# Telenet Group Holding NV
***and Subsidiaries***

## Report for the
## Six months ended June 30, 2007

## 11.5% Senior Discount Notes due 2014

## 9% Senior Notes due 2013
**(issued by Telenet Communications NV)**

## INTRODUCTION AND USE OF CERTAIN TERMS

Telenet Group Holding NV (the "Company") is a company organized under the laws of Belgium. References to the "Senior Discount Notes" are to the 11.5% Senior Discount Notes due 2014 and references to the "Senior Notes" are to the 9.0% Senior Notes due 2013 issued by Telenet Communications NV. References to the "Notes" are to both the Senior Notes and Senior Discount Notes. Both the Senior Discount Notes and Senior Notes were issued on December 22, 2003. Other notations and definitions herein apply as presented in our 2006 annual report which was published on April 30, 2007 (the “Annual Report”), a copy of which is available on our website at http://investors.telenet.be.

## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

The condensed consolidated Interim Financial Statements of Telenet Group Holding as of and for the period ended June 30, 2007 and 2006 and the audited annual financial statements as of the year ended December 31, 2006 have in each case been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“EU GAAP”). The financial information included in this report is not intended to comply with SEC reporting requirements.

We acquired UPC Belgium NV/SA (“UPC Belgium”) on December 31, 2006 (the “UPC Belgium Acquisition”). Our financial results for the six months ended June 30, 2007 include balance sheet, profit and loss and cash flows of UPC Belgium. Our audited financial results as of December 31, 2006 include balance sheet data from UPC Belgium. Our financial results for the six months ended June 30, 2006 do not include any contributions from UPC Belgium.

## INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes," "estimates," "anticipates," "aims," "expects," "intends," "may," "will," "would" or "should" or, in each case, their negative, or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this report and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the industry in which we operate.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this report. In addition, even if our results of operations, financial condition and liquidity and the development of the industry in which we operate are consistent with the forward-looking statements contained in this report, those results or developments may not be indicative of results or developments in future periods.

We do not undertake any obligation, and do not intend, to review or confirm expectations or estimates or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise after the date of this document.

We urge you to read the sections of our 2006 Annual Report entitled Item 3, “Key information–Risk factors," Item 4, “Information on the company–Business overview” and Item 5, Operating and financial review and prospects–Operating results" for a more complete discussion of the factors that could affect our future performance and the industry in which we operate. In light of these risks, uncertainties and assumptions, the forward-looking events described in this document may not occur.

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**PART I – FINANCIAL INFORMATION**

**ITEM 1 CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF TELENET GROUP HOLDING NV**

**TELENET GROUP HOLDING NV**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(in thousands of Euro)**
**(Unaudited)**

| | Notes | June 30, 2007 | December 31, 2006 |
|---|---|---|---|
| **ASSETS** | | | |
| ***NON-CURRENT ASSETS:*** | | | |
| Property and equipment, net | 3 | 996,033 | 973,379 |
| Goodwill | 4 | 1,102,180 | 1,148,745 |
| Other intangible assets, net | 5 | 278,137 | 278,813 |
| Other assets | | 96,270 | 2,319 |
| Total non-current assets | | 2,472,620 | 2,403,256 |
| ***CURRENT ASSETS:*** | | | |
| Trade receivables, net | 6 | 106,323 | 105,589 |
| Other current assets | 7 | 21,953 | 24,399 |
| Cash and cash equivalents | 8 | 25,523 | 58,844 |
| Total current assets | | 153,799 | 188,832 |
| TOTAL ASSETS | | 2,626,419 | 2,592,088 |
| **EQUITY AND LIABILITIES** | | | |
| ***EQUITY:*** | | | |
| Contributed capital | | 1,663,370 | 1,656,645 |
| Other reserves | | 891,692 | 891,502 |
| Hedging reserves | 10 | (3,669) | (3,599) |
| Retained loss | | (1,705,190) | (1,822,891) |
| Total equity | | 846,203 | 721,657 |
| ***NON-CURRENT LIABILITIES:*** | | | |
| Long-term debt, less current portion | 9 | 1,207,785 | 1,330,843 |
| Derivative financial instruments | 10 | 35,637 | 36,485 |
| Unearned revenue | 13 | 13,785 | 14,825 |
| Other liabilities | | 40,665 | 29,708 |
| Total non-current liabilities | | 1,297,872 | 1,411,861 |
| ***CURRENT LIABILITIES:*** | | | |
| Short-term borrowings | 9 | 27,802 | 15,659 |
| Current portion of long-term debt | 9 | 66,410 | 59,767 |
| Accounts payable | | 183,461 | 180,473 |
| Accrued expenses and other current liabilities | 12 | 72,706 | 79,492 |
| Unearned revenue | 13 | 131,965 | 123,179 |
| Total current liabilities | | 482,344 | 458,570 |
| Total liabilities | | 1,780,216 | 1,870,431 |
| TOTAL EQUITY AND LIABILITIES | | 2,626,419 | 2,592,088 |

See notes to the condensed consolidated Interim Financial Statements.

**TELENET GROUP HOLDING NV**
**CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS**
**(in thousands of Euro except per share data)**
**(Unaudited)**

| | | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|---|
| | | **2007** | **2006** | **2007** | **2006** |
| Revenue | 13 | 229,847 | 200,024 | 456,663 | 396,209 |
| Costs of services provided | 14 | (135,770) | (125,422) | (270,178) | (245,845) |
| **Gross profit** | | 94,077 | 74,602 | 186,485 | 150,364 |
| Selling, general and administrative | 14 | (40,664) | (37,323) | (82,941) | (76,347) |
| **Operating profit** | | 53,413 | 37,279 | 103,544 | 74,017 |
| Finance costs, net | 15 | (24,188) | (38,242) | (48,199) | (58,056) |
| Share of the loss of associates accounted for using the equity method | | (39) | - | (97) | - |
| **Net profit (loss) before income tax** | | 29,186 | (963) | 55,248 | 15,961 |
| Income tax income (expense) | 11 | 77,758 | (5,261) | 62,453 | (17,102) |
| **Net income (loss) from continuing operations** | | 106,944 | (6,224) | 117,701 | (1,141) |
| **Discontinued operations** | | | | | |
| Loss from discontinued operations | | - | (156) | - | (190) |
| **Net income (loss)** | | 106,944 | (6,380) | 117,701 | (1,331) |
| **Basic earnings (loss) per share** | 16 | 1.05 | (0.06) | 1.16 | (0.01) |
| **Diluted earnings (loss) per share** | 16 | 1.00 | (0.06) | 1.10 | (0.01) |

See notes to the condensed consolidated Interim Financial Statements.

**TELENET GROUP HOLDING NV**
**CONDENSED CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY**
**(in thousands of Euro)**
**(Unaudited)**

| | Notes | Number of Shares | Share Capital | Share premium and Other Reserves | Hedging Reserves | Retained Loss | Total |
|---|---|---|---|---|---|---|---|
| **January 1, 2006** | | 100,204,853 | 1,647,365 | 888,999 | 1,078 | (1,828,344) | 709,098 |
| Unrealized net loss on derivative contracts recognized directly in equity | | - | - | - | (4,677) | - | (4,677) |
| Net profit for the year | | - | - | - | - | 5,453 | 5,453 |
| Total recognized profit for the year | | - | - | - | (4,677) | 5,453 | 776 |
| Recognition of share-based compensation | | - | - | 559 | - | - | 559 |
| Proceeds received upon exercise of the Class A and Class B options | | - | - | 5,059 | - | - | 5,059 |
| Issuance of share capital through Employee Stock Purchase Plan | | 300,033 | 4,917 | 1,248 | - | - | 6,165 |
| Issuance of share capital via exchange of Class A and Class B Profit Certificates | 17 | 580,569 | 4,363 | (4,363) | - | - | - |
| **December 31, 2006** | | 101,085,455 | 1,656,645 | 891,502 | (3,599) | (1,822,891) | 721,657 |
| Unrealized net loss on derivative contracts recognized directly in equity | | - | - | - | (70) | | (70) |
| Net profit for the period | | | | | | 117,701 | 117,701 |
| Total recognized profit for the period | | - | - | - | (70) | 117,701 | 117,631 |
| Recognition of share-based compensation | | - | - | 298 | - | - | 298 |
| Proceeds received upon exercise of the Class A and Class B options | | - | - | 1,112 | - | - | 1,112 |
| Proceeds received upon exercise of debt warrants | | 412,869 | 5,505 | - | - | - | 5,505 |
| Issuance of share capital via exchange of Class A and B Profit Certificates | | 152,397 | 1,220 | (1,220) | - | - | - |
| **June 30, 2007** | | 101,650,721 | 1,663,370 | 891,692 | (3,669) | (1,705,190) | 846,203 |

See notes to the condensed consolidated Interim Financial Statements.

