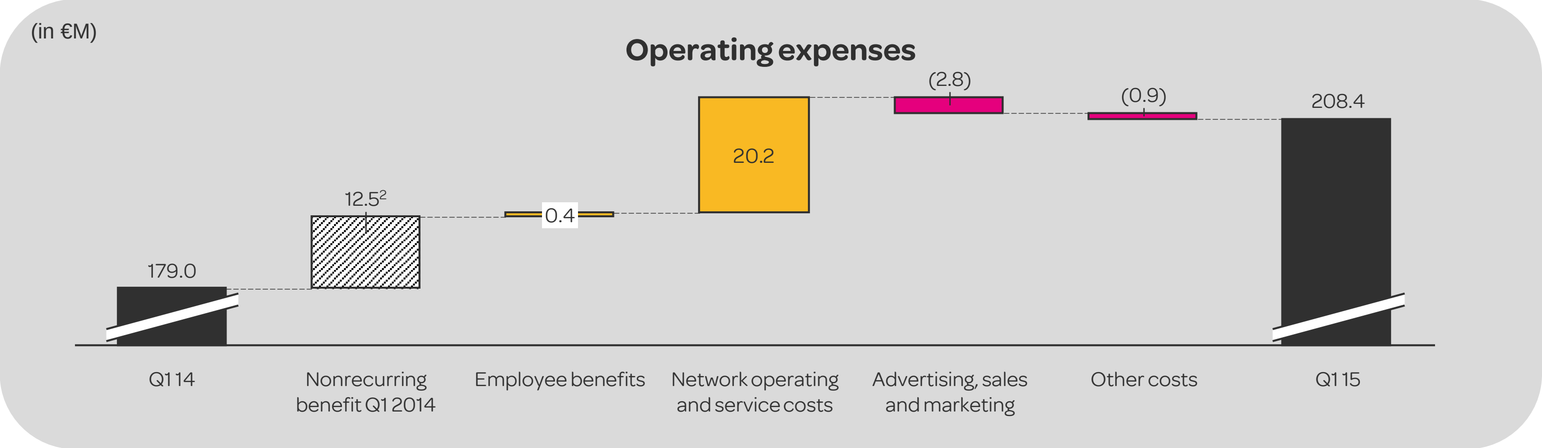
## Improving revenue trend driven by higher cable subscription revenue and double-digit growth in mobile telephony and B2B




- **Broadband revenue growth of 7% yoy** was driven by (i) a solid 4% growth in our subscriber base and (ii) the benefit from the aforementioned price increase effective from the end of January 2015, in part offset by the increased proportion of bundle discounts.
- **Mobile telephony revenue up €6.1 million, or 15% yoy**, reflected continued double-digit growth in the number of postpaid subscribers, partially offset by a mild decrease in usage-related revenue.
- **10% increase in fixed telephony revenue** driven by solid RGU growth, higher usage-related revenue and the benefit from the aforementioned price adjustement, in part offset by bundle discounts.

