



H1 2018

INVESTOR & ANALYST PRESENTATION
01.08.2018

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Private Securities Litigation Reform Act of 1995

Various statements contained in this document constitute “forward-looking statements” as that term is defined under the U.S. Private Securities Litigation Reform Act of 1995. Words like “believe,” “anticipate,” “should,” “intend,” “plan,” “will,” “expects,” “estimates,” “projects,” “positioned,” “strategy,” and similar expressions identify these forward-looking statements related to our financial and operational outlook; future growth prospects; strategies; product, network and technology launches and expansion and the anticipated impact of the acquisitions of BASE Company NV, Coditel Brabant SPR Coditel S.à r.l. and Nextel on our combined operations and financial performance, which involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements or industry results to be materially different from those contemplated, projected, forecasted, estimated or budgeted whether expressed or implied, by these forward-looking statements. These factors include: potential adverse developments with respect to our liquidity or results of operations; potential adverse competitive, economic or regulatory developments; our significant debt payments and other contractual commitments; our ability to fund and execute our business plan; our ability to generate cash sufficient to service our debt; interest rate and currency exchange rate fluctuations; the impact of new business opportunities requiring significant up-front investments; our ability to attract and retain customers and increase our overall market penetration; our ability to compete against other communications and content distribution businesses; our ability to maintain contracts that are critical to our operations; our ability to respond adequately to technological developments; our ability to develop and maintain back-up for our critical systems; our ability to continue to design networks, install facilities, obtain and maintain any required governmental licenses or approvals and finance construction and development, in a timely manner at reasonable costs and on satisfactory terms and conditions; our ability to have an impact upon, or to respond effectively to, new or modified laws or regulations; our ability to make value-accretive investments; and our ability to sustain or increase shareholder distributions in future periods. We assume no obligation to update these forward-looking statements contained herein to reflect actual results, changes in assumptions or changes in factors affecting these statements.

Adjusted EBITDA and Adjusted 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.



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EXECUTIVE SUMMARY





TELENET'S KEY LONG-TERM GROWTH DRIVERS





CONNECTED ENTERTAINMENT AT THE CORE OF OUR STRATEGY

Superior connectivity



WIGO
WIGO
BUSINESS



- Increased inclusive data volumes:
 - WIGO 145: 20 GB i.o. 15 GB
 - WIGO 200: 50 GB i.o. 40 GB
 - WIGO Business (5 SIMSs): 30 GB i.o. 25 GB
 - WIGO Business (10 SIMS): 60 GB i.o. 50 GB

Inspiring entertainment



de **vijver**media



- De Dag: N° 1 download in “Play More” catalog
- Renewed contract Eleven Sports
- The Park: phygital entertainment

Amazing experiences



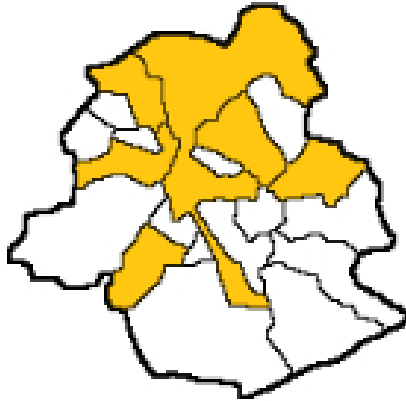
- Fully optimizing In-home connectivity
- 120k WiFi boosters distributed



...FULLY DEPLOYING OUR COMMERCIAL STRATEGY IN BRUSSELS

Network upgrade & migration on track

Upgraded communes



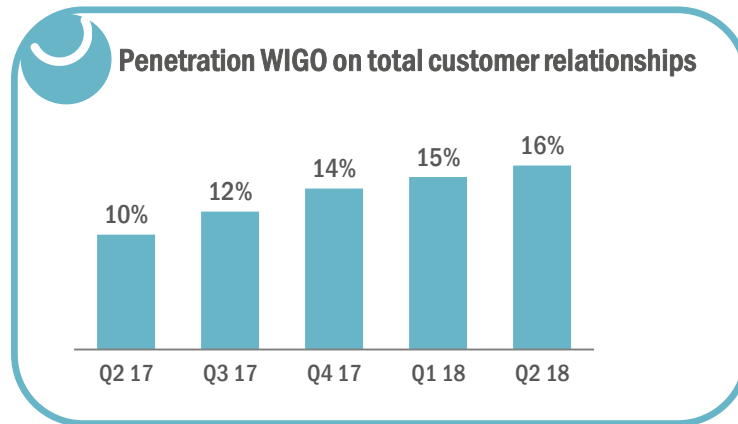
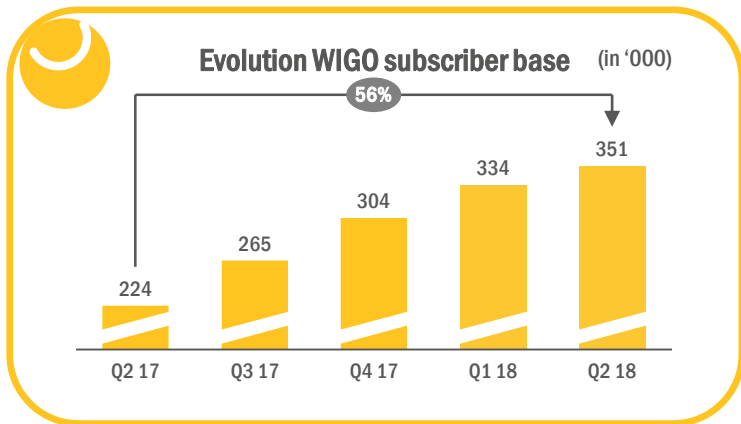
First Telenet shop in the heart of Brussels





...DRIVING FURTHER FMC UPTAKE

Converged connected
entertainment



- Continued solid growth WIGO 4P customer base, up 56% yoy to 351,100 subscribers.
- 16% of total customer relationships fully converged.