**TELENET GROUP HOLDING NV**
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**
**(in thousands of Euro)**
**(Unaudited)**

| | For the six months ended June 30, | |
|---|---|---|
| | **2007** | **2006** |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) | 117,701 | (1,331) |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation, amortization and impairment | 114,350 | 108,508 |
| Income tax expense (income) | (62,453) | 17,102 |
| Provision for liabilities and charges | 4,234 | 2,928 |
| Increase in allowance for bad debt | 3,768 | 169 |
| Amortization of financing cost | 2,862 | 3,078 |
| Write-off of financing cost on extinguishment of debt | - | 21,355 |
| Interest income | (1,453) | (2,854) |
| Interest expense | 52,071 | 45,026 |
| Loss on derivative instruments, net | 295 | 7,750 |
| Unrealized foreign exchange gain, net | (5,578) | (16,313) |
| Loss from unconsolidated company | 97 | - |
| Share based compensation | 298 | 237 |
| Loss on disposal of fixed assets | 100 | 67 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (4,502) | 2,684 |
| Other assets | 4,268 | (2,999) |
| Unearned revenue | 7,746 | 10,450 |
| Accounts payable | 3,438 | (9,449) |
| Accrued expenses and other current liabilities | (10,400) | (6,330) |
| Cash provided by operations | 226,842 | 180,078 |
| Interest paid | (37,507) | (37,152) |
| Taxes paid | - | (69) |
| Net cash provided by operating activities | 189,335 | 142,857 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (89,246) | (86,192) |
| Proceeds on disposal of property and equipment | - | 33 |
| Purchases of intangibles | (11,252) | (12,086) |
| Cash paid in connection with acquisitions, net of cash acquired | (288) | (550) |
| Net cash used in investing activities | (100,786) | (98,795) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayments of long-term borrowings | (127,462) | (164,719) |
| Repayments of finance leases | (900) | (1,221) |
| Payments of redemption premiums | - | (11,230) |
| Payments for debt issuance costs | (125) | (7,789) |
| Proceeds received upon capital increase (issuance of debt warrants) | 5,505 | - |
| Proceeds received upon exercise of Class A and Class B Options | 1,112 | 3,839 |
| Net cash used in financing activities | (121,870) | (181,120) |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (33,321) | (137,058) |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of period | 58,844 | 210,359 |
| End of period | 25,523 | 73,301 |
| NON CASH INVESTING AND FINANCING ACTIVITIES: | | |
| Acquisition of property and equipment in exchange for short term borrowings | 11,993 | 9,670 |

See notes to the condensed consolidated interim Financial Statements.

## 1. BASIS OF PRESENTATION

The accompanying condensed consolidated interim financial statements (the "Interim Financial Statements") present the operations of Telenet Group Holding NV ("Telenet Group Holding") and its subsidiaries (hereafter collectively referred to as the "Company"). Through its broadband network, the Company offers cable television, including premium television services, broadband internet and telephony services to residential subscribers in Flanders and certain communities in Brussels as well as broadband internet, data and voice services in the business market throughout Belgium. The Company also offers mobile telephony services as a mobile virtual network operator (MVNO) which acquires wholesale airtime capacity from the Belgian mobile telephone operator Mobistar. Telenet Group Holding and its principal subsidiaries are limited liability companies organized under Belgian law. The Company is managed and operates in one operating segment, broadband communications.

The accompanying Interim Financial Statements are unaudited. In the opinion of management, these Interim Financial Statements include all adjustments which are necessary to present fairly the financial position and the results of operations for the interim periods. The Interim Financial Statements should be read in conjunction with the audited consolidated financial statements as of December 31, 2006. Results for the six months ended June 30, 2007 are not necessarily indicative of future results.

These condensed consolidated Interim Financial Statements were approved for issue by the Board of Directors on August 3, 2007.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted are consistent with those followed in the preparation of the Company's annual financial statements for the year ended December 31, 2006.

***Management's Use of Estimates***

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates and management judgment in the process of applying the Company's accounting policies that affects the reported amounts of assets and liabilities and disclosure of the contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

(in thousands of Euro)

## 3. PROPERTY AND EQUIPMENT

| | Land, buildings and leasehold improvements | Network | Construction in progress | Furniture, equipment and vehicles | Total |
|---|---|---|---|---|---|
| ***Cost*** | | | | | |
| At December 31, 2006 | 54,900 | 1,609,428 | 45,419 | 38,850 | 1,748,597 |
| Purchase price allocation UPC | 1,339 | 6,747 | - | 201 | 8,287 |
| Additions | - | 12,667 | 88,089 | 483 | 101,239 |
| Transfers | 767 | 77,644 | (80,059) | 1,648 | - |
| Impairment | - | (343) | - | - | (343) |
| Disposals | - | (58) | - | (12) | (70) |
| At June 30, 2007 | 57,006 | 1,706,085 | 53,449 | 41,170 | 1,857,710 |
| ***Accumulated Depreciation*** | | | | | |
| At December 31, 2006 | 7,514 | 743,811 | - | 23,893 | 775,218 |
| Depreciation charge for the year | 967 | 82,651 | - | 2,811 | 86,429 |
| Eliminated on Disposal | - | 30 | - | - | 30 |
| At June 30, 2007 | 8,481 | 826,492 | - | 26,704 | 861,677 |
| ***Carrying Amount*** | | | | | |
| At June 30, 2007 | 48,525 | 879,593 | 53,449 | 14,466 | 996,033 |

## 4. GOODWILL

A reconciliation of the changes in goodwill is presented below:

| | |
|---|---|
| Balance at December 31, 2006 | 1,148,745 |
| Recognition of net operating losses acquired in business combinations (Note 11) | (30,897) |
| Purchase price allocation UPC | (15,668) |
| Balance at June 30, 2007 | 1,102,180 |

**(in thousands of Euro)**

## 5. OTHER INTANGIBLE ASSETS

| | Network user rights | Trade name | Software | Customer lists | Other | Total |
|---|---|---|---|---|---|---|
| ***Cost*** | | | | | | |
| At December 31, 2006 | 140,555 | 121,000 | 126,299 | 84,732 | 17,019 | 489,605 |
| Purchase price allocation UPC | 9,520 | - | - | 6,070 | - | 15,590 |
| Additions | 770 | - | 8,596 | - | 1,946 | 11,312 |
| Disposals | - | - | - | - | (2,073) | (2,073) |
| At June 30, 2007 | 150,845 | 121,000 | 134,895 | 90,802 | 16,892 | 514,434 |
| ***Accumulated Amortization*** | | | | | | |
| At December 31, 2006 | 49,785 | 46,383 | 79,685 | 29,561 | 5,378 | 210,792 |
| Charge for the year | 7,361 | 4,034 | 8,859 | 3,490 | 3,834 | 27,578 |
| Disposals | - | - | - | - | (2,073) | (2,073) |
| At June 30, 2007 | 57,146 | 50,417 | 88,544 | 33,051 | 7,139 | 236,297 |
| ***Carrying Amount*** | | | | | | |
| At June 30, 2007 | 93,699 | 70,583 | 46,351 | 57,751 | 9,753 | 278,137 |

## 6. TRADE RECEIVABLES

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Trade receivables | 128,070 | 123,568 |
| Less: allowance for doubtful accounts | (21,747) | (17,979) |
| Trade receivables, net | 106,323 | 105,589 |

## 7. OTHER CURRENT ASSETS

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Prepaid taxes and VAT | 542 | 693 |
| Inventory | 9,047 | 12,200 |
| Miscellaneous receivable | 2,148 | 3,133 |
| Prepaid content | 2,914 | 3,187 |
| Prepayments | 5,382 | 3,038 |
| Receivable on disposal of Phone Plus | 470 | 1,175 |
| Financial instruments | 1,140 | 48 |
| Other | 310 | 925 |
| | 21,953 | 24,399 |

**(in thousands of Euro)**

## 8. CASH AND CASH EQUIVALENTS

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Cash at bank and on hand | 24,948 | 37,875 |
| Commercial paper | - | 9,969 |
| Certificates of deposits | 575 | 11,000 |
| | 25,523 | 58,844 |

## 9. DEBT AND OTHER FINANCING

The debt balances specified below include accrued interest as of June 30, 2007 and December 31, 2006, respectively.

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Senior Credit Facility | 578,248 | 700,293 |
| Senior Notes | 369,507 | 369,691 |
| Senior Discount Notes (1) | 228,159 | 221,239 |
| Clientele Fee | 48,633 | 45,860 |
| Annuity Fee | 45,595 | 51,057 |
| Finance lease obligations | 24,667 | 25,821 |
| | 1,294,809 | 1,413,961 |
| Less: deferred financing fees | (20,614) | (23,351) |
| | 1,274,195 | 1,390,610 |
| Less: current portion | (66,410) | (59,767) |
| Total long-term debt | 1,207,785 | 1,330,843 |

(1) The accreted balance of the US dollar denominated Senior Discount Notes was US$308,128 and US$291,371 on June 30, 2007 and December 31, 2006 respectively. The accreted balance of the Senior Discount Notes was converted to Euros on June 30, 2007 and December 31, 2006 at the accounting rates of $1.3505 to €1.00 and $1.3170 to €1.00 respectively.

As of June 30, 2007, the fair market value of Company's outstanding long term debt is estimated to be €1,266,293 versus the carrying amount of €1,294,809.

On April 30, 2007 and June 29, 2007 the Company executed voluntary prepayments of €100,000 in total under Tranche B (Revolver) of the Senior Credit Facility using excess cash on its balance sheet. The Company also fulfilled a scheduled repayment of €11,000 under Tranche A of the Senior Credit Facility on June 29, 2007.