# Operating expenses[6] of €208.4 million, up 16% yoy

## Excluding a €12.5 million nonrecurring benefit in Q1 2014, operating expense growth would have been more moderate

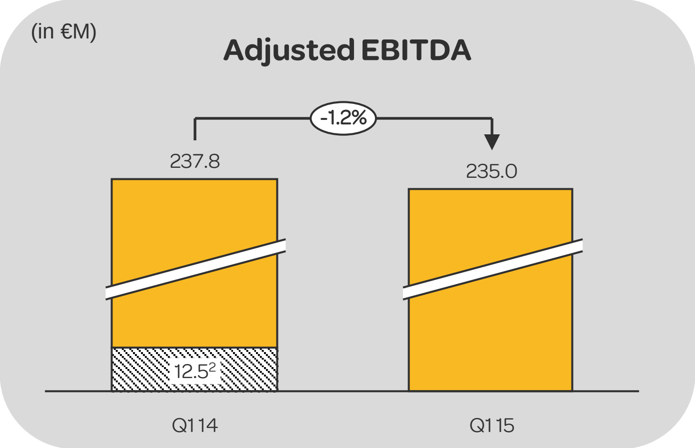


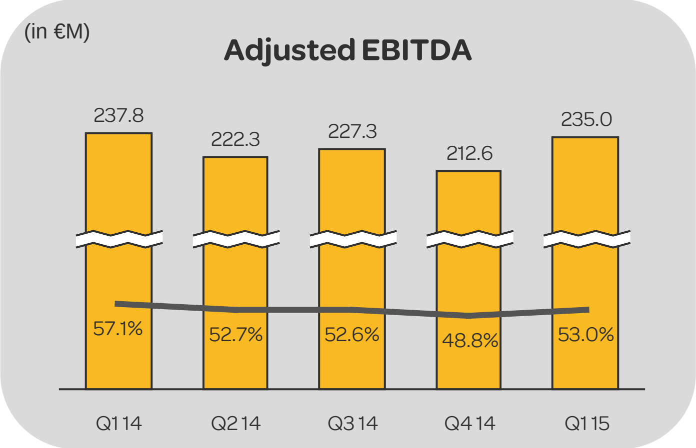

- **Network operating and service costs increased €32.7 million yoy**, including a nonrecurring €12.5 million favorable impact in Q1 2014, driven by (i) higher costs related to handset subsidies, (ii) higher interconnection costs driven by continued growth in both our mobile and fixed telephony subscriber base and (iii) higher copyrights and content-related expenses;
- **Advertising, sales and marketing expenses decreased 17% yoy** and reflected timing variances in some of our marketing campaigns as Q1 2014 was impacted by the launch of our “King Supersize” tariff plan and campaigns surrounding our premium entertainment services;
- **Broadly stable personnel expenses** as increase in employee base was offset by lower bonus accruals.

See Notes page for additional disclosure

# Adjusted EBITDA of €235.0 million, down 1% yoy

## Excluding a €12.5 million one-off benefit in Q1 2014, growth in our Adjusted EBITDA would have been higher



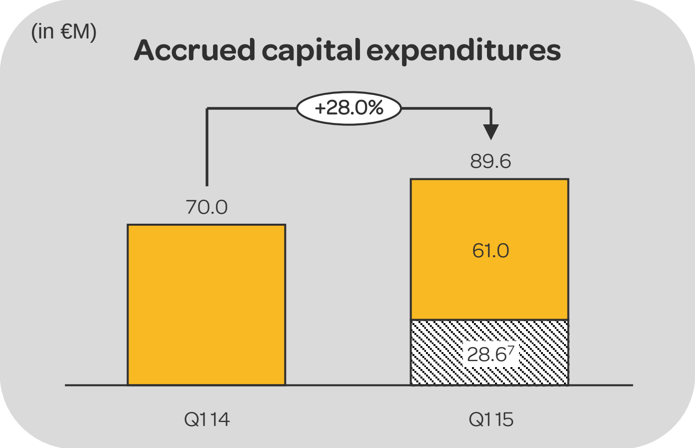



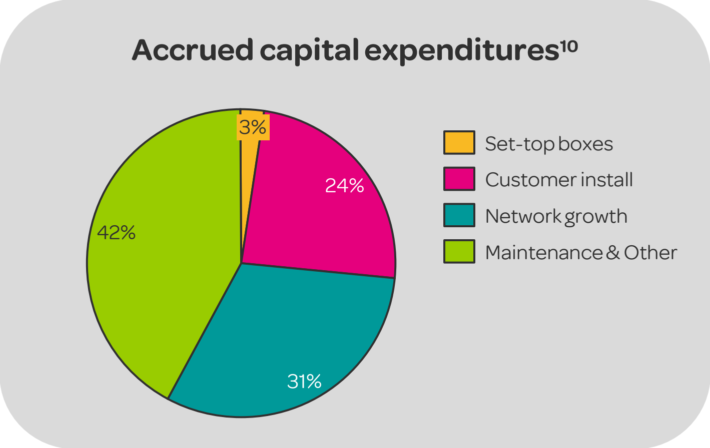

- **Adjusted EBITDA decreased 1% yoy to €235.0 million** as Q1 2014 reflected a nonrecurring €12.5 million benefit related to the settlement of certain operational contingencies;
- **Apart from this impact, we achieved healthy Adjusted EBITDA growth** as a result of (i) robust revenue growth, (ii) lower advertising, sales and marketing expenses and (iii) a flat evolution in employee benefits, partly offset by (i) higher costs related to handset subsidies, (ii) higher interconnection costs and (iii) higher copyrights and content-related expenses;
- **Adjusted EBITDA margin reached 53.0% in Q1 2015**, up 420 basis points sequentially despite higher costs related to handset subsidies, indicative of our continued focus on creating operating leverage.

