



## Press Release

### Pure cable companies, Interkabel and Telenet sign in-principle agreement

Telenet Digital-TV available shortly throughout Flanders

**Brussels, 26 November 2007 - Today, the pure cable companies and Interkabel have reached an in-principle agreement with Telenet on matters including the transfer of the analogue and digital television activities of INDI and the pure cable companies to Telenet. The in-principle agreement provides that the pure cable companies will remain the owners of the cable network.**

**Besides the existing fees, the clientele and annuity fee, Telenet will pay at the closing, a one-off total amount of 170M euro and afterwards an annual fee for operational expenses, depreciation booked and a fixed reasonable return on capital invested.**

**As a consequence of this agreement, Flemish consumers in the areas of INTEGAN, INTERMEDIA, PBE and WVEM will in the future have a single point of contact for all Internet, telephony, analogue, digital and interactive digital TV services via the cable. This means that the iDTV platform of Telenet will soon be available everywhere in Flanders with services like "Net Gemist" (Just Missed), "iWatch" and "C-More".**

This is an additional transfer of activities from the pure cable companies to Telenet next to the agreements of 1996. The transfer to Telenet will occur in the form of an assignment of the branche of activity, for which not only the subscribers, but also the associated rights and obligations will be transferred. The in-principle agreement provides that the pure cable companies will remain the owners of the cable network. In the future, via their existing personnel and organizational structure (Infrax, Integan and PBE), they will continue to be responsible for operation, maintenance, expansion and upgrading of the network.

The pure cable companies are selling their broadcasting and multimedia services to Telenet. This means that all analogue TV subscribers of the pure cable companies and customers of INDI will be transferred to Telenet in the course of next year. Telenet will from that moment on be responsible for the entire service provision to customers for all TV, Internet and telephony services via the cable. The INDI services remain available for existing and future clients.

Telenet's iDTV platform will in the course of 2008 be available everywhere in Flanders. For broadcasters, this means that services like Just Missed, iWatch, C-More and other interactive services like voting and play along services will become available throughout the whole of Flanders via the cable.

Wim Dries, Chairman Indi :



"Telenet has always been our 'natural' partner. With this in-principle agreement, we lay out the fundamentals of a long-term, lasting partner relationship. Our cable companies will remain owners and we will continue to be responsible for maintenance and investments. The local authority shareholders will receive a one-off payment and retain an annual risk-free dividend on their ownership. But above all, our customers can continue to benefit from the high-quality offering of analogue and HDTV that we already provide, with a comprehensive package of interactive services. In other words: a win-win for everyone."

Duco Sickinghe, CEO of Telenet:

"We are very pleased about the in-principle agreement with Interkabel, one of the important founding shareholders of Telenet. This simplifies the cable offering for consumers in Flanders. For broadcasters too, this creates a clear basis for working with the cable.

This shows that the continuing consolidation within the cable industry, as is happening elsewhere in Europe, is a natural evolution.

Now we are going to concentrate, taking account of the formal decision-making, on the operational implementation, so that for INDI customers and the pure cable companies, there will be a simple transition."

The in-principle agreement will be submitted shortly for approval by the Boards of Directors of INTEGAN, INTERMEDIA, PBE, WVEM and INDI, the Board of Directors of Telenet and if appropriate, the bank consortium of Telenet. Besides approval by the local councils, who hold a stake in the capital of the aforementioned cable companies, this transfer of activities will also be coordinated with other authorities where necessary.

In the light of this in-principle agreement, the pending court cases will be suspended.

Once all the steps have been taken, in the course of 2008, Telenet's iDTV will be available all over Flanders via the cable.

#### Information for Telenet investors

Telenet will receive full rights to use the network under a long-term lease ("erfpacht") for a period of 38 years via a user right in rem ("zakelijk gebruiksrecht"). It is provided that the pure cable companies will afterwards be able to use a certain bandwidth for their own purposes (for remote surveillance or telemetering, for example).

Based on the pro forma (unaudited) figures for 2007, Telenet will acquire total turnover of approximately 90M euro with a total EBITDA of between 40M euro and 45M euro. Each year, Telenet will pay the cable companies a stable, risk-free fee for the actual operational charges, depreciation and a fixed reasonable return on capital invested. On closing, Telenet will pay an additional one-off amount of 170M euro for taking over the clientele and working capital.

The existing fee structures of Telenet to the pure cable companies - known as the clientele and annuity fee - remain in place.

Telenet assumes one-off additional integration costs of 12M euro to 15M euro.

The value of the transaction corresponds to an EBITDA multiple of approximately 8x 2007 EBITDA.

Petercam and ING act as financial advisors of Telenet and Interkabel respectively.



**About Telenet :**

Telenet is a leading provider of media and telecommunication services. Its business comprises the provision of cable television, high speed internet and fixed and mobile telephony services, primarily to residential customers in Flanders and Brussels. In addition, Telenet offers services to business customers across Belgium under the brand Telenet Solutions. Telenet is listed on the Euronext Brussels Stock Exchange under the ticker symbol TNET.

**About Interkabel :**

Interkabel is the joint venture between the pure cable companies INTEGAN, INTERMEDIA, PBE and WVEM. They service about 1/3 of the Flemish Cable Television market.

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