(in thousands of Euro)

## 10. DERIVATIVE FINANCIAL INSTRUMENTS

The Company has entered into various derivative instruments to manage interest rate and foreign currency exposure. With the exception of the foreign exchange forwards that were purchased historically to hedge the U.S. dollar foreign exchange risk related to the U.S. dollar-denominated Senior Discount Notes, the Company does not apply hedge accounting to its derivative instruments. Accordingly, changes in the fair values of all other derivative instruments are recorded in realized and unrealized gains (losses) on financial and derivative instruments in our condensed consolidated statements of operations. The following table provides details of the fair value of our financial and derivative instrument assets (liabilities), net:

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Current asset | 1,140 | 48 |
| Long-term asset | - | 507 |
| Current liability | (2,073) | (275) |
| Long-term liability | (35,637) | (36,485) |
| | (36,570) | (36,205) |

Realized and unrealized gains (losses) on financial and derivative instruments are comprised of the following amounts:

| | June 30, 2007 | June 30, 2006 |
|---|---|---|
| Interest rate exchange contracts (1) | (3,468) | (3,871) |
| Foreign exchange options | (166) | 291 |
| Foreign exchange forwards | 3,929 | 11,330 |
| | 295 | 7,750 |

Cumulative gains (losses) on financial and derivative instruments deferred in hedging reserves are comprised of the following amounts:

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Interest rate exchange contracts (1) | - | 148 |
| Foreign exchange contracts | 3,669 | 3,451 |
| | 3,669 | 3,599 |

(1) On January 1, 2007, the Company stopped applying hedge accounting for its Senior Credit Facility, which resulted in a full release of €148 of hedge reserves relating to the interest rate derivatives for which cash flow hedge relationships were disrupted. As a consequence, the interest rate derivatives were accounted for at fair value through profit or loss during 2007. The fair value of these interest rate derivatives amounted to a liability of €872 as of June 30, 2007.

**(in thousands of Euro)**

## 11. DEFERRED TAXES

At each balance sheet date, the Company evaluates the unrecognized deferred tax assets to assess whether it is probable that future taxable profit will allow the deferred tax asset to be recovered. Subsidiaries acquired in a previous business combination made taxable profits during the six months ended June 30, 2007 and June 30, 2006 and the year ended December 31, 2006, and utilized tax loss carry forwards which had not been previously recognized as deferred tax assets. Based on current facts and circumstances, management believes that it will continue to benefit from these previously unrecognized deferred tax assets and has therefore recognized a non current deferred tax asset of €94,274, as of June 30, 2007. The utilization of tax losses carried forward from previous business combinations is recorded as a reduction of goodwill using the historic tax rate of 40.17% applicable at the time of the acquisition while the deferred tax asset is established using the current tax rate of 33.99%. This has resulted in a deferred tax benefit of €64,176 for the six months ended June 30, 2007 and a deferred tax expense of €17,111 for the six months ended June 30, 2006, respectively, and a reduction of goodwill of €30,897 and €34,292 as of June 30, 2007 and as of December 31, 2006, respectively.

## 12. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Customer deposits | 24,926 | 25,859 |
| Compensation and employee benefits | 27,234 | 32,828 |
| Financial instruments | 2,073 | 275 |
| VAT and withholding taxes | 9,085 | 4,244 |
| Copyright fees | 7,867 | 14,807 |
| Other current liabilities | 1,521 | 1,479 |
| | 72,706 | 79,492 |

(in thousands of Euro)

## 13. REVENUE

The Company's revenue comprises:

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **Continuing operations** | | | | |
| Cable television: | | | | |
| - Basic Subscribers (1) | 55,441 | 49,707 | 110,313 | 99,499 |
| - Premium Subscribers (1) | 15,595 | 11,739 | 29,644 | 22,766 |
| - Distributors/Other | 7,306 | 9,008 | 16,973 | 17,398 |
| Residential: | | | | |
| - Internet | 80,284 | 65,885 | 158,751 | 129,781 |
| - Telephony(2) | 49,899 | 44,629 | 98,277 | 89,109 |
| Business | 21,322 | 19,056 | 42,705 | 37,656 |
| Subtotal continuing operations | 229,847 | 200,024 | 456,663 | 396,209 |
| **Discontinued operations** | | | | |
| Residential: | | | | |
| - Telephony(2) | - | 2,038 | - | 4,228 |
| Total | 229,847 | 202,062 | 456,663 | 400,437 |

The Company also has unearned revenue as follows:

| | June 30, 2007 | December 31, 2006 |
|---|---|---|
| Cable television: | | |
| - Basic Subscribers (1) | 107,551 | 113,982 |
| - Premium Subscribers (1) | 16,920 | 10,104 |
| - Distributors/Other | 7,631 | 207 |
| Residential: | | |
| - Internet | 10,064 | 10,539 |
| - Telephony(2) | 2,623 | 2,529 |
| Business | 961 | 643 |
| Total | 145,750 | 138,004 |
| Current portion | 131,965 | 123,179 |
| Long-term portion | 13,785 | 14,825 |

(1) Basic and premium cable television revenue substantially comprises residential customers, but also includes a small proportion of business customers.

(2) Residential telephony revenue also includes interconnection fees generated by business customers.

Unearned revenue generally represents fees prepaid by the customers and is recognized in our unaudited consolidated statement of operations on a straight-line basis over the related service period.

(in thousands of Euro)

## 14. EXPENSES BY NATURE

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Employee benefits: | | | | |
| - Wages, salaries, commissions and social security costs | 25,461 | 19,234 | 49,904 | 42,104 |
| - Share options granted to directors and employees | 214 | 119 | 298 | 238 |
| - Other employee benefit costs | 5,406 | 5,042 | 12,205 | 10,165 |
| Employee benefits | 31,081 | 24,395 | 62,407 | 52,507 |
| Depreciation | 44,172 | 44,528 | 86,772 | 84,641 |
| Amortization | 12,233 | 10,859 | 24,018 | 21,470 |
| Amortization of broadcasting rights | 1,752 | 1,127 | 3,560 | 2,397 |
| Network operating and service costs | 64,703 | 61,224 | 129,925 | 120,435 |
| Advertising, sales and marketing | 13,384 | 13,657 | 27,642 | 27,727 |
| Other costs | 9,110 | 9,134 | 18,796 | 17,414 |
| Total costs and expenses | 176,435 | 164,924 | 353,120 | 326,591 |
| Attributable to: | | | | |
| Continuing operations | 176,435 | 162,745 | 353, 120 | 322,192 |
| Discontinued operations | - | 2,179 | - | 4,399 |
| Total | 176,435 | 164,924 | 353, 120 | 326,591 |

## 15. FINANCE COSTS

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Interest expense | 28,183 | 18,881 | 54,935 | 48,104 |
| Interest income | (848) | (518) | (1,453) | (2,854) |
| Interest expense, net | 27,335 | 18,363 | 53,482 | 45,250 |
| Net foreign exchange transaction gains on financing transactions | (3,037) | (10,458) | (5,578) | (16,313) |
| Foreign exchange forward losses reclassified into earnings | 3,686 | 10,764 | 6,614 | 16,229 |
| Fair value of derivatives | (3,796) | (1,800) | (6,319) | (8,479) |
| Total (gains)/losses on derivative financial instruments | (110) | 8,964 | 295 | 7,750 |
| Loss on extinguishment of debt | - | 21,355 | - | 21,355 |
| Finance costs, net | 24,188 | 38,224 | 48,199 | 58,042 |
| Attributable to: | | | | |
| Continuing operations | 24,188 | 38,242 | 48,199 | 58,056 |
| Discontinued operations | - | (18) | - | (14) |
| Total | 24,188 | 38,224 | 48,199 | 58,042 |

(in thousands of Euro)

## 16. EARNINGS (LOSS) PER SHARE

***Basic***

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the weighted average number of ordinary shares and Class B Profit Certificates outstanding during the period.

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | **2007** | **2006** | **2007** | **2006** |
| Net income (loss) from continuing operations used in the calculation of basic earnings per share from continuing operations | 106,943 | (6,224) | 117,701 | (1,141) |
| Net income (loss) from discontinued operations used in the calculation of basic earnings per share from discontinued operations | - | (156) | - | (190) |
| Net income (loss) attributable to the equity holders of the Company | 106,943 | (6,380) | 117,701 | (1,331) |
| Weighted average number of ordinary shares | 101,601,346 | 100,233,848 | 101,373,193 | 100,219,350 |
| Weighted average number of Class A Profit Certificates | 56,667 | 155,167 | 55,900 | 77,583 |
| Weighted average number of Class B Profit Certificates | 85,861 | 160,570 | 99,748 | 111,724 |
| Weighted average number of shares in issue | 101,743,874 | 100,549,585 | 101,528,841 | 100,408,657 |
| Basic earnings (loss) per share in € | 1.05 | (0.06) | 1.16 | (0.01) |

***Diluted***

During the three and six months ended June 30, 2007, the Company had three categories of dilutive potential ordinary shares: the Class A and Class B Options and the Subordinated Debt Warrants. Diluted earnings per share is calculated using the treasury stock method by adjusting the weighted average number of shares in issue to assume conversion of all dilutive potential ordinary shares.

The earnings (loss) used in the calculation of diluted earnings (loss) per share measures are the same as those for the basic earnings (loss) per share measures, as outlined above.