See Notes page for additional disclosure

# Accrued capital expenditures of €89.6 million

## Representing around 14% of revenue excluding the recognition of the Belgian football broadcasting rights for the 2015-2016 season

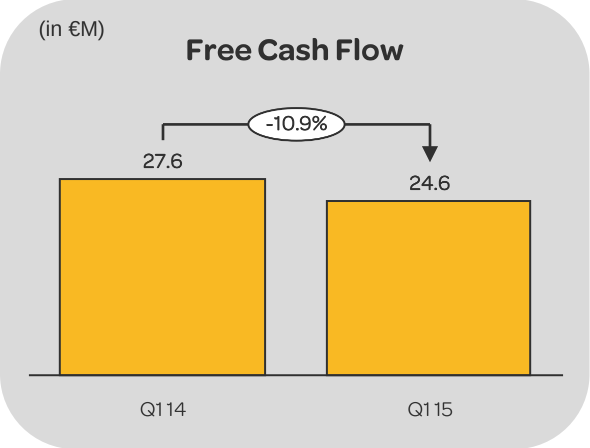


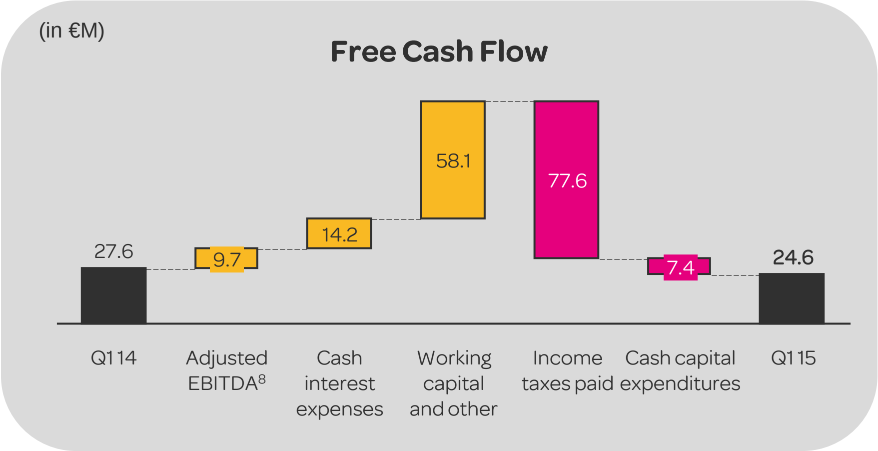




- **Accrued capital expenditures of €89.6 million** in Q1 2015, up 28% yoy, **representing approximately 20% of revenue**;
- Accrued capital expenditures in Q1 2015 reflected the **recognition of the Belgian football broadcasting rights for the 2015-2016 season for €28.6 million**;
- **Excluding the Belgian football broadcasting rights**, accrued capital expenditures were **around 14% of revenue** as a result of phasing of certain network-related investments and lower set-top box expenditures.

# Free Cash Flow of €24.6 million, minus €3.0 million yoy

## Significant working capital improvements and lower cash interest expenses more than offset by higher cash taxes in Q1 2015