...EXPANDING OUR B2B OFFERING THROUGH NEXTEL ACQUISITION

Unlocking B2B potential



Towards total 360° approach for Telco & IT solutions

**Critical capabilities
to offer
end-to-end
solutions**

**Cloud Telephone central solutions for
Small-Medium Businesses & Large Enterprise**

Unified Communications & voice integration

LAN/WiFi integration

Internet of Things integration capabilities

Healthcare applications

Public Sector capabilities

**Solid
customer base
of 5000+ customers**

Cross -and upsell potential of Telenet products & solutions



DEVELOPING NEW BUSINESS TO SECURE FUTURE GROWTH

Securing profitable growth



Internet Of Things



Unit-T

Powered by Solutions 30

Field services

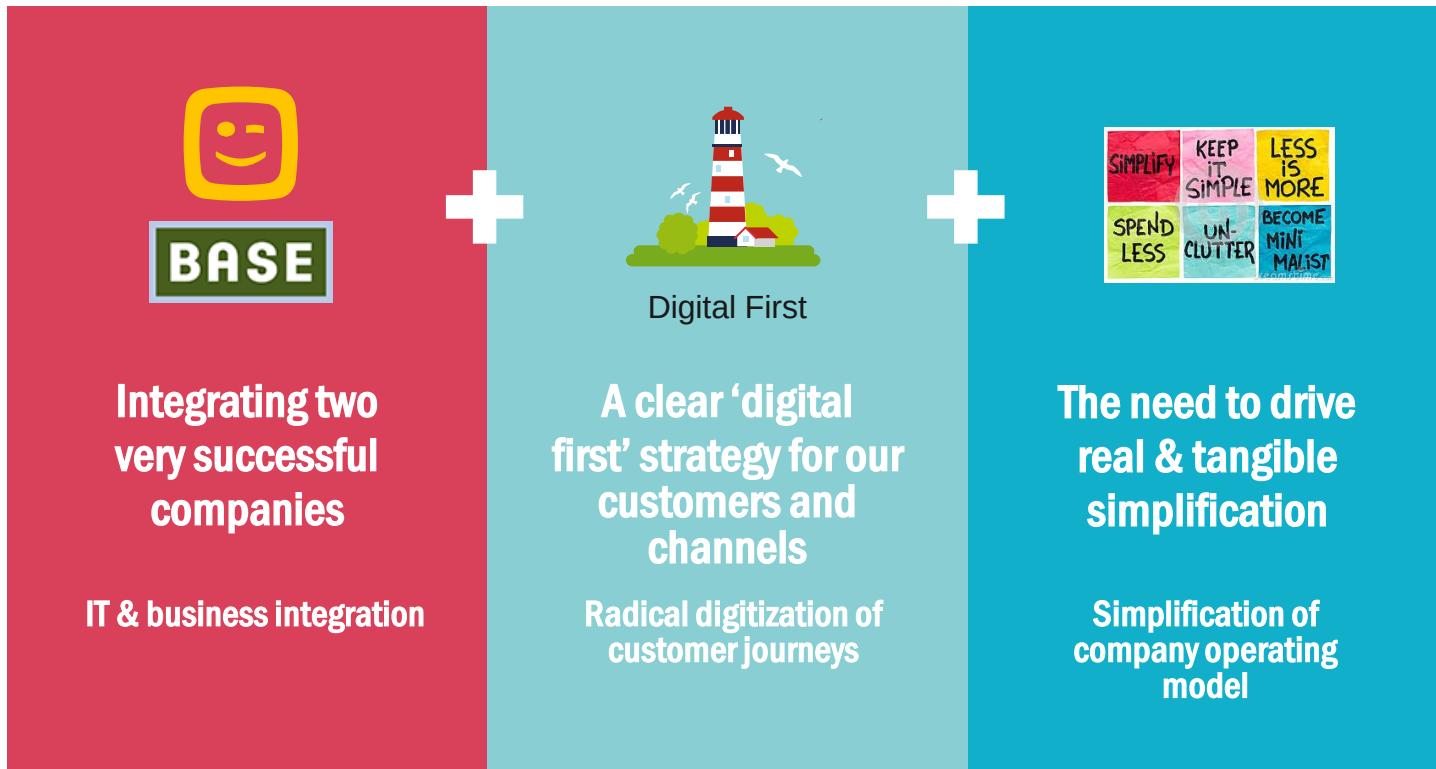


Phygital entertainment





...AND FULLY PREPARING BUSINESS TRANSFORMATION TOWARDS DIGITAL

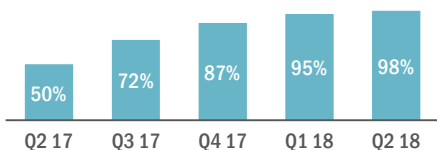




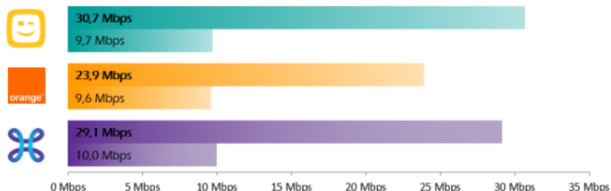
INNOVATING IN TECHNOLOGY SITS IN OUR DNA



% Upgraded sites



Mobile up –and download speeds¹



Mobile network

- Launched VoWiFi & VoLTE service
 - Better indoor coverage - HD sound quality.
 - Targeting 100k users EOY 2018.
- Network upgrade:
 - 98% mobile sites upgraded.
 - 238 new build sites (+18 in Q2 2018).
 - Fastest download speeds according to Testaankoop.be.

Fixed network

- 81% of nodes rebuilt, on track to be completed by mid-2019.
- Flanders and Telenet reached an agreement about the 'network of the future'.

¹ Testaankoop.be July 2018



...WHILE FACING CHALLENGING REGULATORY ENVIRONMENT



Cable wholesale regulation

- Implementation of the CRC decision, including interim tariffs as of August 1 and BB only regulation.
- Mid 2019: BIPT Coax & FTTH cost model & move to fair prices with link to cost orientation.
- Telenet will appeal the decision.



4th Mobile entrant¹

- Spectrum auction expected for H2 2019 – including 700, 900, 1400, 1800, 2100, 3600 MHz bands
- New entrant receives following advantages:
 - 70 MHz reserved spectrum (compares to 60 MHz for existing operators)
 - National roaming for 8 years after 20% coverage
 - Spectrum trading possible after 6 years and spectrum sharing after BIPT approval
 - Coverage obligations also apply (30% after 3 years, 70% after 6 years, >99% after 8 years)



FTTH Agreement with Flemish government

- Telenet engages to develop an ultra-high speed network in Flanders over the coming years.
- Flemish Government will not invest in a FTTH network.
- Technological developments will be monitored through annual meetings with the Flemish Government.



EXECUTING AGAINST OUR ANTICIPATED SHAREHOLDER REMUNERATION TIMELINE

February 2018

- FY 2017 results underpin delivery versus our 3-year Adjusted EBITDA outlook
- Confirming our potential deleveraging profile going forward
- Announcement of Share Repurchase Program 2018 (up to 1.1m shares, €75m)
- Assess potential shareholder distributions throughout the course of the year

June 2018

- Announcement of a significantly larger Share Repurchase Program 2018bis (up to 7.5m shares, €300m), replacing the February 2018 program
- Revert on additional forms of shareholder remuneration in H2 2018
- Capital Markets Day in Q4 focusing on strategic value drivers and future capital allocation framework

August 2018

- €600m extraordinary dividend, or around €5.2 per share
- Following assessment of any meaningful short-term M&A opportunities
- Confirmed decrease in net total leverage ratio, following strong EBITDA growth generated in Q2 2018
- Subject to EGM approval (Sept. 26), followed by effective pay-out in early October



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OPERATIONAL HIGHLIGHTS

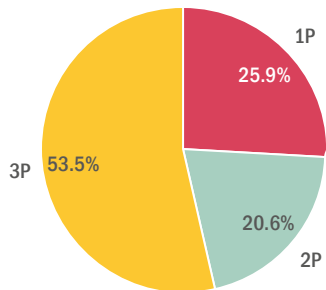




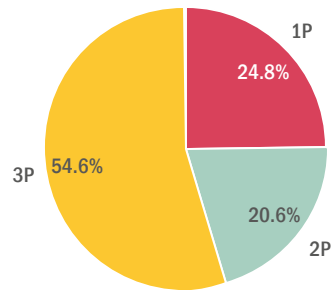
FIXED MULTI-PLAY PENETRATION

Increasing multi-play penetration driving ARPU growth

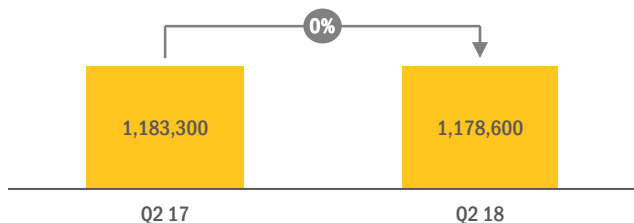
Customer mix (June 30, 2017) ¹



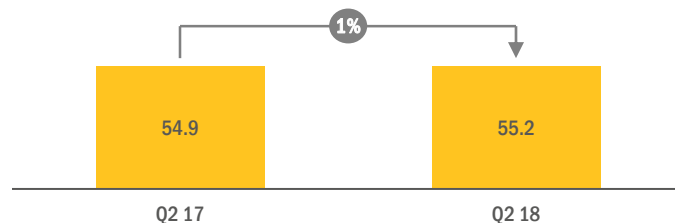
Customer mix (June 30, 2018) ¹



Triple play subscribers ¹



ARPU per customer relationship ¹ (in €/month)