**(in thousands of Euro)**

| | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| Weighted average number of shares in issue | 101,743,874 | 100,233,848 | 101,528,841 | 100,219,350 |
| Adjustment for: | | | | |
| - Class A Options | 831,055 | 155,167 | 829,353 | 77,583 |
| - Class B Options | 347,690 | 160,570 | 359,273 | 111,724 |
| - Subordinated Debt Warrants | 4,442,843 | - | 4,408,179 | - |
| Weighted average number of shares for diluted earnings per share | 107,365,462 | 100,549,585 | 107,125,646 | 100,408,657 |
| Diluted earnings per share in € | 1.00 | (0.06) | 1.10 | (0.01) |

## 17. CLASS A AND CLASS B OPTIONS

During February and March 2007, 30,000 Class A Options and 44,532 Class B Options were exercised versus payments of €260 and €371 and exchanged on a one-for-one basis for Class A and Class B Profit Certificates. This was accounted for as an increase in Other Reserves within Equity and did not result in an increase in the outstanding share capital of the Company. The average share price during February 2007 and March 2007 was €23.60 and €23.59, respectively. Also during March 2007, the Class B Profit Certificates that were issued in 2006 were exchanged for 68,553 shares of the Company and resulted in a transfer of €571 between Other Reserves and Share Capital within Equity.

During June 2007, 57,726 Class B Options were exercised versus payments of €481 and exchanged on a one-for-one basis for Class B Profit Certificates. This was accounted for as an increase in Other Reserves within Equity and did not result in an increase in the outstanding share capital of the Company. The average share price during June 2007 was €24,78. During May 2007, the Class A Profit Certificates that were issued in December 2006 were exchanged for 30,000 shares of the Company and the Class B Profit Certificates that were issued in December 2006 were exchanged for 53,844 shares of the Company. This resulted in a transfer of respectively €200 and € 449 between Other Reserves and Share Capital within Equity.

At the end of June 2007, LGI - through its subsidiary LGI Ventures BV - exercised all BCI Call Options for a total number of 18,668,826 shares or 18.33% of Telenet's outstanding ordinary shares. The transfer of the 18,668,826 shares to LGI Ventures BV and the corresponding payment by LGI Ventures BV occurred on July 4, 2007. As a result of this transaction LGI holds 50,482,270 shares in Telenet Group Holding, representing 49.65% of the share capital.

## 18. DISPOSAL OF SUBSIDIARY

***Disposal of Phone Plus***

In 2006, Telenet sold its subsidiary, Phone Plus, to Toledo Telecom for total cash consideration of €2,350, less €1,056 of cash and cash equivalents that were held by Phone Plus when disposed. Of the cash consideration, €470 is deferred until the fourth quarter of 2007. Telenet took the decision to sell Phone Plus as part of an optimisation of its products and services. In that review, Phone Plus was considered as a non-core business and is therefore being split off from Telenet through the sale of all the shares.

(in thousands of Euro)

| | For the three months ended June 30, 2006 | For the six months ended June 30, 2006 |
|---|---|---|
| **Loss from discontinued operations** | | |
| Revenue | 2,038 | 4,228 |
| Expenses | (2,161) | (4,385) |
| Profit (loss) before tax | (123) | (157) |
| Attributable income tax expense | (33) | (33) |
| Profit (loss) from discontinued operations | (156) | (190) |

| | For the six months ended June 30, 2006 |
|---|---|
| **Cash flows from discontinued operations** | |
| Net cash flows from operating activities | (543) |
| Net cash flows from investing activities | (32) |
| Net cash flows from financing activities | - |
| Net cash flows | (575) |

| | June 30, 2006 |
|---|---|
| **Net assets** | |
| Non-current assets | 114 |
| Current assets | 3,430 |
| Non-current liabilities | - |
| Current liabilities | (2,863) |
| Net assets | 681 |

## 19. COMMITMENTS AND CONTINGENCIES

On July 20, 2006, Telenet NV entered into an arrangement to finance the construction of a new building for a maximum amount of €30,000 pursuant to which, at the end of the construction period, Telenet would start paying quarterly lease payments, based on fixed capital repayments, in order to repay the total amount financed plus applicable interest charges. On June 30, 2007 the total amount capitalized for construction in progress was €27,802 and an equivalent amount is presented as short-term borrowings pursuant to the terms of the above mentioned finance agreement. The contract provided that at the end of the construction period, being end of June 2007, a sale and lease back would be accounted for whereby the lease back is a finance lease. As from July 1, 2007 the Company started paying quarterly lease payments, based on fixed capital repayments, in order to repay the total financed amount of €30,000 plus applicable interest charges. The lease period lasts for 15 years from the end of the construction period and the Company has a bargain purchase option at the end of the lease.

## 20. RELATED PARTIES

There are no other significant related parties than those disclosed in our consolidated financial statements of 2006 and these related party transactions did not change significantly compared to those disclosed in the consolidated financial statements of 2006.

## 21. SUBSEQUENT EVENTS

***Debt refinancing plan***

On August 1, 2007 Telenet Bidco NV, an indirect subsidiary of Telenet, executed a new senior credit facility agreement (the "Telenet Credit Facility"). The Telenet Credit Facility provides for (i) a €1,700.0 million eight-year Term Loan B Facility, (ii) a €425.0 million seven-year Term Loan A Facility and (iii) a €175.0 million seven-year Revolving Facility. The Telenet Term Loan A Facility and the Telenet Term Loan B Facility, with respect to the first €1,300.0 million, are available to be drawn under the Telenet Term Loan A Facility and the Telenet Term Loan B Facility, from the Signing Date (subject to satisfaction of conditions precedent) up to and including September 28, 2007, provided that a request for a Telenet Term Loan B Facility loan may not be submitted until the Telenet Term Loan A Facility has been drawn in full or will be drawn in full simultaneously with the relevant Telenet Term Loan B Facility loan. Any amount of the Telenet Term Loan B Facility in excess of the first €1,300.0 million is available to be drawn from the Signing Date (subject to satisfaction of conditions precedent) up to and including January 31, 2008. The Telenet Revolving Facility is available to be drawn from the Signing Date (subject to satisfaction of conditions precedent) to the date falling one month before the final maturity date of the Telenet Revolving Facility.

The proceeds of the Telenet Term Loan A Facility and Telenet Term Loan B Facility, in the case of the first €1,300.0 million to be drawn, may be used to (i) refinance the Telenet Senior Credit Facility, the Telenet Senior Discount Notes and the Telenet Senior Notes and (ii) pay any fees and expenses incurred in connection with the Telenet Credit Facility. Any remaining availability under the Telenet Term Loan A Facility and Telenet Term Loan B Facility may be (i) used to fund a payment to shareholders via a dividend or intercompany loan or (ii) upstreamed to Telenet to fund a capital reduction.

In addition to customary restrictive covenants, prepayment requirements and events of default, the Telenet Credit Facility requires compliance with a Net Total Debt to Consolidated Annualized EBITDA covenant, each capitalized term as defined in the Telenet Credit Facility. The Borrower under the Telenet Credit Facility is permitted to make certain distributions and restricted payments to its shareholders subject to compliance with applicable covenants. The Telenet Credit Facility is secured by a pledge over the shares of the Borrower and pledges over certain intercompany and subordinated shareholder loans. The pricing of the Telenet Credit Facility will be finalized prior to closing but is subject to a pre-agreed cap.

On August 6, 2006, Telenet announced that approximately €665.0 million of the cash proceeds from the Telenet Credit Facility will be used to fund a distribution to shareholders by way of a capital reduction of approximately €6.00 per share. This distribution, which is subject to shareholder approval, is expected to take place during the fourth quarter of 2007.

***Decision on Interkabel injunction***

Following the failure of negotiations and mediation with Interkabel regarding the scope of its exclusive usage rights in the Interkabel cable network, Telenet submitted its dispute to the Brussels Courts.

On July 5, 2007, the President of the Court of First Instance of Brussels confirmed, following a prima facie analysis, Telenet's exclusive rights with respect to the disputed services and granted an injunction ordering Interkabel to refrain from directly or indirectly announcing, offering, supplying or promoting certain interactive services.

On July 26, 2007, Interkabel filed an appeal against the July 5 decision.

***Exercise of Subordinated Debt Warrants***

During the last week of July 2007, the Company has been informed by certain holders of Subordinated Debt Warrants that they intend to exercise in aggregate 3,288,377 Subordinated Debt Warrants. Approximately 45%

of aggregate Subordinated Debt Warrants will be exercised at the Penny Warrant price of €0.01, in accordance with the cashless exercise procedure set out in the articles of association of the Company, whereas approximately 55% of aggregate Subordinated Debt Warrants will be exercised at the exercise price of €40.00 per Subordinated Debt Warrant, to be paid in cash.

Each Subordinated Debt Warrant exercised at the €40.00 exercise price gives the right to subscribe for 3 shares of the Company. In accordance with the cashless exercise procedure set out in the articles of association of the Company, the Company has instructed an independent investment bank to determine the fair market value of a share of the Company, in view of determining the number of shares to be issued pursuant to the exercise of the Subordinated Debt Warrants at the Penny Warrant price. The new shares will be issued on or around August 10, 2007.

## ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS

### Introduction

The following discussion and analysis is based on the condensed consolidated Interim Financial Statements of Telenet Group Holding as of and for the six months ended June 30, 2007 and 2006 and the audited consolidated financial statements of Telenet Group Holding as of the period ended December 31, 2006, prepared in accordance with EU GAAP. We have included selected financial information on Telenet Group Holding as of and for the relevant periods. You should read the condensed consolidated interim financial statements attached hereto, including the notes thereto, together with the following discussion and analysis.