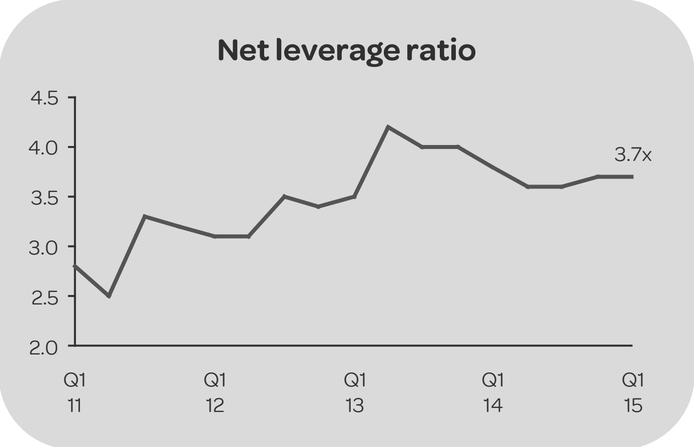


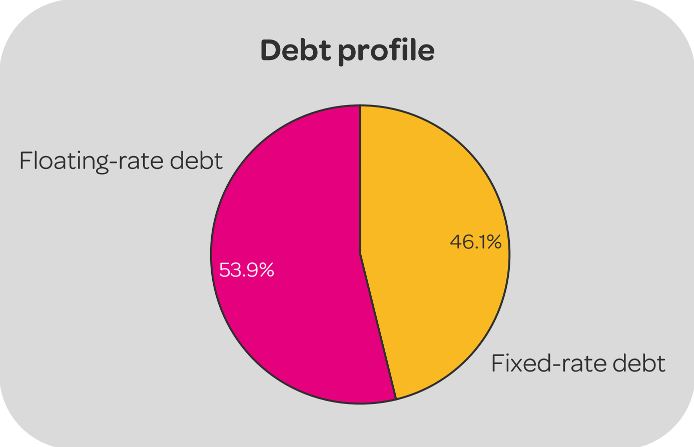




- In Q1 2015, **we generated €24.6 million of Free Cash Flow**, down €3.0 million, or 11% yoy;
- **The decrease in our Free Cash Flow for Q1 2015 was predominantly driven by €77.6 million higher cash taxes in Q1 2015**. As we do not anticipate additional income tax payments in 2015, we believe to be well on track to achieve our full year Free Cash Flow outlook of €240.0-250.0 million;
- **Excluding the negative impact from cash taxes, we would have achieved robust Free Cash Flow growth** in the quarter driven by (i) a marked improvement in our working capital relative to the prior year period and (ii) substantially lower cash interest expenses compared to Q1 2014.

# Net leverage ratio of 3.7x at March 31, 2015

## Unchanged compared to December 31, 2014



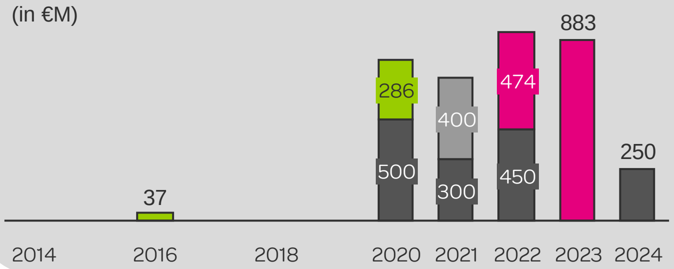




- At March 31, 2015, our **net leverage ratio reached 3.7x**. This was unchanged compared to the Q4 2014 quarter-end;
- Through **successful refinancing in April 2014,** we extended our average tenor to 7.3 years at attractive rates, facing no debt amortizations prior to November 2020;
- In April 2014, we also **extended our Revolving Credit Facility** from €158.0 million to €322.9 million, which together with the available cash balance of €129.0 million at March 31, 2015, provides for ample short-term financial flexibility.

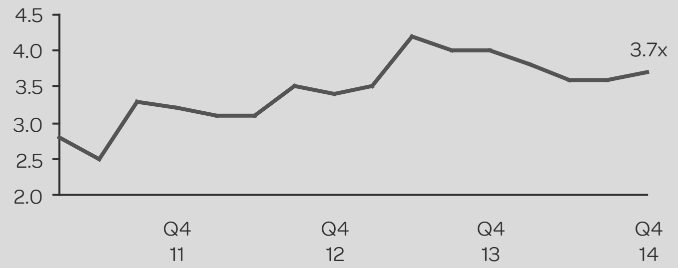
# Acquisition of BASE Company NV

## Financed through existing liquidity complemented with new debt facilities up to €1.0 billion – pro forma leverage end-2014 of 4.45x

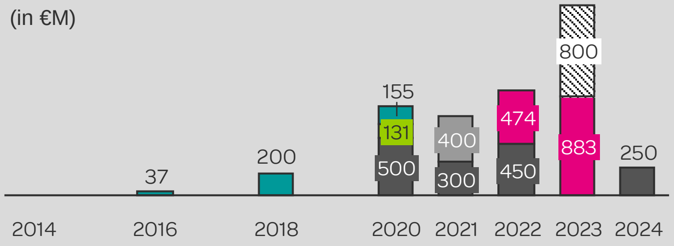
### Debt maturity profile – pre BASE acquisition