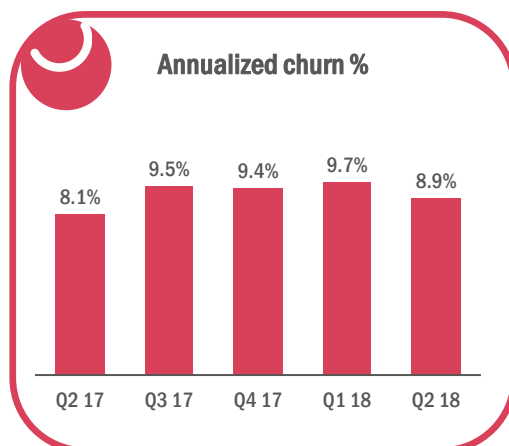
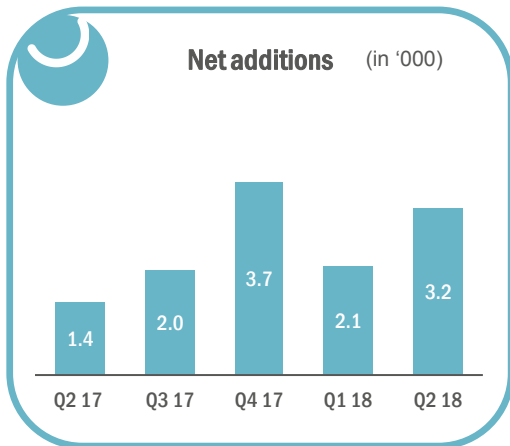
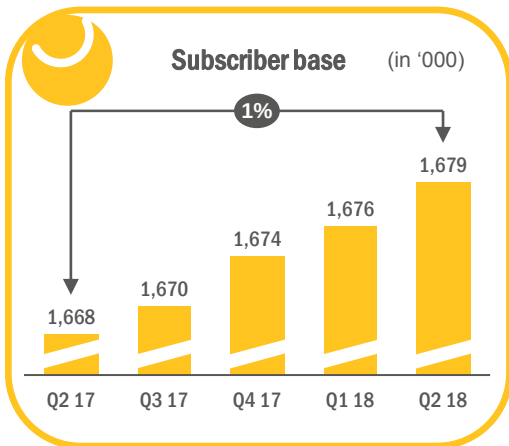


¹ Excluding mobile telephony and entertainment services



BROADBAND INTERNET

Positive and improving net adds despite intense competition

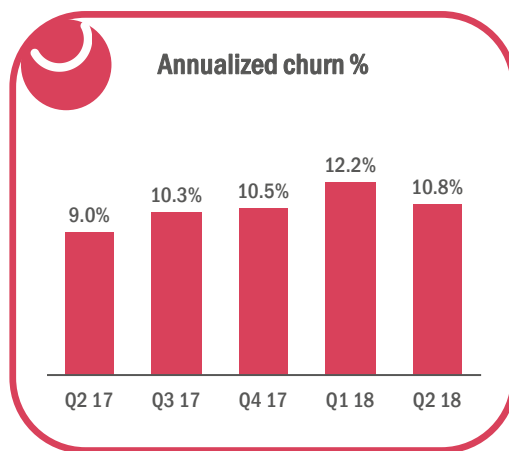
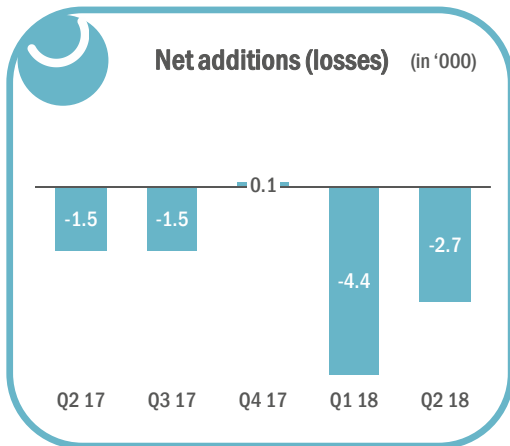
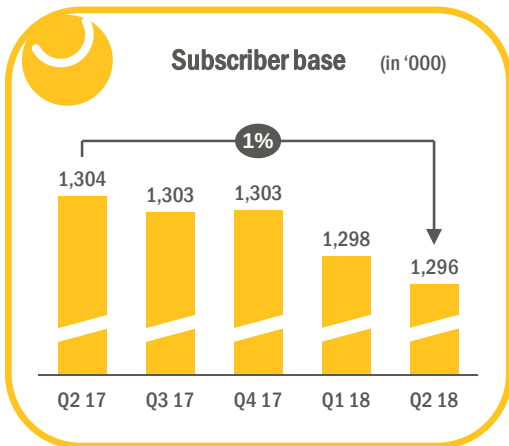


- **1,679,400 broadband internet subscribers, up 1% yoy.**
- **Improved run-rate of 3,200 broadband internet net adds in the quarter.**
- **Annualized churn rate decreased by 0.8pp vs previous quarter to 8.9%, reflecting good results of our “Go With The Good Flow” campaign and continuous “WIGO” customer base growth.**



FIXED LINE TELEPHONY

Modestly declining customer base, in line with market trend

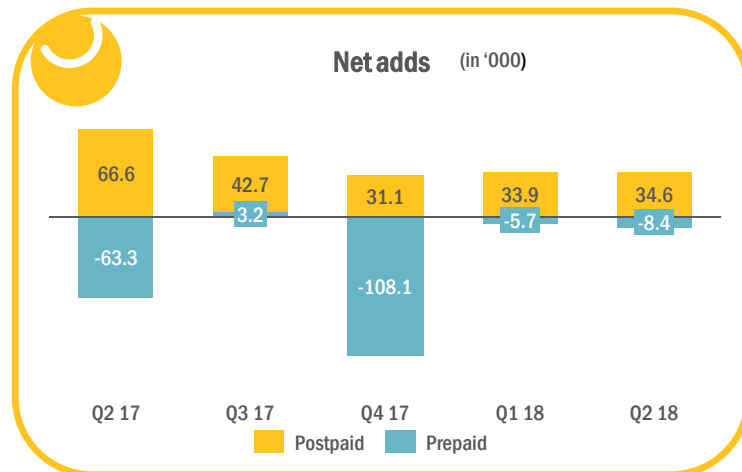
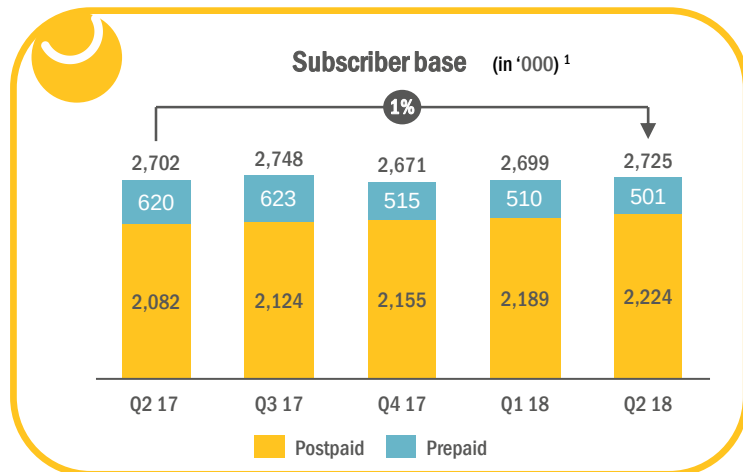


- **Fixed telephony subscriber base modestly declined** in line with market trend.
- Relative to the prior quarter, our **annualized churn rate decreased 140 basis points to 10.8%.**