Telenet Group Holding is a holding company that does not conduct any business operations of its own. Substantially all the assets of Telenet Group Holding consist of shares of its subsidiary Telenet Communications and intercompany loans made to Telenet Communications in connection with the acquisition of our network from the mixed intercommunales ("MICs") in August 2002 (the "MixtICS Acquisition") and with the refinancing that took place on December 22, 2003 (the "Refinancing"). These intercompany loans bear interest at a rate that is similar to the rate at which debt incurred by Telenet Group Holding bears interest. Except for the impact of presenting as equity detachable warrants issued by Telenet Group Holding, the financial position and results of operations of Telenet Group Holding is substantially the same as the financial position and results of operations of Telenet Communications for the relevant periods.

### Balance Sheet Information

| (Euro in millions) | As of June 30, 2007 | As of December 31, 2006 |
|---|---|---|
| | (Unaudited) | (Audited) |
| Cash and cash equivalents | 25.5 | 58.8 |
| Current assets, excluding cash and cash equivalents | 128.3 | 130.0 |
| Property and equipment, net | 996.0 | 973.4 |
| Total assets | 2,626.4 | 2,592.1 |
| Trade payables | 183.5 | 180.5 |
| Total cash pay debt | 1,057.0 | 1,185.7 |
| Total debt | 1,274.2 | 1,390.6 |
| Shareholders' equity | 846.2 | 721.7 |

### Subsequent Events

Please see note 21 of our condensed consolidated Interim Financial Statements for information regarding our debt refinancing plan, the court decision received in the Interkabel dispute and the exercise of Subordinated Debt Warrants.

**Results of Operation**

The following tables set forth certain summary operating information as of and for the periods indicated:

| As of and for the six months ended, | June 30, 2007 | June 30, 2006 | % Change |
|---|---|---|---|
| Homes passed – Telenet Network (in thousands) | 1,723 | 1,707 | 1% |
| Homes passed – Partner Network (in thousands) | 820 | 812 | 1% |
| Homes passed – Telenet Brussels Network [(1)] (in thousands) | 187 | - | - |
| **RGUs** (in thousands) | | | |
| Television | | | |
| Basic analog TV [(2)] | 1,412 | 1,450 | -3% |
| Basic digital TV [(2)] | 314 | 154 | 104% |
| Total basic TV [(2)] | 1,726 | 1,604 | 8% |
| Premium – Telenet & Telenet Brussels Network [(3)] | 14 | 25 | -46% |
| Premium – Partner & Other Networks [(3)] | 25 | 33 | -24% |
| iDTV – Telenet Network [(3)] | 309 | 154 | 101% |
| Total Premium TV [(3)] | 348 | 212 | 64% |
| Internet | | | |
| Residential Broadband Internet [(4) (5)] | 798 | 644 | 24% |
| Business Broadband Internet | 28 | 25 | 11% |
| Total Broadband Internet [(4) (5)] | 826 | 669 | 23% |
| Fixed Telephony | | | |
| Residential Telephony [(5)] | 492 | 393 | 25% |
| Business Telephony | 8 | 6 | 27% |
| Total Fixed Telephony | 500 | 399 | 25% |
| Mobile Telephony (active SIM cards) | 37 | - | - |
| Total, excluding basic Mobile Telephony | 3,400 | 2,884 | 18% |
| **Unique Customer Information (on Telenet Network)** | | | |
| RGUs per unique customers [(6)] | 1.54 | 1.45 | 6% |
| Total unique customers (in thousands) | 1,596 | 1,604 | - |
| ARPU [(7)] for the three months ended | 29.9 | 26.4 | 13% |

(1) Consists of homes passed by network acquired pursuant to UPC Belgium acquisition on December 31, 2006 in Brussels and in Leuven.

(2) Our basic analog TV services comprises 1.6 million analog TV customers in the Telenet Network area and 125,252 basic analog and 4,722 basic digital TV customers on the Telenet Brussels Network.

(3) Our premium cable services on the Telenet and Telenet Brussels Network comprise our Prime premium service customers (former Canal+) in our Network area and include 6,092 premium service subscribers on the UPC Belgium network. Our iDTV service comprises premium enabled customers as those who have purchased a digital set top box and registered a smartcard for use in conjunction with digital services other than our basic digital cable service, which is only offered to customers in the Telenet Network area.

(4) Our residential broadband internet RGUs include households and small businesses with up to four employees ("SoHos") that receive our broadband internet through a coaxial connection. On June 30, 2007 our residential broadband internet RGUs included 45,056 residential broadband internet RGUs in the newly acquired UPC Belgium area. FreeSurf narrowband internet subscribers are not included in our RGU statistics.

(5) Our residential telephony RGUs include households and small businesses with up to four employees ("SoHos") that receive our telephony services through a coaxial connection.

(6) Revenue Generating Unit (RGU) is separately a Basic Cable Subscriber, Broadband Internet Subscriber or Fixed Telephony Subscriber. A home may contain one or more RGUs. Calculation excludes Telenet Mobile customers.

(7) Average monthly revenue (ARPU) per unique customer is calculated as follows: average total monthly recurring revenue (including revenue earned from carriage fees, set top box rentals and excluding mobile revenue, interconnection revenue and installation fees) for the indicated period, divided by the average of the opening and closing unique customers for the period.

The following table sets forth certain summary financial information[1] for the periods indicated:

| (Euro in millions, except percentages and per share amounts) | For the three months ended June 30, | | For the six months ended June 30, | |
|---|---|---|---|---|
| | 2007 | 2006 | 2007 | 2006 |
| **Revenue Continuing Operations** | | | | |
| Basic cable television | 55.4 | 49.7 | 110.3 | 99.5 |
| Premium cable television | 15.6 | 11.7 | 29.6 | 22.8 |
| Distributors / other | 7.3 | 9.0 | 17.0 | 17.4 |
| Residential broadband internet | 80.3 | 65.9 | 158.8 | 129.8 |
| Residential telephony | 49.9 | 44.6 | 98.3 | 89.1 |
| Business services | 21.3 | 19.1 | 42.7 | 37.7 |
| Subtotal Continuing Operations | 229.8 | 200.0 | 456.7 | 396.2 |
| **Revenue Discontinued Operations** | | | | |
| Residential telephony | - | 2.0 | - | 4.2 |
| Total | 229.8 | 202.1 | 456.7 | 400.4 |
| **Expenses** | | | | |
| Costs of services provided | (135.8) | (125.4) | (270.2) | (245.8) |
| Gross Profit | 94.1 | 74.6 | 186.5 | 150.4 |
| Selling, general and administrative costs | (40.7) | (37.3) | (82.9) | (76.3) |
| Operating profit | 53.4 | 37.3 | 103.5 | 74.0 |
| Finance costs, net | (24.2) | (38.2) | (48.2) | (58.1) |
| Net profit (loss) before income taxes | 29.2 | (1.0) | 55.2 | 16.0 |
| Income tax expense | 77.8 | (5.3) | 62.5 | (17.1) |
| Net income (loss) from continuing operations | 106.9 | (6.2) | 117.7 | (1.1) |
| **EBITDA**[2] | 111.6 | 93.8 | 217.9 | 182.5 |
| **EBITDA margin** | 49% | 47% | 48% | 46% |
| Weighted average shares outstanding | 101,743,874 | 100,549,585 | 101,528,841 | 100,408,657 |
| Basic net earnings per share | 1.05 | (0.06) | 1.16 | (0.01) |
| Diluted net earnings per share | 1.00 | (0.06) | 1.10 | (0.01) |
| **Expenses by Nature** | | | | |
| Employee benefits | 31.1 | 24.4 | 62.4 | 52.5 |
| Depreciation | 44.2 | 44.5 | 86.8 | 84.6 |
| Amortization | 12.2 | 10.9 | 24.0 | 21.5 |
| Amortization of broadcasting rights | 1.8 | 1.1 | 3.6 | 2.4 |
| Network operating and service costs | 64.7 | 61.2 | 129.9 | 120.4 |
| Advertising, sales and marketing | 13.4 | 13.7 | 27.6 | 27.7 |
| Other costs | 9.1 | 9.1 | 18.8 | 17.4 |
| Total Expenses | 176.4 | 164.9 | 353.1 | 326.6 |

(1) The financial results for the three and six months ended June 30, 2007 include the financial results of UPC Belgium, acquired on December 31, 2006.

(2) EBITDA is defined as Operating Profit + Depreciation and Impairment + Amortization + Amortization of Broadcasting Rights.

**Three and six months ended June 30, 2007 compared to the three and six months ended June 30, 2006 and year ended December 31, 2006**

The financial information for the three and six months periods ended June 30, 2007 and 2006 included in the discussion set forth below is derived from Telenet Group Holding's condensed consolidated Interim Financial Statements for the three months ended June 30, 2006 and 2007 and from the audited consolidated financial statements for the year ended December 31, 2006.

***Revenue***

Revenue from continued operations, including UPC Belgium contributions in the 2007 result, increased by €60.5 million, or 15%, to €456.7 million for the six months ended June 30, 2007 from €396.2 million for the six months ended June 30, 2006. For the three months ended June 30, 2007, revenue increased by €29.8 million, or 15%, to €229.8 million from €200.0 million for the three months ended June 30, 2006. The principal drivers of our revenue growth were subscriber growth in our residential broadband internet and telephony businesses, revenue from the UPC Belgium Acquisition and to a lesser degree growth in our business services operations.

*Cable Television*

Our aggregate cable television revenue was €156.9 million for the six months ended June 30, 2007, an increase of €17.3 million compared to the six months ended June 30, 2006. For the three months ended June 30, 2007, our aggregate cable television revenue was €78.3 million compared with €70.5 million for the three months ended June 30, 2006.