### Net leverage ratio – pre BASE acquisition




### Indicative debt maturity profile – post BASE acquisition




### Net leverage ratio – post BASE acquisition[9]


New Term Loan | Term Loan | Drawn RCF | Undrawn RCF | Senior Secured Floating Rate Notes | Senior Secured Notes

See Notes page for additional disclosure

# Full year 2015 outlook reconfirmed

## Solid mid single-digit revenue and Adjusted EBITDA growth expected

| | As presented on February 12, 2015 | |
|---|---|---|
| **Revenue growth** | **4 – 5%** | Driven by a higher contribution from our premium content and mobile businesses, continued growth for our B2B activities and a generally higher contribution from our fixed connectivity business. |
| **Adjusted EBITDA growth** | **Around 4%** | Increased investments to boost our premium content platform and higher spending on in-home connectivity, offset by continued focus on overhead expenses.<br>2014 Adjusted EBITDA included a nonrecurring €12.5 million benefit. Excluding this benefit, the underlying growth rate would be higher. |
| **Accrued capital expenditures** (as % of revenue) | **Around 21%**[10] | Broadly stable capex/sales ratio compared to 2014, excluding the renewal of the Belgian football broadcasting rights.<br>Reflects increased investments in our HCF network as part of our “Grote Netwerf” €500.0 million network ugrade program. |
| **Free Cash Flow** | **€240.0 – 250.0 million**[11] | Driven by growth in our Adjusted EBITDA, a targeted improvement in our working capital and lower cash interest expenses as a result of our optimized derivatives portfolio, partly offset by substantially higher cash tax expenses in 2015. |



See Notes page for additional disclosure

# Thank you!

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# Important reporting changes

**Revenue by nature:** In Q1 2015, we changed the way we present the disclosure of our revenue in order to further align with our controlling shareholder and to provide a greater level of transparency on the underlying evolution of (i) our traditional cable subscription revenue, (ii) the revenue generated by our mobile telephony customers, (iii) our B2B revenue and (iv) our other revenue, which includes amongst others the revenue generated from the sale of set-top boxes and handsets, interconnection revenue and carriage fees. We have also applied these changes retroactively to the prior year quarters.

**RGU adjustment:** In Q1 2015, we changed the way we calculate certain operational key performance indicators to further align with our controlling shareholder. From January 1, 2015, RGUs are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (for instance a primary and a secondary home) that individual will count as two RGUs for that service. This definition adjustment also impacted certain other derived operational parameters, including amongst others multiple-play penetration levels, the number of services per unique customer and the underlying ARPU generated by such unique customers. During the quarter, we also modified certain video subscriber definitions to better align these definitions with the underlying services received by our customers and have replaced our “digital cable TV” and “analog cable TV” subscriber definitions with “enhanced video” and “basic video” respectively. We have also applied these changes retroactively to the prior year quarters.

**Free Cash Flow:** In Q1 2015, we changed our Free Cash Flow definition to further align with our controlling shareholder. From January 1, 2015, Free Cash Flow is defined as net cash provided by the Company’s continuing operations, plus cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and dispositions, less (i) purchases of property and equipment and purchases of intangibles of our continuing operations, (ii) principal payments on capital-related vendor financing obligations, (iii) principal payments on capital leases (exclusive of network-related leases that were assumed in acquisitions), and (iv) principal payments on post acquisition additions to network leases, each as reported in the Company’s consolidated statement of cash flows.

**Reclassification of certain device-related payments:** In Q4 2014, we changed the classification of certain device-related payments from purchases of property and equipment in the investing section of our consolidated cash flow statement to working capital changes and other non-cash items in the operating section of our consolidated cash flow statement. We have applied this classification retroactively to January 1, 2014. Accordingly, €18.4 million of device-related payments during the first three months of 2014 were reclassified to working capital changes and other non-cash items in the operating section of our consolidated cash flow statement. The reclassification of these cash flows did not impact our net results or our Free Cash Flow.

For additional information, we refer to our Investor & Analyst Toolkit, which can be downloaded from our Investor Relations website.