MOBILE TELEPHONY

Solid growth of postpaid subscriber base



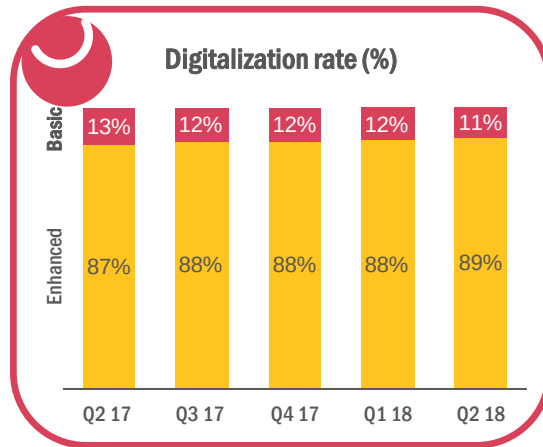
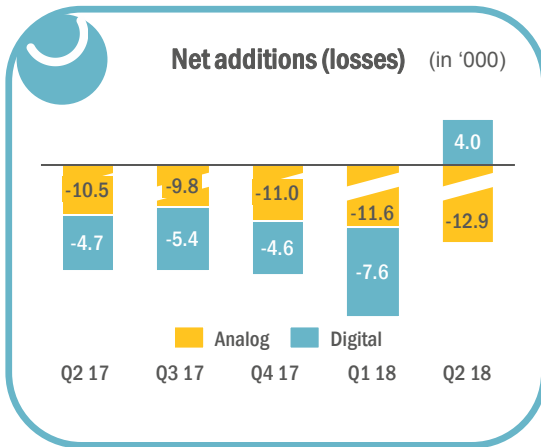
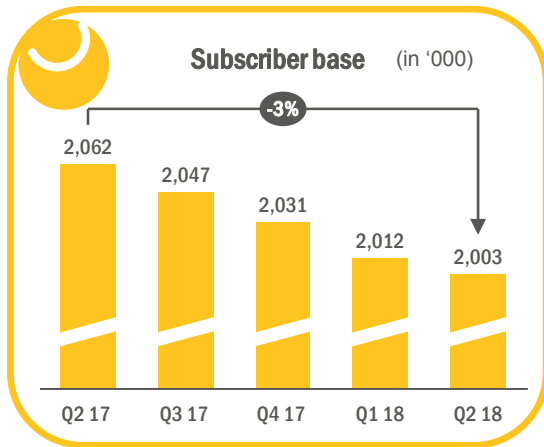
- **Total subscriber base increased 1% compared to Q2 2017 to 2,724,900 mobile customers.**
- **Solid performance with 34,600 postpaid net adds against a competitive market backdrop, driven by solid growth of our “WIGO” plans.**
- **Prepaid subscriber base further declining, in line with market trend.**

1. As of April 1, SME mobile subscribers are considered as business subscribers. Therefore we represented our reported subscriber mobile count as of Q1 2017.



VIDEO

Churn stabilized thanks to better performance in digital TV

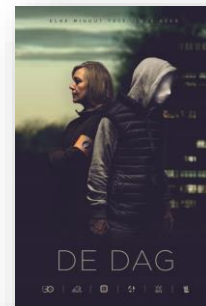
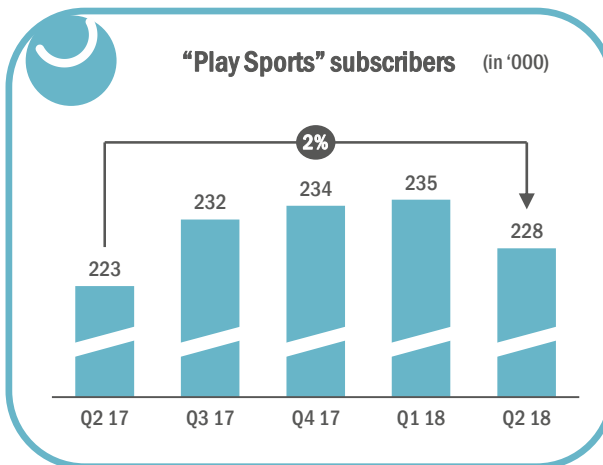
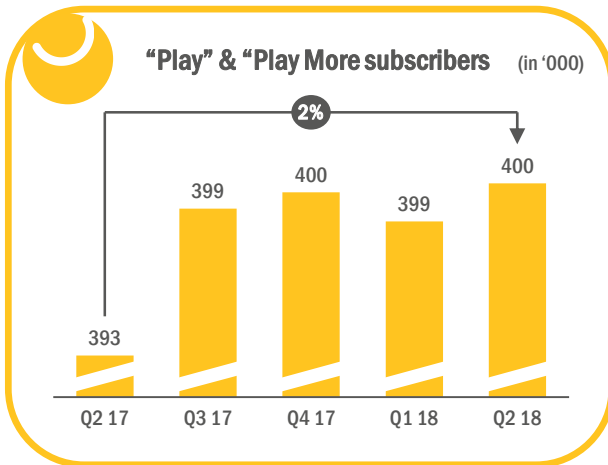


- Total video subscriber base of 2,003,200 customers with net loss of 8,900 subscribers in Q2 2018.
- Positive net adds of digital video subscribers, reversing trend of previous quarters.
- 89% of our video customers upgraded to our higher ARPU enhanced video services.



PREMIUM ENTERTAINMENT

Stable premium entertainment customer base



- "Play" and "Play More" customer base of 400,100 subscribers.
- "Play Sports" customer base declined slightly to 228,100 subscribers, driven by end of football season.



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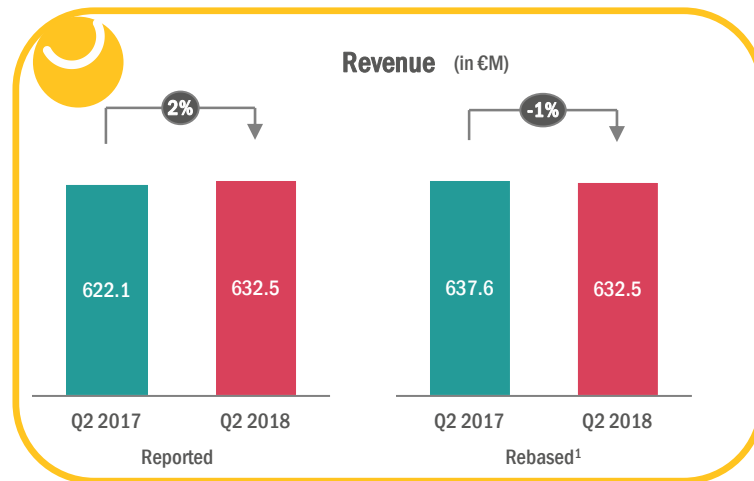
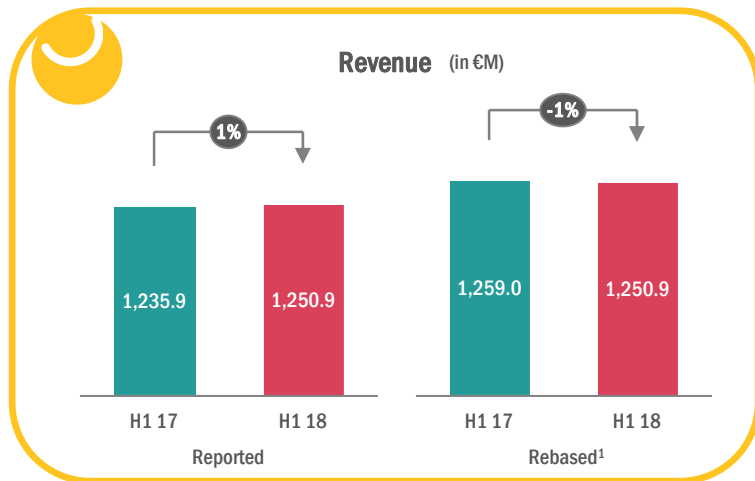
FINANCIAL HIGHLIGHTS