We generated €110.3 million of basic cable television revenue for the six months ended June 30, 2007, compared with €99.5 million for the six months ended June 30, 2006, an increase of 11%. This increase is mainly a consequence of the UPC Belgium Acquisition and the price increase of our basic cable television subscription. The steadiness of this revenue reflects the sustained high penetration of our basic cable services and stable basic cable television tariffs.

Our premium cable television business, which combines both the Prime premium service and the iDTV service launched in 2005, contributed €29.6 million to our aggregate cable revenue for the six months ended June 30, 2007, compared to €22.8 million for the same period in the prior year and €15.6 million for the three months ended June 30, 2007, compared to €11.7 million for the three months ended June 30, 2006. This increase represents the combination of continued strong subscriber growth in our iDTV subscriber base and a stable ARPU of approximately €13.5 per month for the first half of 2007.

Our cable television revenue also includes carriage fee revenue from the distribution of certain content on our network and set top box revenue. For the six months ended June 30, 2007, we recorded €17.0 million of such revenue compared to €17.4 million a year earlier and €7.3 million for the three months ended June 30, 2007, a €1.7 million decrease compared to a year earlier. Set top box revenue was the principal factor resulting in this decrease as we introduced a rental option to our customers at the beginning of this year, generating recurring revenue over the time of rent instead of a one-off charge.

*Residential Broadband Internet*

Revenue generated by our residential broadband internet business continued to grow by 22%, to €158.8 million for the six months ended June 30, 2007 from €129.8 million for the six months ended June 30, 2006 and by the same percentage for the three months ended June 30, 2007 to €80.3 million from €65.9 million. For both periods, increased residential broadband internet revenue was primarily the result of organic growth of residential broadband internet subscribers by 17% year-on-year, combined with the steady ARPUs generated by these subscribers, and revenue from the UPC Belgium Acquisition.

*Residential Telephony*

Residential telephony revenue (including interconnection revenue for both residential subscribers and business customers) increased for the six months ended June 30, 2007 by 10%, to €98.3 million for the six months ended June 30, 2007, from €89.1 million for the six months ended June 30, 2006. For the three months ended June 30, 2007 reported residential telephony revenue was €49.9 million, compared to €44.6 million for the three months ended June 30, 2006. This increase was primarily due to the 25% net subscriber growth for the period ended June 30, 2007 compared to June 30, 2006, and the introduction of mobile telephony services through our MVNO in the second half of 2006, that started to contribute to our overall revenue for the three months ended June 30, 2007. These growth factors were partially offset by a decline in the ARPUs reflecting the ongoing take up of our Freephone tariff plans and of bundled offers on fixed line telephony, which applied to new subscribers and which have also been adopted by a significant portion of our existing telephony subscribers. The discount embedded in a bundled offer has been attributed on a pro rata basis of the stand-alone subscription fees to broadband internet, telephony and iDTV revenue, as applicable.

*Business Services*

Business services revenue increased by 13%, to €42.7 million for the six months ended June 30, 2007, from €37.7 million for the six months ended June 30, 2006. This increase represents a faster growth rate than the overall market, and was partly attributable to higher customer installation revenue and the revenue from the high profile contract wins during the second half of 2006. In an environment that is highly sensitive to price and imposes more demanding service requirements, we seek to offer a combination of qualities, including high levels of service, a full product portfolio and geographic coverage.

***Costs and Expenses***

*Costs of Services Provided*

Costs of services provided increased by €24.3 million, or 10%, to €270.2 million for the six months ended June 30, 2007, from €245.8 million for the six months ended June 30, 2006. As a percentage of revenue, costs of services provided decreased to 59% for the six months ended June 30, 2007, from 62% for the six months ended June 30, 2006. For the three months ended June 30, 2006, cost of services provided increased by €10.3 million, or 8%, to €135.8 million, compared to €125.4 million for the three months ended June 30, 2006.

The decrease in costs of services provided as a percentage of revenue, reflects the implementation of several efficiency enhancing programs, offsetting the impact of the strong subscriber growth in residential telephony and iDTV services, which resulted in higher call center activity, network operating costs, programming, interconnection and personnel and customer service costs. In addition, the year-on-year increase reflects also the impact of the UPC Belgium Acquisition.

***Gross Profit***

Our gross profit for the six months ended June 30, 2007 increased by 24% to €186.5 million, compared to €150.4 million for the six months ended June 30, 2006 and by 26% for the three months ended June 30, 2007 to €94.1 million from €74.6 million for the three months June 30, 2006. Our gross margin increased to 41% for the six months ended June 30, 2007, from 38% for the six months ended June 30, 2006 and to 41% for the three months ended June 30, 2007 from 37% for the three months ended June 30, 2006.

*Selling, General and Administrative Expenses*

Selling, general and administrative (SG&A) expenses increased by €6.6 million, or 9%, to €82.9 million for the six months ended June 30, 2007, from €76.3 million for the six months ended June 30, 2006 and by the same percentage for the three months ended June 30, 2007 to €40.7 million from €37.3 million for the three months ended June 30, 2006. As a percentage of revenue, SG&A expenses were 18% for the six months ended June 30, 2007 and 19% for the six months ended June 30, 2006.

The principal factors contributing to the increase of our SG&A expenses were the high level of sales activity across all residential product lines in our first half of the year, reflected both in higher personnel costs – including sales call centers – and in higher advertising and marketing costs, and the UPC Belgium Acquisition. Notwithstanding the overall growth of our business and the continued rapid growth of our iDTV subscriber base, our SG&A expenses declined slightly as a percentage of total revenue.

### *Operating Profit*

Operating profit increased by 40%, to €103.5 million for the six months ended June 30, 2007, from €74.0 million for the six months ended June 30, 2006, as a result of the factors described above. Our operating profit margins increased to 23% for the six months ended June 30, 2007, from 19% for the six months ended June 30, 2006. For the three months ended June 30, 2007, operating profit was €53.4 million, or 43% up from €37.3 million for the three months ended June 30, 2006 yielding operating profit margins of 23% and 19% respectively.

### *EBITDA*

Our EBITDA increased by €35.4 million, or 19%, to €217.9 million for the six months ended June 30, 2007, from €182.5 million for the six months ended June 30, 2006 and by the same percentage to €111.6 million for the three months ended June 30, 2007 from €93.8 million for the three months ended June 30, 2006. In both comparisons, the UPC Belgium Acquisition accounts for approximately a quarter of total EBITDA growth. Our EBITDA margin increased to 48% for the six months ended June 30, 2007, from 46% for the six months ended June 30, 2006.

### *Finance Costs*

*Net Interest Expense*

Net interest expense increased to €53.5 million for the six months ended June 30, 2007 from €45.3 million for the six months ended June 30, 2006 and was €27.3 million for the three months ended June 30, 2007 and €18.4 million for the three months ended June 30, 2006. This change reflected the benefits of (i) reductions in our total debt following the debt prepayments under the Senior Credit Facility and Senior Notes between January and May 2006 and (ii) the lower margins we paid on our Senior Credit Facility as a result of the decreased leverage we attained and the refinancing of our Senior Credit Facility in May 2006. However, these benefits were more than offset by (i) the impact of our increased net debt balance following the UPC Belgium Acquisition and (ii) the steady increase of 3-month EURIBOR interest rate payable on the Senior Credit Facility in 2007 compared to 2006.

*Gains and Losses Resulting from Foreign Exchange Exposures and Derivatives*

Net foreign exchange and derivatives income or expense consists of (i) net foreign exchange transaction gains or losses, which reflects changes in the spot value of our foreign currency debt obligations, (ii) the change in the fair value of foreign exchange forward contracts reclassified into earnings, which reflects the effect of the hedging for the changes in the spot value of our foreign currency hedges for these foreign currency debt obligations, and (iii) the change in the fair value of other derivatives. These effects generated a gain of €5.3 million for the six months ended June 30, 2007 compared to a gain of €8.6 million for the six months ended June 30, 2006 and a gain of €3.1 million for the three months ended June 30, 2007 compared to a gain of €1.5 million the year before. These changes are primarily a result of fluctuations in the fair value of the forward points on the foreign exchange forward contracts and the change in the fair value of our interest rate derivatives.

As a percentage of revenue, net finance costs were 11% for the six months ended June 30, 2007 and 15% for the six months ended June 30, 2006. Net finance costs for the six months ended June 30, 2006 included €21.4 million of loss on extinguishment of debt pursuant the refinancing of our Senior Credit Facility in 2006.

### *Income tax expense*

Income tax expenses amounted to an income of €62.5 million for the six months ended June 30, 2007 and an expense of €17.1 million for the six months ended June 30, 2006. As of June 30, 2007, we recognized a deferred tax asset causing a one-time gain of €93.0 million in income tax income, following the evaluation of unrecognized deferred tax assets. The vast majority of the reported deferred taxes did not have any cash consequences. See note 11 to the condensed consolidated Interim Financial Statements.

### *Net Income*

Including all the factors described above, our net income increased by €118.8 million to €117.7 million for the six months ended June 30, 2007, from a net loss from continuing operations of €1.1 million for the six months ended June 30, 2006 and by €113.2 million to €106.9 million for the three months ended June 30, 2007, compared to a net loss from continuing operations of €6.2 million for the three months ended June 30, 2006. Excluding the impact from the one-off items including non-recurring deferred tax asset and refinancing costs, our recurring net income amounted to €24.7 million for the six months ended June 30, 2007 and €20.2 million for the six months ended June 30, 2006, or an increase of 22%. For the three months ended June 30, 2007, recurring net income amounted to €14.0 million and €15.1 million for the three months ended June 30, 2006.