# Definitions

a) EBITDA is defined as profit before net finance expense, income taxes, depreciation, amortization and impairment. Adjusted EBITDA is defined as EBITDA before stock-based compensation and restructuring charges, and before operating charges or credits related to successful or unsuccessful acquisitions or divestitures. Operating charges or credits related to acquisitions or divestitures include (i) gains and losses on the disposition of long-lived assets and (ii) due diligence, legal, advisory and other third-party costs directly related to the Company's efforts to acquire or divest controlling interests in businesses. Adjusted EBITDA is an additional measure used by management to demonstrate the Company's underlying performance and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

b) Accrued capital expenditures are defined as additions to property, equipment and intangible assets, including additions from capital leases and other financing arrangements, as reported in the Company's consolidated statement of financial position on an accrued basis.

c) Free Cash Flow is defined as net cash provided by the operating activities of Telenet's continuing operations less (i) purchases of property and equipment and purchases of intangibles of its continuing operations, (ii) principal payments on capital-related vendor financing obligations, (iii) principal payments on capital leases (exclusive of network-related leases that were assumed in acquisitions), and (iv) principal payments on post acquisition additions to network leases, each as reported in the Company's consolidated statement of cash flows. Free Cash Flow is an additional measure used by management to demonstrate the Company's ability to service debt and fund new investment opportunities and should not replace the measures in accordance with EU IFRS as an indicator of the Company's performance, but rather should be used in conjunction with the most directly comparable EU IFRS measure.

d) Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network either via an analog video signal or via a digital video signal without subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Encryption-enabling technology includes smart cards, or other integrated or virtual technologies that we use to provide our enhanced service offerings. With the exception of RGUs that we count on an EBU basis, we count RGUs on a unique premises basis. In other words, a subscriber with multiple outlets in one premise is counted as one RGU and a subscriber with two homes and a subscription to our video service at each home is counted as two RGUs.

e) Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives our video service over our broadband network or through a partner network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers that are not counted on an EBU basis are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives our video service in one premise is generally counted as just one subscriber. An Enhanced Video Subscriber is not counted as a Basic Video Subscriber. As we migrate customers from basic to enhanced video services, we report a decrease in our Basic Video Subscribers equal to the increase in our Enhanced Video Subscribers.

# Definitions

f) Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over our networks, or that we service through a partner network.

g) Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives voice services over our networks, or that we service through a partner network. Telephony Subscribers exclude mobile telephony subscribers.

h) Our mobile subscriber count represents the number of active subscriber identification module ("SIM") cards in service rather than services provided. For example, if a mobile subscriber has both a data and voice plan on a smartphone this would equate to one mobile subscriber. Alternatively, a subscriber who has a voice and data plan for a mobile handset and a data plan for a laptop (via a dongle) would be counted as two mobile subscribers. Customers who do not pay a recurring monthly fee are excluded from our mobile telephony subscriber counts after a 90-day inactivity period.

i) Customer Relationships are the number of customers who receive at least one of our video, internet or telephony services that we count as Revenue Generating Units ("RGUs"), without regard to which or to how many services they subscribe. To the extent that RGU counts include equivalent billing unit ("EBU") adjustments, we reflect corresponding adjustments to our Customer Relationship counts. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives our services in two premises (e.g., a primary home and a vacation home), that individual generally will count as two Customer Relationships. We exclude mobile customers from Customer Relationships.

j) Average monthly revenue (ARPU) per revenue generating unit (RGU) and ARPU per customer relationship are calculated as follows: average total monthly recurring revenue (including revenue earned from carriage fees and set-top box rentals and excluding interconnection revenue, installation fees, mobile telephony revenue and set-top box sales) for the indicated period, divided by the average of the opening and closing RGU base or customer relationships, as applicable, for the period.

k) Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to our networks without materially extending the distribution plant. Our Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.

l) Revenue Generating Unit is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer to our digital cable service, telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Telephony Subscribers. RGUs generally are counted on a unique premises basis such that a given premises does not count as more than one RGU for any given service. On the other hand, if an individual receives one of our services in two premises (e.g. a primary home and a vacation home), that individual will count as two RGUs for that service. Each bundled cable, internet or telephony service is counted as a separate RGU regardless of the nature of any bundling discount or promotion. Non-paying subscribers are counted as subscribers during their free promotional service period. Some of these subscribers may choose to disconnect after their free service period. Services offered without charge on a long-term basis (e.g., VIP subscribers, free service to employees) generally are not counted as RGUs. We do not include subscriptions to mobile services in our externally reported RGU counts.