REVENUE OF €1,250.9 MILLION

Anticipated modest decline on a rebased basis



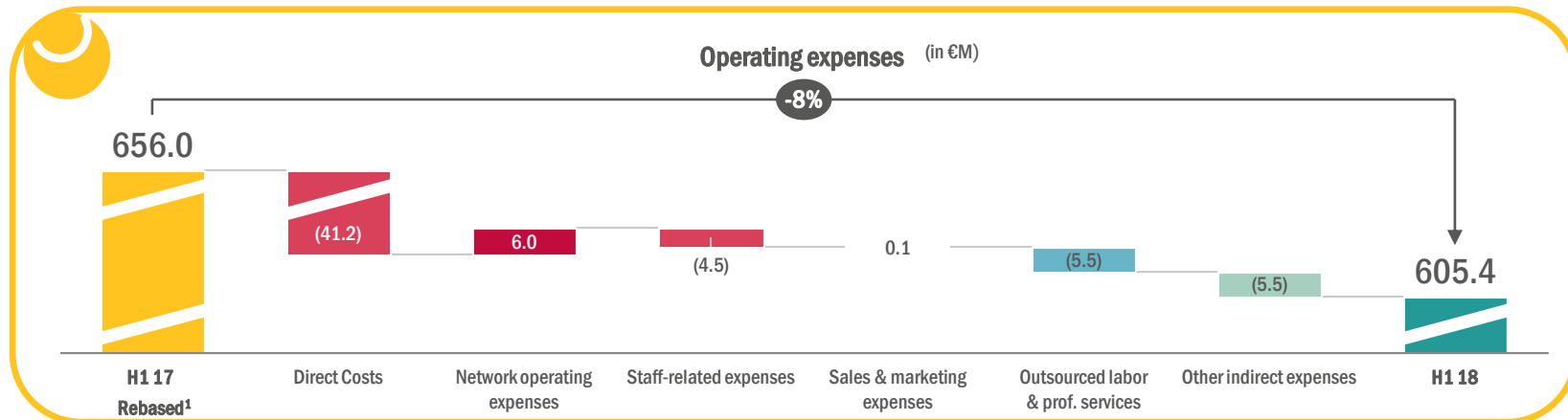
- Revenue of €1,250.9 million in H1 2018, +1% yoy, predominantly inorganic.
- On a rebased basis, our **revenue slightly decreased in H1** amidst (i) continued competitive and regulatory headwinds, (ii) lower usage-related revenue following the success of our flat-fee bundles and (iii) the absence of a price adjustment in H1 this year, which was largely offset by higher wholesale and small business revenue.
- Q2 2018 revenue of **€632.5 million**, up 2% yoy and modestly lower on a rebased basis.

¹ On a rebased basis – please see Definitions for additional information



OPERATING EXPENSES

Reaping full benefit this year of the accelerated onboarding of our Full MVNO customers on our network, while demonstrating tight cost control



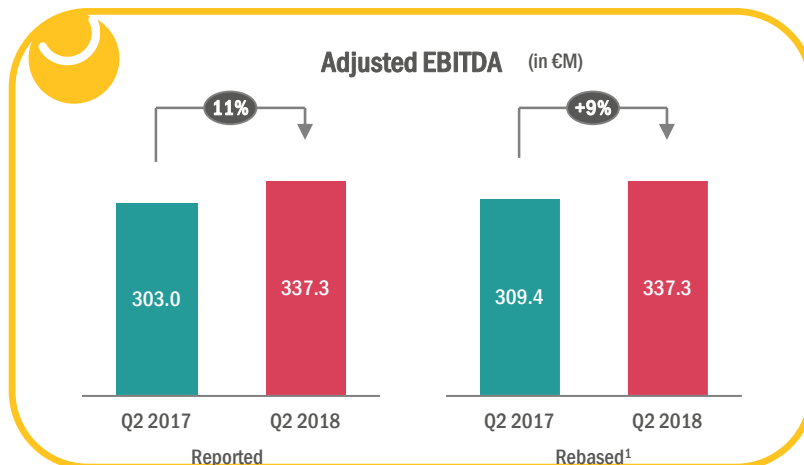
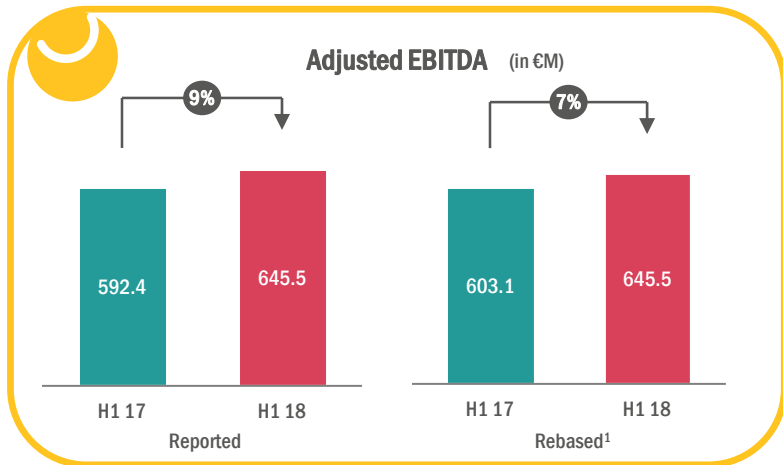
- **Direct costs decreased €41.2 million in H1 2018, or 14% on a rebased basis**, driven by substantially lower MVNO-related costs as a result of the full onboarding of our mobile subscribers to the Telenet network.
- 24% yoy decline in outsourced labor and professional services, due to lower outsourced labor contracts.
- Lower indirect costs as a result of our continued focus on tight cost control.
- **Network operating expenses increased 5% yoy in H1 2018 on a rebased basis** as a result of higher license and maintenance fees, including adverse local pylon tax impact in Q1 2018.

¹ On a rebased basis – please see Definitions for additional information



ADJUSTED EBITDA OF €645.5 MILLION

Solid growth of 7% rebased in H1 18, growth accelerated in Q2 18 to +9%



- Robust Adjusted EBITDA of €645.5 million in H1 2018, up 9% yoy and up 7% yoy on a rebased basis.
- Rebased Adjusted EBITDA growth was primarily driven by substantially reduced MVNO-related costs and tight cost control.
- Q2 2018 Adjusted EBITDA of €337.7 million, +9% yoy on a rebased basis. Our quarterly margin of 53.4% was the best achieved in three years' time and expanded 490 basis points vs Q2 2017.