***Net Income per Share***

Our basic net income per share improved to €1.16 for the six months ended June 30, 2007 compared to a net loss per share of €0.01 for the six months ended June 30, 2006 and to €1.05 for the three months ended June 30, 2007 compared to a net loss per share of €0.06 for the three months ended June 30, 2006 as a result of the factors described above.

Our diluted net income per share increased to €1.10 for the six months ended June 30, 2007, compared to a net loss per share of €0.01 for the six months ended June 30, 2006 and to €1.00 for the three months ended June 30, 2007 compared to a net loss per share of €0.06 for the three months ended June 30, 2006 as a result of the factors described above.

## Liquidity and Capital Resources

***Historical Cash Flows***

The following table sets forth the components of our historical cash flows for the periods indicated:

| (Euro in millions) | For the six months ended June 30, 2007 | 2006 |
|---|---|---|
| Cash flows provided by operating activities | 189.3 | 142.9 |
| Cash flows used in investing activities | (100.8) | (98.8) |
| Cash flows used in financing activities | (121.9) | (181.1) |
| Net increase (decrease) in cash and cash equivalents | (33.3) | (137.1) |

*Cash Flows Provided by Operating Activities*

Net cash provided by operating activities increased to €189.3 million for the six months ended June 30, 2007 from €142.9 million for the six months ended June 30, 2006. This increase mainly reflects the higher EBITDA in the first three months of 2007, offset by slightly higher interest expenses, as compared to the comparable period of the prior year.

*Cash Flows Used in Investing Activities*

Net cash used in investing activities remained stable at €100.8 million for the six months ended June 30, 2007 compared to €98.8 million for the six months ended June 30, 2006, reflecting similar levels of capital expenditures in both periods.

*Cash Flows Used in Financing Activities*

Net cash used in financing activities was €121.9 million for the six months ended June 30, 2007 and €181.1 million for the six months ended June 30, 2006. These uses of cash primarily reflect the redemption of €124.8 million of the Senior Notes of Telenet Communications in January 2006 and capital repayments under the Annuity Fee Agreement with the Pure Intercommunales in the first quarters of 2007 and 2006 and the prepayment of €35 million of Senior Debt in May 2006. On June 29, 2007 Telenet fulfilled a second scheduled repayment of €11.0 million under Tranche A of the Senior Credit Facility and on April 30, 2007 and June 29, 2007 executed voluntary prepayments of €50.0 million each under Tranche B revolver of the Senior Credit Facility using excess cash on the balance sheet.

***Capital Expenditure***

Our business is highly capital intensive. Capital expenditure on fixed assets and intangibles was €100.5 million for the six months ended June 30, 2007 and €98.2 million for the six months ended June 30, 2006, including respectively €12.0 million and €10.1 million spent on land and the construction of our office extension. During each of these periods, a significant portion of our purchases of fixed assets was related to capital expenditures for customer premise equipment and related installation costs for new subscribers and to capital expenditures on network capacity, which was also related to subscriber growth.

***Available Liquidity***

We maintain cash and cash equivalents to fund the day-to-day cash requirements of our business. We hold cash primarily in Euros. We held €25.5 million of cash and cash equivalents as of June 30, 2007, as compared to €58.8 million as of December 31, 2006. On June 29, 2007 the Company fulfilled a second scheduled repayment of €11.0 million under Tranche A of the Senior Credit Facility and on April 30, 2007 and June 29, 2007 the Company executed voluntary prepayments of €50.0 million each under Tranche B (Revolver) of the Senior Credit Facility using excess cash on the balance sheet.

As of June 29, 2007, €200.0 million of Tranche B of the Senior Credit Facility was available to us through a revolving facility, subject to our being in compliance with certain financial covenants and other conditions. An additional liquidity facility of €200 million remains available to us under Tranche C of the Senior Credit Facility, subject to certain conditions being fulfilled.

See Note 21 of our Condensed Consolidated Interim Financial Statements regarding a recently approved debt refinancing plan approved by our Board of Directors.

The principal risks to our sources of liquidity are operational risks, including risks associated with decreased pricing, reduced subscriber growth, increased marketing costs and other consequences of increasing competition. Our ability to service our debt (including payments on the Notes) and to fund our ongoing operations will depend on our ability to generate cash. Although we anticipate generating positive cash flow after deducting interest and taxes, we cannot assure you that we will continue to generate net positive cash flow.

We believe that our cash flow from operations and our existing cash resources, together with available borrowings under the Senior Credit Facility, will be sufficient to fund our currently anticipated working capital needs, capital expenditures and debt service requirements.

***Contingent Liabilities and Commitments***

For a discussion of our contingent liabilities and commitments, some of which are significant, see note 18 to our Condensed Consolidated Interim Financial Statements and the Company's 2006 Annual Report. Following past litigation concerning our copyright fees and the subsequent settlement, as of June 30, 2007, we retained an accrual of approximately €11.0 million.

***Off-Balance Sheet Arrangements***

Historically, we have not used special purpose vehicles or similar financing arrangements. In addition, we do not have any off-balance sheet financing arrangements with any of our affiliates or with any unconsolidated entities.

***Lack of Tax Consolidation***

To the extent mismatches between taxable income and deductible expenses occur within the Telenet group, our ability to generate cash flow could be adversely affected (because Belgian tax law does not provide for group-wide consolidation).

## ITEM 3 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks relating to fluctuations in interest rates and foreign exchange rates, primarily between the U.S. dollar and the Euro, and use financial instruments to manage our exposure to interest rate and foreign exchange rate fluctuations.

*Interest Rate and Related Risk*

Borrowings under the Senior Credit Facility and the original lease of our headquarters building bear interest at variable rates. We are therefore exposed to changes in interest rates. In order to mitigate this exposure, we have entered into interest rate swap agreements, caps and interest rate collars. Pursuant to interest rate swap agreements, at specified intervals, we pay a fixed interest rate and receive a variable interest rate calculated by reference to an agreed-upon notional principal amount. As a result of numerous changes we have made to our senior credit facilities in recent years, we had excess hedging amounts until December 29, 2006. In anticipation of the purchase of UPC Belgium, on December 29, 2006, we drew down €100.0 million under Tranche B (Revolver) of our Senior Credit Facility to fund a portion of this acquisition. On April 30, 2007 and June 29, 2007 the company executed voluntary repayments of €100,000 in total under Tranche B (Revolver) and we also fulfilled a second scheduled repayment of €11,000 under Tranche A on June 29,2007.

As a result of these repayments, we were under-hedged compared to our floating rate debt by €5.0 million on June 30, 2007 (compared to an under-hedging position of €85.3 million on March 31, 2007)

In conjunction with entering into our most recent Senior Credit Facility in May 2006, the Company discontinued cash flow hedge accounting for all outstanding interest rate derivatives. Consequently, cumulative losses that were previously recorded through hedging reserves were reversed into profit or loss. Interest rate derivatives still outstanding as of December 31, 2006 were accounted for at fair value through profit or loss. On June 30, 2006, the Company defined new hedge relationships for all of its interest rate derivatives related to the floating rate debt under the Senior Credit Facility. On December 31, 2006, the Company defined new hedge relationships for part of its interest rate derivatives for which no hedge relationship was defined prior to the additional drawdown of December 29, 2006.

In the beginning of this year, the Company stopped applying hedge accounting for its Senior Credit Facility which resulted in a full release of hedge reserves relating to the interest rate derivatives for which cash flow hedge relationships were disrupted, amounting to €148. As a consequence, the interest rate derivatives were accounted for at fair value through profit or loss. The fair value of these interest rate derivatives amounted to a liability of €872 as of June 30, 2007.

*Interest Rate Sensitivity Testing*

The following table summarises our outstanding indebtedness which carries a floating rate of interest, as well as the aggregate installments due under such indebtedness as of June 30, 2007:

| | Expected Maturity Date (Amounts expressed in thousands of Euro) | | | | | | |
|---|---|---|---|---|---|---|---|
| **Principal Payments** | **2007** | **2008** | **2009** | **2010** | **2011** | **Thereafter** | **Total** |
| Senior Credit Facility | | | | | | | |
| Tranche A (Euribor +1.00%) | 22,000 | 52,000 | 62,000 | 72,000 | 370,000 | - | 578,000 |
| Tranche B (Euribor +1.00%) | - | - | - | - | - | - | - |
| Tranche C (Uncommitted) | - | - | - | - | - | - | - |
| Capital Lease on Buildings [3] (Euribor + 0.25%) | 546 | 1,463 | 1,965 | 1,965 | 2,184 | 10,350 | 18,473 |
| **Total Principal Payments on Floating Rate Debt** | 22,546 | 53,463 | 63,965 | 73,965 | 372,184 | 10,350 | 596,473 |
| **Interest payments [(1) (2) (3)]** | | | | | | | |
| Senior Credit Facility | 15,321 | 28,582 | 25,544 | 22,073 | 5,255 | - | 96,775 |
| Capital Lease Buildings | 446 | 844 | 759 | 661 | 559 | 1,066 | 4,335 |

| Interest Payment Sensitivity (4) | | | | | | | |
|---|---|---|---|---|---|---|---|
| Interest rate increase of 0.25%................ | 15,867 | 29,636 | 26,572 | 22,903 | 5,360 | - | 100,338 |
| Interest rate increase of 1.00%................ | 17,335 | 32,460 | 29,321 | 25,056 | 5,336 | - | 109,508 |

(1) Interest payments on the Senior Credit Facility are based on outstanding balances as of June 30, 2007 and do not take into account any possible effects of the margin ratchet provisions that are included in the Tranche A and Tranche B Margin.