# Definitions

m) Customer Churn represents the rate at which customers relinquish their subscriptions. The annual rolling average basis is calculated by dividing the number of disconnects during the preceding 12 months by the average number of customer relationships. For the purpose of computing churn, a disconnect is deemed to have occurred if the customer no longer receives any level of service from us and is required to return our equipment. A partial product downgrade, typically used to encourage customers to pay an outstanding bill and avoid complete service disconnection is not considered to be disconnected for purposes of our churn calculations. Customers who move within our cable footprint and upgrades and downgrades between services are also excluded from the disconnect figures used in the churn calculation.

n) Net leverage ratio is calculated as per the 2010 Amended Senior Credit Facility definition, using net total debt, excluding (a) subordinated shareholder loans, (b) capitalized elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of €195.0 million, divided by last two quarters' Consolidated Annualized EBITDA.

# Notes

1) Average monthly revenue (ARPU) per revenue generating unit (RGU) and ARPU per customer relationship are calculated as follows: average total monthly recurring revenue (including revenue earned from carriage fees and set-top box rentals and excluding interconnection revenue, installation fees, mobile telephony revenue and set-top box sales) for the indicated period, divided by the average of the opening and closing RGU base or customer relationships, as applicable, for the period.

2) Q1 2014 included a €12.5 million nonrecurring benefit related to the settlement of certain operational contingencies

3) Based on FY 2015 EBITDA, as per Telenet management's assumptions including estimated annual run-rate savings on FY 2017 MVNO-related expenses and other estimated annual run-rate opex savings to be achieved by FY 2019. In addition, for purposes of computing the acquisition multiples, the enterprise value was increased by approximately €240 million of projected one-off investments in BASE Company's network and integration costs. The estimated BASE Company 2015E EBITDA as adjusted by Telenet ("Adjusted EBITDA") of €165 million, under EU-IFRS, is based on Telenet management's assumptions and is adjusted to exclude BASE Company's discontinued operations and reorganisation costs.

4) Telenet's mobile telephony revenue represents the subscription-based revenue generated by its mobile telephony subscribers and out-of-bundle revenue, but excludes both (i) the interconnection revenue generated by these customers and (ii) revenue earned from standalone handset sales.

5) Based on Telenet management's assumptions including estimated annual run-rate savings on FY 2017 MVNO-related expenses, other estimated annual run-rate opex savings to be achieved by FY 2019 before integration costs and approximately €5 million of estimated annual run-rate capex synergies.

6) Excluding depreciation, amortization and impairment charges, share based compensation and restructuring charges

7) Accrued capital expenditures in Q1 2015 reflected the recognition of the Belgian football broadcasting rights for the 2015-2016 season. Under EU IFRS, these non-exclusive broadcasting rights have been capitalized as intangible assets and will be amortized on a pro-rata basis as the season progresses..

8) Like-for-like Adjusted EBITDA growth, ie excluding the €12.5 million nonrecurring benefit in Q1 2014.

9) The pro-forma net leverage ratio is calculated as per the 2010 Amended Senior Credit Facility definition, using pro-forma net total debt, excluding (a) subordinated shareholder loans, (b) capitalised elements of indebtedness under the Clientele and Annuity Fees, (c) any finance leases entered into on or prior to August 1, 2007, and (d) any indebtedness incurred under the network lease entered into with the pure intermunicipalities up to a maximum aggregate amount of €195 million, divided by last two quarters' annualised combined EBITDA (under EU-IFRS, as defined under the indentures) as adjusted to add back the full-year €19 million negative impact of discontinued operations and excluding synergies. The synergy-adjusted net leverage ratio is based on the inclusion of €145m of synergies, consistent with the assumption noted on in Note 5.

10) Excluding the impact from the recognition of the Belgian football broadcasting rights.

11) Assuming the tax payment on our 2014 tax return will not occur until early 2016 and excluding additional cash interest expenses incurred for the new debt facilities related to the acquisition of BASE Company NV.