¹ On a rebased basis – please see Definitions for additional information

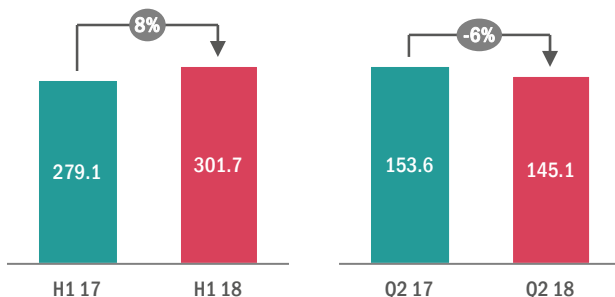


ACCRUED CAPITAL EXPENDITURES

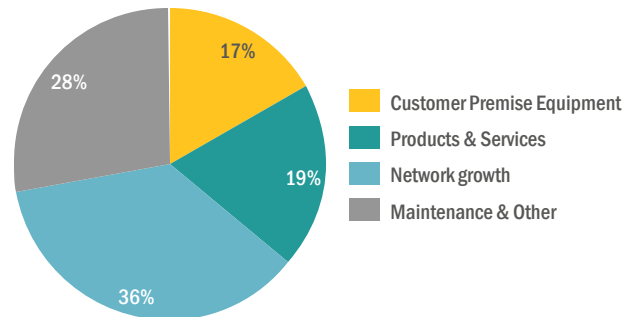
Reaching around 24% of revenue for H1 2018



Accrued capital expenditures (in €M)



Accrued capital expenditures (%)

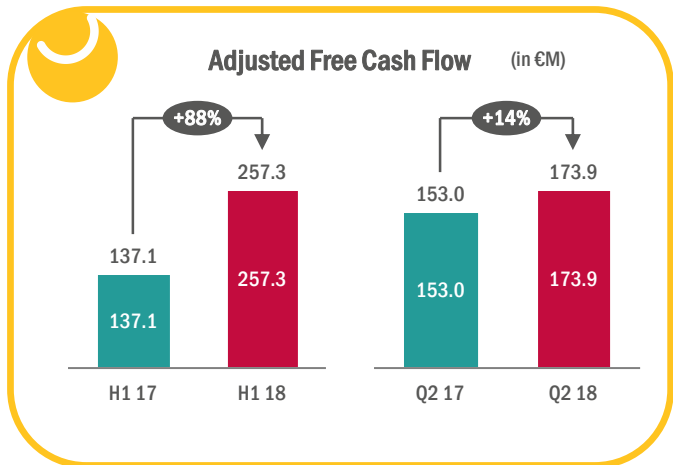


- Accrued capital expenditures of €301.7 million in H1 2018, reflecting higher network-related investments and the start of our IT platform upgrade.
- Approximately 72% of our accrued capital expenditures were scalable or growth-related in Q2 2018.



ADJUSTED FREE CASH FLOW

€257.3 million Adjusted Free Cash Flow, strong improvement vs H1 17



Adjusted Free Cash Flow (in €M)

	H1 17	H1 18
Net cash provided by operating activities	380.7	519.1
Net cash used in investing activities	(650.4)	64.6
Expenses financed by an intermediary	29.9	68.8
Cash capital expenditures	(261.0)	(204.9)
Principal payments on amounts financed by vendors and intermediaries	(3.3)	(103.9)
Other	(9.2)	(21.8)
Adjusted Free Cash Flow	137.1	257.3

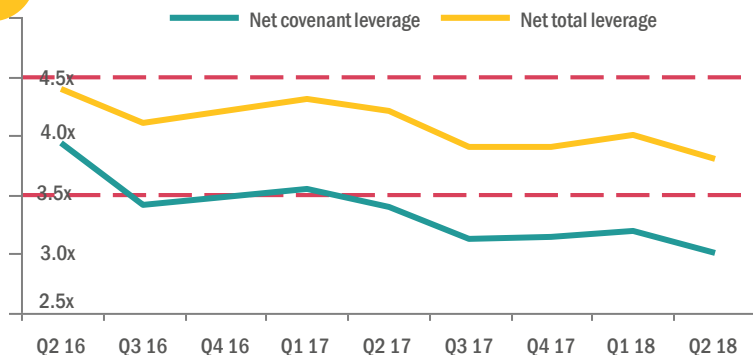
- Adjusted Free Cash Flow for H1 2018 was driven by (i) €45.0 million lower cash interest expenses and cash derivatives as a result of our recent refinancing transactions, (ii) robust underlying Adjusted EBITDA growth, (iii) lower cash capital expenditures as a result of our scalable vendor financing platform, (iv) an improved trend in our working capital in the period and (v) €9.4 million lower cash taxes paid relative to last year.
- Robust Adjusted Free Cash Flow of €173.9 million in Q2 2018, up 14% yoy.



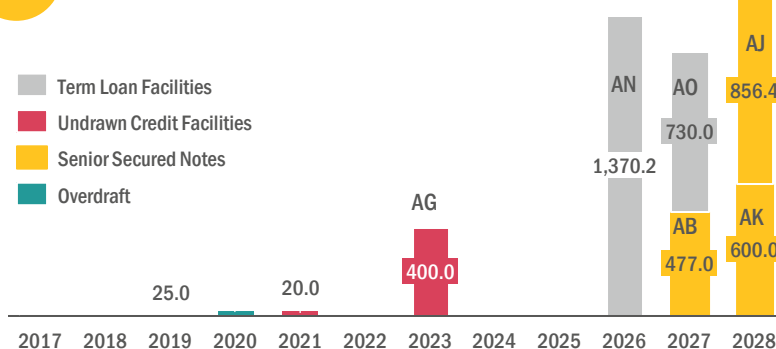
NET TOTAL LEVERAGE¹ OF 3.8X

Leverage framework at 3.5x to 4.5x net total debt to Consolidated Ann. EBITDA

Net leverage ratio



Debt profile (in €M)



- Confirmed decrease of net total leverage ratio to 3.8x at June 30, 2018 due to strong EBITDA growth in Q2 2018.
- Net covenant leverage of 3.0x leaves ample headroom under our financial covenants.
- Well-spread debt maturity profile with no debt amortizations (excluding short-term vendor financing commitments) before 2026 with weighted average maturity of 9 years now.



4

FY 2018 OUTLOOK





FY 2018 OUTLOOK RECONFIRMED

Targeting an improved rebased Adjusted EBITDA CAGR¹ of 6-7% over the 2015-2018 period

Revenue growth (rebased)

Stable

Adjusted EBITDA growth (rebased)

7%-8%

Accrued capital expenditures (as % of revenues)

Around 26%²

Adjusted Free Cash Flow

€400.0 - 420.0 million³

1. FY 2015 Adjusted EBITDA: €1,096.6 million
2. Excluding the recognition of football broadcasting rights and mobile spectrum licenses
3. Assuming the tax payment on our 2017 tax return (excluding the tax prepayment of Q4 2017) will not occur until early 2019.



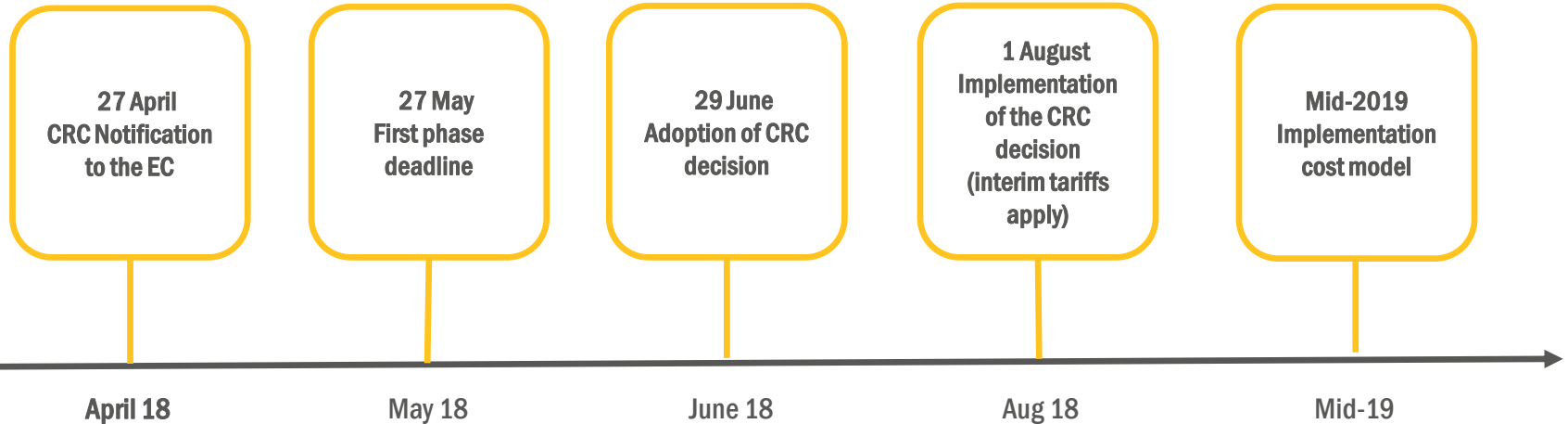
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Q&A