(2) *Pro forma* interest calculations are based on a 4.164% three-month Euribor as of June 30, 2007, and include net payments due under the outstanding interest rate derivative instruments as of that date.

(3) These amounts exclude our €27.8 million short-term borrowings as part of our capital lease related to our headquarters building extension. See also note 19 to our Condensed Consolidated Interim Financial Statements.

(4) Taking into the account the effects of our interest rate hedges, we have calculated the impact of interest rate increases of 0.25% and 1.00%. The equivalent total net cashflow impact is €3.6 million in the 0.25% interest rate increase example and €12.7 million in the 1.00% interest rate increase example, in both cases over the remaining lifetime of the Senior Credit Facility.

For fixed rate debt, changes in interest rates generally affect the fair value of the debt instrument, but not our earnings or cash flows. We do not currently have any obligation to prepay fixed rate debt prior to maturity and, accordingly, interest rate risk and changes in fair market value should not have a significant effect on the fixed rate debt until we would be required to refinance such debt. At June 30, 2007, we had outstanding fixed rate debt and other obligations of €602.3 million.

*Foreign Currency Risk*

Our functional currency is the Euro. However, we conduct, and will continue to conduct transactions in currencies other than the Euro, particularly the U.S. dollar. Approximately 5% of our costs of operations (primarily the costs of network hardware equipment and software and premium cable television rights) for the six months ended June 30, 2007 were denominated in U.S. dollars, while all of our revenue was generated in Euros.

The Company has used forward and option contracts in order to limit its exposure to the U.S. dollar fluctuations against the Euro for transactions that are part of daily operations. These derivatives are economic hedges but have not been accounted for as cash flow hedges.

In order to hedge the foreign exchange exposure resulting from the issuance of the $558 million Senior Discount Notes by Telenet Group Holding, we initially entered into a series of foreign exchange forward contracts (FECs) (for the purchase of US dollars in exchange for Euros) for a total nominal amount of $558 million with a maturity on December 15, 2008, the end of accretion period of the Senior Discount Notes (the "Full Accretion Date"). Following the partial redemptions of our Senior Discount Notes on November 22, 2005 and November 23, 2005 for a total of $195.3 million in fully accreted value, we unwound forward exchange contracts for an equivalent amount.

We are considering the further use of derivative instruments to hedge the US dollar cash outflow related to the cash interest payments under the Senior Discount Notes which are payable from June 15, 2009 until the maturity of the Senior Discount Notes.

**Credit Risk**

Credit risk relates to the risk of loss that we would incur as a result of non-performance by counterparties. We maintain credit risk policies with regard to our counterparties to minimize overall credit risk. These policies include an evaluation of a potential counterparty's financial condition, credit rating, and other credit criteria and risk mitigation tools as deemed appropriate.

## PART II – OTHER INFORMATION

### ITEM 1 LEGAL PROCEEDINGS

Please refer to our 2006 Annual Report for information on litigation regarding copyrights and interconnect matters.

As of June 30, 2007, the Company retained an accrual of €11.0 million in other liabilities for the amounts that the Company expects to pay as a result of past copyright litigation settlements.

Other than the update to our copyright litigation accrual, there are no further amendments to our disclosures regarding these items.

**ANNEX**
**SUMMARY GUARANTOR FINANCIAL INFORMATION**
**(in thousands of Euro)**
**(Unaudited)**

The following condensed consolidated financial information presents the financial information of Telenet Group Holding, Telenet Communications, the Subsidiary Guarantors of the 9% Senior Notes due 2013 issued by Telenet Communications (consisting of Telenet Bidco, Telenet NV and Telenet Vlaanderen) and the non-guarantor subsidiaries in the Telenet group (consisting of Merrion Communications) on a non-consolidated basis, accounting for the investments in subsidiaries under the equity method. The financial information may not necessarily be indicative of the financial position or the results of operations had Telenet Group Holding, Telenet Communications, the Subsidiary Guarantors or non-guarantor subsidiaries operated as independent entities as of and for the year ended December 31, 2005. The obligations of Telenet NV under the senior credit facility included within the ‘‘Unconsolidated Subsidiary Guarantors’’ column have been guaranteed by certain Subsidiary Guarantors.

| | For the six months ended June 30, 2007 | | | | | |
|---|---|---|---|---|---|---|
| **(Euro in millions)** | **Telenet Group Holding** | **Telenet Communi-cations** | **Unconsoli-dated Subsidiary Guarantors** | **Unconsoli-dated Non-Guarantor Subsidiaries** | **Eliminations** | **Consolidated** |
| **Income Statement** | | | | | | |
| Revenues | - | - | 438.4 | 18.3 | | 456.7 |
| Costs of services provided | - | - | (260.9) | (9.3) | | (270.2) |
| **Gross Profit** | - | - | 177.5 | 9.0 | - | 186.5 |
| Selling, general and administrative | (1.7) | (0.1) | (76.4) | (4.8) | | (83.0) |
| **Operating profit (loss)** | (1.7) | (0.1) | 101.1 | 4.2 | | 103.5 |
| Finance costs, net | (11.1) | (16.9) | (20.3) | - | - | (48.3) |
| Finance costs, net - intercompany | 22.3 | 22.0 | (44.7) | 0.4 | _ | - |
| Equity in subsidiaries | 108.2 | 103.3 | 2.9 | - | (214.4) | - |
| **Total other income (expense)** | 119.4 | 108.4 | (62.1) | 0.4 | (214.4) | (48.3) |
| **Net income (loss) before income taxes** | 117.7 | 108.3 | 39.0 | 4.6 | (214.4) | 55.2 |
| Income tax expense | - | - | 64.2 | (1.7) | - | 62.5 |
| **Net income (loss)** | 117.7 | 108.3 | 103.2 | 2.9 | (214.4) | 117.7 |

**ANNEX**
**SUMMARY GUARANTOR FINANCIAL INFORMATION**
**(in thousands of Euro)**
**(Unaudited)**

| | As of June 30, 2007 | | | | | |
|---|---|---|---|---|---|---|
| **(Euro in millions)** | **Telenet Group Holding** | **Telenet Communi-cations** | **Unconsoli-dated Subsidiary Guarantors** | **Unconsoli-dated Non-Guarantor Subsidiaries** | **Eliminations** | **Consolidated** |
| **Balance Sheet Information** | | | | | | |
| **Assets** | | | | | | |
| Property and equipment, net | - | - | 972.0 | 24.0 | - | 996.0 |
| Goodwill, net | - | - | 1,102.2 | 0.0 | - | 1,102.2 |
| Intangible assets, net | - | - | 247.0 | 31.1 | - | 278.1 |
| Other assets | - | - | 96.2 | 0.1 | - | 96.3 |
| Investments in subsidiaries | 724.2 | 603.3 | 209.3 | - | (1,536.8) | - |
| **Total non-current assets** | 724.2 | 603.3 | 2,626.7 | 55.2 | (1,536.8) | 2,472.6 |
| Accounts receivable | - | - | 104.9 | 1.4 | - | 106.3 |
| Other receivables | - | - | 21.9 | 0.1 | - | 22.0 |
| Cash and cash equivalents | 1.4 | 0.3 | 22.3 | 1.5 | - | 25.5 |
| Intercompany receivables and short term loans | 14.7 | - | 5.6 | 28.6 | (48.9) | - |
| **Total current assets** | 16.1 | 0.3 | 154.7 | 31.6 | (48.9) | 153.8 |
| **Total assets** | 740.3 | 603.6 | 2,781.4 | 86.8 | (1,585.7) | 2,626.4 |
| **Liabilities and Shareholders' Equity** | | | | | | |
| **Shareholders' equity** | 846.2 | 724.1 | 761.4 | 51.3 | (1,536.8) | 846.2 |
| Long-term debt, less current portion | 223.7 | 361.8 | 622.2 | - | - | 1,207.7 |
| Other noncurrent liabilities | 35.6 | - | 40.0 | 14.5 | - | 90.1 |
| Intercompany loans, net | (371.4) | (483.7) | 855.1 | - | - | - |
| **Total non-current liabilities** | (112.1) | (121.9) | 1,517.3 | 14.5 | - | 1,297.8 |
| Short term borrowings | - | - | 22.9 | - | - | 22.9 |
| Current portion of long term debt | 0.0 | 1.1 | 93.1 | - | - | 94.2 |
| Accounts payable | 0.6 | - | 178.5 | 4.4 | - | 183.5 |
| Accrued expenses and other current liabilities | 2.3 | - | 62.3 | 8.1 | - | 72.7 |
| Intercompany payables and short term debt | 3.3 | 0.3 | 44.5 | 0.8 | (48.9) | - |
| Unearned revenue | - | - | 124.3 | 7.7 | - | 132.0 |
| **Total current liabilities** | 6.2 | 1.4 | 502.7 | 21.0 | (48.9) | 482.4 |
| **Total liabilities** | (105.9) | (120.5) | 2,020.0 | 35.5 | (48.9) | 1780.2 |
| **Total liabilities and shareholders' equity** | 740.3 | 603.6 | 2,781.4 | 86.8 | (1,585.7) | 2,626.4 |