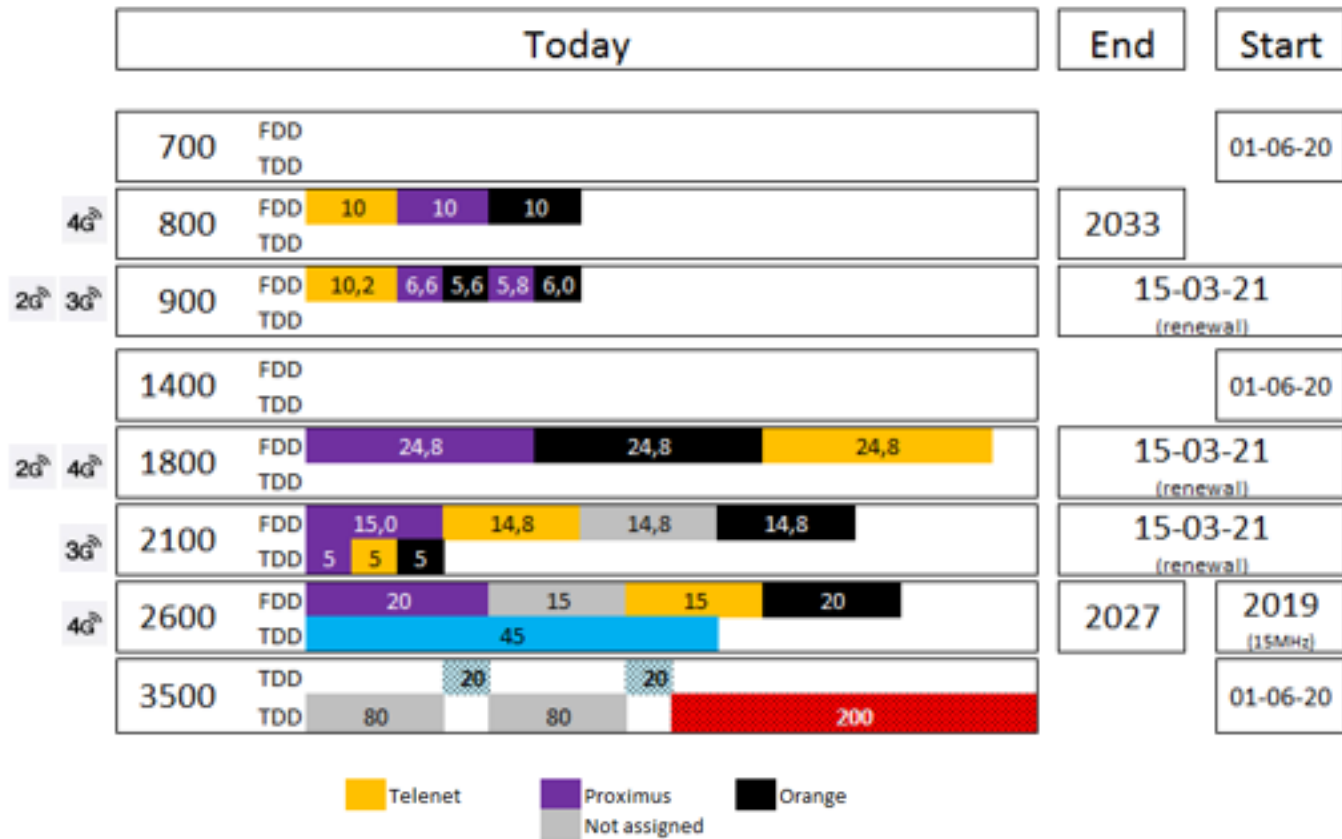


REGULATORY TIMELINE (ILLUSTRATIVE)





SPECTRUM AUCTION OVERVIEW: CURRENT STATUS



FDD FDD amount MHz is calculated double (Up and Down) (10 = 2 x 10MHz)



SPECTRUM AUCTION OVERVIEW: RESERVATIONS FOR NEW ENTRANT

EXISTING OPERATORS ONLY

Existing: 80MHz reservation per operator

For auction: 660 MHz

700 FDD 30

900 FDD 10 10 10 5

1400 SDL 90

1800 FDD 20 20 20 15

2100 FDD 10 15 10 30

2600 FDD 15

3500 TDD 380

+ NEW ENTRANT

Existing: 60MHz reservation per operator

New entrant: 70MHz reservation

For auction: 650MHz

700 FDD 5 25

900 FDD 5 5 5 5 15

1400 SDL 90

1800 FDD 15 15 15 15 15 15

2100 FDD 10 10 10 10 20

2600 FDD 15

3500 TDD 380



Reserved for existing operators

Reserved for new entrant

For auction

IMPORTANT REPORTING CHANGES

- a. **Adoption of IFRS 15:** As of January 1, 2018, we have adopted IFRS 15 as mentioned in our 2017 Annual Report (see Section 5.2.20 - Forthcoming requirements). IFRS 15 has impacted certain of our previous revenue recognition policies, including the accounting for (i) time-limited discounts and free service periods provided to our customers, (ii) certain up-front fees charged to our customers and (iii) multiple element arrangements. IFRS 15 has also impacted the accounting for certain upfront costs directly associated with obtaining and fulfilling customer contracts. Under our previous policy, these costs were expensed as incurred unless the costs were in the scope of another accounting topic that allowed for capitalization. Under IFRS 15, the upfront costs that were previously expensed as incurred have been recognized as assets and amortized to other operating expenses over a period that is consistent with the transfer to the customers of the goods or services to which the assets relate, which we have generally interpreted to be the expected life of the customer relationship.
- b. **Presentation of intercompany-related security revenue:** As of January 1, 2018, we changed the way we present revenue earned from our security business across the Liberty Global Group. As of January 1, 2018, we present this revenue on a net basis versus on a gross basis previously. This change did not impact our gross profit or Adjusted EBITDA. For comparability reasons, we have represented our Q2 2017, H1 2017 and FY 2017 results with a total impact of €0.2 million, €2.4 million and €7.0 million, respectively.
- c. **Presentation of accrued capital expenditures:** As of January 1, 2018, we changed the way we present our accrued capital expenditures in order to align with our internal capital allocation framework. Going forward, our accrued capital expenditures will be reported across the following buckets: (i) customer premises equipment, (ii) network growth, (iii) product and services and (iv) maintenance and other. We have also represented the prior year quarters. This representation did not affect our total level of accrued capital expenditures.
- d. **Provisional purchase price allocation for the SFR Belux acquisition:** Our December 31, 2017 statement of financial position has been restated, reflecting the retrospective impact of the provisional purchase price allocation ("PPA") for the SFR Belux acquisition, which was not yet available at year-end 2017. A step-up on property & equipment of €8.1 million was recorded, while an intangible asset was recognized amounting to €70.5 million, almost entirely consisting of the customer relationships. Together with the deferred tax impact of the above mentioned adjustments (€25.5 million), goodwill was reduced by €53.1 million. The depreciation and amortization expenses, as well as the deferred tax impact related to the period from the acquisition date (June 19, 2017) until December 31, 2017, amounted to €2.6 million and has been reflected in retained earnings.
- e. **Presentation of mobile telephony revenue generated by small and medium-sized enterprises ("SME"):** As of Q2 2018, we changed the way we present the mobile telephony revenue generated by our SME customers. As of Q2 2018, such revenue is reported under our business services revenue, whereas previously it was recorded under our mobile telephony revenue and consequently also under our total subscription revenue. This change did not impact our total revenue. For comparability reasons, we have represented our FY 2017 revenue.

DEFINITIONS

- a. For purposes of calculating rebased growth rates on a comparable basis for the six months ended June, 30, 2018, we have adjusted our historical revenue and Adjusted EBITDA to (i) include the pre-acquisition revenue and Adjusted EBITDA of SFR Belux (fully consolidated since June 19, 2017) in our rebased amounts for the six months ended June 30, 2017 to the same extent that the revenue and Adjusted EBITDA of such entity is included in our results for the six months ended June 30, 2018 and (ii) exclude the revenue and Adjusted EBITDA of the disposals of certain legacy fixed-line products at BASE and Ortel made during Q1 2017 to the same extent that the revenue and Adjusted EBITDA of these disposed business is excluded from our results the six months ended June, 30, 2018, (iii) exclude the revenue and Adjusted EBITDA of the disposals of JIM Mobile and Mobile Viking during Q1 2017 to the same extent that the revenue and Adjusted EBITDA of these disposed business is excluded from our results the six months ended June, 30, 2018, (iv) include the pre-acquisition revenue and Adjusted EBITDA of Nextel (fully consolidated since May 1, 2018) in our rebased amounts for the six months ended June 30, 2017 to the same extent that the revenue and Adjusted EBITDA of such entity is included in our results for the six months ended June 30, 2018 and (v) give effect to the new IFRS 15 framework as if it had been implemented on January 1, 2017. We have reflected the revenue and operating profit of SFR Belux in our 2017 rebased amounts based on what we believe to be the most reliable information that is currently available (generally pre-acquisition financial statements), as adjusted for the estimated effects of (i) any significant effects of acquisition accounting adjustments, (ii) any significant differences between our accounting policies and those of the acquired entities and (iii) other items we deem appropriate. We do not adjust pre-acquisition periods to eliminate non-recurring items or to give retroactive effect to any changes in estimates that might be implemented during post-acquisition periods. As we did not own or operate the acquired businesses during the pre-acquisition periods, no assurance can be given that we have identified all adjustments necessary to present the revenue and Adjusted EBITDA of these entities on a basis that is comparable to the corresponding post-acquisition amounts that are included in our historical results or that the preacquisition financial statements we have relied upon do not contain undetected errors. In addition, the rebased growth percentages are not necessarily indicative of the revenue and Adjusted EBITDA that would have occurred if these transactions had occurred on the dates assumed for purposes of calculating our rebased amounts or the revenue and Adjusted EBITDA that will occur in the future. The rebased growth percentages have been presented as a basis for assessing growth rates on a comparable basis, and are
- b. not presented as a measure of our pro forma financial performance. EBITDA is defined as profit before net finance expense, the share of the result of equity accounted investees, 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, (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, and (iii) other acquisition-related items, such as gains and losses on the settlement of contingent consideration. 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. A reconciliation of this measure to the most directly comparable EU IFRS measure is disclosed in Exhibit 1 on page 10.
- c. 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

DEFINITIONS

- d. Adjusted Free Cash Flow is defined as net cash provided by the Company's operating activities, plus (i) cash payments for third-party costs directly associated with successful and unsuccessful acquisitions and divestitures and (ii) expenses financed by an intermediary, less (i) purchases of property and equipment and purchases of intangibles as reported in the Company's consolidated statement of cash flows, (ii) principal payments on amounts financed by vendors and intermediaries, (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. Adjusted 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.
- e. Basic Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined 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 Telenet uses to provide its enhanced service offerings. Telenet counts Revenue Generating Unites ("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 Telenet's video service at each home is counted as two RGUs.
- f. Enhanced Video Subscriber is a home, residential multiple dwelling unit or commercial unit that receives Telenet's video service over the Combined Network via a digital video signal while subscribing to any recurring monthly service that requires the use of encryption-enabling technology. Enhanced Video Subscribers are counted on a unique premises basis. For example, a subscriber with one or more set-top boxes that receives Telenet's 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 Telenet migrates customers from basic to enhanced video services, Telenet reports a decrease in its Basic Video Subscribers equal to the increase in Telenet's Enhanced Video Subscribers.
- g. Internet Subscriber is a home, residential multiple dwelling unit or commercial unit that receives internet services over the Combined Network.
- h. Fixed-line Telephony Subscriber is a home, residential multiple dwelling unit or commercial unit that receives fixed-line voice services over the Combined Network. Fixed-line telephony Subscribers exclude mobile telephony subscribers.
- i. Telenet's 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 Telenet's mobile telephony subscriber counts after a 90-day inactivity period.

DEFINITIONS

- j. Customer Relationships are the number of customers who receive at least one of Telenet's video, internet or telephony services that Telenet counts as RGUs, without regard to which or to how many services they subscribe. Customer Relationships generally are counted on a unique premises basis. Accordingly, if an individual receives Telenet's services in two premises (e.g. a primary home and a vacation home), that individual generally will count as two Customer Relationships. Telenet excludes mobile-only customers from Customer Relationships.
- k. Average Revenue Per Unit ("ARPU") refers to the average monthly subscription revenue per average customer relationship and is calculated by dividing the average monthly subscription revenue (excluding mobile services, Business-to-Business ("B2B") services, Interconnect, channel carriage fees, mobile handset sales and installation fees) for the indicated period, by the average of the opening and closing balances for customer relationships for the period.
- l. Homes Passed are homes, residential multiple dwelling units or commercial units that can be connected to the Combined Network without materially extending the distribution plant. Telenet's Homes Passed counts are based on census data that can change based on either revisions to the data or from new census results.
- m. RGU is separately a Basic Video Subscriber, Enhanced Video Subscriber, Internet Subscriber or Fixed-line Telephony Subscriber. A home, residential multiple dwelling unit, or commercial unit may contain one or more RGUs. For example, if a residential customer subscribed to Telenet's enhanced video service, fixed-line telephony service and broadband internet service, the customer would constitute three RGUs. Total RGUs is the sum of Basic Video, Enhanced Video, Internet and Fixed-line 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 Telenet's 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 fixed-line 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. Telenet does not include subscriptions to mobile services in its externally reported RGU counts.
- n. 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 Telenet and is required to return Telenet's 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 Telenet's churn calculations. Customers who move within Telenet's cable footprint and upgrades and downgrades between services are also excluded from the disconnect figures used in the churn calculation.

DEFINITIONS

- o.** Telenet's ARPU per mobile subscriber calculation that excludes interconnect revenue refers to the average monthly mobile subscription revenue per average mobile subscribers in service and is calculated by dividing the average monthly mobile subscription revenue (excluding activation fees, handset sales and late fees) for the indicated period, by the average of the opening and closing balances of mobile subscribers in service for the period. Telenet's ARPU per mobile subscriber calculation that includes interconnect revenue increases the numerator in the above-described calculation by the amount of mobile interconnect revenue during the period.
- p.** Net total leverage is defined as the sum of all of the Company's short-term and long-term liabilities minus cash and cash equivalents ("Net Total Debt"), as recorded in the Company's statement of financial position, divided by the last two quarters' Consolidated Annualized EBITDA. Net covenant leverage is calculated as per the 2017 Amended Senior Credit Facility definition, using Net Total Debt, excluding (i) subordinated shareholder loans, (ii) capitalized elements of indebtedness under the Clientele and Annuity Fees, (iii) any finance leases entered into on or prior to August 1, 2007, (iv) any indebtedness incurred under the network lease entered into with the pure intermunicipalities and (v) any vendor financing-related liabilities, divided by last two quarters' Consolidated Annualized EBITDA including certain unrealized cost synergies related to the BASE and SFR Belux acquisitions.

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